



INSTRUCTIONS TO RESPONDENTS

THE ATTACHED SOLICITATION SHOULD BE RETURNED AS FOLLOWS:

All responses for Solicitation No. 601440000032124 must be received before the hour and date specified August 31, 2021 3:00 P.M.

All reference to time in the solicitation shall mean Central Time.

Email responses must be sent to PRO_Bids@txdot.gov. Email responses must not exceed 20 MB and be in portable document format (PDF) or Excel format for pricing schedules, signed by respondent, and attached to the email to be considered for award. Emails exceeding 20 MB must be sent to PRO_Bids@txdot.gov through managed file transfer services such as, but not restricted to, Dropbox™. TxDOT will not be responsible for failure of electronic equipment, operator error, server delays, or system outages. Responses that are late, illegible, incomplete, file corrupted, flagged as a virus, or otherwise non-responsive will not be considered.

Respondent must place the following in the subject line of their email submission: Solicitation Number, Company Name.

The response must be sent only to PRO_Bids@txdot.gov. Any response sent to any email address other than PRO_Bids@txdot.gov - whether directly, courtesy copy (cc), or blind copy (bcc) - will be considered non-responsive.

For hand delivery or courier service, United States Postal Service, Federal Express, United Parcel Service, or other mail delivery service, contact the purchaser for assistance.

USE OF NATIONAL INSTITUTE OF GOVERNMENTAL PURCHASING CODE

The Texas Department of Transportation (TxDOT) uses the National Institute of Governmental Purchasing, Inc., (NIGP) code to standardize purchases by conforming to the class, item, and group structure of the code. The NIGP code is used to select vendors for our master vendor file from the Texas Comptroller of Public Accounts (CPA) Centralized Master Bidders List (CMBL).

New suppliers and other vendors wishing to furnish materials, equipment, supplies and services to TxDOT should apply to be on the CMBL to receive bidding opportunities.

Existing TxDOT vendors need only be concerned that the information listed on the CMBL file is correct, and that the applicable NIGP class and item are selected for those you can provide.

CMBL information is available online at: <https://comptroller.texas.gov/purchasing/vendor/cmbll/> or by phoning 1-512-463-3459.

Early Payment Program - TxDOT is offering an important program to all respondents that provide prioritized invoice processing and payments (prior to the 30th day after receipt of a correct invoice). The program provides enrolled vendors enhanced benefits from improved invoice processing to priority handling to cash advancement and technology efficiencies.

Respondents offering a cash discount in exchange for TxDOT's priority invoice processing and early payment agreement should complete and return the attached form entitled "Priority Invoice and Early Payment Program" with the response.

Additional information may be found at the following website: <http://www.txdot.gov/business/vendors/epp.html>



Texas Department of Transportation

Request for Offer

Solicitation No. 601440000032124

Version 1.0

**Managed Network Services: Business Network Services and
Traffic Network Services**

NIGP Class and Item: 920-37

Issued: July 28, 2021

Responses Due: August 31, 2021 at 3:00 p.m., Local Time

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- Attachment 5: Transition Plan Response
- Attachment 6: Data Room Access Nondisclosure Agreement
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- Attachment 8: HUB Participation Form

2. Contract Documents

Master Services Agreement (MSA) with Exhibits

- Attachment A: Form of Nondisclosure
- Attachment B: Insurance and Risk of Loss
- Attachment C: Form of Source Code Escrow (if applicable)
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Exhibit 1.0 Operating Model

- Exhibit 1.1 Definitions
- Exhibit 1.2 Governance Model
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- Exhibit 2.1.1 Cross-functional Statement of Work
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Exhibit 3.0 Performance Model

- Exhibit 3.1 Service Level and Deliverable Matrix
- Exhibit 3.2 Service Level Definitions
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Exhibit 4.0 Business Model

- Exhibit 4.1 Pricing Structure, Assets, 3rd Party Contracts
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Exhibit 4.3 Form of Invoice and Data Feed
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1. INTRODUCTION

1.1. Objective

The Texas Department of Transportation (TxDOT) seeks to solicit Responses from interested Service Providers to provide Managed Network Services. As a result of this Request for Offer (RFO), TxDOT expects to receive and evaluate Responses and select one (1) or more qualified Service Providers with whom to enter into negotiations. [Section 4 EVALUATIONS, NEGOTIATIONS, AND AWARD](#), contains more information regarding the Response evaluation and Service Provider selection process.

TxDOT reserves the right to award one (1) contract per Service Component (i.e. Business Network Services and Traffic Network Services) from this RFO or one (1) contract for multiple Service Components as determined by TxDOT to achieve the highest overall value to the state.

1.2. Statutory Authority

The solicitation and contract are authorized by Government Code Title 10, Subtitle D (the “Purchasing Act”). The solicitation and contract are subject to all applicable requirements of the Purchasing Act [in particular, Government Code Chapter 2151 (General Provisions), Chapter 2155 (Purchasing: General Rules and Procedures), Chapter 2157 (Purchasing: Purchase of Automated Information Systems) and Chapter 2161 (Historically Underutilized Businesses, HUBs)] and those requirements established by rule of the Texas Comptroller of Public Accounts (CPA), Statewide Procurement Division (SPD), as contained in Title 34, Chapter 20 of the Texas Administrative Code (“TAC”), and to other applicable Federal and State statutes and rules herein cited. Any references in this contract to the “Government Code” mean the Texas Government Code.

1.3. Business Background and Objectives

1.3.1 Executive Summary

While TxDOT oversees a comprehensive program, TxDOT intends to release Requests for Offer (RFOs) for each individual service component. The following is the proposed schedule for RFO release:

RFO	Estimated Release Month
Application Services	Released: June 2021
Desktop Hardware Lifecycle Services	Released: July 2021
Managed Network Services	Released: July 2021
TxBOS Managed Application Services	Planned: August 2021

TxDOT reserves the right to change the planned RFO(s), RFO list, and proposed schedule at any time.

1.3.2 ITD Transformation Program Desired Outcomes

The ITD Transformation Program Vision Statement is as follows:

Integrate ITD services in a secure, reliable, and responsive way that efficiently enables a customer-focused service within a best-of-breed sourcing model to continuously improve quality and value.

This vision is supported by five (5) key desired outcomes that are common to each of these RFOs:

- Customer Satisfaction: Improved customer experience
- Strategic Partnerships: Ecosystem of best-of-breed suppliers to deliver services
- Service Integration: Program assurance within a common framework
- Business Agility: Plug-and-play commercial model
- Proactive Governance: Establish strategy, monitor services, and foster relationships

1.3.3 TxDOT Shared Technology Services: Operating Model Overview

TxDOT operates under a multi-sourcing governance model because the services are provided by multiple Service Component Providers (SCPs), including both outsourced and insourced components. These services are integrated into a common service delivery model by an ITD Services Governance (ITD SG) function. The ITD SG provides the systems, processes, and service delivery oversight necessary to ensure consistent, quality service delivery. The figure below depicts the relationships between the service components, the ITD Service Governance, and the TxDOT customers.

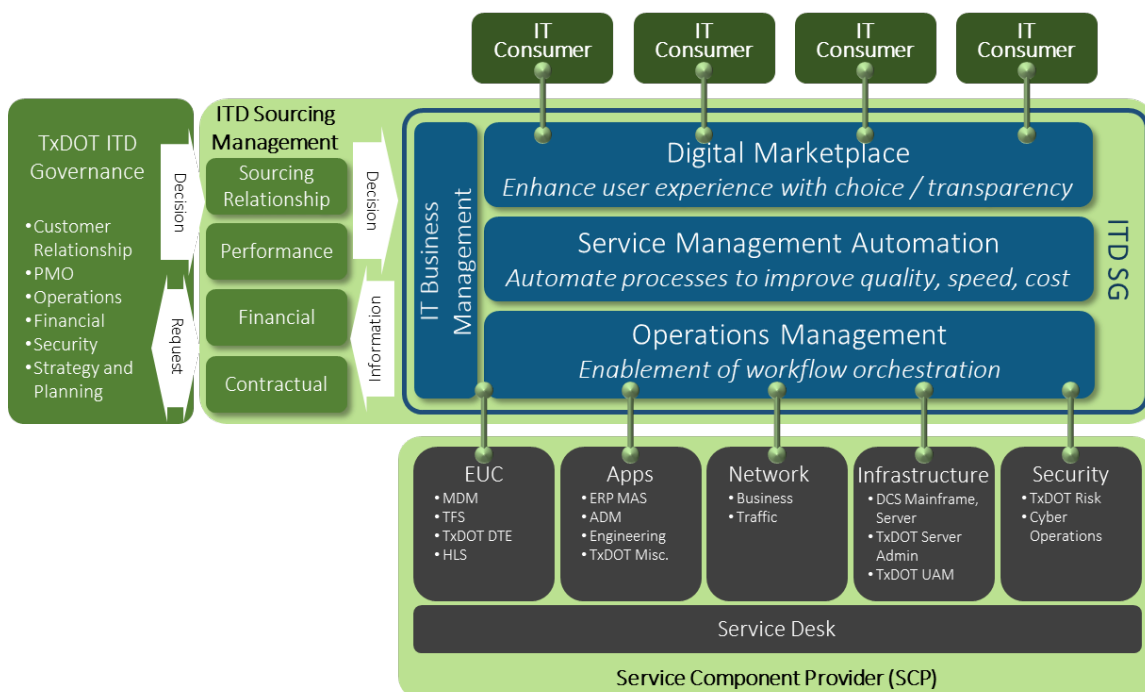


Figure 1: Operating Model

1.3.4 ITD Transformation: Service Component Overview

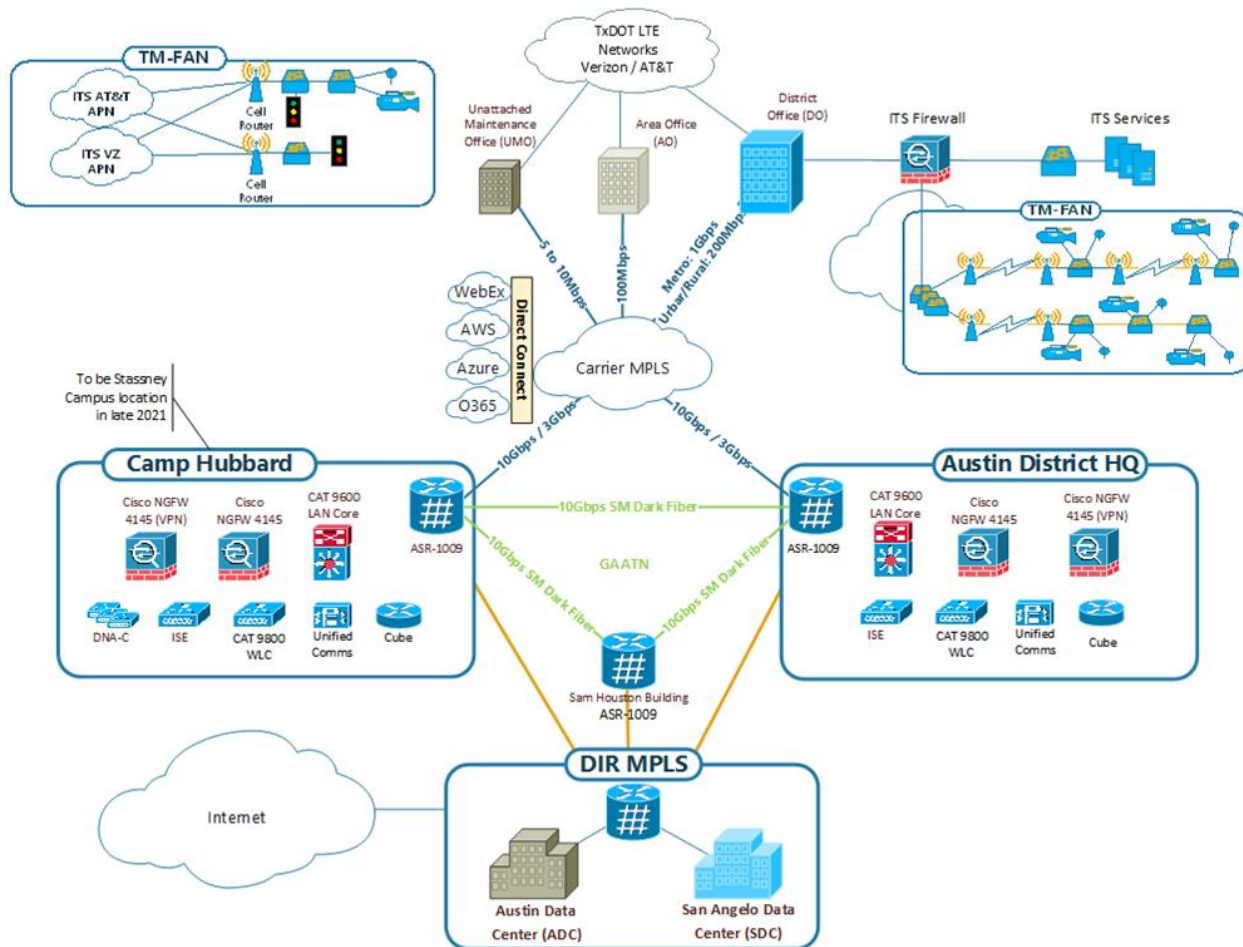
Managed Network Services includes full end to end management of networking services, including Local Area Network (LAN), Wide Area Network (WAN), and Voice Services. The Service Provider shall be responsible for the acquisition and delivery of equipment selected and approved by TxDOT as defined in **Exhibit 4.2 Financial Responsibility Matrix**, and associated services specified in the Agreement. The Service Provider shall manage the services such as monitoring, management, IMACD execution, tower security services, conferencing, as well as lifecycle support for asset management, warranty, redeployment and hardware refresh, and end of life activities such as device retirement. Lifecycle services shall pertain to equipment provided by the Service Provider under the Agreement as well as for existing TxDOT-owned devices.

The Service Provider shall work in coordination with TxDOT, TxDOT Service Component Providers, and TxDOT Contractors to effectively provide Managed Network Services. Services are performing in accordance with all standards and processes contained in the Agreement, the Service Levels as defined in **Exhibit 3.1 Service Level and Deliverable Matrix** and the Service Management Manual.

The Service Provider shall perform the Services at Sites as described in **Exhibit 4.1 Pricing Structure** and perform the Services within the physical boundaries of the Network as depicted in this Exhibit which describes the typical physical configurations, components, and boundaries of these Services.

The Service Provider shall be responsible for the operation, management, support, and expansion of the TxDOT Network, all equipment and devices within the TxDOT network, and telecommunications (voice) infrastructure. The Service Provider shall also be responsible for proactively identifying opportunities for improvement to evolve best in breed network technologies throughout the term of this Agreement.

Figure 1: Conceptual Scope of TxDOT Network and Telecommunications Services



The TxDOT network infrastructure is made up of 2 distinct network service towers included within this Exhibit, Traffic and Business networks. TxDOT maintains more than 79,000 miles of roadway equipped with traffic cameras, signals, speed sensors, traffic counters, toll tag readers and the network infrastructure that connects these. There are other operational technologies that are maintained by ITD or districts that are integrated into the TxDOT network as well (security gate call boxes, badge readers, security cameras, equipment at border safety inspection facilities and traffic counters). The scope of this work is currently outsourced and will require Service Provider to transfer all services from current Incumbents.

There are currently 3 locations in the TxDOT Network that are considered the WAN core located in Austin, TX: Austin District Office (ADO), Sam Houston Building (SHB) and Camp Hubbard (CH). Camp Hubbard will be replaced in late 2021 by a new facility being constructed on 6230 E Stassney Ln, Austin, Texas 78744.

1. A 10Gbps over 3Gbps leased line Multiprotocol Label Switching (MPLS) network (Austin DO, Camp Hubbard, and soon to be Stassney location)
2. A 10Gbps MPLS network provided by the Department of Information Resources (DIR)

3. A SM Dark Fiber point to point connection provided by the Greater Austin Area Telecommunications Network (GAATN): Austin District Office to Camp Hubbard (soon to be Stassney) to Sam Houston to Austin District Office.

The WAN core provides services to the remainder of the TxDOT's facilities statewide and about 12,000 employees through a hub-spoke distribution paradigm. These facilities are broken up into five distinct facility types:

1. Headquarter locations (HQ-7)
2. District offices (DO-25)
3. Area offices (AO~100)
4. Unattached maintenance offices (UMO~200), and
5. Travel Information Centers (TIC-11). Each location has a routed cellular and a MPLS connection. Most of the locations are connected via leased line fiber; bandwidth ranges from 5Mbps to 1Gbps based on site type. Each location routes back to the WAN Core independently to connect to the Internet and Statewide Data Center Services (DCS) hosted by DIR. Each location connects to government cloud and some public cloud resources in Azure, AWS, O365 and WebEx through MPLS direct connect services.

1.3.4.1 Managed Network Services - Business

1.3.4.1.1 Introduction

Service Provider shall provide Services, as described in the RFO, necessary to accomplish the following:

1. All components of the TxDOT network and telecommunications (voice) infrastructure.
2. Fulfilling services against these defined service level types for devices:
 - a. Asset and Change Management support
 - b. Set up and maintain remote monitoring and alerting
 - c. Remote management and remediation
 - d. Fully managed devices
3. Leveraging, maintaining, extending, and keeping current all network management and monitoring tools to provide increased visibility and execution against all TxDOT network and telecommunications devices.

4. Provide optional services as requested by TxDOT upon written notice (Article 8 of **Business Network Services Statement of Work Exhibit 2.1.6** and **Traffic Network Services Statement of Work Exhibit 2.1.8**);
5. Meet or exceed Service Level Agreements (SLAs) as set forth in **Exhibit 3.1 Service Level and Deliverables Matrix**;
6. Utilize a collaborative governance framework to assist in the daily management of the Services **Exhibit 1.2 Governance Model**; and
7. Provide industry best practices and processes in delivering the Services to TxDOT, such as the IT Infrastructure Library (ITIL) framework.

The Service Provider shall work in coordination with TxDOT, Service Component Providers, and TxDOT Contractors to effectively provide Managed Network Services. Services shall be performed in accordance with all standards and processes contained in the Agreement, the Service Levels as set forth in **Exhibit 3.1 Service Level and Deliverables Matrix** and the Service Management Manual.

1.3.4.1.2 Managed Network Services - Business

The Future Network of TxDOT

TxDOT seeks a managed service provider that is capable not of only managing TxDOT's traditional network but also of contributing to the evolution of the TM-FAN and all new, emerging Internet of things (IoT) technologies. TxDOT plans to evolve its network by creating logical separation through virtual route forwarding (VRFs) and to allocate bandwidth to critical infrastructure components as defined above. This envisioned approach would eventually mature TxDOT's infrastructure to a software-defined network. This software-defined network is envisioned to better manage operations, security, scalability, and to simplify the introduction of new capabilities that will drive capacity, resiliency, agility, and innovation.

The Service Provider shall work in coordination with TxDOT, Service Component Providers, and TxDOT Contractors to effectively provide Managed Network Services (Services).

- Key Scope Elements
 - Integrate with TxDOT in an automated service delivery environment.
 - Provide all Equipment and Services for transition, steady state, and service evolution consistent with **Exhibit 4.2 Financial Responsibilities Matrix**.
 - Assume in scope services responsibility for existing services provided by all Incumbent Service Providers as defined in this Exhibit.
 - Document the Services environment and resolve or mitigate identified issues and risks.

- Implement and maintain TxDOT information security standards and practices as defined in the SMM.
- Evolve the current environment to improve performance and efficiencies and take advantage of next-generation technologies to decrease costs to TxDOT.
- Key Service Objectives
 - Develop strategic partnerships with Service Providers who understand the TxDOT customer and who deliver Services in a customer-centric manner and can quickly scale to meet changing demands
 - Improved Service delivery with alignment to industry trends and innovations measurable through a defined service evolution program
 - Successful implementation of optionally executed transformation projects upon Service Commencement
 - Delivery of highly available, reliable, scalable, secure and easily supportable Services that enable improved productivity
 - Adherence to required reporting for State agencies and support of State audits
 - Implementation of a standardized architecture which provides flexibility for growth and service evolution
 - Reduced network failures and network-related equipment outages, with improved visibility into hardware and/or network issues
 - Achieve cost optimization based on standardization of services between traffic and business network service delivery
 - Improved capability to support new technologies (e.g., automated vehicles, fifth-generation wireless, big data)
 - Implementation of an industry aligned solution that enable high levels of automation and orchestration

1.3.4.2 Managed Network Services - Traffic

1.3.4.2.1 Introduction

The Service Provider shall be responsible for the operation, management, support, of equipment and devices within the TxDOT Traffic network. The Service Provider shall also be responsible for proactively identifying opportunities for improvement to evolve best in breed network technologies throughout the term of this Contract.

The scope of this TxDOT Managed Network Service further includes:

1. All components of the TxDOT Traffic network infrastructure.
2. Fulfilling services against these defined service level types for devices:

- a. Asset and Change Management support
 - b. Set Up and Maintain Remote Monitoring and Alerting
 - c. Remote Management and Remediation
 - d. Full-Service Support
3. Leveraging, maintaining, extending, and keeping current all network management and monitoring tools to provide increased visibility and execution against all TxDOT network and telecommunications devices.
 4. Provide optional services as requested by TxDOT upon written notice (Article 8 of **Business Network Services Statement of Work Exhibit 2.1.6** and **Traffic Network Services Statement of Work Exhibit 2.1.8**);
 5. Meet or exceed Service Level Agreements (SLAs) as set forth in **Exhibit 3.1 Service Level and Deliverables Matrix**;
 6. Utilize a collaborative governance framework to assist in the daily management of the Services **Exhibit 1.2 Governance Model**; and
 7. Provide industry best practices and processes in delivering the Services to TxDOT, such as the IT Infrastructure Library (ITIL) framework.

The Service Provider shall work in coordination with TxDOT, Service Component Providers, and TxDOT Contractors to effectively provide Managed Network Services. Services shall be performed in accordance with all standards and processes contained in the Agreement, the Service Levels as set forth in **Exhibit 3.1 Service Level and Deliverables Matrix** and the Service Management Manual.

1.3.4.2.2 Managed Network Services - Traffic

TxDOT's Traffic Management Field Access Network (TM-FAN)

TxDOT maintains more than 79,000 miles of roadway, mostly equipped with traffic cameras, signals, speed sensors, traffic counters, toll tag readers, and the network infrastructure to connect these devices. More than 15,000 of these devices are currently connected to the network, and many more will come online in the future as TxDOT expands dynamically timed signals, and other network-enabled smart traffic technologies. These devices and technologies will be referred to as the TM-FAN. The TM-FAN consists of 25 independent, district-based networks designed to support roadway equipment that assists TxDOT in monitoring and managing traffic flow and responding to traffic crashes and other incidents.

Other Critical Technologies

Various TxDOT Divisions and Districts operate a variety of "Operational Technologies"

that are maintained independently by the Information Technology Division (ITD) or District that owns the equipment which may be partially integrated into one of the TxDOT network. These include:

1. TxDOT's Support Services Division (SSD) who maintains security gate call boxes, badge readers, security cameras, fire and burglary, and other equipment to ensure the safety and efficient operation of TxDOT's office buildings and other facilities.
2. Border Safety Inspection Facilities (BSIF) – Presently there are four such facilities located at border crossing location in the El Paso, Laredo, and Pharr districts. These include CCTVs, DMS, weigh in motion scales, and other equipment to enable on-site personnel to inspect vehicles for safety risks.
3. Traffic Counters – TxDOT maintains a multitude of permanent vehicle counting stations on the roadway to provide Annual average daily traffic (AADT) volume data for federal reporting and planning purposes.

The Service Provider shall work in coordination with TxDOT, Service Component Providers, and TxDOT Contractors to effectively provide Managed Network Services (Services).

- Key Scope Elements
 - Integrate with TxDOT in an automated service delivery environment.
 - Provide all Equipment and Services for transition, steady state, and service evolution consistent with **Exhibit 4.2 Financial Responsibilities Matrix.**
 - Assume in scope services responsibility for existing services provided by all Incumbent Service Providers as defined in this Exhibit.
 - Document the Services environment and resolve or mitigate identified issues and risks.
 - Implement and maintain TxDOT information security standards and practices as defined in the SMM.
 - Evolve the current environment to improve performance and efficiencies and take advantage of next-generation technologies to decrease costs to TxDOT.
- Key Service Objectives
 - Develop strategic partnerships with Service Providers who understand the TxDOT Customer and who deliver Services in a Customer-centric manner and can quickly scale to meet changing demands

- Improved Service delivery with alignment to industry trends and innovations measurable through a defined Service Evolution program
- Successful implementation of optionally executed transformation projects upon Service Commencement
- Delivery of highly available, reliable, scalable, secure and easily supportable Services that enable improved productivity
- Alignment of Services across the Service Provider ecosystem in a best in breed delivery governed by TxDOT's ITD Service Governance (ITD SG) function
- Adherence to required reporting for State agencies and support of State audits
- Implementation of a standardized architecture which provides flexibility for growth and service evolution
- Reduced network failures and network-related equipment outages, with improved visibility into hardware and/or network issues
- Achieve cost optimization based on standardization of services between Traffic and Business Network service delivery
- Improved capability to support new technologies (e.g., automated vehicles, fifth-generation wireless, big data)
- Improved security of TxDOT traffic management networks, with a more complete picture of all vulnerabilities on the network
- Increased level of network visibility of the District Traffic Management System (TMS) network across the TxDOT Traffic Safety Division (TRF) and TxDOT Information Technology Division (ITD) to enable enterprise-level network capacity planning
- Implementation of an industry aligned solution that enable high levels of automation and orchestration

1.3.5 TxDOT ITD Information

The TxDOT Information Technology Division (ITD) supports the business operations of TxDOT with innovative IT and strategic information resource planning. The service governance is divided into eight (8) functional areas:

- **ITD Service Governance (ITD SG):** provides the systems, process leadership and service delivery oversight necessary to ensure consistent, quality service delivery: sub-sections are Service Management, Cross Functional Platform, and Supplier Performance Management.
- **ITD Planning and Engineering (P&E):** cross technology matrixed function responsible for alignment of policy to TxDOT technology standards and governance of Service Provider integration into TxDOT service ecosystem. P&E works in conjunction with Service Component Providers to develop product and technology lifecycle standards, technology plans, governance of service and technology evolution, and provide quality

assurance and oversight of SCP solution design. The team is organized around products and technology and maintains end to end service expertise within the ITD operating model.

- **Business Relationship Management (BRM):** shares ownership with the business for both business strategy and business value results; owns and cultivates business relationships and serves as a single point of focus between IT and the line of business; works to understand the strategic direction of the business in order to stimulate and identify demand for IT capabilities and assets, ensures business value from IT capabilities and assets are captured, optimized, and recognized.
- **Project Management Office (PMO):** Establish centralized Project Portfolio Management (PPM) policy, process and tools to select, prioritize, assess, manage TxDOT enterprise business-driven solution projects.
- **Operations:** oversee service operations rollout, delivery, and escalations; deliverable and service level validation; technical service delivery compliance.
- **Vendor Management and Sourcing:** provides critical oversight and management of TxDOT's contracted IT services, working closely with agency procurement to ensure prescribed process are followed; sub-sections are Vendor Management and IT Sourcing.
- **Information Security:** lead in setting security policies, standards, and processes; manage overall security program; manage enterprise SIEM and CSOC and oversee security flaw remediation; sub-sections are Risk and Compliance, Cybersecurity Operations, and Toll Information Security.
- **Financial Management:** manage ITD funding, budgets and forecasts as well as IT purchase request approvals.

1.3.6 Respondent Note: RFO Data Room

To aid Respondents in preparing to respond to this procurement, a Digital Data Room has been created. Respondents may request access to the Digital Data Room by first attending the Pre-Proposal Conference and submitting an executed **Attachment 6 Data Room Access Nondisclosure Agreement** for each person requiring access.

Access to this Digital Data Room will require execution of TxDOT's Non-Disclosure Agreement from each Respondent personnel requiring access and is predicated on Respondent's attendance at the Pre-Proposal conference described in **Section 3.3.1 Mandatory Pre-Proposal Conference**. Proposed Sub-Contractors must request access to the Digital Data Room through the prime Respondent point of contact.

TxDOT will continue to add information to the Digital Data Room throughout this procurement. It is the Respondent's responsibility to regularly monitor the Digital Data Room for new information. Check the Electronic State Business Daily ([ESBD](#)) regularly to avoid missing important procurement related information.

TxDOT makes no representations or warranties regarding the accuracy or completeness of the information contained in this RFO, its Appendices and Attachments, and in the Data Room. The Respondent is responsible for making its own evaluation of information and data contained in this RFO and in preparing and submitting its Response.

2. SCOPE

2.1. Required Services

TxDOT intends to contract with the Service Provider to provide services, including but not limited to the following managing and operating the Managed Network Services in accordance with the MSA and related Exhibits provided in this RFO.

2.2. Environmental Impact

It is TxDOT's intent to purchase equipment and services having the least adverse environmental impact within the constraints of statutory purchasing requirements, departmental need, availability, and sound economic considerations in accordance with 34 TAC §20.306 and 20.307.

2.3. Specifications

The goods furnished and services performed shall be in accordance with the specifications set forth in the RFO. TxDOT will provide clarification of the specifications and determine the quality and acceptability of goods furnished or work performed. TxDOT will determine the manner of performance, the rate of progress of the work, and whether vendor's performance of the service is acceptable. No substitutions will be permitted without written approval from TxDOT.

Any catalog, brand name, or manufacturer's reference used in the RFO is descriptive only and is used to indicate type and quality desired. Responses on brands of like nature and quality will be considered unless advertised as proprietary or sole source under Government Code Section 2155.067. Respondent must show manufacturer, brand or trade name, and other description of the product offered in response to the RFO. If offer is for other than example(s) shown in the solicitation, include illustration(s) and complete description(s) of product(s) in the response to the solicitation. If respondent takes no exception to specifications or reference data in the response, respondent will be required to furnish brand names, numbers, etc., as specified.

Unless otherwise specified, all goods offered must be new and in first-class condition, including shipping and storage containers. Verbal agreements to the contrary will not be recognized.

Receipt of goods does not constitute acceptance. Goods and materials must be properly packaged. Damaged goods and materials will not be accepted. If the damage is not readily apparent at the time of delivery, the goods shall be returned to vendor at no cost to TxDOT. TxDOT reserves the right to inspect goods at a reasonable time subsequent to delivery where circumstances or conditions prevent effective inspection of the goods at the time of delivery.

2.4. Electronic and Information Resources (EIR) Accessibility

Products, applications, and websites that will be used by Texas state employees or members of the public must comply with EIR accessibility technical standards as defined in 1 TAC 206, 1 TAC 213, and Web Content Accessibility Guidelines (WCAG) 2.0 level AA. Accurate product Voluntary Product Accessibility Templates (VPATs) are required for Commercial Off-the-Shelf (COTS) offerings included in this contract. If development services are included, Service Providers will be required to complete the Vendor Accessibility Development Services Information Request (VADSIR) or other documents as requested that describe Service Provider's

ability to produce accessible offerings. The Service Provider shall provide a solution that is compliant with the above referenced standards.

2.5. Form of Contract

The final terms and conditions of any Contract will be agreed upon during negotiation. However, the minimum standard terms and conditions that will be included in any awarded Contract are contained in the Master Services Agreement (MSA) included with the RFO documents.

2.6. Term of Contract

TxDOT anticipates that the term of the Contract will be an estimated five (5) years with up to three (3) optional renewals of up to one (1) year each to be exercised by TxDOT at its discretion. In the event of prolonged Contract negotiations due to the number and/or significance of exceptions taken, lack of responsiveness, or other failure to close Contract negotiations on the part of Respondent that are not due to a failure on the part of TxDOT, TxDOT may, in its sole discretion, bypass the Respondent and commence negotiations with another Respondent, or continue with the current Respondent with a shorter contract term.

[Section 3.6.12 Exceptions to Requirements \(including MSA Terms and Conditions\)](#) of this RFO contains the format for Respondents to note any exception to any provision, term, or condition specified in the RFO.

Any objections or exceptions should be noted in keeping with [Section 3.6.12 Exceptions to Requirements \(including MSA Terms and Conditions\)](#).

TxDOT reserves the right to make changes to the MSA and Exhibits if it is in the best interest of the State to do so. Should this occur prior to the award of any Contract as a result of this RFO, any Respondents selected for negotiations will be notified.

3. GENERAL INFORMATION

3.1. Point of Contact

Jennifer Texta is the sole point of contact for this procurement. Routine correspondence may be directed as follows:

Primary Contact: Jennifer Texta
Texas Department of Transportation
Procurement Services Division
150 E. Riverside Drive
Austin, Texas 78701
Phone: 214-320-6105
Email: Jennifer.texta@txdot.gov

Respondents shall make no contact concerning this RFO with other TxDOT and contract personnel. **Failure to comply with this requirement may result in disqualification.**

3.2. Response Integrity and Eligibility

3.2.1 False Statements

Respondent represents and warrants that all statements and information in its submitted response are current, complete, true, and accurate. Submitting a response to the solicitation with a false statement or making material misrepresentations during the performance of a contract is a material breach of contract and may void the submitted response and any resulting contract, and may result in removal of respondent from the Centralized Master Bidders List.

3.2.2 Deceptive Trade Practices; Unfair Business Practices

Respondent represents and warrants that it has not been the subject of allegations of deceptive trade practices violations under Business & Commerce Code Chapter 17 or the subject of allegations of any unfair business practice in any administrative hearing or court suit, and that respondent has not been found to be liable for such practices in such proceedings. Respondent certifies that it has no officers who have served as officers of other entities who have been the subject of allegations of deceptive trade practices violations or the subject of allegations of any unfair business practices in an administrative hearing or court suit and such officers have not been found to be liable for such practices in such proceedings.

3.2.3 Collusion

Respondent has not colluded with, nor received any assistance from, any person who was paid by TxDOT to prepare specifications or a solicitation on which a respondent's bid is based and will not allow any person who prepared the respective specifications or solicitation to participate financially in any contract awarded. Respondent should also refer to **Section 15.8(j)** of the Agreement attached to the solicitation.

3.2.4 Respondent Eligibility

- a) Respondent certifies that the responding entity and its principals are eligible to participate in this transaction and have not been subject to suspension, debarment, or similar ineligibility determined by any federal, state, or local governmental entity.
- b) Respondent certifies that respondent is not an abortion provider or an affiliate of an abortion provider under Government Code 2272.003.
- c) Respondent certifies that it is not:
 - i. A person required to register as a lobbyist under Government Code Chapter 305.
 - ii. A public-relations firm.
 - iii. A government consultant.

3.3. Schedule of Events

It is TxDOT's intention to comply with the following schedule for this RFO. These dates represent a tentative schedule of events. TxDOT reserves the right to modify these dates at any time. Prospective Respondents will be notified of modifications to the schedule via the Electronic State

Business Daily (ESBD) web site.

Table 1: Schedule of Events

Activity	Date
Mandatory Pre-Proposal Conference	August 4, 2021 at 10:00am
Deadline for Submitting RFO Questions	August 20, 2021 at 3:00 p.m. Local Time
Deadline for Submitting Response	August 31, 2021 at 3:00 p.m. Local Time
Evaluation, Clarification, and Amended Responses	September 2021 – October 2021
Integration sessions, due diligence, final negotiations	November 2021 – February 2022

3.3.1 Mandatory Pre-Proposal Conference

TxDOT will hold a mandatory pre-proposal webinar for all interested respondents to this procurement on the date and time specified in [Section 3.3 Schedule of Events](#). It is mandatory that at least one (1) Respondent representative be registered and present for the Conference. Respondents who arrive more than 15 minutes after the scheduled start time stated in the solicitation will not be allowed to participate. A respondent who fails to attend any portion of the mandatory pre-response conference, which may include site visits, or fails to sign the register, will be disqualified from further consideration.

TxDOT will provide attendees the opportunity to submit written questions at the conference. All questions submitted at the conference must reference the appropriate RFO or Exhibit page and section number.

The pre-proposal conference will provide overview information of the RFO and preliminary answers to questions submitted prior to the Pre-Proposal Conference. Although TxDOT may provide tentative verbal answers to questions at the conference, only answers provided in writing by TxDOT shall be considered official. Information in any form other than the materials constituting this RFO and its Exhibits, the Question and Answer Document(s), and any Addenda shall not be binding on TxDOT. TxDOT reserves the right to amend answers prior to the offer submission deadline.

ATTENDANCE AT THE PRE-PROPOSAL WEBINAR IS MANDATORY.

Date: Wednesday August 4, 2021

Time: 10:00 a.m. Local Time

The mandatory pre-response conference information is shown below and will only be available live via the web:

<https://txdot.webex.com/txdot/j.php?MTID=m2851a566a29833fda1b838aa684fb645>

All personnel attending pre-conference must log in to the WebEx using the following steps:

Respondent must list their name and company when attending the WebEx, as shown below:

Example: John Doe – TxDOT

Meeting number: 180 657 4356

Meeting password: aWaJyy92ui8

WebEx Link:

<https://txdot.webex.com/txdot/j.php?MTID=m2851a566a29833fda1b838aa684fb645>

Call-in number: 1-415-655-0003 (US)

Conference Code: 1806574356

IMPORTANT NOTICE: Please note this WebEx service allows audio and other information sent during the session to be recorded, which may be discoverable in a legal matter. By joining this session, you automatically consent to such recordings. If you do not consent to being recorded, discuss your concerns with the host or do not join the session.

Persons with special needs or disabilities who plan to participate in this conference who require auxiliary aids or service should contact the purchaser noted in [Section 3.1 Point of Contact](#) as the point of contact a minimum of three (3) Business Days prior to the meeting so arrangements can be made.

3.3.2 Written Questions and Official Answers

Using **Schedule 1 of Attachment 7 Schedules Template**, Respondents shall submit all questions regarding this RFO by e-mail or in writing to the Point of Contact listed in [Section 3.1 Point of Contact](#). **Questions regarding this RFO will be accepted until the date and time specified Section 3.3 Schedule of Events.** Official answers will be posted as an Addendum to this RFO, on the Electronic State Business Daily (ESBD), available at <http://www.txsmartbuy.com/sp>. To ensure all documents are available, access this previous link using Google Chrome.

By submission of a question, Service Providers acknowledge that the applicable question will be posted with each official answer and therefore Service Providers should not include any confidential or proprietary information in such questions. TxDOT will not publish the identity of any Service Provider that submitted any particular inquiry.

3.4. Federal and State Requirements

3.4.1 Federal Requirements

3.4.1.1 Terrorists and Terrorist Organizations

State agencies are prohibited from doing business with terrorists and terrorist organizations. Any Respondent listed in the Federal Excluded Persons List System (EPLS) authorized by Executive Order #13224, "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, available at <https://www.state.gov/j/ct/rls/other/des/143210.htm>, published by the United States Department of the Treasury, Office of Foreign Assets Control (Terrorism List) shall not be awarded a Contract as a result of this RFO. The Service Provider must agree that if at any time during the term of the contract the Service Provider is listed on the Terrorism List, the Service Provider shall promptly notify TxDOT. As part of TxDOT's contract management, periodic checks will be performed to ensure the Service Provider remains in compliance with these federal requirements. TxDOT shall have the absolute right to terminate the contract without recourse in the event the Service Provider becomes listed on the EPLS.

3.4.1.2 Federal Suspension or Debarment

Should the Service Provider become suspended or debarred from doing business with the federal government as listed in the System for Award Management (SAM), available at <https://www.sam.gov/>, maintained by the General Services Administration, the Contract may be terminated without recourse, at DIR's sole discretion.

3.4.1.3 Immigration

- a) The Service Provider shall comply with the requirements of the Immigration and Reform Act of 1986, the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 ("IIRIRA"), and the Immigration Act of 1990 (8 U.S.C.1101, et seq.) regarding employment verification and retention of verification forms for any individual(s) hired on or after the effective date of the 1996 Act who will perform any labor or services under this Contract.
- b) Pursuant to Executive Order No. RP-80, issued by the Governor of Texas on December 3, 2014, and as subsequently clarified, the Service Provider shall, as a condition of this Contract, also comply with the United States Department of Homeland Security's E-Verify system to determine the eligibility of:
 - i. all persons 1) to whom the E-Verify system applies, and 2) who are hired by the Service Provider during the term of this Contract to perform duties within Texas; and
 - ii. all Subcontractors' employees 1) to whom the E-Verify system applies, and 2) who are hired by the Subcontractor during the term of this Contract and assigned by the Subcontractor to perform work pursuant to this Contract.
- c) Each Service Provider shall require its subcontractors to comply with the requirements of this Section and the Service Provider is responsible for the compliance of its subcontractors. Nothing herein is intended to exclude compliance by any Service Provider and its subcontractors with all other relevant federal immigration statutes and regulations promulgated pursuant thereto.

3.4.1.4 Prohibition on Certain Telecommunications Equipment or Services

- a) The Federal Register Notice issued the Final Rule and states that the amendment to 2 CFR 200.216 is effective on August 13, 2020. The new 2 CFR 200.471 regulation provides clarity that the telecommunications and video surveillance costs associated with 2 CFR 200.216 are unallowable for services and equipment from these specific providers. OMB's Federal Register Notice includes the new 2 CFR 200.216 and 2 CFR 200.471 regulations.
- b) Per the Federal Law referenced above, use of services, systems, or services or systems that contain components produced by any of the following manufacturers is strictly prohibited for use on this project. Therefore, for any telecommunications, CCTV, or video surveillance equipment, services or systems cannot be manufactured by, or have components manufactured by:
 - i. Huawei Technologies Company,
 - ii. ZTE Corporation (any subsidiary and affiliate of such entities),
 - iii. Hytera Communications Corporation,

- iv. Hangzhou Hikvision Digital Technology Company,
 - v. Dahua Technology Company (any subsidiary and affiliate of such entities).
- c) Violation of this prohibition will require replacement of the equipment at the contractor's expense.

3.4.1.5 Federal Funding

The procurement may be supported in part with federal funds, therefore, the following federal laws and standards apply:

1. Disadvantaged Business Enterprises (DBE) Program - Title 49, Code of Federal Regulations, Part 26 (49 CFR 26) entitled "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs." A DBE goal of 0% has been assigned to this contract. As a result, all race-neutral DBE utilization should be reported to TxDOT. Reporting requirements will be specified by the TxDOT contract manager.
2. Title 42 U.S.C. §§ 2000d-2000d-7, with the exception of sections 2000d-5 and 2000d-6, also known as – Title VI of the Civil Rights Act of 1964, including any amendments.
3. Title 49 CFR Subtitle A – Office of the Secretary of Transportation, Parts 1-99, including any amendments.
4. Title 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards – Office of Management and Budget Circular relating to Cost Principles for State, Local and Indian Tribal governments, including any amendments.
5. Title 2 CFR Part 1201 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
6. OMB Circular A-87 – Office of Management and Budget Circular relating to Cost Principles for State, Local and Indian Tribal governments, including any amendments.
7. OMB Circular A-102 – Office of Management and Budget Circular relating to Grants and Cooperative Agreements with State and Local Governments, including any amendments.
8. OMB Circular A-133 – Office of Management and Budget Circular relating to Audits of States, Local Governments and Non-Profit Organizations, including any amendments
9. TITLE VI ASSURANCE: TxDOT, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and 49 C.F.R. Part 21 and 28 CFR Section 50.3 (for purposes of this Section and Section 6.10 only, the "Acts" and the "Regulations," respectively), hereby notifies all bidders that it will affirmatively ensure that in any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award. Nondiscrimination programs require that federal-aid recipients, sub-recipients, and contractors prevent discrimination and ensure nondiscrimination in all their programs and activities, whether those programs and

activities are federally funded or not.

3.4.2 State requirements

Texas law prohibits state agencies from doing business with a company that conducts business with Iran, Sudan, or a foreign terrorist organization. If Respondent is required to make a certification pursuant to Section 2270.002 of the Texas Government Code, Respondent certifies that Respondent does not boycott Israel and will not boycott Israel during the term of the contract resulting from this solicitation. If Respondent does not make that certification, Respondent must indicate that in its Response and state why the certification is not required. Any Respondent listed in the divestment list maintained by the Texas Safekeeping Trust Company and posted to the Texas Comptroller of Public Accounts website, available at <https://comptroller.texas.gov/purchasing/publications/divestment.php>, shall not be awarded a Contract as a result of this RFO. The Service Provider must agree that if at any time during the term of the contract the Service Provider is listed on the divestment list, the Service Provider shall promptly notify TxDOT. As part of TxDOT's contract management, periodic checks will be performed to ensure the Service Provider remains in compliance with these state requirements. TxDOT shall have the absolute right to terminate the contract without recourse in the event the Service Provider becomes listed on the divestment list, described above.

3.4.3 Performance and Debarment

In accordance with 34 TAC, Part 1 Chapter 20, Subchapter G, any vendor that is debarred from doing business with the State of Texas will not be awarded a contract under this solicitation. The list of debarred vendors is located on the Comptroller of Public Accounts (CPA) Web site at <https://www.comptroller.texas.gov/purchasing/programs/vendor-performance-tracking/debarred-vendors.php>.

3.4.4 Disclosure of Restricted Employment

Respondent acknowledges that under Government Code Section 572.069, a former state officer or employee of a state agency who, during the period of state service or employment, participated in a procurement or contract negotiation involving a person may not accept employment from that person before the second anniversary of the date the contract is signed or the procurement is terminated or withdrawn.

3.4.5 Required Service Provider and Subcontractor Current and Former State Employee Disclosures

The Respondent shall disclose in its transmittal letter and executive summary, for itself and on behalf of all its Subcontractors, the following:

- a) Respondent will certify that they are in compliance with Texas Government Code, Title 6, Subtitle B, Section 669.003, relating to contracting or employing with the current or former executive head of a state agency. If Section 669.003 applies, Respondent will complete the following information for the Response:
 1. Name of Former Executive;
 2. Name of State Agency;
 3. Date of Separation for State Agency;

4. Position with Respondent; and
 5. Date of Employment with Respondent.
- b) In addition, the Respondent shall disclose, for itself and on behalf of all of its Subcontractors, in its Response, all of the following:
1. Any Respondent proposed personnel who are current employees of the State or who were former employees of the State; and
 2. Any Respondent proposed personnel who are related within three (3) degrees of consanguinity or two (2) degrees of affinity to any current employees of the State or any former employees of the State.

3.5. Response Deadline and Submission Requirements

Respondents are required to submit Responses in accordance with the requirements outlined in this document and as required by the Instructions to Respondents page. Responses must be received by TxDOT on or before **the date and time specified in [Section 3.3 Schedule of Events](#)**. **No late Responses will be reviewed.** Responses must be delivered electronically as described in [Section 3.6.2 Response organization](#).

Official Timepiece

The clock in the TxDOT Purchasing Office Austin, TX is the official timepiece for determining compliance with the deadline.

3.6. Response Instructions

Respondent must carefully examine the solicitation. Respondent is responsible for securing any additional information from the purchaser needed to gain a clear and full understanding of the requirements.

Electronic Responses are preferred. Respondents shall follow the specific naming conventions detailed in this section. Respondent must use a three-letter identifier preceding each named file (e.g., Big Service Company, Inc., “BSC”). This three-letter identifier shall replace the “ABC” referenced in the file names below. **All files submitted by the Respondent must use the same three-letter identifier.**

Non-submission of any of the requested information may disqualify the Respondent’s Response from further consideration by TxDOT.

3.6.1 No Marketing Materials Desired

Unnecessarily elaborate brochures or other presentations beyond those requested and sufficient to present a complete Response **are not desired**. Respondents are encouraged not to provide materials beyond what is required in the RFO.

3.6.2 Response organization

Respondent shall organize its Response as follows:

1. Administrative Submission Requirements

2. Response to Service Requirements
3. Pricing
4. HUB Subcontracting Plan
5. Exceptions
6. Any attachments containing response materials which Respondent asserts are confidential or proprietary*.
7. Any attachments containing copyrighted materials in the Respondent's Response*.
8. Any attachments containing non-proprietary/non-confidential and non-copyrighted materials in the Respondent's Response (redacted copy for public release).

* If Respondent's Response does not contain such materials, then attachments for these items are not required.

3.6.3 Administrative Submission Requirements – Response Package 1

3.6.3.1 Transmittal Letter and Executive Summary

- a) Respondent shall submit a transmittal letter on company letterhead, signed by an individual with authority to bind the company in a contract with TxDOT. The transmittal letter shall include a statement that the person signing is empowered to contractually bind the firm. The transmittal letter should include an executive summary and include a brief written overview of the Respondent's company and proposed solution.
- b) The executive summary shall not exceed ten (10) pages in length (excluding title page). No appendices or specific references to additional information will be accepted. The executive summary should be written to communicate a summary of the Respondent's Response. **The Respondent must not include any pricing information or estimated savings in the executive summary.**
- c) For the Response, the Respondent must provide, as a separate Microsoft Word document, a file entitled “**ABC_Exec_Summary.docx.**”

3.6.3.2 Executed Offer Form

- a) The Respondent shall complete and sign the Executed Offer Form found in **RFO Attachment 1 Respondent Information Form**. This form must be completed and signed or the Response may be disqualified as noncompliant.
- b) For the Response, the Respondent must provide, as a separate Microsoft Word document, a file entitled: “**ABC_RIF_Attachment_1.docx.**”

3.6.3.3 Texas Family Code – Section 231.006

- a) Under Section 231.006, Family Code, respondent certifies that respondent and any other individual or business entity named in the contract, bid, or application are eligible to receive the specified grant, loan, or payment and acknowledges that the contract may be terminated and payment may be withheld if this certification is inaccurate. Any respondent subject to Section 231.006 must complete and sign the Form found in **Schedule 2 of Attachment 7 Schedules Template Texas Family Code – Section 231.006**. This form must be completed and signed or the Response may be disqualified as noncompliant.

- b) For the Response, the Respondent must provide, as a separate Microsoft Word document, a file entitled: “**ABC_TFC_Attachment_1.docx**.”

3.6.3.4 Respondent Qualifications

- a) The Respondent must clearly state how it meets the following qualification preferences in the form of **Schedule 3 of Attachment 7 Schedules Template**:

10. The Respondent must be a company engaged or whose partners are engaged in the business of providing similar services as Stated in Exhibits 2.1.1, 2.1.6 and 2.1.8 Statements of Work for a minimum of three (3) or more years’. Years of experience of an individual(s) or partner(s) with a minimum of 25% ownership of the company can be applied to the company’s years in business. Recent start-up businesses do not meet the requirements of this solicitation.

Note: A start-up business is defined as a new company that has no previous operational history or expertise in the relevant business.

11. The Respondent must have entered into at least two (2) similar major projects within the last five (5) years where the following is true:
- a. The annual contract value was at least \$5,000,000.
 - b. The Respondent was the prime contractor.

- b) For the Response, the Respondent must provide, as a separate Microsoft Word document, a file entitled: “**ABC_Qualifications.docx**.” in the form of Schedule 3 of **Attachment 7 Schedules Template**.

3.6.4 Financial Information

The Respondent must include the following items in its Response. Failure to include any of the items listed for the appropriate company type may result in disqualification of the Respondent’s Response. **If the failure to disclose is not learned until a Contract has been awarded to the Service Provider, the Contract may be terminated. In the event of such termination, the Service Provider shall be liable for all costs associated with the re-procurement, including any increased costs for the services originally awarded.**

3.6.4.1 Publicly Traded Companies:

1. Exact name of the Respondent on title page of the most currently filed SEC forms 10K and 10Q. Fully explain the reason(s) why any reports have not been timely filed within the past three (3) years;
2. For the last three (3) fiscal years most recently ended, audited financial statements prepared in accordance with Generally Acceptable Accounting Practices (GAAP);
3. Any official document displaying current proof of authority to conduct business in the State. Examples: State Franchise Tax Certification of Account Status and State Sales Tax Permit, both available from the State Comptroller of Public Accounts and the Certification of Fact, that is available from the Secretary of State (SOS Direct), available at: www.sos.state.tx.us.
4. Certificate of Insurance that sets forth limits of liability to include all insurance coverage of the company. If awarded a Contract, the Service Provider shall provide a

certificate of insurance to protect TxDOT for the coverages and in the amounts as described in **MSA Attachment B Insurance and Risk of Loss**.

3.6.4.2 Privately Owned Companies (C and S corporations, LLCs and similar forms of ownership):

1. For the last three (3) fiscal years most recently ended, audited financial statements prepared in accordance with GAAP. If audited financial statements are not prepared, un-audited financial statements will suffice as long as Service Provider affirms that it is not required to have its financial statements audited and therefore does not currently have audited financial statements to provide in response to this RFO;
2. Latest two (2) quarters internally prepared financial statements;
3. Any official document displaying current proof of authority to conduct business in the State. Examples: State Franchise Tax Certification of Account Status and, State Sales Tax Permit, both available from the State Comptroller of Public Accounts and the Certification of Fact, that is available from the Secretary of State. See Section 7.1.9 (Proof of “Good Standing”).
4. Certificate of Insurance that sets forth limits of liability to include all insurance coverage of the company. If awarded a Contract, the Respondent shall provide a certificate of insurance to protect TxDOT and its Customers for the coverages and in the amounts as described in **MSA Attachment B Insurance and Risk of Loss**.

For the Response, the Respondent must provide, as a separate Microsoft Word document, a file entitled: “**ABC_Financial_Information.docx**.”

3.6.5 Addenda to the RFO

TxDOT will not be bound by any oral statement or representation contrary to the written specifications of the RFO. Any revision, clarification, or interpretation pertaining to the RFO will be in writing and issued by TxDOT as an addendum. Any change or interpretation not in an addendum will not legally bind TxDOT. Any addendum must be issued through TxDOT’s Procurement Division.

To acknowledge receipt of all Addenda, the Respondent shall provide a completed and signed “page one” of each Addendum. Addenda may be grouped into a single file entitled “**ABC_Addenda (.docx or pdf)**.”

3.6.5.1 Administrative Response Package 1 Submission

The following table summarizes the files to be included in the Administrative Submission with the corresponding file names.

Table 2: Response Package 1 Files

RFO Reference	Form of Response
Transmittal Letter and Executive Summary	“ABC_Executive_Summary.docx”

Respondent Information Form (Attachment 1)	“ABC_RIF_Attachment_1.docx”
Schedule 2 of Attachment 7 Texas Family Code – Section 231.006	“ABC_TFC_Attachment.docx”
Schedule 3 of Attachment 7 Respondent Qualifications	“ABC_Qualifications.docx”
Financial Information	“ABC_Financial Information.docx” (.docx or .pdf)
Addenda to the RFO	“ABC_Addenda.docx” (.docx or .pdf)

3.6.6 Response to Service Requirements – Response Package 2

3.6.6.1 Solution Document

Respondent shall complete **Exhibit 2.1.7 Business Network Solution Document** and/or **Exhibit 2.1.9 Traffic Network Solution Document** per the instructions provided in the Exhibit. This Exhibit is intended to be updated in stages throughout the procurement process. The Exhibit contains an outline of key topic areas that Service Provider is required to address as part of its response. The response will include a thorough description of its solution and overall approach to implementing the Services and successfully transitioning responsibility from the Incumbent Service Provider.

- a) Respondent may be able to leverage the assets, processes, and services described in **Exhibit 4.1 Pricing Structure** as well as the information available in the Data Room, **Section 1.3.8 Respondent Note: RFO Data Room** as part of its solution response. TxDOT requests that Respondents evaluate the feasibility of leveraging these existing State investments to minimize transition timelines and maximize cost efficiencies.
- b) For the Response, the Respondent must provide, as separate Microsoft Word documents, a file entitled “ABC_ Exhibit 2.1.7_BNTWK_Solution.docx” and/or a file entitled “ABC_ Exhibit 2.1.9_TNTWK_Solution.docx” depending on whether the Respondent is responding to one (1) or both Service Components to this RFO. The Response to Business Managed Network Services shall be limited to no more than 175 pages and nor more than 150 pages for Traffic Managed Network Services; this page limit includes any graphics, tables, etc., and Respondents shall not alter the font of the document in providing their Response.

3.6.6.2 Transition Plan

Respondent shall complete **RFO Attachment 5: Transition Plan Response** per the instructions provided in the Attachment. This Attachment is intended to be updated in stages throughout the procurement process. The Attachment contains an outline of key topic areas that Service Provider is required to address as part of its transition response. The response will include a thorough description of its Transition Plan, solution and overall approach to implementing the Services and successfully transitioning responsibility from the Incumbent Service Provider.

For the Response, the Respondent must provide, as a separate Microsoft Word document, a file entitled “ABC_ Transition_Plan_Response.docx”. The Response shall be limited to no

more than twenty (20). pages; this page limit includes any graphics, tables, etc., and Respondents shall not alter the font of the document in providing their Response

3.6.6.3 Transition Project Plan

Respondent shall provide a Transition Project Plan in Microsoft Project format including all milestones and high-level activities necessary for the successful completion of transition. The file, which should include timing and milestones, must be in Microsoft Project format and entitled “ABC_Transition_Project_Plan.mpp”.

3.6.6.4 Respondent References

Using **Schedule 4 – Past Performance Reference Information form of Attachment 7 Schedules Template**, Respondent shall provide the name, title, contact number, and description of services provided for three (3) references for which the Respondent provided technical solution services as the prime Service Provider. The services provided to the references should meet the requirements of [Section 3.6.3.4 Respondent Qualifications](#) of this RFO. For each reference provided, Respondent shall provide a signed RFO **Attachment 4, Respondent Release of Liability**.

3.6.6.5 Canceled Contract References

Using **Schedule 5 Canceled Contracts form of Attachment 7 Schedules Template**, Respondent shall provide the name, title, contact number and description of services provided for any contract that was canceled or prematurely terminated in the past ten (10) years. Respondent shall include details on the reason for the cancellation and the Respondent’s position relevant to the cancellation, including the final resolution, including any lawsuits or settlements of the contract cancellation. For each company or entity listed, Respondent shall provide a signed RFO **Attachment 4, Respondent Release of Liability**. Respondent shall add additional rows to **Schedule 5** as necessary to provide all canceled contracts within the required timeframe.

Respondent shall provide contact information for individuals able to address questions concerning the cancellation. **Failure to fully disclose canceled contract within the scope of this requirement may result in disqualification. If the failure to disclose is not learned until a Contract has been awarded to the Service Provider, the Contract may be terminated. In the event of such termination, the Service Provider shall be liable for all costs associated with the re-procurement, including any increased costs for the services originally awarded.**

If there are no canceled contracts, the Respondent shall affirm such in this section.

For the Response, the Respondent must provide completed **Schedule 4** and **Schedule 5** consolidated into one (1) Microsoft Word document entitled, “ABC_References.docx.”

3.6.6.6 Proposed Account Organization

Respondent shall complete **Exhibit 2.4 Key Personnel** per the instructions provided in the Exhibit. This Exhibit is intended to be updated in stages throughout the procurement process. The Exhibit contains a section to include a proposed organization chart for the service relationship, indicating positions considered Key Personnel with a description of

responsibilities of key positions and departments.

Respondent must include in its Response the resumes and qualifications of all proposed Respondent Key Personnel, including their specific experience working on related projects. Resumes should specifically detail experience working on projects and services of similar scale and complexity as the Services sought through this RFO, including work on projects used as references. Resumes shall be no more than two (2) pages in length.

The Account Organization must include actual names of Key Personnel initially assigned to the account and their resumes, not simply generic resumes with the types of skills sought. The Respondent must provide these resumes as attached pages at the end of the document.

For the Response, the Respondent must provide, as a separate Microsoft Word document, a file entitled “ABC_Exhibit_2.4_Key Personnel.docx”.

3.6.7 Service Requirements Response Package 2 Submission

The following table summarizes the files to be included in the Statement of Work Submission with the corresponding file names.

Table 3: Response Package 2 Files

RFO Reference	Form of Response
Exhibit 2.1.7 Business Network Solution Document*	“ABC_Exhibit_2.1.3_BNTWK_Solution.docx”
Exhibit 2.1.9 Traffic Network Solution Document*	“ABC_Exhibit_2.1.5_TNTWK_Solution.docx”
Attachment 5 Respondent Transition Plan	“ABC_Transition_Plan_Response.docx”
Respondent Transition Project Plan	“ABC_Transition_Project_Plan.mpp.”
Schedules 4 and 5 of Attachment 7 Respondent References and Canceled Contract References	“ABC_References.docx”
Proposed Account Organization	“ABC_Exhibit_2.4_KeyPersonnel.docx”
Attachment 4: Respondent Release of Liability	“ABC_Release_of_Liability.docx”

*Respondent shall include one (1) or both Solution Response documents as part of the submission based on Respondent’s decision to respond to one (1) or both Service Components to this RFO.

3.6.8 Response to Pricing – Response Package 3

Respondent shall use the electronic versions of **Exhibit 4.1 Pricing and Volumes** (including all subordinate attachments) and **Exhibit 4.6 Personnel Projection Matrix** to provide a detailed written response. Respondent shall not alter the format of the pricing templates or associated Exhibits.

For the Response, the Respondent must provide, as a separate Microsoft Excel document pursuant to instructions in **Exhibit 4.0**, **Exhibit 4.1**, and **Exhibit 4.6** a file entitled “ABC_Exhibit 4.1 Pricing and Volumes.xlsx” and a file entitled “ABC_Exhibit_4.6_PPM.xlsx”.

3.6.9 Pricing Response Package 3 Submission

The following table summarizes the files to be included in the Pricing submission with the corresponding file names.

Table 4: Response Package 3 Files

RFO Reference	Form of Response
Exhibit 4.1 Pricing and Volumes	“ABC_Exhibit_4.1_Pricing_and_Volumes.xlsx”
Exhibit 4.6 Personnel Projection Matrix	“ABC_Exhibit_4.6_PPM.xlsx”

3.6.10 HUB Subcontracting Plan – Response Package 4

Respondent shall utilize RFO **Attachment 2 HUB Subcontracting Plan** to submit Respondent HUB Subcontracting Plan.

3.6.10.1 HUB Purpose

The purpose of the Historically Underutilized Business (HUB) Program is to promote full and equal business opportunities for all businesses in State contracting in accordance with the goals specified in the State of Texas Disparity Study. Each state agency must make a good faith effort to meet or exceed the goals identified below and assist HUBs in receiving a portion of the total contract value of all contracts that the agency expects to award in a fiscal year in accordance with the following procurement goals/percentages:

1. 11.2% for heavy construction other than building contracts;
2. 21.1% for all building construction, including general contractors and operative builders’ contracts;
3. 32.9% for all special trade construction contracts;
4. 23.7% for professional services contracts;
5. 26.0% for all other services contracts;
6. 21.1% for commodities contracts.

It is the policy of TxDOT to make a good faith effort to achieve the annual program goals by contracting directly with HUBs or indirectly through subcontracting opportunities in accordance with the Texas Government Code, Chapter 2161, Subchapter F, and HUB Rules promulgated by the Comptroller of Public Accounts (CPA), 34 TAC, Chapter 20.

HUBs are strongly urged to respond to this RFO. Under Texas law, state agencies are required to make a good faith effort to assist HUBs in receiving certain percentages of the total value of contract awards. Respondents who meet the qualifications are strongly encouraged to apply for certification as HUBs.

3.6.10.2 HUB Subcontracting Plan

TxDOT has determined that subcontracting is probable under any contract awarded as a result of this RFO (Reference **Attachment 8 Historically Underutilized Business Participation**

Form).

3.6.11 HUB Response Package 4 Submission

Table 5: Response Package 4 Files

RFO Document/Section	Form of Response
Attachment 2 HUB Subcontracting Plan (Completed)	"ABC_HUB_Subcontracting_Plan.pdf"

3.6.12 Exceptions to Requirements (including MSA Terms and Conditions) – Response Package 5

The final terms and conditions of any Contract awarded as a result of this RFO shall be agreed upon during negotiation. However, the minimum standard terms and conditions that will be included in any awarded Contract are contained in the Master Services Agreement (MSA) included in the RFO documents.

3.6.12.1 Exceptions Details

This section contains the format for Respondents to note any exception to any standard provision, term, or condition specified in the RFO. **Respondents should note that TxDOT expects each Respondent to comply with the requirements of this RFO as written, and to price its Response accordingly. TxDOT strongly discourages any Respondent from indicating that it does not agree or does not comply with a provision because the Respondent is unwilling to price it (for risk, liability, or any other reason).** An explanation as to why the Respondent **cannot** comply with the provision, term, or condition **and** why the proposed alternative language **must** be included in the Response. Examples of nonresponsive explanations include:

1. Referencing negotiation of revised language in another TxDOT or other state agency contract;
2. Referring to an internal division's need for the revised language without a valid reason as to why the exception is necessary;
3. Indicating the proposed language is "negotiable;" and
4. Referencing an internal Respondent terms and conditions document.

Exceptions must include:

1. RFO document title (RFO, SOW, MSA, etc.), section number, and section title;
2. Explanation as to why Respondent cannot comply with the term or condition; and
3. Proposed alternate language (redline).

If Respondent fails to note any exception within its Response, Respondent may not be allowed to request an exception throughout the procurement process. No exceptions will be considered after negotiations or Contract Award.

3.6.12.2 Exceptions Response

Refer to RFO **Attachment 3 Exceptions**. The Respondent shall complete **Attachment 3 Exceptions** as described below:

1. The column labeled # shall be a sequential number;
2. The column labeled Respondent shall include Respondent's three-letter identifier;
3. The column labeled Doc, Respondent shall use the Dropdown: "MSA" for MSA and MSA Attachments, "Ex2.1.1" for **Cross Functional SOW**, "Ex3.0" **Exhibit 3.0 Performance Model**, "Ex4.0" **Exhibit 4.0 Business Model**, etc.
4. The column labeled "Location/Specific Section Reference" should be used to identify the specific RFO document and the location(s) (section number or other identifiable reference) within the RFO documents that the language addresses.
5. The column labeled Objection/Issue shall describe the Respondents issue and/or objection to the term defined in the requirement documents, including the required explanation described in [Section 3.6.12.1 Exceptions Details](#).
6. The column labeled Proposed Alternative Language (redline) shall be updated as follows: copy the term "as-is" from the associated RFO document, use strikethrough function in Excel for any removed text, use blue underlined text for any added text.
7. Respondent should not modify or remove any of the columns in the template, including the hidden columns.
8. For the Response, the Respondent must provide, as a separate Microsoft Excel document, a file entitled: "ABC_Exceptions.xlsx".

Respondents are encouraged not to request exceptions to standard contract terms and conditions; TxDOT, in its sole discretion, may or may not accept the Respondent's requested exceptions. Exceptions will be one (1) factor considered by TxDOT in determining best value for the State.

Prior to the final award of a Contract, TxDOT reserves the right to make changes to the Master Services Agreement. Should this occur, any Respondent selected for negotiations will be notified. If any changes are made prior to the RFO Response deadline, TxDOT will address the changes in an Addendum posted to the ESBD.

If there are no exceptions, the Respondent shall explicitly state the Respondent takes no exception to any part of this RFO.

Any exception may result in the Contract not being awarded to the Respondent. TxDOT reserves the right to exclude a Respondent based upon the quality and substance of any exception(s).

In addition to completing **Attachment 3 Exceptions**, Respondent shall include in its Response a red-lined version of the MSA containing only those Exceptions specific to MSA material. Further, Respondent shall include a comment with each redline providing the above described explanation for why the redlined language is necessary and why the Respondent cannot comply with the original language. For the Response, the Respondent must provide, as a separate Microsoft Word document, a file entitled: "ABC_MSA_Exceptions.docx".

3.6.13 Exceptions Response Package 5 Submission

Table 6: Response Package 5 Files

RFO Document/Section	Form of Response
Redlined version of Master Services Agreement	“ABC_MSA_Exceptions.docx”
RFO Attachment 3: Exceptions	“ABC_Exceptions.xlsx”

3.7. Response Format

3.7.1 Document Formatting

All documents created by the Respondent shall be formatted as follows:

1. **Paper size:** 8.5 x 11 inch; or 8.5 x 14 inch where appropriate;
2. **Minimum font size:** 11 point in the body of the document and 9 point for tables and graphics (except for footnotes, headers, or footers);
3. **Maximum number of pages:** as specified for each document as applicable in [Section 3.6 Response Instructions](#) above (single-sided pages);
4. **Ready for printing:** all electronic files submitted must be pre-formatted for printing;
5. **Software:** all electronic files submitted should be created (or fully compatible) with any of the following software suites or packages: Microsoft Office 365. Respondents should NOT use .pdf files unless otherwise allowed above. Respondents shall not submit password protected files.

3.8. Rejection of Responses

TxDOT has sole discretionary authority and reserves the right to reject any and all Responses received as a result of this RFO. Responses that do not comply with the mandatory submission requirements may be rejected. Responses that fail to comply with the instructions contained in [Section 3.6.12 Exceptions to Requirements \(including MSA Terms and Conditions\)](#) may be disqualified. Responses that, in TxDOT’s sole discretion, contain an excessive quantity of exceptions or exceptions that are so substantive as to pose a substantial risk to the successful achievement of a Contract may be removed from further consideration. In addition, TxDOT reserves the right to accept or reject, in whole or in part, any Responses submitted, and to waive minor technicalities when in the best interest of the State.

3.9. Right to Amend or Withdraw RFO

TxDOT reserves the right to alter, amend, or modify any provision of this RFO, or to withdraw this RFO, in whole or in part, at any time prior to the award of a Contract if doing so is in the best interest of the State. TxDOT reserves the right to re-solicit for like or similar products and services whenever it determines re-solicitation to be in the best interest of the State.

Any changes or additional information regarding this RFO will be posted as an Addendum on the ESD, at <http://www.txsmartbuy.com/sp>. It is the responsibility of Respondents to monitor the web site for Addenda. Respondent's failure to periodically check the ESD will in no way release the Respondent from Addenda or additional information resulting in additional costs to meet the requirements of the RFO.

3.10. Pre-agreement Costs

TxDOT shall not be responsible or liable for any cost incurred by any Respondent in the preparation and submission of its Response to this RFO or for other costs incurred by participating in this procurement process.

3.11. Ownership of Responses

All Responses become the property of TxDOT. TxDOT reserves the right to use any and all information or materials presented in response to this RFO. Disqualification of a Respondent's Response does not eliminate this right.

3.12. Public Information

TxDOT is a government agency subject to the Texas Public Information Act. Responses submitted to TxDOT as a result of this RFO are subject to release as public information after contracts are executed or if the procurement is terminated. Respondent may not mark its complete Response "copyrighted" or mark every page as proprietary or confidential, but if a Respondent believes that its Response, or parts of its Response, may be exempted from disclosure under Texas law, the Respondent must specify page-by-page and line-by-line the parts of the Response that it believes are exempt. In addition, the Respondent must specify which exception(s) are applicable and provide detailed reasons substantiating the exception(s). **Any part of Respondent's Response not specifically marked as confidential by Respondent is subject to release as public information without review by the Office of the Attorney General (OAG).** Pursuant to Texas Government Code section 2252.907, Respondent is required to make any information created, exchanged with the state pursuant to this Contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the state.

The Office of the Texas Attorney General (OAG) has the sole authority to determine whether information is confidential and not subject to disclosure under the Public Information Act. TxDOT shall comply with all decisions of the OAG.

TxDOT assumes no responsibility for asserting legal arguments on behalf of any Respondent. Respondents are advised to consult with their legal counsel concerning disclosure issues resulting from this procurement process and to take precautions to safeguard trade secrets and other proprietary information.

3.13. News Release

Respondent-initiated news releases pertaining to this RFO shall not be made without prior written approval of TxDOT, in its sole and absolute discretion. A minimum of ten (10) Business Days written notice is required for such approval.

4. EVALUATIONS, NEGOTIATIONS, AND AWARD

4.1. Evaluation of Responses

TxDOT will review Responses to determine responsiveness to this RFO. All determinations about responsiveness to this RFO are final. All Responses determined to be responsive will go through

a financial review overseen by the TxDOT Financial Management Division. **The financial review (here, a review of the financial solvency of the Respondent) and Completed HUB Subcontracting Plan is a pass/fail determination, failure may result in a vendor be found non-responsive.** Only Responses that pass will be considered for award.

At any time during the evaluation process, TxDOT may ask any or all Respondents to elaborate on or clarify specific points or portions of their Response. TxDOT's request and Respondent's response shall be in writing.

4.2. Evaluation Criteria

4.2.1 Pass/Fail Criteria

In addition to the weighted criteria listed below TxDOT also reviews additional Pass/Fail criteria as follows:

1. Financial Information is a Pass/Fail review conducted by the Financial Management Division;
2. Completion and signing of RFO Attachment 1 Respondent Information Form.
3. Completion and signing of HUB Subcontract Plan; and
4. In accordance with §§2155.074, 2155.075, 2156.007, 2157.003, and 2157.125, Gov't Code, Respondents may fail this selection criterion for any of the following conditions:
 - a. A score of less than a C or Legacy Unsatisfactory in the Vendor Performance System;
 - b. Currently under a Corrective Action Plan through the CPA, having repeated negative Vendor Performance Reports; and
 - c. Having purchase orders that have been cancelled in the previous twelve (12) months for non-performance (including but not limited to late delivery, etc.).

4.2.2 Weighted Evaluation Criteria

TxDOT will use the following criteria (listed in order of priority) to determine the best value for TxDOT:

1	Solution Quality	40%
2	Experience and Past Performance	40%
3	Service Integration Approach	10%
4	Pricing	10%
5	Exceptions*	N/A

*Exceptions will be considered. The Respondent may be removed from further consideration if TxDOT determines its exceptions are excessive in quantity or substance. See [Section 3.6.12 Exceptions to Requirements \(including MSA Terms and Conditions\)](#) for additional information regarding Exceptions.

TxDOT's evaluation of Respondent's history and experience may include consideration of Respondent performance as recorded in the CPA Vendor Performance Tracking System as described in the Texas Administrative Code, 34 TAC 20.115. TxDOT may also conduct reference checks with other entities regarding past performance. In addition to evaluating performance through the Vendor Performance Tracking System (as authorized by 34 TAC §20.115) TxDOT may examine other sources of vendor performance including, but not limited to, notices of termination, cure notices, assessments of liquidated damages, litigation, audit reports, and nonrenewal of contracts. Any such investigations will be at the sole discretion of TxDOT and any negative findings, as determined by TxDOT, may result in non-award to respondent. Throughout the evaluation process, TxDOT may elect to evaluate other aspects of the Respondent's performance, such as Clarification sessions, including Respondent's presentation and proposed key staff's performance, Requests for Revised Offer (RFRO), etc. TxDOT will notify applicable Respondents when additional scoring will occur and will provide updated weights, etc., as appropriate.

* TxDOT will not score Exceptions; however, Exceptions will be considered in light of a Respondent's scores on the other weighted criteria.

4.3. Clarification and Integration Sessions

Based on Respondent evaluation scores and prior to Award, TxDOT in its discretion may hold a series of clarification, discussion, and/or integrations sessions with selected Respondents to ensure complete and accurate understanding of Responses to this RFO. These sessions may include oral presentations, solution/product demonstrations, and integration discussions with other Service Component Providers.

TxDOT, in its discretion, may also hold a series of Integration sessions between select Respondent(s) and TxDOT Service Component Providers, to align the proposed solutions with current offerings as well as with potential Service Component Providers responding to other related solicitations. To facilitate these sessions, the State may distribute Respondent Solution Document to participants as appropriate.

NOTE: The Solution Document or other Response material will not be shared with other Respondents during the solicitation process. After Contract Award, TxDOT will follow the process described in [Section 3.12 Public Information](#).

Respondent shall not mark any of the Respondent Solution Document as confidential or copyright material. Failure by Respondent to allow such distribution of its solution may disqualify the Respondent from inclusion in further procurement discussions.

This RFO is intended to provide Respondent with enough information to build its Response, but it is the Respondent's responsibility to obtain any additional information deemed necessary for the Respondent to meet its obligations under the terms of this RFO. Respondents participating in Clarification sessions will submit a written Due Diligence plan to TxDOT as part of its amended Response.

4.4. Revised Offer

After the initial scoring, TxDOT may determine which responses may reasonably be considered for award selection and, at its discretion, may narrow the field of respondents that may participate

in subsequent evaluation activities such as additional discussion sessions or a Revised Offer process. To the extent that the Revised Offer process is employed, TxDOT will evaluate revised offers in a manner consistent with the established best value scoring criteria.

TxDOT reserves the right to continue to evaluate Responses until such point as the best value, as defined by Texas Government Code, Sections 2157.003 and 2155.074, is obtained for the State.

4.5. Negotiations

At the conclusion of the evaluation, as described within [Sections 4.1 Evaluation of Responses](#) and [4.4 Revised Offer](#) and above, TxDOT will determine the number of Respondents with which it will start Contract negotiations. Negotiations will continue until TxDOT, in its sole discretion, determines that the best value for the State has been obtained.

4.6. Award of Contract

TxDOT reserves the right to make award or awards to best serve the interest of the state.

Award will be made to the respondent(s) providing the best value to the state. Any award for this RFO shall be posted under solicitation number in the header of this document on the ESBD, <http://www.txsmartbuy.com/sp>, upon execution of a Contract. All Responses and working papers pursuant to this RFO are not subject to disclosure under the Public Information Act until all Contracts resulting from this RFO have been executed.

The issuance of this RFO does not imply that TxDOT is making an offer to do business with any RFO recipient or Respondent. No agreement or other binding obligation on TxDOT is implied or will occur unless and until a definitive agreement is executed. The issuance of this RFO and the submission of the Respondent's Response do not create any obligation upon TxDOT to purchase goods or Services from the Respondent, or to enter into any binding legal relationship with one (1) or more of the Respondents.

5. Appendix

5.1. Summary Response Package Files

Table 7: Summary of Response Package Files

Response Package 1 Administrative		
	RFO Reference	Form of Response
1	Transmittal Letter and Executive Summary	“ABC_Executive_Summary.docx”
2	Respondent Information Form (Attachment 1)	“ABC_RIF_Attachment_1.docx”
3	Schedule 2 of Attachment 7 Texas Family Code – Section 231.006	“ABC_TFC_Attachment_1.docx”
4	Schedule 3 of Attachment 7 Respondent Qualifications	“ABC_Qualifications.docx”
5	Financial Information	“ABC_Financial_Information.docx” (.docx or .pdf)
6	Addenda to the RFO	“ABC_Addenda.docx” (.docx or .pdf)
Response Package 2 Service Requirements		
	RFO Reference	Form of Response
7	Exhibit 2.1.3 Business Network Solution Document*	“ABC_Exhibit_2.1.3_BNTWK_Solution.docx”
8	Exhibit 2.1.5 Traffic Network Solution Document*	“ABC_Exhibit_2.1.5_TNTWK_Solution.docx”
9	Attachment 5 Respondent Transition Plan	“ABC_Transition_Plan_Response.docx”
10	Respondent Transition Project Plan	“ABC_Transition_Project_Plan.mpp.”
11	Schedules 4 and 5 of Attachment 7 Respondent References and Canceled Contract References	“ABC_References.docx”
12	Proposed Account Organization	“ABC_Exhibit_2.4_Key Personnel.docx”
13	Attachment 4: Respondent Release of Liability	“ABC_Release_of_Liability.docx”
Response Package 3 Pricing		
	RFO Reference	Form of Response
14	Exhibit 4.1 Pricing and Volumes	“ABC_Exhibit_4.1_Pricing_and Volumes.xlsx”
15	Exhibit 4.6 Personnel Projection Matrix	“ABC_Exhibit_4.6_PPM.xlsx”
Response Package 4 HUB		
	RFO Reference	Form of Response
16	Attachment 2 HUB Subcontracting Plan (Completed)	“ABC_HUB_Subcontracting_Plan.pdf”
Response Package 5 Exceptions		
	RFO Reference	Form of Response
17	Redlined version of Master Services Agreement	“ABC_MSA_Exceptions.docx”
18	RFO Attachment 3: Exceptions	“ABC_Exceptions.xlsx”

*Respondent shall include one (1) or both Solution Response documents as part of the submission based on Respondent's decision to respond to one (1) or both Service Components to this RFO.
<End of RFO>

Attachment 1: Respondent Information Form

This form must be filled out in its entirety and signed by an officer or agent empowered to contractually bind the Respondent.

1. Company Name: _____

2. Texas Comptroller of Public Accounts (TCPA) Vendor Identification Number:

3. Current Federal Employer Identification Number (EIN): _____

4. Principal place of business

Address:

City:

State:

Zip Code:

5. Facility responsible for servicing the Contract

Address:

City:

State:

Zip Code:

6. Contact Person regarding Respondent's Response to the RFO

Name:

Title:

Address:

City, State, Zip:

Phone Number:

Fax:

Email:

The names and positions of any additional persons granted authority to contractually bind, Respondent if Respondent is selected for further negotiations with TxDOT:

7. Contact Person responsible for contract negotiation

Name:

Title:

Address:

City, State, Zip:

Phone Number:

Fax:

Email:

By signature hereon, Respondent certifies that: All statements and information prepared and submitted in the response to this RFO are current, complete, and accurate. By signing this response, Respondent certifies that if a Texas address is shown as the address of the Respondent, Respondent qualifies as a Texas Resident Bidder as defined in Texas Administrative Code, Title 34, Part 1, Chapter 20.

Signature of Officer or Agent empowered to contractually bind the Respondent

Title

Date



HUB Subcontracting Plan (HSP)

QUICK CHECKLIST

While this HSP Quick Checklist is being provided to merely assist you in readily identifying the sections of the HSP form that you will need to complete, it is very important that you adhere to the instructions in the HSP form and instructions provided by the contracting agency.

- **If you will be awarding all of the subcontracting work you have to offer under the contract to only Texas certified HUB vendors, complete:**
 - ☐ Section 1 - Respondent and Requisition Information
 - ☐ Section 2 a. - Yes, I will be subcontracting portions of the contract.
 - ☐ Section 2 b. - List all the portions of work you will subcontract, and indicate the percentage of the contract you expect to award to Texas certified HUB vendors.
 - ☐ Section 2 c. - Yes
 - ☐ Section 4 - Affirmation
 - ☐ GFE Method A (Attachment A) - Complete an Attachment A for each of the subcontracting opportunities you listed in Section 2 b.
- **If you will be subcontracting any portion of the contract to Texas certified HUB vendors and Non-HUB vendors, and the aggregate percentage of all the subcontracting work you will be awarding to the Texas certified HUB vendors with which you do not have a continuous contract* in place for more than five (5) years meets or exceeds the HUB Goal the contracting agency identified in the "Agency Special Instructions/Additional Requirements", complete:**
 - ☐ Section 1 - Respondent and Requisition Information
 - ☐ Section 2 a. - Yes, I will be subcontracting portions of the contract.
 - ☐ Section 2 b. - List all the portions of work you will subcontract, and indicate the percentage of the contract you expect to award to Texas certified HUB vendors and Non-HUB vendors.
 - ☐ Section 2 c. - No
 - ☐ Section 2 d. - Yes
 - ☐ Section 4 - Affirmation
 - ☐ GFE Method A (Attachment A) - Complete an Attachment A for each of the subcontracting opportunities you listed in Section 2 b.
- **If you will be subcontracting any portion of the contract to Texas certified HUB vendors and Non-HUB vendors or only to Non-HUB vendors, and the aggregate percentage of all the subcontracting work you will be awarding to the Texas certified HUB vendors with which you do not have a continuous contract* in place for more than five (5) years does not meet or exceed the HUB Goal the contracting agency identified in the "Agency Special Instructions/Additional Requirements", complete:**
 - ☐ Section 1 - Respondent and Requisition Information
 - ☐ Section 2 a. - Yes, I will be subcontracting portions of the contract.
 - ☐ Section 2 b. - List all the portions of work you will subcontract, and indicate the percentage of the contract you expect to award to Texas certified HUB vendors and Non-HUB vendors.
 - ☐ Section 2 c. - No
 - ☐ Section 2 d. - No
 - ☐ Section 4 - Affirmation
 - ☐ GFE Method B (Attachment B) - Complete an Attachment B for each of the subcontracting opportunities you listed in Section 2 b.
- **If you will not be subcontracting any portion of the contract and will be fulfilling the entire contract with your own resources (i.e., employees, supplies, materials and/or equipment), complete:**
 - ☐ Section 1 - Respondent and Requisition Information
 - ☐ Section 2 a. - No, I will not be subcontracting any portion of the contract, and I will be fulfilling the entire contract with my own resources.
 - ☐ Section 3 - Self Performing Justification
 - ☐ Section 4 - Affirmation

***Continuous Contract:** Any existing written agreement (including any renewals that are exercised) between a prime contractor and a HUB vendor, where the HUB vendor provides the prime contractor with goods or service, to include under the same contract for a specified period of time. The frequency the HUB vendor is utilized or paid during the term of the contract is not relevant to whether the contract is considered continuous. Two or more contracts that run concurrently or overlap one another for different periods of time are considered by CPA to be individual contracts rather than renewals or extensions to the original contract. In such situations the prime contractor and HUB vendor are entering (have entered) into "new" contracts.



HUB Subcontracting Plan (HSP)

In accordance with Texas Gov't Code §2161.252, the contracting agency has determined that subcontracting opportunities are probable under this contract. Therefore, all respondents, including State of Texas certified Historically Underutilized Businesses (HUBs) must complete and submit this State of Texas HUB Subcontracting Plan (HSP) with their response to the bid requisition (solicitation).

NOTE: Responses that do not include a completed HSP shall be rejected pursuant to Texas Gov't Code §2161.252(b).

The HUB Program promotes equal business opportunities for economically disadvantaged persons to contract with the State of Texas in accordance with the goals specified in the 2009 State of Texas Disparity Study. The statewide HUB goals defined in 34 Texas Administrative Code (TAC) §20.284 are:

- **11.2 percent for heavy construction other than building contracts,**
- **21.1 percent for all building construction, including general contractors and operative builders' contracts,**
- **32.9 percent for all special trade construction contracts,**
- **23.7 percent for professional services contracts,**
- **26.0 percent for all other services contracts, and**
- **21.1 percent for commodities contracts.**

- - Agency Special Instructions/Additional Requirements - -

*In accordance with 34 TAC §20.285(d)(1)(D)(iii), a respondent (prime contractor) may demonstrate good faith effort to utilize Texas certified HUBs for its subcontracting opportunities if the total value of the respondent's subcontracts with Texas certified HUBs meets or exceeds the statewide HUB goal or the agency specific HUB goal, whichever is higher. When a respondent uses this method to demonstrate good faith effort, the respondent must identify the HUBs with which it will subcontract. If using existing contracts with Texas certified HUBs to satisfy this requirement, only the aggregate percentage of the contracts expected to be subcontracted to HUBs with which the respondent **does not** have a **continuous contract*** in place for **more than five (5) years** shall qualify for meeting the HUB goal. This limitation is designed to encourage vendor rotation as recommended by the 2009 Texas Disparity Study.*

SECTION 1: RESPONDENT AND REQUISITION INFORMATION

- a. Respondent (Company) Name: _____ State of Texas VID #: _____
Point of Contact: _____ Phone #: _____
E-mail Address: _____ Fax #: _____
- b. Is your company a State of Texas certified HUB? ☐ - Yes ☐ - No
- c. Requisition #: _____ Bid Open Date: _____
(mm/dd/yyyy)

Enter your company's name here: _____ Requisition #: _____

SECTION 2: RESPONDENT'S SUBCONTRACTING INTENTIONS

After dividing the contract work into reasonable lots or portions to the extent consistent with prudent industry practices, and taking into consideration the scope of work to be performed under the proposed contract, including all potential subcontracting opportunities, the respondent must determine what portions of work, **including contracted staffing, goods and services will be subcontracted**. Note: In accordance with 34 TAC §20.282, a "Subcontractor" means a person who contracts with a prime contractor to work, to supply commodities, or to contribute toward completing work for a governmental entity.

a. Check the appropriate box (Yes or No) that identifies your subcontracting intentions:

- ☐ - Yes, I will be subcontracting portions of the contract. (If Yes, complete Item b of this SECTION and continue to Item c of this SECTION.)
- ☐ - No, I will not be subcontracting any portion of the contract, and I will be fulfilling the entire contract with my own resources, including employees, goods and services. (If No, continue to SECTION 3 and SECTION 4.)

b. List all the portions of work (subcontracting opportunities) you will subcontract. Also, based on the total value of the contract, identify the percentages of the contract you expect to award to Texas certified HUBs, and the percentage of the contract you expect to award to vendors that are not a Texas certified HUB (i.e., Non-HUB).

Item #	Subcontracting Opportunity Description	HUBs		Non-HUBs
		Percentage of the contract expected to be subcontracted to HUBs with which you do not have a continuous contract* in place for more than five (5) years .	Percentage of the contract expected to be subcontracted to HUBs with which you have a continuous contract* in place for more than five (5) years .	Percentage of the contract expected to be subcontracted to non-HUBs.
1		%	%	%
2		%	%	%
3		%	%	%
4		%	%	%
5		%	%	%
6		%	%	%
7		%	%	%
8		%	%	%
9		%	%	%
10		%	%	%
11		%	%	%
12		%	%	%
13		%	%	%
14		%	%	%
15		%	%	%
Aggregate percentages of the contract expected to be subcontracted:		%	%	%

(Note: If you have more than fifteen subcontracting opportunities, a continuation sheet is available online at <https://www.comptroller.texas.gov/purchasing/vendor/hub/forms.php>.)

c. Check the appropriate box (Yes or No) that indicates whether you will be using **only** Texas certified HUBs to perform **all** of the subcontracting opportunities you listed in SECTION 2, Item b.

- ☐ - Yes (If Yes, continue to SECTION 4 and complete an "HSP Good Faith Effort - Method A (Attachment A)" for **each** of the subcontracting opportunities you listed.)
- ☐ - No (If No, continue to Item d, of this SECTION.)

d. Check the appropriate box (Yes or No) that indicates whether the aggregate expected percentage of the contract you will subcontract **with Texas certified HUBs** with which you **do not** have a **continuous contract*** in place with for **more than five (5) years**, **meets or exceeds** the HUB goal the contracting agency identified on page 1 in the "Agency Special Instructions/Additional Requirements."

- ☐ - Yes (If Yes, continue to SECTION 4 and complete an "HSP Good Faith Effort - Method A (Attachment A)" for **each** of the subcontracting opportunities you listed.)
- ☐ - No (If No, continue to SECTION 4 and complete an "HSP Good Faith Effort - Method B (Attachment B)" for **each** of the subcontracting opportunities you listed.)

***Continuous Contract:** Any existing written agreement (including any renewals that are exercised) between a prime contractor and a HUB vendor, where the HUB vendor provides the prime contractor with goods or service under the same contract for a specified period of time. The frequency the HUB vendor is utilized or paid during the term of the contract is not relevant to whether the contract is considered continuous. Two or more contracts that run concurrently or overlap one another for different periods of time are considered by CPA to be individual contracts rather than renewals or extensions to the original contract. In such situations the prime contractor and HUB vendor are entering (have entered) into "new" contracts.

Enter your company's name here: _____

Requisition #: _____

SECTION 2: RESPONDENT'S SUBCONTRACTING INTENTIONS (CONTINUATION SHEET)

This page can be used as a continuation sheet to the HSP Form's page 2, Section 2, Item b. Continue listing the portions of work (subcontracting opportunities) you will subcontract. Also, based on the total value of the contract, identify the percentages of the contract you expect to award to Texas certified HUBs, and the percentage of the contract you expect to award to vendors that are not a Texas certified HUB (i.e., Non-HUB).

Item #	Subcontracting Opportunity Description	HUBs		Non-HUBs
		Percentage of the contract expected to be subcontracted to HUBs with which you do not have a <u>continuous contract*</u> in place for <u>more than five (5) years</u> .	Percentage of the contract expected to be subcontracted to HUBs with which you have a <u>continuous contract*</u> in place for <u>more than five (5) years</u> .	Percentage of the contract expected to be subcontracted to non-HUBs.
16		%	%	%
17		%	%	%
18		%	%	%
19		%	%	%
20		%	%	%
21		%	%	%
22		%	%	%
23		%	%	%
24		%	%	%
25		%	%	%
26		%	%	%
27		%	%	%
28		%	%	%
29		%	%	%
30		%	%	%
31		%	%	%
32		%	%	%
33		%	%	%
34		%	%	%
35		%	%	%
36		%	%	%
37		%	%	%
38		%	%	%
39		%	%	%
40		%	%	%
41		%	%	%
42		%	%	%
43		%	%	%
Aggregate percentages of the contract expected to be subcontracted:		%	%	%

***Continuous Contract:** Any existing written agreement (including any renewals that are exercised) between a prime contractor and a HUB vendor, where the HUB vendor provides the prime contractor with goods or service under the same contract for a specified period of time. The frequency the HUB vendor is utilized or paid during the term of the contract is not relevant to whether the contract is considered continuous. Two or more contracts that run concurrently or overlap one another for different periods of time are considered by CPA to be individual contracts rather than renewals or extensions to the original contract. In such situations the prime contractor and HUB vendor are entering (have entered) into "new" contracts.

Enter your company's name here: _____ Requisition #: _____

SECTION 3: SELF PERFORMING JUSTIFICATION (If you responded "No" to SECTION 2, Item a, you must complete this SECTION and continue to SECTION 4.) If you responded "No" to SECTION 2, Item a, in the space provided below **explain how** your company will perform the entire contract with its own employees, supplies, materials and/or equipment.

SECTION 4: AFFIRMATION

As evidenced by my signature below, I affirm that I am an authorized representative of the respondent listed in SECTION 1, and that the information and supporting documentation submitted with the HSP is true and correct. Respondent understands and agrees that, if awarded any portion of the requisition:

- The respondent will provide notice as soon as practical to all the subcontractors (HUBs and Non-HUBs) of their selection as a subcontractor for the awarded contract. The notice must specify at a minimum the contracting agency's name and its point of contact for the contract, the contract award number, the subcontracting opportunity they (the subcontractor) will perform, the approximate dollar value of the subcontracting opportunity and the expected percentage of the total contract that the subcontracting opportunity represents. A copy of the notice required by this section must also be provided to the contracting agency's point of contact for the contract no later than ten (10) working days after the contract is awarded.
- The respondent must submit monthly compliance reports (Prime Contractor Progress Assessment Report – PAR) to the contracting agency, verifying its compliance with the HSP, including the use of and expenditures made to its subcontractors (HUBs and Non-HUBs). (The PAR is available at <https://www.comptroller.texas.gov/purchasing/docs/hub-forms/ProgressAssessmentReportForm.xls>).
- The respondent must seek approval from the contracting agency prior to making any modifications to its HSP, including the hiring of additional or different subcontractors and the termination of a subcontractor the respondent identified in its HSP. If the HSP is modified without the contracting agency's prior approval, respondent may be subject to any and all enforcement remedies available under the contract or otherwise available by law, up to and including debarment from all state contracting.
- The respondent must, upon request, allow the contracting agency to perform on-site reviews of the company's headquarters and/or work-site where services are being performed and must provide documentation regarding staffing and other resources.

Signature

Printed Name

Title

Date
(mm/dd/yyyy)

Reminder:

- If you responded "Yes" to SECTION 2, Items c or d, you must complete an "HSP Good Faith Effort - Method A (Attachment A)" for each of the subcontracting opportunities you listed in SECTION 2, Item b.
- If you responded "No" SECTION 2, Items c and d, you must complete an "HSP Good Faith Effort - Method B (Attachment B)" for each of the subcontracting opportunities you listed in SECTION 2, Item b.

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Page 1 of 1
(Attachment A)

HSP Good Faith Effort - Method B (Attachment B)

Rev. 2/17

Enter your company's name here: _____ Requisition #: _____

IMPORTANT: If you responded “No” to **SECTION 2, Items c and d** of the completed HSP form, you must submit a completed “HSP Good Faith Effort - Method B (Attachment B)” for **each** of the subcontracting opportunities you listed in **SECTION 2, Item b** of the completed HSP form. You may photo-copy this page or download the form at <https://www.comptroller.texas.gov/purchasing/docs/hub-forms/hub-sbcont-plan-gfe-achm-b.pdf>.

SECTION B-1: SUBCONTRACTING OPPORTUNITY

Enter the item number and description of the subcontracting opportunity you listed in SECTION 2, Item b, of the completed HSP form for which you are completing the attachment.

Item Number: _____ Description: _____

SECTION B-2: MENTOR PROTÉGÉ PROGRAM

If respondent is participating as a Mentor in a State of Texas Mentor Protégé Program, submitting its Protégé (Protégé must be a State of Texas certified HUB) as a subcontractor to perform the subcontracting opportunity listed in **SECTION B-1**, constitutes a good faith effort to subcontract with a Texas certified HUB towards that specific portion of work.

Check the appropriate box (Yes or No) that indicates whether you will be subcontracting the portion of work you listed in SECTION B-1 to your Protégé.

- ☐ - Yes (If Yes, continue to SECTION B-4.)
- ☐ - No / Not Applicable (If No or Not Applicable, continue to SECTION B-3 and SECTION B-4.)

SECTION B-3: NOTIFICATION OF SUBCONTRACTING OPPORTUNITY

When completing this section you **MUST** comply with items **a, b, c and d**, thereby demonstrating your Good Faith Effort of having notified Texas certified HUBs and trade organizations or development centers about the subcontracting opportunity you listed in SECTION B-1. Your notice should include the scope of work, information regarding the location to review plans and specifications, bonding and insurance requirements, required qualifications, and identify a contact person. When sending notice of your subcontracting opportunity, you are encouraged to use the attached HUB Subcontracting Opportunity Notice form, which is also available online at <https://www.comptroller.texas.gov/purchasing/docs/hub-forms/HUBSubcontractingOpportunityNotificationForm.pdf>.

Retain supporting documentation (i.e., certified letter, fax, e-mail) demonstrating evidence of your good faith effort to notify the Texas certified HUBs and trade organizations or development centers. Also, be mindful that a working day is considered a normal business day of a state agency, not including weekends, federal or state holidays, or days the agency is declared closed by its executive officer. The initial day the subcontracting opportunity notice is sent/provided to the HUBs and to the trade organizations or development centers is considered to be “day zero” and does not count as one of the seven (7) working days.

- a.** Provide written notification of the subcontracting opportunity you listed in SECTION B-1, to three (3) or more Texas certified HUBs. Unless the contracting agency specified a different time period, you must allow the HUBs at least seven (7) working days to respond to the notice prior to you submitting your bid response to the contracting agency. When searching for Texas certified HUBs and verifying their HUB status, ensure that you use the State of Texas’ Centralized Master Bidders List (CMBL) - Historically Underutilized Business (HUB) Directory Search located at <http://mycpa.cpa.state.tx.us/tpasscmbsearch/index.jsp>. HUB status code “A” signifies that the company is a Texas certified HUB.
- b.** List the **three (3) Texas certified HUBs** you notified regarding the subcontracting opportunity you listed in SECTION B-1. Include the company’s Texas Vendor Identification (VID) Number, the date you sent notice to that company, and indicate whether it was responsive or non-responsive to your subcontracting opportunity notice.

Company Name	Texas VID (Do not enter Social Security Numbers.)	Date Notice Sent (mm/dd/yyyy)	Did the HUB Respond?
			☐ - Yes ☐ - No
			☐ - Yes ☐ - No
			☐ - Yes ☐ - No

- c.** Provide written notification of the subcontracting opportunity you listed in SECTION B-1 to **two (2)** or more trade organizations or development centers in Texas to assist in identifying potential HUBs by disseminating the subcontracting opportunity to their members/participants. Unless the contracting agency specified a different time period, you must provide your subcontracting opportunity notice to trade organizations or development centers at least seven (7) working days prior to submitting your bid response to the contracting agency. A list of trade organizations and development centers that have expressed an interest in receiving notices of subcontracting opportunities is available on the Statewide HUB Program’s webpage at <https://www.comptroller.texas.gov/purchasing/vendor/hub/resources.php>.
- d.** List **two (2) trade organizations or development centers** you notified regarding the subcontracting opportunity you listed in SECTION B-1. Include the date when you sent notice to it and indicate if it accepted or rejected your notice.

Trade Organizations or Development Centers	Date Notice Sent (mm/dd/yyyy)	Was the Notice Accepted?
		☐ - Yes ☐ - No
		☐ - Yes ☐ - No

HSP Good Faith Effort - Method B (Attachment B) Cont.

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Enter your company's name here: _____ Requisition #: _____

SECTION B-4: SUBCONTRACTOR SELECTION

Enter the item number and description of the subcontracting opportunity you listed in **SECTION 2, Item b**, of the completed HSP form for which you are completing the attachment.

- a. Enter the item number and description of the subcontracting opportunity for which you are completing this Attachment B continuation page.

Item Number: _____ Description: _____

- b. List the subcontractor(s) you selected to perform the subcontracting opportunity you listed in **SECTION B-1**. Also identify whether they are a Texas certified HUB and their Texas Vendor Identification (VID) Number or federal Employer Identification Number (EIN), the approximate dollar value of the work to be subcontracted, and the expected percentage of work to be subcontracted. When searching for Texas certified HUBs and verifying their HUB status, ensure that you use the State of Texas' Centralized Master Bidders List (CMBL) - Historically Underutilized Business (HUB) Directory Search located at <http://mycpa.cpa.state.tx.us/tpasscmbsearch/index.jsp>. HUB status code "A" signifies that the company is a Texas certified HUB.

Company Name	Texas certified HUB	Texas VID or federal EIN Do not enter Social Security Numbers. If you do not know their VID / EIN, leave their VID / EIN field blank.	Approximate Dollar Amount	Expected Percentage of Contract
	☐ - Yes ☐ - No		\$	%
	☐ - Yes ☐ - No		\$	%
	☐ - Yes ☐ - No		\$	%
	☐ - Yes ☐ - No		\$	%
	☐ - Yes ☐ - No		\$	%
	☐ - Yes ☐ - No		\$	%
	☐ - Yes ☐ - No		\$	%
	☐ - Yes ☐ - No		\$	%
	☐ - Yes ☐ - No		\$	%
	☐ - Yes ☐ - No		\$	%

- c. If any of the subcontractors you have selected to perform the subcontracting opportunity you listed in **SECTION B-1** is not a Texas certified HUB, provide written justification for your selection process (attach additional page if necessary):

REMINDER: As specified in SECTION 4 of the completed HSP form, if you (respondent) are awarded any portion of the requisition, you are required to provide notice as soon as practical to **all** the subcontractors (HUBs and Non-HUBs) of their selection as a subcontractor. The notice must specify at a minimum the contracting agency's name and its point of contact for the contract, the contract award number, the subcontracting opportunity it (the subcontractor) will perform, the approximate dollar value of the subcontracting opportunity and the expected percentage of the total contract that the subcontracting opportunity represents. A copy of the notice required by this section must also be provided to the contracting agency's point of contact for the contract no later than ten (10) working days after the contract is awarded.



HUB Subcontracting Opportunity Notification Form

In accordance with Texas Gov't Code, Chapter 2161, each state agency that considers entering into a contract with an expected value of \$100,000 or more shall, before the agency solicits bids, proposals, offers, or other applicable expressions of interest, determine whether subcontracting opportunities are probable under the contract. The state agency I have identified below in Section B has determined that subcontracting opportunities are probable under the requisition to which my company will be responding.

34 Texas Administrative Code, §20.285 requires all respondents (prime contractors) bidding on the contract to provide notice of each of their subcontracting opportunities to at least three (3) Texas certified HUBs (who work within the respective industry applicable to the subcontracting opportunity), and allow the HUBs at least seven (7) working days to respond to the notice prior to the respondent submitting its bid response to the contracting agency. In addition, at least seven (7) working days prior to submitting its bid response to the contracting agency, the respondent must provide notice of each of its subcontracting opportunities to two (2) or more trade organizations or development centers (in Texas) that serves members of groups (i.e., Asian Pacific American, Black American, Hispanic American, Native American, Woman, Service Disabled Veteran) identified in Texas Administrative Code §20.282(19)(C).

We respectfully request that vendors interested in bidding on the subcontracting opportunity scope of work identified in Section C, Item 2, reply no later than the date and time identified in Section C, Item 1. Submit your response to the point-of-contact referenced in Section A.

SECTION A: PRIME CONTRACTOR'S INFORMATION

Company Name: _____

State of Texas VID #: _____

Point-of-Contact: _____

Phone #: _____

E-mail Address: _____

Fax #: _____

SECTION B: CONTRACTING STATE AGENCY AND REQUISITION INFORMATION

Agency Name: _____

Point-of-Contact: _____

Phone #: _____

Requisition #: _____

Bid Open Date: _____

(mm/dd/yyyy)

SECTION C: SUBCONTRACTING OPPORTUNITY RESPONSE DUE DATE, DESCRIPTION, REQUIREMENTS AND RELATED INFORMATION

1. Potential Subcontractor's Bid Response Due Date:

If you would like for our company to consider your company's bid for the subcontracting opportunity identified below in Item 2,

we must receive your bid response no later than _____ on _____ .
Central Time Date (mm/dd/yyyy)

In accordance with 34 TAC §20.285, each notice of subcontracting opportunity shall be provided to at least three (3) Texas certified HUBs, and allow the HUBs at least seven (7) working days to respond to the notice prior to submitting our bid response to the contracting agency. In addition, at least seven (7) working days prior to us submitting our bid response to the contracting agency, we must provide notice of each of our subcontracting opportunities to two (2) or more trade organizations or development centers (in Texas) that serves members of groups (i.e., Asian Pacific American, Black American, Hispanic American, Native American, Woman, Service Disabled Veteran) identified in Texas Administrative Code, §20.282(19)(C).

(A working day is considered a normal business day of a state agency, not including weekends, federal or state holidays, or days the agency is declared closed by its executive officer. The initial day the subcontracting opportunity notice is sent/provided to the HUBs and to the trade organizations or development centers is considered to be "day zero" and does not count as one of the seven (7) working days.)

2. Subcontracting Opportunity Scope of Work:

3. Required Qualifications:

☐ - Not Applicable

4. Bonding/Insurance Requirements:

☐ - Not Applicable

5. Location to review plans/specifications:

☐ - Not Applicable

ATTACHMENT 4
RESPONDENT RELEASE OF LIABILITY

**THIS FORM MUST BE COMPLETED/SIGNED BY RESPONDENT FOR EACH IDENTIFIED
REFERENCE AND SUBMITTED WITH THE RESPONDENT'S REQUIREMENTS SUBMISSION**

To company providing the reference:

Enter name of company providing the reference here

You are hereby requested to provide a business reference for:

Enter name of company (Respondent) or key staff person's name needing a reference

to the:

Texas Department of Transportation
Solicitation Evaluation Team

Please disclose any and all information that you deem relevant relating to the above-named parties' business relationship. By signing this document, the entity and, if applicable, individual key staff person signing below releases the above-named company providing a reference, its agents, employees, and all persons, natural or corporate, in privity with above-named company providing a reference from any and all liability, claims or causes of action arising from their disclosure of information pursuant to this request for a business reference.

Signed the _____ day of _____, 20____.

(Respondent Signature)

(Respondent Printed Name)

(Respondent Title)

Signed the _____ day of _____, 20____.

(Key Staff Signature or "N/A" if Respondent-level release)

(Key Staff Printed Name)



Texas Department of Transportation

Managed Network Services

RFO Attachment 5

Transition Plan Response

Version 1.0

Solicitation No. 601440000032124

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1.0 Service Provider Guidelines

This Attachment supplies specific information for the Service Provider's use when responding to the RFO. This **Attachment 5 Managed Network Services Transition Plan Response** is intended to be updated in stages throughout the procurement process. This Attachment contains an outline of key topic areas that Service Provider is required to address as part of its response to this RFO. The response will include a thorough description of its Transition Plan, solution and overall approach to implementing the Services in the TxDOT environment and successfully transitioning responsibility from the Incumbent Service Provider.

Service Provider Instructions

1. Service Provider shall modify the electronic version of this Attachment to respond to the requirements herein by completing all sections while refraining from modifying section titles or removing sections.
2. Although some sections are related, the Service Provider should minimize repeated responses (copy/paste) in subsequent sections, ensuring the response for each section is specific to the requirements therein.
3. Assumptions will not be included in this response and must be documented as instructed in the **RFO Instructions Section 3.6** within the defined structure of **Exhibit 4.1 Pricing Structure**.
4. The Service Provider shall refrain from providing "marketing materials" and background information already provided to TxDOT or otherwise available in the public domain.
5. The Service Provider shall return the completed file as part of its overall response to the RFO package, in accordance with the **RFO Response Instructions Section 3.6**.

2.0 Transition Overview

Service Provider shall describe its plan for taking over the Services from the Incumbent provider at the Commencement Date, including, but not limited to, documenting pre-Commencement activities that must occur, how transition will take place at the Commencement Date, and what post-Commencement Date activities will be required to fully transfer all components of the Services from the Incumbent (e.g., assets, software licenses and operational documentation). Service Provider shall include Knowledge Transfer requirements and associated activities and schedule for such activities.

Service Provider will describe its transition overview in the space below.

2.1 Transition Guiding Principles and Critical Success Factors

Service Provider shall describe the guiding principles that will protect the key interests of TxDOT during Transition and the characteristics, conditions, or variables it believes will have a direct and critical impact on the effectiveness, efficiency, and viability of the Service Provider's solution.

Service Provider shall describe its transition guiding principles and success factors in the space below.

2.2 High Level Transition Timeline

The Service Provider shall describe the high-level timeline and critical milestones from the start of pre-Transition activities through the point at which the Service Provider expects it will be delivering predictable, repeatable results that meet the requirements of the RFO. This solution timeline shall be a summary of the Transition Project Plan submitted as required in response to the RFO.

Service Provider shall describe the high level transition timeline in the space below.

2.3 Critical Success Factors and Dependencies

Service Provider shall describe three (3) to five (5) characteristics, conditions, or variables it believes will have a direct and critical impact on the effectiveness, efficiency, and viability of its proposed solution. The Service Provider shall describe its approach to mitigating risks and ensuring these critical factors are successfully executed.

Service Provider shall identify the information or activities needed from TxDOT other SCs or the Incumbent Service Provider as part of transition planning, solution development, transition readiness assessment, and work turnover.

Service Provider shall describe the Critical Success Factors and Dependencies in the space below.

3.0 Transition Plan

3.1 Transition Approach and Methodology

Service Provider shall describe the overall approach and methodologies that they intend to employ in the Transition of the Services and implementation of the requirements of this RFO.

Service Provider shall describe its transition approach and methodology in the space below.

3.2 People, Skills and Training

Service Provider shall describe their overall approach to acquiring and retaining the necessary resources and skills to transition the Services from the Incumbent Service Provider.

Service Provider shall describe its approach to resourcing, equipping and training the transition and delivery teams in the space below.

3.3 Service Integration and Cross Functional Services

Service Provider shall describe its plans for integrating and complying with the various ITIL Service Management processes that are set forth in the existing SMM, **Exhibit 2.1.1 Cross Functional Services SOW** and related documents. Additionally, the Service Provider shall describe how it will conform to the requirements set forth in **Exhibit 1.3 Service Management Manual**. Include Service Provider's expectations for what systems will be in place at the Commencement Date and what systems or changes will be put in place subsequently.

Service Provider shall describe how it will successfully integrate into the TxDOT Operating environment, cross-functional processes, services and systems in the space below.

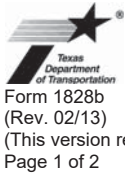
3.4 Transition Assistance Support

The Service Provider shall describe the support it will require from the Incumbent Service Provider to prepare for and execute a smooth transition. Including the following:

1. **Personnel Support** - Service Provider shall describe the personnel and organizational support required from the Incumbent Service Provider and applicable Third Party vendors that are critical to planning, preparation and turnover of Services.
2. **Critical Information** - Service Provider shall describe critical information and knowledge transfer required from the Incumbent Service Provider(s) as part of transition planning, solution development, transition readiness assessment and work turnover.
3. **Contingency Plans** - Service Provider shall describe areas for which contingency plans will be developed, under what conditions and in what timeframe they would be invoked to address inadequate information or support capabilities from the Incumbent Service Provider.

4. **Technology Support** – Service Provider shall describe the technology assistance required from the Incumbent and SCPs to support in the transition and effective integration of tools and systems.

Service Provider shall describe the Transition Assistance Support requirements in the space below.



Information Resources Security Compliance and Confidentiality Agreement (External User)

Printed Name

Payroll Unit No.

I understand that the Texas Department of Transportation ("TxDOT") collects and maintains confidential and privileged information.

I understand that TxDOT permits access to data containing confidential and privileged information by contractual agreement with external users not employed by TxDOT.

I understand and agree that any and all information that may come to my knowledge while using the TxDOT's information resources¹ may not be used or disclosed except as expressly authorized by TxDOT's management.

I understand and agree that I will observe the standards of confidentiality that must be maintained as I exchange business and technical information and that a breach of those standards may result in termination of my contract.

I understand and agree that any and all information system password(s) or access procedure(s) I receive or devise for use with TxDOT's information systems are confidential and reserved for official state agency business only. I will not disclose to any unauthorized person any password(s) or access procedure(s) I am given or devise, and I will not post these procedure(s) or written password(s) where persons who are not authorized to use TxDOT's system may view them.

I understand and agree that unauthorized release of confidential information, or actions deemed negligent resulting in damages/loss of information resources, will result in termination of my contract and may also result in legal action.

I understand and agree that I am responsible for all information system transactions performed as a result of access authorized by the use of my password(s) or procedure(s).

I understand and agree that my use of any access procedure(s) or password(s) not specifically issued to me or to a group of which I am a member is expressly prohibited and that attempts to access and utilize TxDOT's information systems for other than their intended purposes may result in prosecution under the Computer Fraud and Abuse Act of 1986 as well as any other applicable statutes and regulations.

I agree **not** to attempt to circumvent information system security devices or procedures by using or attempting to use any transaction, software, files, or other resources that I am not authorized to use.

I understand that intentionally failing to observe these requirements or intentionally bypassing them may constitute a breach of information systems security as defined in the Texas Penal Code §33.02 and may result in immediate loss of information system access.

I understand and agree that I may have access in the performance of job duties to any other intellectual property (trademarks, patents, trade secrets and materials and documents included there under) belonging to TxDOT and acknowledge that the source codes, programs, and related documentation constitute valuable intellectual property of TxDOT.

I understand and agree that these materials, including but not limited to commercial computer software and any accompanying documentation, that may be made available to me for my use by TxDOT are confidential and protected by intellectual property and copyright laws and are not to be disclosed, copied or shared with any unauthorized person(s)² without the written permission of TxDOT.

I understand and agree that the violation of intellectual property and copyright laws, including those applicable to computer software, may result in fines and/or other legal action.

I understand and agree that I may be required to develop, create or modify materials protected by intellectual property laws and that this is work for hire that is solely the intellectual property of TxDOT and as such may not be disclosed, copied or shared with unauthorized person(s) without the written permission of TxDOT.

I understand that using TxDOT's intellectual property for other than their intended purposes is prohibited and may result in termination of employment and prosecution pursuant to Texas Penal Code §31.05, as well as TxDOT's pursuit of any other legal remedies.

I understand and agree that any TxDOT-owned, developed, or licensed software will be returned to TxDOT upon termination of my contract.

I agree to abide by all TxDOT information security policies, procedures, and practices as outlined in the *External TxDOT User Policies*, which are located at ftp://ftp.dot.state.tx.us/pub/txdot-info/isd/external_txdot_user_policies.doc

I acknowledge receipt of this agreement, understand its contents, and agree to abide by the terms set forth herein. Additionally, I have been informed that questions regarding this agreement and/or issues related to the release or disclosure of confidential information should be directed to the director of TxDOT's Technology Services Division.

Signature

Date

Original to project manager for inclusion in the user's file.

Copy to be retained by security administrator for inclusion in user's security file.

¹ Information resources include computer systems, telephone systems, voicemail systems, fax systems, and regular mail systems as well as the procedures, equipment, and software that are designed, built, operated, and maintained to collect, record, process, store, retrieve, display, and transmit information, and associated personnel including consultants and contractors.

² Unauthorized person(s) include anyone who is not bound by a written confidentiality agreement expressly covering TxDOT's intellectual property and related documentation.

The Texas Department of Transportation maintains the information collected through this form. With few exceptions, you are entitled on request to be informed about the information that we collect about you. Under §§552.021 and 552.023 of the Texas Government Code, you also are entitled to receive and review the information. Under §559.004 of the Government Code, you are also entitled to have us correct information about you that is incorrect.

QUESTIONS AND ANSWERS TEMPLATE
SOLICITATION NO. 601440000032124

Solicitation Name: Managed Network Services

Dated:

	Document/ Exhibit Reference	Section # / Paragraph Reference	Question
1.			
2.			
3.			
4.			
5.			
6.			

TEXAS FAMILY CODE – SECTION 231.006

Ineligibility to Receive State Grants or Loans or Receive Payment on State Contracts

Respondent shall fill out the appropriate information, sign and return the schedule.

Under Family Code §231.006, relating to child support obligations, Respondent and any other individual or business entity named in this solicitation are eligible to receive the specified payment and acknowledge that this contract may be terminated and payment withheld if this certification is inaccurate. Any Offer submitted under this RFO shall contain the names and the last four (4) digits of the social security numbers of person or entity holding at least a twenty-five percent ownership interest in the business entity submitting the Offer. Respondents meeting the ownership must complete the following;

_____ Name	_____ Last Four (4) Digits of Social Security Number

_____ Name	_____ Last Four (4) Digits of Social Security Number

_____ Name	_____ Last Four (4) Digits of Social Security Number

If respondent does not meet the ownership criteria under Texas Family code - Section 231.006, check the box below, sign and return the schedule.

☐ This Schedule is not applicable

Signature

Title

THIS PAGE SHALL BE RETURNED WITH THE RESPONSE. FAILURE TO RETURN THIS PAGE WILL RESULT IN THE RESPONSE BEING CONSIDERED NON-RESPONSIVE. ANY NEGATIVE RESPONSE(S) MAY RESULT IN DISQUALIFICATION OF THE RESPONSE.

RESPONDENT QUALIFICATIONS AND EXPERIENCE
SOLICITATION NO. 60144000032124

Respondent shall use this schedule or a facsimile to clearly show how they meet the requirements set forth in RFO section 3.6.3.

Respondent Name:	
<u>Addresses</u> Physical: Mailing:	
Phone Number: Fax Number: E-mail address:	
Legal Status: Type of Organization, i.e., corporation, partnership, sole proprietorship	
Name: Phone Number: Email Address: Of person to contact with questions regarding the solicitation.	
Number of years in business and scope of operation.	
Name and title of person signing the response:	
DOCUMENTATION OF COMPANY QUALIFICATIONS AND EXPERIENCE:	
Experience and capabilities in the areas of services to be provided. Respondent should address the requirements specified in the RFO:	

This form may be modified as needed to comply with the requirement to document company information.

RESPONDENT PAST PERFORMANCE REFERENCE INFORMATION
SOLICITATION NO. 601440000032124

Respondent Name: _____

Reference No. 1

Name of Client Organization:			
Business Address			
Business City			
Business State		Zip	

Contact Person Name			
Contact Person Title			
Phone Number		Fax	

Contract Title			
Contract Description (including description of services, contract number and award date)			
Operations Start Date		Operations End Date	

Reference No. 2

Name of Client Organization:			
Business Address			
Business City			
Business State		Zip	

Contact Person Name			
Contact Person Title			
Phone Number		Fax	

Contract Title			
Contract Description (including description of services, contract number and award date)			
Operations Start Date		Operations End Date	

Reference No. 3

Name of Client Organization:			
Business Address			
Business City			
Business State		Zip	

Contact Person Name			
Contact Person Title			
Phone Number		Fax	

Contract Title			
Contract Description (including description of services, contract number and award date)			
Operations Start Date		Operations End Date	

RESPONDENT CANCELED CONTRACTS FORM
SOLICITATION NO. 601440000032124

Respondent Name: _____

Company or Entity Name and Address	Contract Description (including contract award date, operations start and end dates)	Reason for Cancellation	Contact Information
1.			Contact Name: Contact Title: Contact Phone Number: Contact e-mail:
2.			Contact Name: Contact Title: Contact Phone Number: Contact e-mail:
3.			Contact Name: Contact Title: Contact Phone Number: Contact e-mail:

ADDITIONAL RESPONDENT INFORMATION

Early Payment Program

TxDOT is offering an important program to all respondents that provide prioritized invoice processing and payments (prior to the 30th day after receipt of a correct invoice). The program provides enrolled vendors enhanced benefits from improved invoice processing to priority handling to cash advancement and technology efficiencies.

Respondents offering a cash discount in exchange for TxDOT's priority invoice processing and early payment agreement, should complete and return the attached form entitled "Priority Invoice and Early Payment Program" with the response.

Additional information may be found at the following website:

<http://www.txdot.gov/business/vendors/epp.html>.



TxDOT has partnered with Oxygen Finance Americas, Inc. to offer all bidders and active TxDOT vendors the opportunity to enroll in the Early Payment Program (EPP). The EPP gives vendors more flexibility and control of their business and finances. Benefits include:

- Electronic invoice submissions sent to one email address for all TxDOT divisions
- Invoices are time-stamped upon receipt
- Rejection notices are usually sent within 1 business day with instructions on how to revise & resubmit for payment
- Payments are typically made within 10 business days*, providing you cash sooner
- Monthly remittance statements are provided to EPP vendors for reconciliation
- Live supplier support specialists are available to help EPP vendors through all stages of invoicing and payments

Please fill out the information below and return this form with your completed response

Company: _____	Tax ID/EIN: _____
Contact Name: _____	Title: _____
Address: _____	
Email: _____	Phone: _____
Billing Contact: _____	Title: _____
Address: _____	
Email: _____	Phone: _____

OPTIONS (Please check one):

- ☐ Yes, I would like to enroll in the EPP with the following terms for all future invoices: _____ % / 10 Days / Net 30 **
 Texas State Agencies are allowed to make early payments to vendors, but are required to take a discount in return. (Texas Government Code, Chapter 2155.382). TxDOT allows EPP vendors to determine the invoice discount rate (%) that best suits their business needs.
- ☐ I confirm that I am an authorized representative of this company and that if TxDOT pays any Invoiced Debt owed to the aforementioned company under or in connection with any Contract prior to the date by which such payment would otherwise be required to be made under the terms of that Contract, TxDOT shall be entitled to deduct and retain from that Invoiced Debt, for its own benefit, an Early Payment Discount which it will deduct and retain from that Invoiced Debt. These terms will apply to all invoices unpaid as of the date of signature as printed on this form. Early payment discounts are dynamically calculated, with a target payment date of 10 days from the date of invoice acceptance. The final discount taken is proportionate to the number of days the payment is accelerated. A discount is taken ONLY if payment is made before 30 days from the date of invoice acceptance.
- ☐ I confirm that I am an authorized representative of this company and agree to the Oxygen Network Supplier Terms of Use found at <http://ftp.dot.state.tx.us/pub/txdot-info/fin/early-pmt/oxygen-network-terms.pdf>
- ☐ I'm interested in the EPP, but would like a supplier support specialist to call me at this number _____
- ☐ I am already enrolled in the EPP
- ☐ No, I am not interested at this time

Printed Name _____

Signature _____

Date _____

*Please note: Direct deposits post 1-3 business days after the payment date and paper checks could take up to 5 business days to receive

**TxDOT reserves the right to approve or reject any proposed rates.

To learn more about the program and its benefits, visit www.txdot.gov/business/vendors/epp.html

To speak with a supplier support specialist, call 844.893.6837 or email at earlypay@txdot.gov

THIS PAGE SHOULD BE RETURNED WITH YOUR COMPLETED RESPONSE

RFO Attachment 8

Historically Underutilized Business Participation

I.3 Historically Underutilized Business Participation

In accordance with Texas Government Code [§2161.252](#), a proposal that does not contain a [HUB Subcontracting Plan \(HSP\)](#) is non-responsive and will be rejected without further evaluation. In addition, if the Department determines that the HSP was not developed in good faith, it will reject the proposal for failing to comply with material specifications based on the solicitation.

I.3.1 Introduction

The Department is committed to promoting full and equal business opportunities for businesses in state contracting in accordance with the goals specified in the State of Texas Disparity Study. The Department encourages the use of Historically Underutilized Businesses (HUBs) through race, ethnic and gender-neutral means.

Pursuant to [Texas Government Code §2161.181](#) and [§2161.182](#), and the Department's HUB policy and rules, the Department is required to make a good faith effort to increase HUB participation in its contracts. The Department may accomplish the goal of increased HUB participation by contracting directly with HUBs or indirectly through subcontracting opportunities.

I.3.2 Department's Administrative Rules

The Department has adopted the CPA's HUB rules as its own. The Department's HUB rules are located in [Title 43, Part 1, Chapter 9, Subchapter L](#) of the Texas Administrative Code, and the CPA rules are located in [Title 34, Part 1, Chapter 20, Subchapter D, Division 1](#). If there are any discrepancies between the Department's administrative rules and this solicitation, the rules shall take priority.

I.3.3 HUB Participation Goal

The CPA has established statewide HUB participation goals for different categories of contracts in [34 T.A.C. §20.284](#). To meet or exceed the HUB participation goals, the Department encourages outreach to certified HUBs. Contractors shall make a good faith effort to include certified HUBs in the procurement process.

This contract is classified as a commodity contract under the CPA rule, and therefore has a HUB Annual Procurement Utilization Goal of 26.0% per fiscal year.

I.3.4 Required HUB Subcontracting Plan

In accordance with Government Code, Chapter 2161, Subchapter F, each state agency that considers entering into a contract with an expected value of \$100,000 or more over the life of the contract (including

any renewals) shall, before the agency solicits bids, proposals, offers, or other applicable expressions of interest, determine whether subcontracting opportunities are probable under the contract.

In accordance with [34 T.A.C. §20.285\(a\),\(1\),\(C\)](#) of the HUB Rules. State agencies may determine that subcontracting is probable for only a subset of the work expected to be performed or the funds to be expended under the contract. If an agency determines that subcontracting is probable on only a portion of a contract, it shall document its reasons in writing for the procurement file.

The Department has determined that subcontracting opportunities are probable for this solicitation. As a result, the respondent must submit an HSP with its proposal. The HSP is required whether a respondent intends to subcontract or not.

In the HSP, a respondent must indicate whether it is a Texas certified HUB. Being a certified HUB does not exempt a respondent from completing the HSP requirement.

The Department shall review the documentation submitted by the respondent to determine if a good faith effort has been made, in accordance with solicitation and HSP requirements. During the good faith effort evaluation, The Department may, at its discretion, allow clarifications or enhancements to information submitted with the HSP.

If the Department determines that the respondent's HSP was not developed in good faith, the HSP will be considered non-responsive and will be rejected as a material failure to comply with the advertised specifications. The reasons for rejection shall be recorded in the procurement file.

In accordance with Government Code, Chapter 2161, Subchapter F, each state agency that considers entering into a contract with an expected value of \$100,000 or more over the life of the contract (including any renewals) shall, before the agency solicits bids, proposals, offers, or other applicable expressions of interest, determine whether subcontracting opportunities are probable under the contract.

I.3.5 CPA Centralized Master Bidder's List

Respondents may search for HUB subcontractors in the CPA's [Centralized Master Bidders List \(CMBL\)/HUB Directory](#). For this procurement, the Department has identified the following class and item codes for potential subcontracting opportunities:

NIGP Class/Item Code: **920-37**

Respondents are not required to use, nor limited to using, the class and item codes identified above, and may identify other areas for subcontracting.

The Department does not endorse, recommend nor attest to the capabilities of any company or individual listed on the CPA's CMBL. The list of certified HUBs is subject to change, so respondents are encouraged to refer to the CMBL often to find the most current listing of HUBs.

I.3.6 HUB Subcontracting Procedures – If a Respondent Intends to Subcontract

An HSP must demonstrate that the respondent made a good faith effort to comply with the Department's HUB policies and procedures. The following subparts outline the items that the Department will review

in determining whether an HSP meets the good faith effort standard. A respondent that intends to subcontract must complete the HSP to document its good faith efforts.

I.3.6.1 Identify Subcontracting Areas and Divide Them into Reasonable Lots

A respondent should first identify each area of the contract work it intends to subcontract. Then, to maximize HUB participation, it should divide the contract work into reasonable lots or portions, to the extent consistent with prudent industry practices.

I.3.6.2 Notify Potential HUB Subcontractors

The HSP must demonstrate that the respondent made a good faith effort to subcontract with HUBs that have an active HUB certification. The respondent's good faith efforts shall be shown through utilization of all methods in conformance with the development and submission of the HSP and by complying with the following steps:

I.3.6.2.1 Divide the contract work into reasonable lots or portions to the extent consistent with prudent industry practices. The respondent must determine which portions of work, including goods and services, will be subcontracted.

I.3.6.2.2 Use the appropriate method(s) to demonstrate good faith effort. The respondent can use either method(s) 1, 2, or 3:

I.3.6.3 Method 1: Respondent Intends to Subcontract with only HUBs:

The respondent must identify in the HSP the HUBs that will be utilized and submit written documentation that confirms **100%** of all available subcontracting opportunities will be performed by one or more HUBs; **or**,

I.3.6.4 Method 2: Respondent Intends to Subcontract with HUBs and Non-HUBs (Meet or Exceed the Goal):

The respondent must identify in the HSP and submit written documentation that one or more HUBs, with an active HUB certification, will be utilized; and that the aggregate expected percentage of subcontracts with HUBs will meet or exceed the goal specified in this solicitation. Only HUB subcontractors that have an existing contract with the respondent for less than five years may be used to comply with the good faith effort requirements under this method.

When the aggregate expected percentage of subcontracts with HUBs meets or exceeds the goal specified in this solicitation, respondents may also use non-HUB subcontractors; **or**,

I.3.6.5 Method 3: Respondent Intends to Subcontract with HUBs and Non-HUBs (Does Not Meet or Exceed the Goal):

The respondent must identify in the HSP and submit documentation regarding both of the following requirements:

- Written notification to minority or women trade organizations or development centers to assist in identifying potential HUBs of the subcontracting opportunities the respondent intends to subcontract.

Respondents must give minority or women trade organizations or development centers at least seven (7) working days prior to submission of the respondent's response for dissemination of the subcontracting opportunities to their members. A list of minority and women trade organizations is located on the CPA's website under the [Minority and Women Organization link](#).

- written notification to at least three (3) HUB businesses of the subcontracting opportunities that the respondent intends to subcontract. The written notice must be sent to potential HUB subcontractors prior to submitting proposals and must include:
 - a description of the scope of work to be subcontracted,
 - information regarding the location to review project plans or specifications,
 - information about bonding and insurance requirements,
 - required qualifications and other contract requirements, and
 - a description of how the subcontractor can contact the respondent.

Respondents must give potential HUB subcontractors a reasonable amount of time to respond to the notice, at least seven (7) working days prior to submission of the respondent's response unless circumstances require a different time-period, which is determined by the agency and documented in the contract file;

Respondents must also use the CMBL, the HUB Directory, and Internet resources when searching for HUB subcontractors. Respondents may rely on the services of contractor groups; local, state and federal business assistance offices; and other organizations that provide assistance in identifying qualified applicants for the HUB program.

I.3.6.6 Written Justification of the Selection Process

The Department will determine if a good faith effort was made by the respondent in the development of the required HSP. One or more of the methods identified in the previous sections may be applicable to the respondent's good faith efforts in developing and submission of the HSP. The Department may require the respondent to submit additional documentation explaining how the respondent made a good faith effort in accordance with the solicitation.

A respondent must provide written justification of its selection process if it chooses a non-HUB subcontractor. The justification should demonstrate that the respondent negotiated in good faith with qualified HUB bidders, and did not reject qualified HUBs, with an active HUB certification.

I.3.7 Method 4: Respondent Does Not Intend to Subcontract

When the respondent plans to complete all contract requirements with its own equipment, supplies, materials and/or employees, it is still required to complete an HSP.

The respondent must complete the "Self-Performance Justification" portion of the HSP, and attest that it does not intend to subcontract for any goods or services, including the class and item codes

identified in Section I.3.5. In addition, the respondent must identify the sections of the proposal that describe how it will complete the Scope of Work using its own resources or provide a statement explaining how it will complete the Scope of Work using its own resources. The respondent must agree to comply with the following if requested by the Department:

- provide evidence of sufficient respondent staffing to meet the solicitation requirements,
- provide monthly payroll records showing the respondent staff fully dedicated to the contract,
- allow the Department to conduct an onsite review of company headquarters or work site where services are to be performed, and,
- provide documentation proving employment of qualified personnel holding the necessary licenses and certificates required to perform the Scope of Work.

I.3.8 Post-award HSP Requirements

The [HUB Subcontracting Plan \(HSP\)](#) shall be reviewed and evaluated prior to contract award and, if accepted, the finalized HSP will become part of the contract with the successful respondent(s).

After contract award, the Department will coordinate a post-award meeting with the successful respondent to discuss HSP reporting requirements. The contractor must maintain business records documenting compliance with the HSP, and must submit monthly subcontract reports to the Department by completing the HUB [“Prime Contractor Progress Assessment Report”](#) and **“HUB Subcontracting Plan (HSP) Progress Compliance Form - 2579”**. This monthly report is required as a condition for payment to report to the agency the identity and the amount paid to all subcontractors.

As a condition of award, the Contractor is required to send notification to all selected subcontractors as identified in the accepted/approved HSP. In addition, a copy of the notification must be provided to the agency’s Contract Manager and/or HUB Program Office within 10 days of the contract award.

During the term of the contract, if the parties in the contract amend the contract to include a change to the scope of work or add additional funding, the Department will evaluate to determine the probability of additional subcontracting opportunities. When applicable, the Contractor must submit an HSP change request for the Department’s review. The requirements for an HSP change request will be covered in the post-award meeting.

When making a change to an HSP, the Contractor will obtain prior written approval from the Department before making any changes to the HSP. Proposed changes must comply with the HUB Program good faith effort requirements relating to the development and submission of a HSP.

If the contractor decides to subcontract any part of the contract after the award, it must follow the good faith effort procedures outlined in Section I.3.6 of this solicitation (e.g., divide work into reasonable lots, notify at least three (3) vendors per subcontracted area, provide written justification of the selection process, or participate in the Mentor Protégé Program).

For this reason, the Department encourages respondents to identify, as part of their HSP, multiple subcontractors able to perform the work in each area the respondent plans to subcontract. Selecting additional subcontractors may help the selected contractor make changes to its original HSP, when needed, and will allow the Department to approve any necessary changes expeditiously.

Failure to meet the HSP and post-award requirements will constitute a breach of contract, and will be subject to remedial actions. The Department may also report noncompliance to the CPA in accordance with the provisions of the Vendor Performance and Debarment Program ([see 34 T.A.C. §20.585 relating to Debarment](#)) and ([see 34 T.A.C. §20.586 relating to Procedures for Investigations and Debarment](#)).



Master Services Agreement

Between

Texas Department of Transportation (TxDOT)

and

Service Provider

RFO Name: Managed Network Services
Solicitation No. 601440000032124

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Attachment B: Insurance and Risk of Loss
Attachment C: Form of Source Code Escrow
Attachment D: Form of Parent Guaranty
Attachment E: Form of Work Order

Exhibit 1.0 Operating Model (series name only – no document)

- a. Exhibit 1.1 Definitions
- b. Exhibit 1.2 Governance
- c. Exhibit 1.3 Service Management Manual (SMM)

Exhibit 2.0 Service Model (series name only – no document)

- a. Exhibit 2.1.1 Cross Functional Statement of Work
- b. Exhibit 2.1.6 Managed Business Network Services Statement of Work
- c. Exhibit 2.1.7 Managed Business Network Services Solution Document
- d. Exhibit 2.1.8 Managed Traffic Network Services Statement of Work
- e. Exhibit 2.1.9 Managed Traffic Network Services Solution Document
- f. Exhibit 2.2 Termination Assistance Services
- g. Exhibit 2.3 IT Service Continuity Management
- h. Exhibit 2.4 Key Personnel

Exhibit 3.0 Performance Model

- a. Exhibit 3.1 Service Level and Deliverables Matrix
- b. Exhibit 3.2 Service Level Definitions
- c. Exhibit 3.3 Reports
- d. Exhibit 3.4 Operating Agreements

Exhibit 4.0 Business Model

- a. Exhibit 4.1 Pricing Structure
- b. Exhibit 4.2 Financial Responsibility Matrix
- c. Exhibit 4.3 Form of Invoice and Data Feed
- d. Exhibit 4.4 In-Flight Projects
- e. Exhibit 4.5 Skill Set Descriptions
- f. Exhibit 4.6 Personnel Projection Matrix

MASTER SERVICES AGREEMENT

This Master Services Agreement (the "**MSA**" or "**Agreement**") is entered into as of the Effective Date by and between the Texas Department of Transportation ("**TxDOT**"), on behalf of the State of Texas, with its principal place of business at 125 East 11th Street, Austin, Texas 78701, and _____ ("**Service Provider**"), with a principal place of business _____.

WHEREAS, in accordance with the Laws of the State, TxDOT issued the "Request for Offers (RFO) for _____" on the Texas Comptroller of Public Accounts' "Electronic State Business Daily (ESBD)" Web site, Request for Offer No. _____ (the "**RFO**");

WHEREAS, in response to the RFO, the Service Provider submitted Service Provider's Response, dated _____, as amended and supplemented thereafter (the "**Response**");

WHEREAS, after evaluation of all Responses and a determination that the Service Provider should be invited to negotiations, TxDOT invited the Service Provider to engage and the Service Provider has engaged in extensive negotiations, discussions and due diligence that have culminated in the formation of the contractual relationship described in this Agreement; and

WHEREAS, TxDOT desires to procure from the Service Provider, and the Service Provider desires to provide to TxDOT on the terms and conditions specified in this Agreement, the Services described in this Agreement, on the terms and conditions specified herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and for other good and valid consideration, the receipt and sufficiency of which are hereby acknowledged, TxDOT and the Service Provider (collectively, the "**Parties**" and each, a "**Party**") hereby agree as follows:

1 INTRODUCTION

1.1 Provision, Performance and Management by the Service Provider.

TxDOT desires that certain services presently provided, performed and managed by or for TxDOT in accordance with this Agreement.

The Service Provider has carefully reviewed TxDOT's requirements, has performed all due diligence it deems necessary, has received all information requested and required of TxDOT, and desires to deploy, perform, and manage such services for TxDOT. If Service Provider later discovers such due diligence was insufficient or lacking in certain information, Service Provider shall assume any associated costs or expenses.

1.2 Service Provider's Experience and Qualifications.

Service Provider represents and warrants that it is an established provider of the Services (as defined in [Section 4.1 Overview.](#)) as awarded under this Agreement and has the skills, qualifications, expertise, financial resources and experience necessary to provide the Services (including the plans, reports, and other deliverables) described in this Agreement.

1.3 Other Terms.

The terms defined in this Agreement include the plural as well as the singular and the derivatives of such terms. Unless otherwise expressly stated, the words "**herein**," "**hereof**," and "**hereunder**" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, Subsection, Exhibit, Attachment, or other subdivision. Article, Section, Subsection, Exhibit and Attachment references refer to articles, sections and subsections of, and exhibits and attachments to, this Agreement. The words "**include**" and "**including**" shall not be construed as terms of limitation. Unless otherwise modified, the words "**day**," "**month**," and "**year**" mean, respectively, calendar day, calendar month and calendar year. As stated in [Article 21 GENERAL](#), the word "**notice**" and "**notification**" and their derivatives means notice or notification in writing. References in this Agreement to any Law shall be to such Law in changed or amended

form or to a newly adopted Law replacing a prior Law. All references to this Agreement shall include the Exhibits and Attachments to this Agreement unless otherwise provided. Other terms used in this Agreement are defined in the context in which they are used and have the meanings there indicated.

1.4 Definitions.

Except as otherwise expressly provided in this Agreement, all capitalized terms used in this Agreement shall have the meanings ascribed to them in **Exhibit 1.1 Definitions**. Capitalized terms used in this Agreement but not defined in **Exhibit 1.1 Definitions** shall have the meanings ascribed to them in ITIL. Words having well-known technical or trade meanings, but not otherwise defined in **Exhibit 1.1 Definitions**, ITIL, or TOGAF shall be accorded such meaning unless expressly defined otherwise herein. Terms or phrases that are not capitalized are to be given their usual meaning.

1.5 Compliance with Procurement Laws.

This Agreement is the result of compliance with applicable procurement Laws of the State. TxDOT issued the RFO for the Services. Service Provider provided the Response and after an evaluation and a determination by TxDOT that Service Provider was invited into negotiations, TxDOT and Service Provider engaged in extensive negotiations, discussions and due diligence that culminated in the formation of the contractual relationship described in this Agreement. TxDOT shall post a notice of award for an agreement arising from the RFO on the Electronic State Business Daily website.

2 CONTRACT DOCUMENTS AND ORDER OF PRECEDENCE

This Agreement includes each of the Exhibits, Attachments, and other documents attached to this Agreement which are hereby incorporated into and deemed part of this Agreement, and unless otherwise expressly stated all references to this Agreement shall include the Exhibits, Attachments and other documents attached to this Agreement. A listing of Exhibits and certain of the Attachments is included in the table of contents. Unless otherwise expressly stated, references to specific Exhibits and Attachments include all numbered subsidiary Exhibits and Attachments (e.g., references to **Exhibit 3.0 Performance Model** include not only **Exhibit 3.0 Performance Model**, but also all sub-exhibits in that series (i.e., 3.1, 3.2, etc.).

In the event of a conflict between or among the various documents comprising the Agreement, the following order of precedence shall control:

1. Article 1 through Article 21 of this Agreement;
2. **Exhibits 1.0 (Operating Model), 2.0 (Service Model), 3.0 (Performance Model), and 4.0 (Business Model)**;
3. Request for Offer _____ and any Revisions of Addenda thereto;
4. The Response.

3 TERM

3.1 Initial Term.

The initial term of this Agreement shall commence as of 12:00:00 a.m., Central Time on the Effective Date and continue until 11:59:59 p.m., Central Time, on _____, unless this Agreement is terminated earlier as provided herein, in which case the initial term of this Agreement shall end at 11:59:59 p.m., Central Time, on the effective date of such termination (the "**Initial Term**").

3.2 Extension.

By giving notice to the Service Provider no less than ninety (90) days prior to the expiration date of the Initial Term or the then-current Renewal Term, TxDOT shall have the right to extend the Term for _____ extension

periods (each, a "**Renewal Term**") of up to one (1) year each (the exact period of which shall be specified in TxDOT's notice of extension) on the terms and conditions of this Agreement that are then in effect.

4 SERVICES

4.1 Overview.

- (a) **Services.** Commencing on the Commencement Date, the Service Provider shall provide the Services to TxDOT, and, upon TxDOT's request, to Authorized Users. The Services shall consist of any or all of the following, as they may evolve during the Term or be supplemented, enhanced, modified or replaced, in each case in accordance with and within the scope of this Agreement.

The services, functions and responsibilities described in this Agreement and its Exhibits and Attachments and the following:

- (1) the Transition Services, as further described in [Section 4.2 Transition Services](#), and the approved Transition Plan as described in **Exhibit 3.1 Service Level and Deliverable Matrix**;
 - (2) the services, functions and responsibilities described in **Exhibit 1.0 Operating Model**, **Exhibit 2.0 Service Model**, **Exhibit 3.0 Performance Model**, and **Exhibit 4.0 Business Model**;
 - (3) any New Services, upon TxDOT's authorization of such New Services in accordance with the terms of this Agreement; and
 - (4) Termination Assistance Services, as further described in [Section 4.3 Termination Assistance Services](#), and **Exhibit 2.2 Termination Assistance Services**.
- (b) **Included Services.** If any services, functions, or responsibilities not specifically described in this Agreement are an inherent, necessary, or customary part of the Services or are required for proper performance or provision of the Services in accordance with this Agreement, such services, functions, or responsibilities are deemed to be included within the scope of the Services to be delivered for the Charges, as if such services, functions, or responsibilities were specifically described in this Agreement
- (c) **Pre Commencement Services.** TxDOT and Service Provider may agree that performance of certain Services by Service Provider prior to the Commencement Date is necessary to avoid adverse impact on activities, operations, facilities, processes, or systems of TxDOT. In such event, the Parties shall mutually agree to the scope of Services, roles and responsibilities of the Parties, deliverables and deliverable acceptance criteria associated with the Services, charges, and the timeframe for performance of the Services. Service Provider shall invoice TxDOT after the Commencement Date for any Services provided prior to the Commencement Date.
- (d) **Service Notices.**
- (i) **Notification of Problems.** Service Provider shall provide to TxDOT written notice of any acts or omissions (whether by TxDOT, a Service Component Provider, TxDOT Contractor, Service Provider, or any third party), any failure to perform any of each such party's obligations under the Agreement and any other events that may affect Service Provider's performance of Service Provider's obligations under the Agreement. Service Provider shall provide such written notice promptly after Service Provider first knew or should have known of such acts, omissions, or failures or other events. Such written notice shall describe in reasonable detail such acts, omissions, failures, or other events and the manner in which the foregoing may affect Service Provider's performance.
 - (ii) **Notification of Defaults.** TxDOT and Service Provider shall promptly inform the other Party in writing of any breach of, misuse, or fraud in connection with any Third Party Contract, Equipment Lease, or Third Party Materials license used in connection with the Services of which it becomes aware and shall cooperate with the other Party to prevent or stay any such breach, misuse, or fraud.

- (iii) **Notice of Adverse Impact.** If Service Provider becomes aware of any failure of Service Provider to comply with its obligations under this Agreement or any other situation (a) that has impacted or reasonably could impact the maintenance of TxDOT's financial integrity or internal controls, the accuracy of TxDOT's financial, accounting or other records and reports, or compliance with TxDOT Rules, TxDOT Standards or applicable Laws, or (b) that has had or reasonably could have any other material adverse impact on the Services in question or the impacted operations of TxDOT, then, Service Provider shall immediately inform TxDOT in writing of such situation and the impact or expected impact and Service Provider and TxDOT shall meet to formulate an action plan to minimize or eliminate the impact of such situation.
- (e) **Corrective Action Plan.** In the event that either (i) TxDOT reasonably determines that Service Provider has failed or is reasonably likely to fail to deliver the Services; or (ii) Service Provider has determined that it has failed or is reasonably likely to fail to deliver the Services, then TxDOT or Service Provider, as applicable, shall promptly (but not more than two (2) Business Days from the time in which such Party first becomes aware of any such situation) notify the other Party of such failure or anticipated failure (a “**change**”). Within five (5) Business Days following Service Provider's receipt or delivery of a CAP Notice Service Provider will (A) perform a Root Cause Analysis (“**RCA**”) and identify the problems causing the failure, (B) report to TxDOT on the nature and scope of the problems identified, and (C) prepare a Corrective Action Plan to correct the problems as soon as practicable, including an estimated timeline therefore. Following delivery of a Corrective Action Plan and Acceptance of such Corrective Action Plan by TxDOT, Service Provider shall, within the timeline set forth in the Corrective Action Plan correct the problems in accordance with the Corrective Action Plan, advise TxDOT of the progress of correction efforts at stages determined by TxDOT, and demonstrate to TxDOT that all reasonable action has been taken to prevent a recurrence of the failure.
- (f) **Additional Remedies.** In the event that Service Provider fails to identify and resolve any problems within its control that may impede or delay the timely delivery of the Services, without prejudice to TxDOT's other rights and remedies under the Agreement or at law or equity, Service Provider shall immediately provide, at its sole cost and expense, all such additional resources as are necessary to identify and resolve any such problems that may impede or delay the delivery of the Services. In addition, without prejudice to TxDOT's other rights and remedies under the Agreement or at law or equity, TxDOT may equitably reduce the Charges in an amount reasonably estimated by TxDOT to account for the Services that TxDOT is not receiving or did not receive.

4.2 Transition Services.

- (a) **Transition.** The Service Provider shall perform the Transition Services, including provision of the deliverables described in the Transition Plan. Unless otherwise agreed, TxDOT shall not incur any charges, fees, or expenses payable to Service Provider or any third party engaged by the Service Provider in connection with the Transition Services, other than those charges, fees and expenses specified in **Exhibit 4.0 Business Model**.
- (b) **Transition Plan.** The preliminary Transition Plan is incorporated by reference to the Service Provider's preliminary Response. The Service Provider shall complete, and submit to TxDOT for review, a final Transition Plan on or before the date set forth in **Exhibit 3.1 Service Level and Deliverables Matrix**. . TxDOT will review the submitted Transition Plan according to the procedures and criteria set forth in **Exhibit 2.1 Statement of Work** and **Exhibit 3.1 Service Level and Deliverables Matrix**. If a Transition Plan submitted by the Service Provider is not acceptable to TxDOT, Service Provider shall address and resolve any questions or concerns TxDOT may have and promptly incorporate any modifications, additions, or deletions requested by TxDOT. The Service Provider shall revise and resubmit the Transition Plan until Accepted by TxDOT. Upon TxDOT's Acceptance, the Transition Plan shall automatically be incorporated into this Agreement by reference and shall supersede and replace all prior Transition Plans.
- (c) **Performance.** The Service Provider shall perform the Transition Services in accordance with the timetable set forth in the Transition Plan. Service Provider shall assist TxDOT in connection with TxDOT's ' evaluation or testing of the deliverables set forth in the Transition Plan. Except as otherwise expressly stipulated in the Transition Plan (which will appropriately acknowledge that some element of

disruption may be inevitable as in any such transition, but shall in all events be minimized), Service Provider shall perform the Transition Services in a manner that shall not (A) disrupt or have an unnecessary adverse impact on the activities or operations of TxDOT, (B) degrade the Services then being received by TxDOT or (C) disrupt or interfere with the ability of TxDOT to obtain the full benefit of the Services. Without limiting its obligations or responsibilities, prior to undertaking any transition activity, Service Provider shall discuss with TxDOT all known TxDOT-specific material risks and shall not proceed with such activity until TxDOT is reasonably satisfied with the plans with regard to such risks (provided that, neither Service Provider's disclosure of any such risks to TxDOT, nor TxDOT's acquiescence in Service Provider's plans, shall operate or be construed as limiting Service Provider's responsibility under this Agreement). Service Provider will, at TxDOT's request, participate in transition meetings with other Service Component Providers.

- (d) **Notification of Problems.** Service Provider shall provide to TxDOT written notice of any acts or omissions (whether by TxDOT, a Service Component Provider, TxDOT Contractor, Service Provider or any third party), any failure to perform any of each such party's obligations under the Agreement and any other events that may affect Service Provider's performance of the Transition Services. Service Provider shall provide such written notice within thirty (30) days after Service Provider first knew or should have known of such acts, omissions, or failures or other events. Such written notice shall describe in reasonable detail such acts, omissions, failures or other events and the manner in which the foregoing may affect Service Provider's performance.
- (e) **Remedies for Transition Failures.** In the event that Service Provider fails to identify and resolve any problems that may impede or delay the timely completion of each task in the Transition Plan, without prejudice to TxDOT's other rights and remedies under the Agreement or at law or equity, (i) Service Provider 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) TxDOT may equitably reduce the Charges set forth in **Exhibit 4.0 Business Model** in an amount reasonably estimated by TxDOT to account for the Services that TxDOT is not receiving or did not receive. Service Provider represents and warrants to TxDOT 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, Service Provider will reimburse TxDOT for any costs or expenses incurred by TxDOT as a result of the failure of such representation and warranty to be true and correct. In the event that Service Provider is required to perform any Transition activities following the Commencement Date, Service Provider 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 TxDOT's operations or activities.

4.3 Termination Assistance Services.

- (a) **General.** Upon TxDOT's request, Service Provider shall provide Termination Assistance Services directly to TxDOT, its successors or assignees and any of their designee(s).
 - (i) **Period of Provision.** Service Provider shall provide Termination Assistance Services commencing on the date a determination is made by TxDOT 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 TxDOT may request, and continuing for up to three (3) months after the effective date of such Assistance Event, as designated by TxDOT, subject to such further extensions as permitted in [Section 4.4 Use of Third Parties](#).
 - (ii) **Notice of an Assistance Event.** TxDOT will provide Service Provider with written notice of an Assistance Event. Such notice will include a description of the Services that are to be terminated or discontinued and the anticipated effective date of the Assistance Event. TxDOT 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 TxDOT to Service Provider.
 - (iii) **Extension of Termination Assistance Services.** TxDOT 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 twenty-seven (27) months without Service Provider's consent.

- (iv) **Firm Commitment.** Service Provider shall provide Termination Assistance Services regardless of the reason for the Assistance Event (including a termination for cause by Service Provider). Service Provider shall maintain capability on at least thirty (30) days notice at all times during the Term to deploy all necessary resources to perform any Termination Assistance Services.
- (v) **Performance.** Service Provider shall provide all Termination Assistance Services subject to and in accordance with the terms and conditions of this Agreement. Service Provider 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 Service Provider 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.
- (b) **Scope.** As part of the Termination Assistance Services, Service Provider shall timely transfer the control and responsibility for Services previously performed by or for Service Provider to TxDOT and/or their designee(s), and upon TxDOT request, shall execute any documents reasonably necessary to effect such transfers. Service Provider shall also provide any and all information and assistance requested by TxDOT 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; and (iii) the orderly transfer of the Services (or replacement or supplemental services) to TxDOT and/or their designee(s).
- (c) **General Support.**
 - a. Prior to the Termination Assistance event, Service Provider shall (i) assist TxDOT and/or their designee(s) in developing a written plan for the migration of the Services to TxDOT and/or their designee(s), which plan shall include (as requested by TxDOT) 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 TxDOT 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, TxDOT 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 TxDOT and source code to which TxDOT is entitled under this Agreement and assist in its re-configuration, (vi) provide technical documentation for Software used by Service Provider to provide the Services as needed for continuing performance of the Services, (vii) analyze and report on the space required for the TxDOT 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 TxDOT and/or their designee(s), (ix) create and provide copies of the TxDOT Data in the format and on the media reasonably requested by TxDOT 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 reasonably requested by TxDOT and/or their designee(s) and (xi) provide other technical and process assistance, documentation and information as requested by TxDOT and/or their designee(s).
 - b. After the Assistance Event and during the Termination Assistance Period, Service Provider

shall answer any questions that may arise concerning the Services previously performed by the Service Provider. TxDOT may request Service Provider to provide certain discontinued Services after the Assistance Event; however, such Termination Assistance Services may include a charge as described in **Exhibit 4.0 Business Model**.

- (d) **Certain Materials.** Service Provider shall provide source code and artifacts (e.g., documentation, use cases, test scripts, design models, activity diagrams and systems configuration) which Service Provider has in its possession, or Service Provider Agents have in their possession, for:
 - (i) any modification or enhancement made hereunder by Service Provider to TxDOT Software,
 - (ii) any Software developed pursuant to this Agreement which TxDOT owns or with respect to which TxDOT is otherwise entitled to source code and
 - (iii) as otherwise provided in an applicable Statement of Work; provided that Service Provider shall provide such source code and artifacts (A) upon any request from TxDOT during the Term and any Termination Assistance period, (B) upon termination or expiration of this Agreement or the applicable Statement of Work and (C) upon the End Date.
- (e) **Right to Acquire.** TxDOT 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 Service Provider and implicated by the relevant Assistance Event subject to the requirements set forth in this Agreement.
- (f) **Personnel**
 - (i) **List of Service Provider Personnel.** Service Provider shall promptly provide to TxDOT a list, organized by location, of the Service Provider Personnel assigned to the performance of the Services that are implicated by each Assistance Event. Such list shall, subject to applicable Laws, specify each such Service Provider Personnel's name, job title, compensation package, leave status, years of service and job responsibilities. TxDOT agrees not to disseminate the personally identifiable information contained in such list without Service Provider's consent. Service Provider shall not terminate, reassign or otherwise remove from the performance of the Services any such dedicated Service Provider Personnel until after the end of the applicable Termination Assistance Services period.
 - (ii) **Right to Hire.** TxDOT and/or their designee(s) shall be permitted, without interference (including through counter-offers) from Service Provider (subject to [Section 4.3\(f\)\(iii\) Subcontractor Employees](#) below), to meet with, solicit and hire, effective after the later of (A) the date of TxDOT's notice of an Assistance Event and (B) the completion of the Termination Assistance Services requiring such Service Provider Personnel, any Service Provider Personnel substantially dedicated to the performance of the Services during the twelve (12) month period prior to the date of TxDOT's notice of an Assistance Event who are implicated by that Assistance Event. Service Provider hereby waives its rights, if any, under contracts with such Service Provider Personnel restricting the ability of such Service Provider Personnel to be recruited or hired by TxDOT and/or their designee(s) (including waiving any right to restrict such personnel via non-compete agreements or other contractual means). Service Provider shall provide TxDOT and/or their designee(s) with reasonable assistance in their efforts to meet with, solicit and hire such Service Provider Personnel, and shall give TxDOT and/or their designee(s) reasonable access to such Service Provider Personnel for interviews, evaluations and recruitment. TxDOT shall endeavor, and shall cause their designee(s) to endeavor, to conduct the above-described activities in a manner that is not unnecessarily disruptive of Service Provider's performance of its obligations under this Agreement.
 - (iii) **Subcontractor Employees.** With respect to Subcontractors, Service Provider shall (A) obtain for TxDOT and their designee(s) the rights specified in [Section 4.3\(f\)\(ii\) Right to Hire](#) and (B) ensure that such rights are not subject to subsequent Subcontractor approval or the payment of any fees, charges or other amounts. If Service Provider is unable to obtain any such rights with respect to a Subcontractor, it shall notify TxDOT in advance and Service Provider shall not

subcontract any Services to such Subcontractor without TxDOT's prior approval (and absent such approval, Service Provider's use of any such Subcontractor shall obligate Service Provider to obtain or arrange, at no additional cost to TxDOT, the rights specified in [Section 4.3\(f\)\(ii\) Right to Hire](#), for TxDOT and their designee(s)).

- (g) **Materials.** TxDOT shall have the rights and licenses set forth in [Sections 14.6\(b\) Service Provider Owned Materials](#), and [14.6\(c\) Third Party Materials](#) in respect of Service Provider owned Materials and Third Party Materials.

(h) **Equipment**

- (i) **List of Equipment.** Service Provider shall promptly provide to TxDOT a list, organized by location, of the Equipment that is implicated by each Assistance Event. Such list shall specify information reasonably requested by TxDOT, including all fields tracked by Service Provider in any asset management system used by Service Provider for tracking and managing Equipment, such Equipment's function, manufacturer, model number, age, and other pertinent information.
- (ii) **Right to Acquire.** TxDOT and/or their designee(s) shall have the right (but not the obligation) to purchase or (subject to [Section 6 FACILITIES, MATERIALS, EQUIPMENT AND CONTRACTS](#)) assume the lease for any or all Equipment that is owned or leased by Service Provider and that is implicated by the relevant Assistance Event. Subject to [Section 6 FACILITIES, MATERIALS, EQUIPMENT AND CONTRACTS](#), 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. Service Provider 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 Service Provider-owned Equipment (including Equipment owned by Service Provider Affiliates and Subcontractors and further including any such Equipment leased to Service Provider), Service Provider (or such Affiliate or Subcontractor) shall grant to TxDOT 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 Service Provider (or Affiliate or Subcontractor) to TxDOT 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 TxDOT provided in **Exhibit 4.0 Business Model**), 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 TxDOT therefor. At TxDOT'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, Service Provider shall (1) represent and warrant that the lease is not in default, (2) represent and warrant that all payments thereunder have been made through the date of transfer and (3) notify TxDOT and/or their designee(s) of any lessor defaults of which it is aware at the time.
- (i) **TxDOT Facilities, Equipment, and Materials.** Service Provider shall vacate the TxDOT Facilities and return to TxDOT, if not previously returned, any resources that are implicated by the relevant Assistance Event and that are owned, leased or licensed by TxDOT, or any TxDOT Contractor, including TxDOT owned or leased Equipment, TxDOT Owned Materials and TxDOT licensed Materials, in condition at least as good as the condition of such facilities and resources when they were made available to Service Provider, 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.
- (j) **Third Party Contracts.** Service Provider shall promptly, but no less than thirty (30) days from TxDOT's issuance of notice of an Assistance Event, provide to TxDOT a list of the Third Party Contracts that are implicated by the relevant Assistance Event. Except for the Third Party Contracts specified on **Exhibit 4.1 Pricing Structure**, subject to [Section 6 FACILITIES, MATERIALS, EQUIPMENT AND CONTRACTS](#), Service Provider shall, at TxDOT's request, cause the counter-parties to such Third Party Contracts to permit TxDOT and/or their designee(s) to assume prospectively any or all such Third Party Contracts or to enter into new contracts with TxDOT and/or their designees on substantially the

same terms and conditions, including price. Service Provider shall transfer or assign those Third Party Contracts that TxDOT elects to assume prospectively to TxDOT 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 (A) there shall be no fee, charge or other amount imposed on TxDOT and/or their designee(s) by Service Provider or the counter-parties to such Third Party Contracts for such transfer or assignment and (B) Service Provider shall: (1) promptly cure and, in accordance with [Section 17.1 \(c\) Licenses, Leases and Contracts](#), indemnify TxDOT against any default under such Third Party Contracts relating to the period prior to such transfer or assignment; (2) represent and warrant that all payments thereunder through the date of transfer or assignment are current; and (3) notify TxDOT 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.

- (k) **Other Subcontracts and Third Party Contracts.** With respect to Third Party Contracts implicated by the relevant Assistance Event that are not otherwise transferred or assigned to TxDOT and/or their designee(s) pursuant to [Section 4.4 \(b\) Service Provider Cooperation](#), Service Provider shall make available to TxDOT and/or their designee(s), pursuant to reasonable terms and conditions, any Third Party services then being utilized by Service Provider in the performance of the Services. Service Provider shall retain the right to utilize any such Third Party services in connection with the performance of services for other Service Provider customers. TxDOT shall retain the right to contract directly with any third party previously utilized by Service Provider to perform any Services.
- (l) **Rates and Charges.** Except as provided in this Subsection and [Section 4.4 \(b\) Service Provider Cooperation](#), Service Provider shall provide all Termination Assistance Services at no additional charge. The Parties anticipate that Termination Assistance Services requested by TxDOT shall be provided by Service Provider using Service Provider Personnel already assigned to the performance of the Services and without adversely affecting Service Provider's ability to meet its performance obligations. To the extent TxDOT requests that Service Provider perform only a portion (but not all) of the Services included in a particular Charge, the amount to be paid by TxDOT shall be equitably adjusted downward in accordance with **Exhibit 4.0 Business Model**, to the extent applicable, or equitably adjusted downward in proportion to the portion of the Services that Service Provider shall not be providing to the extent that **Exhibit 4.0 Business Model** does not provide for such reduction. If and to the extent Termination Assistance Services requested by TxDOT cannot be provided by Service Provider using Service Provider Personnel then-assigned to the performance of the Services without adversely affecting Service Provider's ability to meet its performance obligations, TxDOT, in its sole discretion, may (i) forego or delay any work activities or temporarily or permanently adjust the work to be performed by Service Provider, the schedules associated therewith or the Service Levels to permit the performance of such Termination Assistance Services using such personnel or (ii) authorize Service Provider to use additional Service Provider Personnel to perform Termination Assistance Services. To the extent TxDOT authorizes Service Provider to use additional Service Provider Personnel to perform Termination Assistance Services requested by TxDOT, TxDOT shall pay Service Provider the applicable rates and charges specified in **Exhibit 4.0 Business Model** for such Full-time Equivalents (FTEs) or, if no such rates and fees are specified in **Exhibit 4.0 Business Model**, a negotiated fee for the additional Service Provider Personnel required to perform such Termination Assistance Services (determined on the basis of pricing no less favorable to TxDOT than the pricing and labor rates set forth herein for comparable Services), provided that Service Provider notifies TxDOT in advance of any such charges, obtains TxDOT's approval prior to incurring such charges, and uses commercially reasonable efforts to minimize such charges. Notwithstanding the foregoing, TxDOT will not be obligated to pay Service Provider for any such additional Service Provider Personnel if at any time prior to TxDOT's issuance of the notice of Assistance Event, Service Provider 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).
- (m) **Proprietary Communications Network.** If TxDOT authorizes Service Provider to use 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, Service Provider shall, if requested by TxDOT, continue

to provide such proprietary communications network and other network Services to TxDOT and/or their designee at the rates, and subject to the terms and conditions, set forth in this Agreement.

- (n) **Information.** Upon the occurrence of any breach by Service Provider under this Agreement or if TxDOT elects to evaluate re-procurement of all or any portion of the Services, Service Provider will provide to and/or make available for TxDOT review any and all reports, data and information that TxDOT 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 [Section 4.4 Use of Third Parties.](#) For the avoidance of doubt, Service Provider will be obligated to provide all such reports, data and information regardless of whether TxDOT has provided notice of or otherwise declared an Assistance Event.

4.4 Use of Third Parties.

(a) Right of Use.

- (i) Notwithstanding anything to the contrary contained in this Agreement, Service Provider acknowledges and agrees that (i) this is not a requirements contract and TxDOT shall not be required to obtain their requirements for any of the Services from Service Provider and (ii) Service Provider is not the exclusive provider to TxDOT of any of the Services and TxDOT may at any time themselves and/or through third parties (each, a "TxDOT Contractor") provide and/or obtain any services (including services to supplement, replace or render unnecessary the Services).
- (ii) Nothing in this Agreement shall be construed or interpreted as limiting TxDOT's right or ability during the Term to change requirements, move parts of Services in and out of scope, or to increase or decrease their demand for Services. To the extent TxDOT obtains from TxDOT Contractors, or provides to itself, any of the Services, the Charges and Termination Charges shall be adjusted downward in accordance with Exhibit 4.0 Business Model, to the extent applicable, or equitably adjusted downward in proportion to the portion of the Services that Service Provider shall not be providing to the extent that Exhibit 4.0 Business Model does not provide for such reduction. Such equitable adjustments shall include, if applicable, the unrecovered amounts set forth in **Exhibit 4.0 Business Model** in proportion to the portion of the Services that Service Provider shall not be providing; provided, however, that such unrecovered amounts have been incurred by Service Provider in good faith and with a reasonable expectation of providing the Services pursuant to this Agreement.
- (iii) TxDOT may elect to solicit and receive bids from third parties to perform any New Services. If TxDOT elects to use third parties to perform New Services:
 - (1) such New Services shall not be deemed "Services" under the provisions of this Agreement; and
 - (2) Service Provider shall cooperate with such third parties as provided in [Section 4.4 Use of Third Parties.](#)

(b) Service Provider Cooperation.

- (i) Service Provider shall perform the Services in a manner that shall not (i) disrupt or have an adverse impact on the activities or operations of TxDOT or a TxDOT Contractor, (ii) degrade the Services then being received by TxDOT, or (iii) disrupt or interfere with the ability of TxDOT to obtain the full benefit of the Services. Service Provider acknowledges that its provision of the Services shall require significant cooperation with third parties, and Service Provider shall fully cooperate and work in good faith with third parties as described in this Agreement and to the extent otherwise requested by TxDOT. Such cooperation shall include providing (i) access to Service Provider Facilities (as necessary for the third parties to perform their work); (ii) access to Service Provider owned or leased Equipment and Service Provider owned or licensed Software (to the extent permitted under any underlying agreements with third parties); (iii) such information regarding the operating environment, System constraints and other operating parameters as a person with reasonable commercial skills and expertise would find reasonably necessary for the third parties to perform their work, including after expiration or termination of this Agreement; (iv) assistance to third parties and/or new SCPs in order to migrate to new solutions or to continue

running existing solutions arising out of or relating to the Services provided by Service Provider, including following the expiration or termination of the Agreement, and (v) assisting TxDOT in obtaining any required third-party consents. For the avoidance of doubt, such companies, consultants, advisors or contractors of TxDOT are not authorized to bind TxDOT in any way or enter into any commitments on behalf of TxDOT. Service Provider will treat Sensitive Information, Confidential Information, and Regulated Information received from such TxDOT Contractors, third-party companies, consultants, advisors and contractors in connection with the provision of Services in accordance with the terms of this Agreement.

- (ii) TxDOT personnel and TxDOT Contractors shall comply with Service Provider's reasonable security and confidentiality requirements and shall, to the extent performing work on Software, Equipment or Systems for which Service Provider has operational responsibility, comply with Service Provider's reasonable standards, methodologies, and procedures as communicated in writing to such third parties by Service Provider.
- (c) **Notice by Service Provider.** Without limiting its obligations under this Agreement, Service Provider shall expeditiously notify TxDOT when it becomes aware that an act or omission of TxDOT personnel or a TxDOT Contractor shall cause, or has caused, a problem or delay in providing the Services, and shall use commercially reasonable efforts to work with TxDOT and the TxDOT Contractor to prevent or circumvent such problem or delay. Service Provider shall cooperate with TxDOT and TxDOT Contractors to resolve differences and conflicts arising between the Services and other activities undertaken by TxDOT and TxDOT Contractors.

4.5 Acceptance.

- (a) **Deliverables:** A Service Provider-provided tangible item or outcome that TxDOT 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 attributes for each of the Deliverables are detailed in **Exhibit 3.1 Service Level and Deliverable Matrix** and summarized below.
 - (i) Critical (C) (flagged within the Agreement and referenced in **Exhibit 3.1 Service Level and Deliverable Matrix**). Deliverables that are critical have associated Deliverable Credits payable TxDOT in the event Service Provider fails to successfully complete and submit such Deliverables to TxDOT on or before the due dates identified in **Exhibit 3.1 Service Level and Deliverable Matrix**. For further clarity, successfulness is measured by whether the Deliverables meet the associated Acceptance Criteria.
 - (ii) Payment (P) Payment Deliverables are the deliverables that have associated payments due to the Service Provider after TxDOT approval of such Deliverables. Payment will be provided in accordance with **Exhibit 4.0 Business Model**.
 - (iii) Time-Critical (T) – Deliverables that are designated as time-critical will have an expedited review period of five (5) Business Days.
- (b) **Deliverable Acceptance Criteria.** In order to eliminate the potential for frequent submission and rejection of Deliverables, the Service Provider shall meet with TxDOT and reach agreement on the construct and content for Deliverables prior to creation. The Service Provider shall coordinate fully and appropriately with TxDOT and its partners throughout the development of Deliverables and reviews of Deliverables prior to formal submission as requested. At a minimum, Deliverables shall meet the acceptance criteria defined in **Exhibit 3.1 Service Level and Deliverable Matrix**. Unless otherwise agreed, and as applicable, Service Provider shall perform comprehensive testing (e.g., unit, string, integration, stress, volume, system testing) on each such Deliverable prior to submitting such item to TxDOT for Acceptance. TxDOT considers the Deliverable due date to be the day by which the Deliverable is ready for acceptance and formally submitted. The Service Provider shall use the SMM process to formally submit final versions of Deliverables in accordance with TxDOT-approved Deliverable schedule and ensuring the Deliverable meets requirements and Acceptance Criteria outlined in the Agreement and referenced in **Exhibit 3.1 Service Level and Deliverable Matrix**.

- (c) A specific Deliverable's attributes may be changed upon mutual agreement by the Parties and through the appropriate contract change request process as determined by the material nature of changes.
- (d) Project Milestones. Project milestones are those produced and delivered as part of a Request for Solution process and are specific to a project being delivered. TxDOT shall have the right to review and accept or reject the milestones in accordance with the project's milestone completion criteria and the SMM.
- (e) TxDOT shall have the right to review and accept or reject all Materials, Equipment, Systems and other deliverables and milestones (each a "**Deliverable**") to be provided by Service Provider to TxDOT pursuant to the methodology set forth in this [Section 4.5 Acceptance](#). TxDOT will determine, in their reasonable discretion, when a Deliverable will be deemed "**Accepted**" following the implementation, installation, testing and execution in the production environment (as applicable) and confirmation that such Deliverables are in Compliance with defined Deliverable Acceptance Criteria. Unless otherwise requested by TxDOT, each Deliverable shall be provided by Service Provider and subject to TxDOT "**Acceptance**" as described below in [Section 4.5\(e\) \(i\)](#) through [\(v\)](#).
 - (i) **Acceptance Review Period.** For each Deliverable, TxDOT shall have either (1) the period of time set forth in the applicable plan, if any, or (2) if no such period is set forth in a TxDOT-approved plan, ten (10) Business Days following Service Provider's notification to TxDOT that Service Provider has completed any Deliverable, which shall include Service Provider's internal testing as required under this Agreement, to determine whether it Complies with its Acceptance Criteria (such period of time, the "**Acceptance Review Period**"). The Acceptance Review Period shall begin on the date that Service Provider provides written notification to TxDOT that the Deliverable is ready to be reviewed by TxDOT.
 - (ii) **Acceptance Review.** During the Acceptance Review Period, TxDOT shall review and may further test each Deliverable, individually and/or collectively, to determine whether such item(s) contain any type of Noncompliance. Service Provider 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.
 - (iii) **Acceptance.** If TxDOT does not identify any Noncompliance relating to a Deliverable during its Acceptance Review Period, TxDOT shall inform Service Provider in writing that the Deliverable is Accepted, subject to the other provisions of this Agreement. If TxDOT does not Accept a Deliverable, TxDOT shall provide Service Provider a notice of Noncompliance as described below. If TxDOT does not Accept or deliver a notice of Noncompliance to Service Provider by the end of the Acceptance Review Period, Service Provider shall so inform the Designated TxDOT Representative in writing and provide TxDOT an additional Acceptance Review Period of at least five (5) Business Days. If TxDOT does not Accept or deliver a notice of Noncompliance by the end of such additional Acceptance Review Period, Service Provider may escalate such issue for resolution through governance in accordance with **Exhibit 1.2 Governance Model**. TxDOT's use in a live production environment shall not constitute Acceptance, affect any rights and remedies that may be available to TxDOT, and/or constitute or result in "acceptance" under general contract Laws, the State's Uniform Commercial Code or any other Laws.
 - (iv) **Noncompliance.** If TxDOT delivers to the Service Provider a written notice of Non-Compliance, the Service Provider shall correct all deficiencies identified in TxDOT's notice and within five (5) Business Days for written Deliverables, or such other time as mutually agreed to, at no additional charge to TxDOT. Beginning upon receipt of notice from Service Provider 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 and Acceptance Review. For Time-Critical Deliverables as designated in **Exhibit 3.1 Service Level and Deliverable Matrix**, within two (2) Business Days or as otherwise mutually agreed, after receiving such notice from TxDOT, and at no charge to TxDOT, Service Provider shall correct such Noncompliance, satisfy the Acceptance Criteria as outlined in the Noncompliance notification. Beginning upon receipt of notice from Service Provider 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 as described above in Acceptance Review Period and Acceptance Review.

- (v) **Failure to Cure a Noncompliance.** If Service Provider (1) requires more than two (2) attempts to cure a particular Noncompliance, (2) does not correct a Noncompliance within the timeframes defined in [Section 4.5\(e\)\(i\) Acceptance Review Period](#) or as otherwise mutually agreed, or (3) cures a particular Noncompliance and such cure results in another Noncompliance and Service Provider is not able to collectively cure such Noncompliance(s) within one (1) attempt in five (5) Business Days, then TxDOT may, in its sole discretion, apply any remedies including Deliverable Credits.
- (vi) Upon completion of the cure process stated above, upon written notification to Service Provider, TxDOT in its sole discretion may (A) provide Service Provider an additional cure period to fix the Noncompliance; (B) conditionally Accept the Deliverable and require Service Provider to develop a remediation plan, subject to TxDOT's acceptance and within time frames reasonably requested by TxDOT whereby Service Provider shall design and implement a workaround solution that mitigates the Noncompliance; (C) correct the Noncompliance itself or hire a third party to correct the Noncompliance at Service Provider's expense (all such out-of-pocket expenses and costs of TxDOT to be subject to set-off as set forth in [Section 12.3 Set Off](#); (D) implement and use the Deliverable despite the Noncompliance and equitably reduce the Charges; or (E) exercise any of its other rights and remedies under this Agreement or available at law or in equity. If TxDOT elects options (A) or (B) above and Service Provider fails to cure the Noncompliance in accordance with the foregoing, TxDOT may thereafter elect any of the foregoing options (A) through (E). The remedies above are in addition to and shall not limit TxDOT's other remedies, whether at law, in equity, or under this Agreement.
- (vii) **Remediation of Defects in Previously Accepted Items.** 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 Service Provider will, at no additional charge, repair or replace or otherwise correct the Noncompliance to the level of performance specified in the Agreement. Further, should any modification or rework of a previously Accepted Deliverable or other Deliverable be required for Acceptance of a subsequent deliverable, then Service Provider shall perform such modification or rework at no charge and each Party's obligations, rights, and remedies described herein shall continue to apply.

4.6 Projects.

- (a) **Procedures and Performance.** Service Provider will perform Projects as directed by TxDOT, in accordance with the terms of this Agreement and the process described in this [Section 4.6](#). From time to time and at TxDOT's sole discretion, TxDOT may request Service Provider to perform Projects. TxDOT may initiate a request for a new Project by providing such request in writing (each such request, a "Project Request") to Service Provider. Service Provider shall justify to TxDOT when it has insufficient resources to perform such work, including through reprioritization or rescheduling of Project activities of Service Provider Personnel. The TxDOT Representative will request, define and set the priority for Projects. Service Provider shall maintain appropriate continuity of personnel assigned to perform Projects.
- (b) **Project Work Order.** Service Provider shall, within the time frame specified in such Project Request (and in no event more than five (5) Business Days from receipt of such request unless another time frame is approved by TxDOT), at no charge to TxDOT, prepare and deliver to TxDOT a proposed Project Work Order (each, a "Project Work Order"), as described below. Each proposed Project Work Order prepared by Service Provider will contain the following information: (i) a detailed description of the scope of work to be performed by Service Provider to complete and implement the Project, including any required Deliverables and/or milestones; (ii) any specific performance standards that will apply to the completion and implementation of such Project, including Service Provider'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 Service Provider positions that will be assigned to

- each activity specified in the Project Work Order, including the location of Service Provider Personnel assigned to such positions (i.e., onsite, offsite, onshore, offshore) and sufficient detail to allow TxDOT to audit the assignment and billings related to such Service Provider Personnel; (v) a description of the Acceptance Criteria and User Acceptance Testing procedures to be used by TxDOT in connection with any User 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 TxDOT, a fixed fee or other pricing mechanism. TxDOT may, at its option, choose which pricing mechanism will apply to the Project. Service Provider will not commence performing any services in connection with a Project, and TxDOT 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.
- (c) **Approval of Projects and TxDOT Requests.** The Designated TxDOT Representative may accept or reject Project proposals in his or her sole discretion. Service Provider shall not agree to provide Projects to TxDOT without the prior approval of Designated TxDOT Representative. TxDOT shall not be obligated to pay for any Projects not properly authorized by the Designated TxDOT Representative. Without limiting TxDOT's other rights under this Agreement or applicable Law, if Service Provider fails to comply strictly with this **Section 4.6(c)**, it shall receive no compensation for any services rendered to TxDOT in violation of this **Section 4.6(c)**.
- (d) **Reprioritization, Termination, and Suspension.** Service Provider acknowledges and agrees that TxDOT will have the right based on valid business reasons to reprioritize, terminate, or suspend any Project at any time upon informing the Service Provider Account Director. TxDOT will not be obligated to pay Service Provider any additional compensation associated with such action unless the corresponding Project Work Order expressly provides otherwise. If TxDOT decides to terminate a Project Work Order, Service Provider will stop performing the Project work in an orderly manner as of the date specified by TxDOT, and Service Provider will only be entitled to charge TxDOT for actual performance provided by Service Provider for chargeable Project work up to the date specified in TxDOT's notice.

5 REQUIRED CONSENTS

5.1 Service Provider Responsibility.

At no additional cost to TxDOT, Service Provider shall undertake all administrative activities necessary to obtain all Required Consents. At Service Provider's request, TxDOT shall cooperate with Service Provider in obtaining the Required Consents by executing appropriate TxDOT approved written communications and other documents prepared or provided by Service Provider. The Parties shall cooperate in minimizing or eliminating any costs associated with obtaining Required Consents.

5.2 Financial Responsibility.

Except to the extent expressly provided otherwise in **Section 6.4 (c) General Rights** and **Exhibit 4.2 Financial Responsibility Matrix**, Service Provider shall pay all transfer, re-licensing, termination charges and other costs or expenses associated with obtaining any Required Consents or terminating any licenses or agreements as to which Service Provider is unable to obtain such Required Consents.

5.3 Contingent Arrangements.

If, despite using commercially reasonable efforts, Service Provider is unable to obtain a Required Consent, then with respect to TxDOT licensed Third Party Materials, Service Provider shall implement a work-around, reasonably satisfactory to TxDOT that may include:

- (a) replace the TxDOT license for such Third Party Materials with a Service Provider license;

- (b) replace such Third Party Materials with other Materials offering equivalent features and functionality; or
- (c) Otherwise arrange to rightfully manage the TxDOT licensed Third Party Materials on behalf of TxDOT.

5.4 Termination.

If Service Provider fails to obtain any Required Consent within ninety (90) days of the Commencement Date or to implement adequate contingent arrangements in accordance with [Section 5.3 Contingent Arrangements](#), and such failure has a material adverse impact on the use or enjoyment of the Services, then TxDOT may, upon notice to Service Provider, terminate this Agreement for cause in its entirety or in part with respect to, or any affected portions of, the Services, as of the termination date specified in the notice.

6 FACILITIES, MATERIALS, EQUIPMENT AND CONTRACTS

6.1 Service Facilities

- (a) **Service Facilities.** The Services shall be provided at or from (i) TxDOT Facilities, (ii) Service Provider Facilities, or (iii) any other service location requested by Service Provider and approved in advance by TxDOT. In connection with the delivery of the Services, unless otherwise set forth in **Exhibit 2.1 Statement of Work Model**, Except in the event that the Designated TxDOT Representative provides Service Provider with advance written authorization to the contrary, Service Provider will not provide or otherwise utilize any support services situated outside of the United States of America and any staff necessary to provide the Services (e.g., operate the hosting facility, support center, and any other operational support) shall reside within the geographical boundaries of the United States of America. Service Provider shall obtain TxDOT's prior written approval for any proposed relocation of the performance of any Service from a new or different service location. Failure to obtain such approval will result in a breach of this Agreement. Service Provider shall be financially responsible for all additional costs, taxes, or expenses related to or resulting from any Service Provider-initiated relocation to a new or different Service Provider Facility, including any costs or expenses incurred by TxDOT as a result of such relocation. Service Provider acknowledges and agrees, that unless otherwise expressly agreed by TxDOT in writing, that any key personnel and services necessary to provide the Services (e.g., operate the support center, and any other operational support), shall provide such Services Monday through Friday during normal business hours within the geographical boundaries of the Austin, Texas metropolitan area.
- (b) **TxDOT Facilities.** TxDOT shall provide Service Provider with the use of and access to the space in the TxDOT Facilities for the periods of time specified in the Statement of Work, or otherwise as agreed to by Service Provider and TxDOT. Service Provider shall ensure that any Managed Third Parties and Subcontractors use TxDOT Facilities in compliance with applicable Laws and TxDOT Rules and, upon request by TxDOT, shall demonstrate to TxDOT's reasonable satisfaction Service Provider's compliance with the foregoing. All TxDOT-owned or leased assets provided for the use of Service Provider under this Agreement, except for any laptops (or other portable hardware devices) issued by TxDOT to Service Provider Personnel, shall remain in TxDOT Facilities unless TxDOT otherwise agrees in advance in writing. In addition, all improvements or modifications to TxDOT Facilities requested by Service Provider shall be (i) subject to review and approval in advance by TxDOT in its sole discretion, (ii) in strict compliance with TxDOT Rules, and (iii) performed by and through TxDOT at Service Provider's expense. Service Provider acknowledges and agrees that the TxDOT Facilities are sufficient for performing the Services and for satisfying Service Provider's responsibilities under this Agreement. THE TxDOT FACILITIES ARE PROVIDED BY TxDOT TO SERVICE PROVIDER ON AN "AS-IS", "WHERE-IS", AND WITH ALL FAULTS BASIS. TxDOT EXPRESSLY DISCLAIMS ANY WARRANTIES, EXPRESS OR IMPLIED, AS TO THE TxDOT FACILITIES, INCLUDING WARRANTIES OF HABITABILITY, FITNESS FOR PARTICULAR PURPOSE, OR THEIR CONDITION OR SUITABILITY FOR USE BY SERVICE PROVIDER.
- (c) **Furniture, Fixtures and Equipment.** Service Provider may use the office furniture and fixtures located in the portions of the TxDOT Facilities that Service Provider is entitled to access and use pursuant to [Section 6.1 \(b\) TxDOT Facilities](#). Service Provider Personnel using the TxDOT Facilities shall be

- provided with reasonable access to the communications wiring in such facilities (for example, fiber and copper wiring, wall jacks, and wireless access points, subject to [Section 6.1 \(d\) Responsibilities Regarding TxDOT's Network](#)) and the use of certain shared office equipment and services; provided, however, that such access and usage shall be solely for and in connection with the provision of Services by such Service Provider Personnel.
- (d) **Responsibilities Regarding TxDOT's Network.** To the extent any Equipment provided or used by Service Provider or Service Provider Personnel is connected directly to the network(s) of TxDOT, such Equipment (and all Software installed thereon) shall be (i) subject to review and approval in advance by TxDOT in the manner determined by TxDOT (Service Provider shall cooperate with TxDOT in the testing, evaluation and approval of such Equipment) and (ii) in strict compliance with TxDOT Rules and TxDOT Standards. Service Provider shall not install or permit the installation of any other software on such Equipment without TxDOT's prior written approval. Service Provider shall immediately investigate any Security Incident of TxDOT's networks or Systems associated with Service Provider Personnel or the performance of the Services of which it becomes aware. Service Provider shall notify TxDOT of each such Security Incident and permit TxDOT to participate in the planning and conducting of any audit or investigation of any such Security Incident. Service Provider shall promptly (A) report the findings of any such audit or investigation to TxDOT, (B) provide TxDOT with a copy of any final written report prepared in connection therewith, and (C) to the extent in Service Provider's areas of responsibility and control, prepare and, following TxDOT's approval, implement a remediation plan to remediate the effects of the Security Incident and prevent its recurrence. Service Provider acknowledges and agrees that, to the extent permitted by applicable Law, TxDOT has the right to monitor, record and investigate all uses of TxDOT's networks by Service Provider, including all email or other communications sent to, from, or through TxDOT's networks, regardless of the content of such communications, and Service Provider hereby consents to such monitoring, recording and investigating. Service Provider acknowledges and agrees that it does not have any expectation of privacy with respect to any information or communications made by or to it through TxDOT's networks and shall not assert or claim any privacy right thereto.
- (e) **Residual Responsibility.** Except as provided in [Sections 6.1 \(a\), \(b\), and \(c\) and Section 6.4 Materials, Equipment, and Third Party Contracts](#), Service Provider shall be financially and operationally responsible for providing all furniture, fixtures, equipment, connectivity, space, and other facilities required to perform the Services and all upgrades, improvements, replacements, and additions to such furniture, fixtures, equipment, connectivity, space and facilities. Without limiting the foregoing, Service Provider shall provide (i) all maintenance, site management, site administration and similar services for the Service Provider Facilities, (ii) uninterrupted power supply services for the Service Provider Facilities, and (iii) telecommunications transport (voice and data) between Service Provider Facilities and the TxDOT Facilities.
- (f) **Physical Security.** TxDOT is responsible for the physical security of the TxDOT Facilities; provided, however, that Service Provider shall (i) be responsible for the acts and omissions of Service Provider Personnel with respect to the safety and physical access and control of the areas that Service Provider is using in performing the Services and (ii) not permit any person to have access to, or control of, any such area in a TxDOT Facility unless approved by TxDOT. Service Provider shall be solely responsible for compliance by Service Provider Personnel with such control procedures, including obtaining advance approval to the extent required.
- (g) **Use of TxDOT Facilities.**
- (i) Service Provider shall use the TxDOT Facilities, and the office furniture, Equipment and fixtures provided or made available by TxDOT therein, only for the purpose of providing the Services.
 - (ii) TxDOT reserves the right to, upon thirty (30) days' written notice to Service Provider, (A) relocate any TxDOT Facility from which the Services are then-being provided to another geographic location from which the Services will be provided, and (B) direct Service Provider to cease using all or part of the space in any TxDOT Facility from which the Services are then-being provided.
 - (iii) In cases described in subsection (ii) above, Service Provider shall be relieved of responsibility for

providing the Services, and TxDOT shall be relieved of all obligation to pay fees otherwise owed to Service Provider for the provision of such Services, during the relocation for the period of time agreed to in advance by TxDOT if and to the extent Service Provider is unable to provide the Services in accordance with the Service Levels during the actual relocation of Service Provider's operations; provided that such relocation is not expressly contemplated in this Agreement as of the Effective Date, that the relocation period does not exceed fifteen (15) Business Days, and that Service Provider (A) notifies TxDOT in advance of its inability to perform during such relocation, (B) gives TxDOT a reasonable opportunity to address Service Provider's concerns and thereby avoid such Service Provider non-performance, (C) identifies and pursues commercially reasonable means to avoid or mitigate the impact of such relocation, and (D) uses commercially reasonable efforts to perform notwithstanding such relocation.

- (h) **Conditions for Return.** When the TxDOT Facilities are no longer to be used by Service Provider as contemplated by this **Section 6.1** or are otherwise no longer required for performance of the Services, Service Provider shall notify TxDOT as soon as practicable and shall vacate and return such TxDOT Facilities (including any improvements to such facilities made by or at the request of Service Provider) to TxDOT in substantially the same condition as when such facilities were first provided to Service Provider, subject to reasonable wear and tear.
- (i) **No Violation of Laws.** Service Provider shall treat, use and maintain the TxDOT Facilities in a reasonable manner. Service Provider shall not commit, and shall use all reasonable efforts to ensure that no business visitor or invitee of Service Provider commits, any act (i) in violation of any applicable Laws or (ii) in breach of any applicable TxDOT insurance policies or in breach of TxDOT's obligations under the applicable real estate leases for such TxDOT Facilities (to the extent Service Provider has received notice of such insurance policies or real estate leases or should reasonably be expected to know of such obligations or limitations).

6.2 Use of Service Provider Facilities

Service Provider shall provide to TxDOT at no additional charge (i) reasonable access to and use of Service Provider Facilities and (ii) access to reasonable work/conference space at Service Provider Facilities for use in connection with TxDOT's performance and exercise of rights under this Agreement.

6.3 TxDOT Rules/Employee Safety.

- (a) **TxDOT Rules and Compliance.** In performing the Services and using the TxDOT Facilities, Service Provider shall observe and comply with all TxDOT policies, rules, and regulations applicable at or to TxDOT Facilities or the provision of the Services which have been communicated to Service Provider or Service Provider Personnel in advance in writing (which may include email communications and notices of information contained on web sites or conspicuously posted at TxDOT Facilities to the extent consistent with the way in which TxDOT disseminate such information to their own employees) or by such means as are generally used by TxDOT to disseminate such information to its employees or contractors and those applicable to specific TxDOT Facilities (collectively, "**TxDOT Rules**"). The Parties acknowledge and agree that, as of the Commencement Date the Service Provider is fully informed as to the TxDOT Rules that have been communicated to it consistent with the foregoing. Service Provider shall be responsible for the promulgation and distribution of TxDOT Rules to Service Provider Personnel as and to the extent necessary and appropriate. Additions or modifications to the TxDOT Rules may be (i) disclosed to Service Provider and Service Provider Personnel in writing (which may include email communications and notices of information contained on web sites to the extent consistent with the way in which TxDOT disseminate such information to their own employees), (ii) conspicuously posted at a TxDOT Facility, (iii) electronically posted or (iv) communicated to Service Provider or Service Provider Personnel by means generally used by TxDOT to disseminate such information to its employees or contractors (including oral communications in immediately applicable or emergency situations). Service Provider and Service Provider Personnel shall observe and comply with such additional or modified TxDOT Rules.
- (b) **Safety and Health Compliance.** Service Provider and Service Provider Personnel shall familiarize themselves with the premises and operations at each TxDOT Facility at, to or from which Services are

rendered and the TxDOT Rules applicable to each such facility. Service Provider and Service Provider Personnel also shall observe and comply with all TxDOT Rules with respect to safety, health, security and the environment and shall take commercially reasonable precautions to avoid injury, property damage, spills or emissions of hazardous substances, materials or waste, and other dangers to persons, property or the environment. To the extent required by TxDOT, Service Provider Personnel shall receive prescribed training prior to entering certain TxDOT Facilities.

6.4 Materials, Equipment, and Third Party Contracts

- (a) **Financial Responsibility.** Each Party shall be financially responsible for any third party fees or expenses incurred on or after the Commencement Date associated with Materials, Equipment, Equipment Leases and Third Party Contracts for which such Party is financially responsible under **Exhibit 4.2 Financial Responsibility Matrix** (excluding Third Party Contracts administered by Service Provider on a Pass-Through basis, which are addressed in **Exhibit 4.0 Business Model**). Unless otherwise expressly provided, each Party also shall be financially responsible for any third party fees or expenses on or after the Commencement Date associated with new, substitute or replacement Materials, Equipment, Equipment Leases or Third Party Contracts (including Upgrades, enhancements, new versions or new releases of Software or Equipment) for which such Party is financially responsible under **Exhibit 4.2 Financial Responsibility Matrix**. With respect to Third Party Material licenses, Equipment Leases and Third Party Contracts that are assigned to Service Provider by TxDOT for which Service Provider otherwise assumes financial responsibility under this Agreement, Service Provider shall:
 - (i) pay all amounts becoming due under such licenses, leases or contracts, and all related expenses, for periods on or after the Commencement Date;
 - (ii) rebate to TxDOT any payment of such amounts in accordance with **Exhibit 4.2 Financial Responsibility Matrix**;
 - (iii) pay all modification, termination, cancellation, late payment, renewal or other fees, penalties, charges, interest or other expenses attributable to periods on or after the Commencement Date (except to the extent that such fees, penalties, charges, interest or other expenses directly result from the wrongful acts or omissions of TxDOT, prior to assignment to Service Provider);
 - (iv) pay all costs associated with the transfer of such licenses, leases and contracts to Service Provider, including all taxes associated with such transfer; and
 - (v) be responsible for curing any defaults in Service Provider 's performance under such licenses, leases and contracts on or after the Commencement Date (except to the extent that such fees, penalties, charges, interest or other expenses directly result from the wrongful acts or omissions of TxDOT, prior to assignment to Service Provider).
- (b) **Operational Responsibility.** With respect to Materials, Equipment, Equipment Leases and Third Party Contracts for which Service Provider is operationally responsible under **Exhibit 4.2 Financial Responsibility Matrix**, Service Provider shall be responsible for:
 - (i) the evaluation, procurement, testing, installation, rollout, use, support, management, administration, operation and maintenance of such Materials, Equipment, Equipment Leases and Third Party Contracts;
 - (ii) the evaluation, procurement, testing, installation, rollout, use, support, management, administration, operation and maintenance of new, substitute or replacement Materials, Equipment, Equipment Leases and Third Party Contracts (including Upgrades, enhancements, new versions or new releases of such Software);
 - (iii) the performance, availability, reliability, compatibility and interoperability of such Materials, Equipment and Third Party Contracts each in accordance with this Agreement, including the Service Levels and Change Control Procedures;
 - (iv) the compliance with and performance of all operational, administrative and contractual obligations specified in the applicable licenses, leases and contracts;

- (v) the observance of and compliance with all Laws applicable to such licenses, leases, and contracts (without limiting the obligation of the Parties under [Section 15.11 Compliance with Laws.](#));
 - (vi) the administration and exercise as appropriate of all rights available under such licenses, leases, and contracts; and
 - (vii) the payment of any fees, penalties, charges, interest, or other expenses due and owing under or with respect to such licenses, leases and contracts that are incurred or caused by, or result from Service Provider's failure to comply with or perform its obligations under this **Section 6.4(b) Operational Responsibility** (except to the extent that such fees, penalties, charges, interest or other expenses directly result from the wrongful acts or omissions of TxDOT, prior to assumption of financial responsibility by Service Provider).
- (c) **General Rights.** With respect to all Third Party Materials licenses, Equipment Leases and Third Party Contracts for which Service Provider is financially responsible under **Exhibit 4.2 Financial Responsibility Matrix**, Service Provider shall:
- (i) obtain for TxDOT and their designee(s) the license, sublicense, assignment and other rights specified in [Section 14.6 Ongoing TxDOT Rights.](#) and [Section 4.3 Termination Assistance Services.](#);
 - (ii) ensure that the granting of such license, sublicense, assignment and other rights is not subject to subsequent third party approval or the payment by TxDOT, or their designee(s) of license, assignment or transfer fees;
 - (iii) ensure that the terms, conditions and prices applicable to TxDOT, and their designee(s) are no less favorable than those otherwise applicable to Service Provider, and at least sufficient for the continuation of the activities comprising the services of the nature of the Services;
 - (iv) provide a copy of the entire and complete Third Party Contract(s), regardless of whether Service Provider's other customers utilize or benefit from such Third Party Contract(s), allowing TxDOT to disclose such contracts in future procurements; and
 - (v) ensure that neither any Assistance Event nor the assignment of the license, lease or contract shall trigger less favorable terms, conditions or pricing.
- (d) **Evaluation of Third Party Materials, Equipment.** In addition to its obligations under [Section 6.4 \(a\) Financial Responsibility](#) and [Section 6.4 \(b\) Operational Responsibility](#) and in order to facilitate TxDOT's control of architecture, standards and plans pursuant to [Section 9.5 Change Control.](#), Service Provider shall evaluate any Third Party Materials consisting of Software and Equipment selected by or for TxDOT to determine whether such Software and Equipment shall adversely affect TxDOT's environment, ability to interface with and use the Software, Equipment, and Systems and/or Service Provider's ability to provide the Services. Service Provider shall complete and report the results of such evaluation to TxDOT within thirty (30) days of its receipt of TxDOT's request; provided, that Service Provider shall respond more quickly in the case of a pressing need or an emergency situation.
- (e) **TxDOT Provided Equipment.** TxDOT shall provide Service Provider with the use of the TxDOT owned and leased Equipment identified to be so provided in **Exhibit 4.1 Pricing Structure** (the "**TxDOT Provided Equipment**") solely for and in connection with the provision of the Services and solely to the extent permitted by applicable Laws. Throughout the Term, Service Provider shall use the TxDOT Provided Equipment in the manner directed by TxDOT. When such TxDOT Provided Equipment is no longer required by Service Provider for the performance of the Services, Service Provider shall promptly notify TxDOT and promptly return the same to TxDOT and/or its designee(s) in substantially the same condition (as it may have been modified or improved by Service Provider with TxDOT's written approval) as when such TxDOT Provided Equipment was first provided to Service Provider, subject to reasonable wear and tear. Such notification shall include the identification of the Equipment, and the date it shall no longer be needed by Service Provider, along with the reason for decommissioning. Upon receipt of any such notice, TxDOT may, in its sole discretion, terminate the lease for such TxDOT Provided Equipment or sell or otherwise dispose of or redeploy such TxDOT Provided Equipment as of the date specified in such notice. Service Provider shall, at Service Provider's

expense, deliver such TxDOT Provided Equipment to the location designated by TxDOT and/or its designee(s). In the event any such TxDOT Provided Equipment is lost, stolen or otherwise not returned to TxDOT in substantially the same condition as when such TxDOT Provided Equipment was first provided to Service Provider, then Service Provider shall, at its sole cost and expense, replace or repair such TxDOT Provided Equipment within fifteen (15) Business Days following receipt of written notice from TxDOT. The foregoing shall not limit Service Provider's obligations with respect to the redeployment and disposal of Equipment pursuant to a Statement of Work. THE TXDOT PROVIDED EQUIPMENT IS PROVIDED BY TXDOT TO SERVICE PROVIDER ON AN "AS-IS", "WHERE-IS", AND WITH ALL FAULTS BASIS. TXDOT EXPRESSLY DISCLAIMS ANY WARRANTIES, EXPRESS OR IMPLIED, AS TO THE TXDOT PROVIDED EQUIPMENT, ITS TITLE OR ITS CONDITION, INCLUDING WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR SUITABILITY FOR USE BY SERVICE PROVIDER.

6.5 Assignment of Licenses, Leases, and Related Agreements

- (a) **Assignment and Assumption.** Subject to Service Provider obtaining any Required Consents, TxDOT may assign to Service Provider, and Service Provider shall assume and agree to perform, all obligations arising on or after the Commencement Date that are related to, the Third Party Materials licenses, Equipment Leases, and Third Party Contracts for which Service Provider is financially responsible under **Exhibit 4.2 Financial Responsibility Matrix** or this document. Such assignment shall not include any assignment or transfer of any intellectual property rights in Materials developed under such Third Party Materials licenses, Equipment Leases, and Third Party Contracts prior to the date of such assignment and, as between the Parties, TxDOT hereby expressly reserves and retains such intellectual property rights. TxDOT and Service Provider shall execute and deliver a mutually satisfactory assignment and assumption agreement with respect to such leases, licenses and agreements, evidencing the assignment and assumption provided for herein. Service Provider shall use its best efforts to obtain for the benefit of TxDOT a release of any obligations of TxDOT under the Third Party Materials licenses, Equipment Leases, and Third Party Contracts that are assigned to Service Provider under this Agreement.
- (b) **Items Not Assignable.** If, after Service Provider has used commercially reasonable efforts for a reasonable period of time, any Third Party Materials licenses, Equipment Leases, or Third Party Contracts cannot, as of the Commencement Date or at any time thereafter, be assigned to Service Provider without breaching their terms or otherwise adversely affecting the rights or obligations of TxDOT, or Service Provider thereunder, Service Provider shall, at TxDOT's option and with TxDOT's consent, replace such licenses, leases, or contracts (or the subject thereof) with appropriate alternatives providing equivalent features and functionality and shall remain responsible for providing all of the Services in accordance with the terms of this Agreement
- (c) **Modifications and Substitution.** Service Provider may terminate, shorten, modify, or extend the Third Party Materials licenses, Equipment Leases, and Third Party Contracts for which Service Provider is financially responsible under **Exhibit 4.2 Financial Responsibility Matrix Section Matrix** and, subject to **Section 9.9 (a) Use of Subcontractors** (including TxDOT's right of prior approval), may substitute or change vendors relating to goods or services covered thereby; provided that, except as otherwise disclosed by Service Provider and agreed to by TxDOT, such change(s): (A) shall not constitute a breach of applicable Laws or any obligation of TxDOT under such Materials licenses, Equipment Leases or Third Party Contracts; (B) shall not result in additional financial obligations, financial or operational risk or Losses to TxDOT; (C) shall not result in any increase to TxDOT in the cost of receiving the Services; and (D) if assumable by TxDOT, shall not provide for less favorable terms, conditions or prices for TxDOT and/or their designee(s) following the expiration or termination of this Agreement or any applicable Service(s) than would otherwise be applicable to Service Provider (except for terms, conditions or prices available to Service Provider because of its volume purchases). Service Provider's rights under the preceding sentence are conditioned upon Service Provider paying all applicable termination or cancellation charges, Losses and other amounts due to the applicable vendor associated with such action and indemnifying TxDOT against any such charges, Losses or other amounts associated therewith. Notwithstanding anything to the contrary herein, Service Provider shall not terminate, shorten or modify without TxDOT's prior written consent any license for Third Party Materials either created exclusively for TxDOT or otherwise not commercially available. Service Provider shall reimburse TxDOT for any termination charges, cancellation charges, or other amounts paid by them at

Service Provider's direction in connection with obtaining any such modification. TxDOT may request, and Service Provider shall provide, copies of all extensions, renewals, terminations and modifications proposed and/or entered into by Service Provider hereunder.

6.6 Managed Third Parties.

- (a) **Fully Managed Third Parties.** With respect to Managed Third Parties designated on **Exhibit 4.1 Pricing Structure** as “Fully Managed Third Parties” and any substitute or replacement therefor (each a “**Fully Managed Third Party**”), Service Provider shall manage the relevant Third Party Contracts (each a “**Fully Managed Third Party Contract**”) so that such Fully Managed Third Parties perform in accordance with this Agreement, including the Service Levels, and comply with all applicable duties and obligations imposed on Service Provider under this Agreement. Unless otherwise specified in **Exhibit 4.1**, the performance of such Fully Managed Third Parties shall be included in determining Service Provider’s compliance with applicable Service Levels in **Exhibit 3.1 Service Level and Deliverable Matrix**, and Service Provider shall be responsible for any Service Level Credits incurred as a result of any failure by such Fully Managed Third Parties to perform in accordance with such Service Levels. Upon the expiration or termination of a Fully Managed Third Party Contract, Service Provider shall be responsible for the continued performance of the Services in accordance with this Agreement and shall either provide such Services itself or enter into a contract for such services with a replacement Fully Managed Third Party. As it shall remain the contracting party, TxDOT shall exercise such rights under the Fully Managed Third Party Contracts in support of Service Provider’s obligations as TxDOT is reasonably requested to do so by Service Provider.
- (b) **Generally Managed Third Parties.** Unless otherwise set forth in **Exhibit 4.1**, with respect to all Managed Third Parties, including the Fully Managed Third Parties, Service Provider shall perform the following activities with respect to the management and administration of Third Party Contracts between TxDOT and such Managed Third Parties:
 - (i) manage the Managed Third Parties, including monitoring operational day-to-day service delivery, monitoring performance, escalating problems for resolution, and maintaining technical support relationships;
 - (ii) work with TxDOT, as requested, to manage new and existing contractual relationships TxDOT may have with such Managed Third Parties as needed to provide the Services;
 - (iii) oversee Managed Third Party delivery of services and compliance with the Service Levels and the performance standards contained in the agreements with such Managed Third Parties;
 - (iv) manage the performance of the Managed Third Party to the service levels or other performance standards contained in the agreements with such Managed Third Parties and notify TxDOT and the Managed Third Party of each Managed Third Party’s failure to perform such services in accordance with the performance standards or other terms and conditions contained in such TxDOT agreement with the Managed Third Party or the Service Levels contained in **Exhibit 3.1**;
 - (v) escalate Managed Third Party performance failures to Managed Third Party management as necessary to achieve timely resolution;
 - (vi) monitor and manage the Managed Third Party’s efforts to remedy a failure of performance;
 - (vii) communicate to TxDOT the status of the Managed Third Party’s efforts to remedy a failure of performance; and
 - (viii) recommend retention, replacement, modification or termination of a Managed Third Party based on the performance or cost benefits to TxDOT as tracked by Service Provider.
- (c) **Other Responsibility.** Any use by Service Provider of any services provided by Managed Third Parties in connection with the Services shall be limited to fulfilling the requirements of this Agreement to the extent allowed and for purposes authorized under applicable Laws. Unless otherwise specified in **Exhibit 4.1** or agreed in writing by the Parties, Service Provider is responsible for all costs and charges associated with such Managed Third Parties. Unless otherwise specified in **Exhibit 4.1**, Service Provider shall be

TxDOT's sole point of contact regarding the services provided by such Managed Third Parties in connection with the Services.

7 PERFORMANCE MANAGEMENT

7.1 General.

(a) General Performance Standards.

Beginning on the Commencement Date, Service Provider shall perform the Services at levels of accuracy, quality, completeness, timeliness, responsiveness, and resource efficiency that are at least equal to those received by TxDOT prior to such date. In addition, Service Provider 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.

(b) Service Level Performance Standards.

Beginning on the Commencement Date, Service Provider shall perform the Services so as to meet or exceed the Service Levels set forth in or otherwise in accordance with **Exhibit 3.0 Performance Model**.

7.2 Service Level Credits.

Service Provider recognizes that TxDOT is paying Service Provider to deliver the Services at specified Service Levels. If Service Provider fails to meet such Service Levels, then, in addition to other remedies available to TxDOT, Service Provider shall pay or credit to TxDOT the Service Level Credits specified in **Exhibit 3.0 Performance Model** in recognition of the diminished value of the Services resulting from Service Provider'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 TxDOT'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 Service Provider's liability.

7.3 Deliverable Credits.

Service Provider recognizes that TxDOT is paying Service Provider to provide certain Critical Deliverables by the time and in the manner agreed by the Parties. If Service Provider fails to meet its obligations with respect to such Critical Deliverables, then, in addition to other remedies available to TxDOT, Service Provider shall pay or credit to TxDOT the amounts specified in **Exhibit 3.1 Service Level and Deliverable Matrix** as applicable, or established by TxDOT as part of the Project approval process on a case by case basis in recognition of the diminished value of the Services resulting from Service Provider's failure to meet the agreed upon level of performance, and not as a penalty (the "**Deliverable Credits**"). If TxDOT recovers monetary damages from Service Provider as a result of Service Provider's failure to meet its obligations with respect to one (1) or more Critical Deliverables, Service Provider 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 Service Provider's liability.

8 SERVICE PROVIDER PERSONNEL

8.1 Key Personnel.

- (a) **Approval of Key Personnel.** The positions designated by TxDOT to be filled by Key Personnel and the Key Personnel that have been selected and approved by TxDOT as of the Effective Date are identified in **Exhibit 2.4 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, Service Provider

- shall notify TxDOT of the proposed assignment, shall introduce the individual to appropriate TxDOT representatives, shall provide reasonable opportunity for TxDOT representatives to interview the individual and shall provide TxDOT with a resume and such other information about the individual as may be reasonably requested by TxDOT. If TxDOT in good faith objects to the proposed assignment, the Parties shall attempt to resolve TxDOT's concerns on a mutually agreeable basis. If the Parties have not been able to resolve TxDOT's concerns within five (5) Business Days of TxDOT communicating its concerns, Service Provider shall not assign the individual to that position and shall propose to TxDOT the assignment of another individual of suitable ability and qualifications. TxDOT may add, delete, or otherwise change the positions to be filled by Key Personnel under this Agreement.
- (b) **Continuity of Key Personnel.** Service Provider 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 unless otherwise stated in **Exhibit 2.4 Key Personnel**. Service Provider shall not transfer, reassign or remove any of the Key Personnel except to the extent such transfer, reassignment or removal is due to "cause" or "performance" as defined below, voluntary resignation or involuntary termination for death or disability, or other leave of absence protected by applicable Law (e.g., the Family and Medical Leave Act) or announce its intention to do so during the minimum period without TxDOT's prior approval, which TxDOT 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 or other leave of absence protected by applicable Law (e.g., the Family and Medical Leave Act) of one of its Key Service Provider Personnel during or after the specified period, Service Provider shall (i) give TxDOT as much notice as reasonably possible of such development and (ii) as soon as possible, and in no event more than fifteen (15) Business Days following the voluntary resignation, involuntary termination for cause, illness, disability or death or other leave of absence protected by applicable Law (e.g., the Family and Medical Leave Act) of such Key Service Provider Personnel, identify and obtain TxDOT's approval of a suitable replacement, with the same or substantially similar competence, skills, experience, ability, tenure and qualifications as the Key Service Provider Personnel being replaced. Service Provider shall ensure that, at no point during the Term, any Key Service Provider Personnel position remains vacant for more than fifteen (15) Business Days. In addition, even after the period specified in the applicable Statement of Work, Service Provider shall not replace, transfer, reassign or remove one of its Key Service Provider Personnel unless and until Service Provider (A) gives TxDOT at least fifteen (15) Business days prior notice of such action (except to the extent such removal involves termination due to "cause" or "performance" as defined below, voluntary resignation or involuntary termination for death or disability), (B) identifies and obtains TxDOT's approval of a suitable replacement at least fifteen (15) Business days prior to such replacement, transfer, reassignment or removal, (C) provides TxDOT with a plan describing the steps and training (including knowledge transfer) that Service Provider shall perform to transition responsibility to the replacement at no cost to TxDOT, and (D) demonstrates to TxDOT's reasonable satisfaction that such action shall not have an adverse impact on Service Provider's performance of its obligations under this Agreement. For purposes of this Section "cause" means disregard of Service Provider's rules, insubordination or misconduct (as defined in Service Provider's human resource written practices or policies), or criminal conduct, and "performance" means that the individual's job performance is at a level that would justify dismissal under Service Provider's human resources written practices and policies.
- (c) **Retention and Succession.** Service Provider shall implement and maintain a retention strategy designed to retain Key Personnel on TxDOT's ' accounts for the prescribed period, to include items such as retention bonuses. Service Provider shall also maintain active succession plans for each of the Key Personnel positions.

8.2 Service Provider Account Director.

Service Provider shall designate a "**Service Provider Account Director**" who, unless otherwise agreed by TxDOT, shall maintain his or her office in Austin, Texas. The Service Provider Account Director shall (a) be one (1) of the Key Personnel, (b) be a full time employee of the Service Provider, (c) devote his or her full time and effort to managing the Services, (d) 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 other leave of absence protected by applicable Law (e.g., the Family and Medical Leave Act)), (e) serve as the single point of accountability for the Services, (f) be the single point of contact to whom all TxDOT communications concerning this Agreement may be addressed, (g) have authority to act on behalf of Service Provider in all day-to-day matters pertaining to this Agreement, (h) have day-to-day responsibility for service delivery, billing and relationship management, and (i) have day-to-day responsibility for ensuring customer satisfaction and attainment of all Service Levels.

8.3 Service Provider Personnel Are Not State or TxDOT Employees.

It is expressly understood and agreed to by both parties that TxDOT is contracting with Service Provider as an independent contractor. Service Provider understands and agrees that individuals performing services in connection with the Agreement are not State employees and nothing in this Agreement shall operate or be construed as making the State and TxDOT, on the one hand, and Service Provider, on the other hand, partners, joint venturers, principals, joint employers, agents or employees of or with the other. No officer, director, employee, agent, affiliate, contractor or subcontractor retained by Service Provider to perform work hereunder shall be deemed to be an officer, Director, employee, agent, affiliate, contractor or subcontractor of the State or TxDOT for any purpose. Service Provider, not the State or TxDOT, has the right, power, authority and duty to supervise and direct the activities of the Service Provider Personnel and to compensate such Service Provider Personnel for any work performed by them hereunder. Except as expressly provided in this Agreement, neither Service Provider nor any of Service Provider's employees, agents or Subcontractors may act in any sense as agents or representatives of TxDOT or the State. Service Provider, and not the State nor TxDOT shall be responsible and therefore solely liable for all acts and omissions of Service Provider Personnel associated or related in any manner with this Agreement, the Services, TxDOT Facilities, Service Provider Facilities, TxDOT Confidential Information, or Equipment, including acts and omissions constituting negligence, gross negligence, willful misconduct and/or fraud.

8.4 Responsibility for Service Provider Personnel.

- (a) Service Provider Personnel and Subcontractors shall be paid exclusively by Service Provider for all Services performed. Service Provider is responsible for and must comply with all requirements and obligations related to such employees, agents or Subcontractors under local, State or Federal law, including minimum wage, social security, unemployment insurance, State and Federal income tax and workers' compensation obligations.
- (b) Service Provider assumes sole and full responsibility for its acts and the acts of the Service Provider Personnel and Subcontractors relating to the performance of this Agreement.
- (c) Service Provider agrees that any claim on behalf of any person arising out of employment, alleged employment, agency or subcontracts (including, but not limited to, claims of discrimination against Service Provider, its officers, or its agents or its Subcontractors) are the sole responsibility of Service Provider and are not the responsibility of TxDOT, and that Service Provider will indemnify and hold harmless TxDOT from any and all such claims asserted against the State or TxDOT. Service Provider understands that any person who alleges a claim arising out of employment, alleged employment, agency, or Subcontract by Service Provider (including, but not limited to, claims of discrimination against Service Provider, its officers, or its agents or its Subcontractors) will not be entitled to any compensation, rights, or benefits from TxDOT (including, but not limited to, tenure rights, medical and hospital care, sick and annual/vacation leave, severance pay, or retirement benefits).

8.5 Replacement, Qualifications, and Retention of Service Provider Personnel.

- (a) **Sufficiency and Suitability of Personnel.** As a material obligation hereunder, Service Provider shall assign (or cause to be assigned) sufficient numbers of Service Provider Personnel to perform the Services in accordance with this Agreement (including applicable Service Levels), and such Service Provider Personnel shall possess suitable competence, ability and qualifications and shall be properly educated and trained for the Services they are to perform. Service Provider will maintain the organizational and administrative capacity and capabilities to carry out all Service Provider 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, Service Provider 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.

- (b) **Responsibility for Service Provider Personnel.** Service Provider agrees that anyone used by Service Provider to fulfill the terms of this Agreement is an employee, agent or Subcontractor of Service Provider and remains under Service Provider's sole direction and control. In addition, Service Provider hereby agrees to be responsible for the following with respect to its employees, agents or Subcontractors: (i) damages incurred by Service Provider 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 Service Provider Personnel or Subcontractors. Service Provider agrees and will inform its employees, agents, and Subcontractors that there is no right of action against TxDOT for any duty owed by Service Provider pursuant to this Agreement. Service Provider expressly agrees that TxDOT assumes no liability for the actions of, or judgments rendered against, the Service Provider, its employees, agents, or Subcontractors. TxDOT's liability to the Service Provider's employees, agents, and Subcontractors, if any, will be governed by Chapter 101, Texas Civil Practice & Remedies Code.
- (c) **Requested Replacement.** In the event that TxDOT determines lawfully and in good faith that the continued assignment of any individual Service Provider Personnel (including Key Personnel) to the performance of the Services is not in the best interests of TxDOT, then TxDOT may give Service Provider notice to that effect requesting that such Service Provider Personnel be replaced. Service Provider shall have ten (10) Business Days following TxDOT's request for removal of such Service Provider Personnel in which to investigate the matters forming the basis of such request, correct any deficient performance, and provide TxDOT with assurances that such deficient performance shall not recur (provided that, if requested to do so by TxDOT, Service Provider shall immediately remove (or cause to be removed) the individual in question from all TxDOT Facilities pending completion of Service Provider's investigation and discussions with TxDOT). If, following such ten (10) Business Day period, TxDOT is not reasonably satisfied with the results of Service Provider's efforts to correct the deficient performance and/or to prevent its recurrence, Service Provider shall, as soon as possible, remove and replace such Service Provider Personnel with an individual of suitable ability and qualifications, at no additional cost to TxDOT. Nothing in this provision shall operate or be construed to limit Service Provider's responsibility for the acts or omissions of Service Provider Personnel, or be construed as joint employment of the Service Provider Personnel.
- (d) **Service Provider Personnel.**
 - (i) Service Provider shall ensure that all Service Provider Personnel (A) are at all times legally permitted to work in any location in which they are assigned to perform Services and (B) meet the criteria for Service Provider Personnel under this Agreement, and (C) have completed pre-hire background investigations verifying that Service Provider Personnel had not been convicted of or accepted responsibility for a felony or a misdemeanor involving a dishonest act. Service Provider shall maintain, in a reasonably accessible location and format, the documentation reasonably necessary to verify the foregoing, as well as a resume and such other information about the individual as may be reasonably requested by TxDOT, and shall make such documentation available to TxDOT or TxDOT Auditors upon request
 - (ii) Service Provider shall maintain policies prohibiting the use of illegal drugs. Service Provider represents that the Service Provider Personnel are not disqualified from performing their assigned work under applicable Laws. Pursuant to Executive Order No. RP-80, issued by the Governor of Texas on December 13, 2014, and as subsequently clarified, the Service Provider shall, as a condition to this Agreement, also comply with the United States Department of Homeland Security's E-Verify system to determine the eligibility of (A) all persons to whom the E-Verify system applies, and who are hired by Service Provider during the Term to perform Services within the State, and (B) all Subcontractors' employees to whom the E-Verify system applies and who are hired by a Subcontractor during the Term and assigned by Subcontractor to perform Services pursuant to this Agreement. Service Provider shall require its Subcontractors to comply with the requirements of this Section. Nothing herein is intended to exclude compliance by Service Provider and its Subcontractors with all other applicable federal immigration statutes and regulations

promulgated pursuant thereto.

- (e) **Background and/or Criminal History Investigations.** Prior to the date any Service Provider Personnel are assigned to TxDOT's account, Service Provider shall conduct, at its expense and in compliance with applicable Law, a background check, criminal history investigation, and substance abuse screening of each such member of the Service Provider Personnel. Service Provider Personnel background checks, criminal history investigations, and substance abuse screenings will include investigation of such matters as reasonably required by TxDOT, subject to the limitations of applicable Law, and aligned with federal government or other third party background check requirements, such as those identified in CJIS security policy, that are necessary for those Service Provider Personnel that access, use, and manage the type of information described in [Section 13.4 TxDOT Regulated Data](#). Service Provider shall provide to TxDOT on an annual basis a report that identifies all Service Provider Personnel and their current background, criminal history, and substance abuse screenings investigation status information. In addition, when Service Provider onboards new Service Provider Personnel to support the delivery of the Services under this Agreement and requests access and use of TxDOT Systems, Service Provider shall include within the staff onboarding package that the current background check status information. Service Provider shall maintain, in a reasonably accessible format and location, documentation evidencing that background checks, criminal history investigations and substance abuse screenings have been completed on all Service Provider Personnel, and will grant TxDOT access to such documentation upon request. Service Provider will exercise reasonable care and diligence to ensure that Service Provider does not assign individuals to the Service Provider Personnel who, based on the results of any background checks, criminal history investigations, or substance abuse screening, may represent a threat to the safety or security of any person or any TxDOT Data, facilities, operations, or assets.

8.6 Conduct of Service Provider Personnel. Service Provider shall ensure that:

- (a) **Conduct and Compliance.** Service Provider Personnel (i) comply with applicable TxDOT Rules and other rules and regulations as further described in [Section 6.3 TxDOT Rules/Employee Safety](#), (ii) comply with reasonable requests of TxDOT personnel pertaining to personal and professional conduct, (iii) attend workplace training offered by TxDOT at TxDOT's request, and (iv) otherwise conduct themselves in a professional and businesslike manner.
- (b) **Identification of Service Provider Personnel.** Except as specifically authorized by TxDOT, all Service Provider Personnel clearly identify themselves as Service Provider Personnel and not as employees or representatives of the State or TxDOT. This shall include any and all communications, whether oral, written or electronic, unless and to the extent authorized by TxDOT in connection with the performance of specific Services. Each Service Provider Personnel shall wear a badge issued by TxDOT indicating that he or she is a "contractor" when at a TxDOT Facility.
- (c) **Restriction on Marketing Activity.** Except for marketing representatives designated in writing by Service Provider to TxDOT, none of the Service Provider's Personnel may conduct any marketing activities with respect to any services specifically outside the scope of this Agreement to TxDOT at TxDOT Facilities (including marketing of any New Services), other than, subject to [Section 13.1 Confidentiality](#), reporting potential marketing opportunities to Service Provider's designated marketing representatives.

8.7 Substance Abuse or Criminal Activity.

- (a) **Employee Removal.** To the extent permitted by applicable Laws, Service Provider shall immediately remove (or cause to be removed) any Service Provider Personnel known to be or reasonably suspected of (i) engaging in substance abuse or criminal activity while at any TxDOT Facility, in a TxDOT vehicle or while performing Services, or (ii) engaging in activities that may present a threat to the safety or security of any person or any TxDOT Data, facilities, operations, or assets. In the case of reasonable suspicion, such removal shall be pending completion of the applicable investigation. Substance abuse includes the sale, attempted sale, possession or use of illegal drugs, drug paraphernalia or alcohol, or the misuse of prescription or non-prescription drugs.
- (b) **Substance Abuse Policy.** Service Provider shall maintain substance abuse policies in conformance with TxDOT Rules and applicable Laws, and all Service Provider Personnel shall be subject to such policies.

8.8 Union Agreements.

Service Provider shall provide TxDOT not less than ninety (90) days notice of the expiration of any collective bargaining agreement with unionized Service Provider Personnel if the expiration of such agreement or any resulting labor dispute could potentially interfere with or disrupt the activities or operations of TxDOT or impact Service Provider's ability to timely perform its duties and obligations under this Agreement.

8.9 Knowledge Transfer.

- (a) During the period following the Effective Date and prior to the Commencement Date, Service Provider 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 Service Provider to perform the Services. Service Provider 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 include, (A) copies of procedures and operations manuals, (B) relevant system, software and/or hardware information, (C) a list of third party suppliers of goods and services which are to be transferred to TxDOT or Service Provider, (D) key support contact details for third party supplier employees, and (E) information regarding work in progress and associated unresolved faults in progress. Service Provider shall within one (1) Business Day notify TxDOT of any lack of cooperation or assistance on the part of any TxDOT Contractor or any third party that impedes or hinders Service Provider's efforts to comply with this obligation.
- (b) Upon at least fifteen (15) Business Days' notice from TxDOT (but no less than twice in a Contract Year), Service Provider will meet with representatives of TxDOT to (i) explain how the Services are provided, (ii) explain how the Software, Systems, Equipment, and Materials work and should be operated and (iii) provide such training and documentation as TxDOT may require for TxDOT to (A) provide services that interact with or interface with the Services, (B) understand and operate the Software, Systems, Equipment, and Materials, and (C) understand and perform the Services after the expiration or termination of this Agreement. Upon TxDOT's request from time to time, Service Provider will deliver to TxDOT a full description of the processes, tools and environmental configuration related to the Services.

9 SERVICE PROVIDER RESPONSIBILITIES

9.1 Reports, Data Correction, Re-Performance.

- (a) **Reports.** Service Provider shall provide TxDOT with (A) reports pertaining to the performance of the Services and Service Provider's other obligations under this Agreement sufficient to permit TxDOT to monitor and manage Service Provider's performance, (B) those reports described in **Exhibit 3.3 Reports** and the SMM in the form and format and at the frequencies provided therein, (C) those reports required elsewhere under the terms of this Agreement, (D) those generated by TxDOT prior to the Commencement Date, and (E) such additional reports as TxDOT may reasonably identify from time to time to be generated and delivered by Service Provider on an ad hoc or periodic basis (all such reports, the "**Reports**").
- (b) **Back-Up Documentation.** As part of the Services, Service Provider shall provide TxDOT with such documentation and other information available to Service Provider (including original source documentation and data in its native format or in an alternative industry-standard format as requested by TxDOT) as may be requested by TxDOT from time to time in order to verify the accuracy of the Reports provided by Service Provider. In addition, Service Provider shall provide TxDOT with all documentation and other information reasonably requested by TxDOT from time to time to verify that Service Provider's performance of the Services is in compliance with the Service Levels and this Agreement.
- (c) **Correction of Errors.** Service Provider shall promptly correct any errors or inaccuracies in or with respect to the Reports as part of the Services and at no additional cost.

9.2 Governance: Meetings.

- (a) **Governance.** The parties shall comply with the governance and account management provisions set forth in **Exhibit 1.2 Governance Model**. The Parties will make management decisions, respond to communications and perform the other governance responsibilities set forth in **Exhibit 1.2 Governance Model** in a timely manner.
- (b) **Meetings.** During the term of this Agreement, representatives of the Parties shall meet periodically or as requested by TxDOT to discuss matters arising under this Agreement, including any such meetings provided for in the Transition Plan and the SMM. During the Transition Period, this may include meetings with TxDOT, the incumbent service provider, and other 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.

9.3 Quality Assurance and Internal Controls.

- (a) **General.** Service Provider shall develop and implement Quality Assurance and internal control (e.g., financial and accounting controls, organizational controls, input/output controls, system modification controls, processing controls, system design controls and access controls) processes and procedures, including implementing tools and methodologies, to perform the Services in an accurate and timely manner (and confirm that they are so performed and accounted for) in accordance with (A) the Service Levels and other requirements of this Agreement, (B) Generally Accepted Accounting Principles (US GAAP) to the extent necessary for Service Provider to make its public filings with the Securities and Exchange Commission, (C) accepted industry standards of first tier providers of services that are the same as or similar to the Services, (D) the Laws applicable to TxDOT (without limiting the obligations of the Parties under [Section 15.11 Compliance with Laws.](#)), and (E) industry standards (e.g., QS 9000, ISO 9001/2000, ISO 14000, ISO 17799/2005, ISO 27001/2005, ISO 27002/2005) applicable to TxDOT and the performance of the Services to the extent described in [Section 9.3\(c\)](#) below. Such processes, procedures and controls shall include verification, checkpoint reviews, testing, acceptance and other procedures for TxDOT to assure the quality and timeliness of Service Provider's performance. Without limiting the generality of the foregoing, Service Provider shall:
 - (i) Maintain a strong control environment in day-to-day operations to assure that the following fundamental control objectives are met: (A) financial, billing and operational information is valid, timely, complete and accurate; (B) operations are performed efficiently and achieve effective results, consistent with the requirements of this Agreement; (C) assets and data are safeguarded in accordance with Service Provider's own internal (and in all events reasonable) practices (but without expanding Service Provider's obligations under [Section 13.2 \(b\) Safeguarding of TxDOT Data.](#)); and (4) actions and decisions of the organization are in compliance with Laws (without limiting the obligation of the Parties under [Section 15.11 Compliance with Laws.](#)) and the terms of this Agreement;
 - (ii) Build the following basic control activities into work processes: (A) accountability clearly defined and understood; (B) access properly controlled; (C) adequate supervision; (D) transactions properly authorized; (E) transactions properly recorded; (F) transactions recorded in proper accounting period; (F) policies, procedures and responsibilities documented; (H) adequate training and education; and (I) adequate separation of duties;
 - (iii) Develop and execute a process to perform (and confirm performance of) periodic control self-assessments with respect to all Services (such self-assessments to be performed at least annually unless and until TxDOT approves less frequent self-assessments);
 - (iv) Maintain an internal audit function to sufficiently monitor the processes, internal controls and Systems used to provide the Services (i.e., perform audits, track control measures, communicate status to management, drive corrective action, etc.) and provide copies of any such internal audit reports to TxDOT; and
 - (v) Conduct investigations of suspected fraudulent activities within Service Provider's organization that impact or reasonably could be expected to impact TxDOT. Service Provider shall promptly

notify TxDOT of any such suspected fraudulent activity and a reasonable summary of the results of any such investigation as they relate to TxDOT and such supplemental materials as TxDOT may reasonably request. At Service Provider's request, TxDOT shall provide reasonable assistance to Service Provider in connection with any such investigation.

- (b) **Approval by TxDOT.** Service Provider shall submit such processes, procedures and controls to TxDOT for its review, comment and approval at least forty-five (45) days prior to the Commencement Date and shall use commercially reasonable efforts to finalize such processes, procedures and controls and obtain TxDOT's final approval on or before the Commencement Date. Upon TxDOT's approval, such processes and procedures shall be included in the Service Management Manual. Prior to the approval of such processes and procedures by TxDOT, Service Provider shall adhere strictly to TxDOT's ' then-current policies, procedures and controls. No failure or inability of the quality assurance procedures to disclose any errors or problems with the Services shall excuse Service Provider's failure to comply with the Service Levels and other terms of this Agreement.
- (c) **Industry Standards, Certifications and Compliance.** Service Provider shall comply with all applicable Laws and regulations related, including but not limited to:
 - (i) TxDOT Rules and TxDOT Standards
 - (ii) Texas Codes, Laws, and Regulations
 - (iii) Payment Card Industry (PCI) Data Security Standards (DSS)
 - (iv) Criminal Justice Information System (CJIS) Security Policy
 - (v) 18. U.S.C. Chapter 123, Prohibition on Release and Use of Certain Personal Information from State Motor Vehicle Records
 - (vi) American Institute of Certified Public Accountants (AICPA) Statements on Standards for Attestation Engagements (SSAE No. 18)
 - (vii) International Organization for Standardization (ISO) 9000, 9001:2000, 14001, 27001/2005, and 27002/2005
 - (viii) The Open Group Architecture Framework (TOGAF)
 - (ix) Information Technology Infrastructure Library (ITIL)
 - (x) Six Sigma
 - (xi) Project Management Institute (PMI)

9.4 Processes, Procedures, Architecture, Standards and Planning.

- (a) **Service Provider Support.** As requested by TxDOT, Service Provider and without limiting the obligation of the Parties under [Section 15.11 Compliance with Laws](#), shall assist TxDOT and the appropriate governance committee (as specified in **Exhibit 1.2 Governance Model**), on an on-going basis in defining (A) the standards, policies, practices, processes, procedures and controls to be adhered to and enforced by Service Provider in the performance of the Services, including those identified on **Exhibit 2.0** and (B) the associated IT technologies architectures, standards, products and systems to be provided, operated, managed, supported and/or used by Service Provider in connection therewith (collectively, the "**TxDOT Standards**"). The Parties acknowledge and agree that, as of the Commencement Date, Service Provider is fully informed as to the TxDOT Standards that have been communicated to it in a manner consistent with [Section 6.3 TxDOT Rules/Employee Safety](#). Service Provider also shall assist TxDOT on an annual basis in preparing Strategic Plans and short-term implementation plans. The assistance to be provided by Service Provider shall include: (A) active participation with TxDOT and the appropriate governance committee (as specified in **Exhibit 1.2 Governance Model**), addressing such issues; (B) assessments of the then-current TxDOT Standards at a level of detail sufficient to permit TxDOT to make informed business decisions; (C) analyses of the

appropriate direction for such TxDOT Standards; (D) the provision of information to TxDOT regarding Service Provider's technology strategies for its own business; (E) recommendations regarding standards, processes, procedures and controls and associated technology architectures, standards, products and systems; and (F) the provision of current, historical, and forecasted system capacity, performance and utilization metrics at reasonable requested levels of detail. With respect to each recommendation provided pursuant to [Section 9.5 Change Control](#), Service Provider shall provide the following at a level of detail sufficient to permit TxDOT to make an informed business decision: (A) the projected cost to TxDOT and cost/benefit analyses; (B) the changes, if any, in the personnel and other resources Service Provider and/or TxDOT shall require to operate and support the changed environment; (C) the resulting impact on the total costs of TxDOT; (D) the expected performance, quality, responsiveness, efficiency, reliability, security risks and other service levels; and (E) general plans and projected time schedules for development and implementation. Any assistance provided by Service Provider under [Section 9.5 Change Control](#), shall be at no additional fee or charge beyond the Charges specified in **Exhibit 4.0 Business Model** for the Services, unless an additional Charge has been approved by TxDOT.

- (b) **TxDOT Authority and Service Provider Compliance.** TxDOT shall have final authority to promulgate TxDOT Standards and Strategic Plans and to modify or grant waivers from such TxDOT Standards and Strategic Plans. Service Provider shall (A) comply with and implement the TxDOT Standards and Strategic Plans in providing the Services, (B) work with TxDOT to enforce the TxDOT Standards and Strategic Plans, (C) modify the Services as and to the extent necessary and on a schedule to conform to such TxDOT Standards and Strategic Plans, and (D) obtain TxDOT's prior written approval for any deviations from such TxDOT Standards and Strategic Plans.

9.5 Change Control.

- (a) **Compliance with Change Control Procedures.** In making any change in the standards, processes, procedures and controls or associated technologies, architectures, standards, products, Materials, Equipment, Systems or services provided, operated, managed, supported or used in connection with the Services, the Parties shall comply with the change control procedures specified in the Service Management Manual ("**Change Control Procedures**"). The Service Management Manual shall contain a procedure that allows TxDOT to exercise the approval rights in this Section and complies with the following requirements:
 - (i) **Impact Assessment.** If Service Provider desires to make any change, upgrade, replacement or addition that may have an adverse impact or require changes as described in [Section 9.5 \(c\) TxDOT Approval – Cost, Adverse Impact](#) or increase the risk of Service Provider not being able to provide the Services in accordance with this Agreement or violate or be inconsistent with TxDOT Standards or Strategic Plans, then Service Provider shall prepare a written risk assessment and mitigation plan (A) describing in detail the nature and extent of such adverse impact or risk, (B) describing any benefits, savings or risks to TxDOT associated with such change, and (C) proposing strategies to mitigate any adverse risks or impacts associated with such change and, after consultation and agreement with TxDOT, implement the plan.
 - (ii) **Comparison Analysis.** Each time that Service Provider makes a material change to the Materials, Equipment, Systems, or Services, Service Provider shall perform a comparison analysis at a reasonable and mutually agreed level of detail to confirm the change shall not have an adverse impact on the costs, operations or environment of TxDOT or on the functionality, interoperability, performance, accuracy, speed, legality, responsiveness, quality or resource efficiency of the Services. In addition, at TxDOT's request, Service Provider shall perform a comparison at a reasonable and mutually agreed level of detail, between the amount of chargeable resources required to perform a representative sample of the Services being performed for TxDOT immediately prior to the change and immediately after the change. TxDOT shall not be required to pay for increased chargeable resources usage due to a change except to the extent that such change is requested or approved by TxDOT after notice from Service Provider of such increased chargeable resources usage.
 - (iii) **Testing.** Prior to making any change or using any new (i.e., not tested in or for the TxDOT environment) Software, Equipment, or System to provide the Services, Service Provider shall

verify by appropriate testing that the change or item is properly installed, operating in accordance with its specifications, performing its intended functions in a reliable manner and compatible with and capable of operating as part of the TxDOT environment. This obligation shall be in addition to Service Provider's other obligations in this Agreement, including Service Provider's obligation to perform any testing as part of the routine deployment or installation of Software or Equipment.

- (b) **Financial Responsibility for Changes.** Without limiting TxDOT's right of approval under [Section 9.5 \(c\) TxDOT Approval – Cost, Adverse Impact](#), unless otherwise set forth in this Agreement or otherwise expressly approved by TxDOT, Service Provider shall bear all charges, fees, and costs associated with any change desired by Service Provider, including all charges, fees and costs associated with (A) the design, installation, implementation, testing and rollout of such change, (B) any modification or enhancement to, or substitution for, any impacted process or associated Materials, Equipment, System, or Services, (C) any increase in the cost to TxDOT of operating, maintaining or supporting any impacted process or associated Materials, Equipment, System, or Services and (D) subject to **Exhibit 4.0 Business Model**, any increase in Resource Unit usage resulting from such change.
- (c) **TxDOT Approval – Cost, Adverse Impact.** Other than as expressly set forth in the Transition Plan as approved by TxDOT, Service Provider shall make no change which may (A) increase TxDOT's total cost of receiving the Services; (B) require material changes to, or have an adverse impact on TxDOT's operations, facilities, processes, systems, software, utilities, tools, or equipment (including those provided, managed, operated, supported and/or used on their behalf by TxDOT Contractors); (C) require TxDOT to install, at their cost or expense, a new version, release, Upgrade of or replacement for any Software or Equipment or to modify any Software or Equipment; (D) have an adverse impact on the functionality, interoperability, performance, accuracy, speed, responsiveness, quality or resource efficiency of the Services; (E) have an adverse impact on the cost, either actual or planned, to TxDOT of terminating this Agreement, in whole or in part, or on TxDOT's rights to insource or use third parties; (F) have an adverse impact on TxDOT's environment (including its flexibility to deal with future changes, interoperability and its stability), (G) introduce new technology to (1) TxDOT's environment or operations or (2) Service Provider's environment, to the extent that such introduction has or may have an adverse impact on TxDOT's environment; (H) have an adverse impact on the functionality, interoperability, performance, accuracy, speed, responsiveness, quality, cost or resource efficiency of TxDOT's Retained Systems and Processes, or (I) violate or be inconsistent with TxDOT Standards, TxDOT Rules, and any Strategic Plan in all cases (A) through (I) without first obtaining TxDOT's approval, which approval TxDOT may withhold in its sole discretion. If Service Provider desires to make such a change, it shall provide to TxDOT a written proposal describing in detail the extent to which the desired change may affect the functionality, performance, price, or resource efficiency of the Services and any benefits, savings or risks to associated with such change.
- (d) **Information for Exercise of Strategic Authority.** In order to facilitate TxDOT's strategic control pursuant to this [Section 9.5 Change Control](#), Service Provider shall provide TxDOT with such information as TxDOT shall reasonably require prior to making any proposed change. Such information shall include, at a minimum, a description of the proposed rights of TxDOT with respect to ownership and licensing (including any related restrictions) relating to such Materials, Equipment, or other technology. Such description shall include the license fees, maintenance fees and/or purchase or lease terms (if any) for use of such Materials, Equipment, or other technology by TxDOT and their designee(s) upon termination or expiration of this Agreement or the completion of Termination Assistance Services and any limitations or conditions on such use.
- (e) **Temporary Emergency Changes.** Notwithstanding the foregoing, Service Provider may make temporary changes required by an emergency if it has been unable to contact the Designated TxDOT Representative to obtain approval after making reasonable efforts. Service Provider shall document and report such emergency changes to TxDOT not later than the next Business Day after the change is made. Such changes shall not be implemented on a permanent basis unless and until approved by TxDOT.
- (f) **Implementation of Changes.** Service Provider shall schedule and implement all changes so as not to (A) disrupt or adversely impact the operations of TxDOT, (B) degrade the Services then being received by them, or (C) interfere with their ability to obtain the full benefit of the Services.

9.6 Software Currency.

- (a) **Currency of Software.** Subject to and in accordance with [Sections 9.3 Quality Assurance and Internal Controls](#), [9.4 Processes, Procedures, Architecture, Standards and Planning](#), [Exhibit 4.0 Business Model](#), and [Exhibit 4.2 Financial Responsibility Matrix](#), Service Provider shall maintain reasonable currency for Software for which it is financially responsible under this Agreement and provide maintenance and support for Software (including new Upgrades, major releases, and minor releases) for which it is operationally responsible under this Agreement. Service Provider shall (A) maintain Software within one (1) major release of the then-current major release, unless otherwise specified pursuant to the Software Currency guidelines set out in [Exhibit 4.2 Financial Responsibility Matrix](#) and (B) Service Provider shall install minor releases promptly or, if earlier, as requested by TxDOT.
- (b) **Evaluation and Testing.** Prior to installing a new Upgrade, major release, or minor release, Service Provider shall evaluate and test such Software to verify that it shall perform in accordance with this Agreement and the TxDOT Standards and Strategic Plans and that it shall not (A) increase TxDOT's total cost of receiving the Services, (B) have an adverse impact on performance or require changes as described in [Section 9.5 \(c\) TxDOT Approval – Cost, Adverse Impact](#), or (C) violate or be inconsistent with TxDOT Standards, Strategic Plans, or applicable Laws. The evaluation and testing performed by Service Provider shall be at least consistent with the reasonable and accepted industry norms applicable to the performance of such Services and shall be at least as rigorous and comprehensive as the evaluation and testing usually performed by highly qualified service providers under such circumstances.
- (c) **Approval by TxDOT.** Notwithstanding [Section 9.6 \(a\) Currency of Software](#), Service Provider shall seek approval from TxDOT prior to installing any new Upgrade, major release or minor release, shall provide TxDOT with the results of its testing and evaluation of such Software and a detailed implementation plan and shall not install such Software if directed not to do so by TxDOT. Where specified by TxDOT, Service Provider shall not install new Upgrades, major releases or minor releases or make other Software changes until TxDOT has completed and provided formal signoff on successful User Acceptance Testing. Service Provider shall not install new Upgrades, major releases or minor releases or make other Software changes if doing so would require TxDOT to install new releases of, replace or make any other changes to any Software for which TxDOT is financially responsible under this Agreement unless TxDOT consents to such change in advance.
 - (i) If TxDOT rejects Service Provider's proposed Upgrade or replacement of a Software version that is back-leveled such that it is no longer supported by the applicable Software manufacturer, Service Provider may be relieved from applicable Service Levels in accordance with [Section 10.2 Savings Clause](#).
 - (ii) Notwithstanding the other provisions of this [Section 9.6 \(a\) Currency of Software Currency](#), if TxDOT rejects Service Provider's proposed Upgrade or replacement of a Software version that is back-leveled such that it is no longer supported by the applicable Software manufacturer and Service Provider is thereafter required to incur additional fees and expenses to obtain necessary maintenance for such Software version from such Software manufacturer in order to meet its obligations under this Agreement, TxDOT shall reimburse Service Provider for the reasonable fees and expenses thus incurred, but only if: (A) Service Provider is unable, using commercially reasonable efforts, to perform such maintenance using Service Provider personnel, including maintenance of knowledge among Service Provider personnel about Software versions retained or desired to be retained by end users, (B) TxDOT has rejected Service Provider's proposed Upgrade or replacement of such Software version after being notified by Service Provider that it will not be able to provide certain required maintenance for such Software version using Service Provider personnel, (C) Service Provider notifies TxDOT of its intent to use such Software manufacturer to perform maintenance and the anticipated fees and expenses associated therewith and obtains TxDOT's approval prior to incurring such fees and expenses, and (D) Service Provider uses commercially reasonable efforts to minimize the fees and expenses to be reimbursed by TxDOT.

- (d) **Updates by TxDOT.** TxDOT shall have the right, but not the obligation, to install new Upgrades, major releases or minor releases, and replace or otherwise make any other changes to Software for which TxDOT is financially responsible under this Agreement.

9.7 Access to Specialized Service Provider Skills and Resources.

Upon TxDOT's request, Service Provider shall provide TxDOT with prompt access to Service Provider's specialized services, personnel, and resources pertaining to standards, processes and procedures and associated software, equipment and systems on an expedited basis, taking into account the relevant circumstances (the "**Specialized Services**"). The Parties acknowledge that the provision of such Specialized Services may, in some cases, constitute New Services for which Service Provider is entitled to additional compensation, but in no event shall Service Provider be entitled to any additional compensation for New Services under this Section unless the Designated TxDOT Representative and Service Provider Account Director, or their authorized designees, expressly agree upon such additional compensation or Service Provider's entitlement to additional compensation is established through the dispute resolution process. If TxDOT authorizes Service Provider to proceed but the Parties disagree as to whether the authorized work constitutes New Services and TxDOT reasonably believes that such work is material and is required on an urgent basis, Service Provider shall proceed with such work if directed to do so by TxDOT. The Parties will diligently seek to resolve any such dispute, including through prompt submission of the disagreement to the dispute resolution pursuant to [Article 19 DISPUTE RESOLUTION](#), as appropriate.

9.8 Audit Rights.

- (a) **Contract Records.** Service Provider shall maintain complete and accurate records of, and supporting documentation for, all Charges, all TxDOT Data and all transactions, authorizations, changes, implementations, soft document accesses, reports, filings, returns, analyses, procedures, controls, records, data or information created, generated, collected, processed, or stored by Service Provider in the performance of its obligations under this Agreement ("**Contract Records**"). Service Provider shall maintain such Contract Records in accordance with applicable Laws and the terms of this Agreement. Service Provider shall retain Contract Records in accordance with the applicable TxDOT record retention policy (as such policies may be modified from time to time and provided to Service Provider in writing) during the Term and thereafter through the end of the seventh (7th) full year after the year in which Service Provider stopped performing any Services (the "**Audit Period**").
- (b) **Operational Audits.** During the Audit Period, Service Provider shall provide to TxDOT (and internal and external auditors, inspectors, regulators, and other representatives that TxDOT may designate from time to time, including customers, vendors, licensees, and other third parties to the extent TxDOT is legally or contractually obligated to submit to audits by such Entities), and the State Auditor's Office and any successor governmental authorities (collectively, "**TxDOT Auditors**"), provided any such external customers, vendors, licensees and other third parties agree to protect Service Provider's Confidential Information subject to applicable public information laws, access at reasonable hours and upon reasonable notice to Service Provider Personnel, to the facilities at or from which Services are then being provided and to Service Provider records and other pertinent information, all to the extent relevant to the Services and Service Provider's obligations under this Agreement. Such access shall be provided for the purpose of performing audits and inspections to (A) verify the integrity of TxDOT Data, (B) examine the systems that process, store, support, and transmit that data (including system capacity, performance, and utilization), (C) examine the internal controls (e.g., financial controls, human resources controls, organizational controls, input/output controls, system modification controls, processing controls, system design controls, and access controls) and the security, disaster recovery, and back-up practices and procedures, (D) examine Service Provider's performance of the Services, (E) verify Service Provider's reported performance against the applicable Service Levels, (F) examine Service Provider's measurement, monitoring, and management tools, and (G) enable TxDOT to meet applicable legal, regulatory and contractual requirements. Service Provider shall (1) provide any assistance reasonably requested by TxDOT Auditors in conducting any such audit, including installing and operating audit software, (2) make requested Service Provider Personnel, records and information available to TxDOT Auditors, and (3) in all cases, provide such assistance, personnel, records and information in an expeditious manner to facilitate the timely completion of such audit. If an audit reveals a non-trivial

breach of this Agreement, Service Provider shall, upon TxDOT's request, promptly reimburse TxDOT for reasonable auditors' fees including any follow-up audit to verify that such breach has been corrected.

- (c) **Financial Audits.** During the Audit Period, Service Provider shall provide to TxDOT Auditors access at reasonable hours to Service Provider Personnel and to Contract Records and other pertinent information to conduct financial audits, including the audit work papers of Service Provider's auditor to the extent applicable to the Services and obtainable by Service Provider, all to the extent relevant to the performance of Service Provider's obligations under this Agreement. Such access shall be provided for the purpose of performing audits and inspections to (A) verify the accuracy and completeness of Contract Records, (B) verify the accuracy and completeness of Charges and any Pass-Through Expenses and Out-of-Pocket Expenses, (C) examine the financial controls, processes, and procedures utilized by Service Provider in connection with the Services, (D) examine Service Provider's performance of its other financial and accounting obligations to TxDOT under this Agreement, and (E) enable TxDOT to meet applicable legal, regulatory, and contractual requirements, in each case to the extent applicable to the Services and/or the Charges for such Services. Service Provider shall (1) provide any assistance reasonably requested by TxDOT Auditors in conducting any such audit, (2) make requested Service Provider Personnel, records, and information available to TxDOT Auditors, and (3) in all cases, provide such assistance, personnel, records and information in an expeditious manner to facilitate the timely completion of such audit. If any such audit reveals an overcharge by Service Provider, and Service Provider does not successfully dispute the amount questioned by such audit in accordance with [Article 19 DISPUTE RESOLUTION](#), Service Provider shall promptly pay to TxDOT the amount of such overcharge, together with interest at the rate specified by the Texas Comptroller of Public Accounts in accordance with Section 2251.025(b), Texas Government Code, from the date of receipt by Service Provider of the overcharged amount until the date of payment to TxDOT. In addition, if any such audit reveals an overcharge of more than five percent (5%) of the audited Charges in any Charges category, Service Provider shall, upon TxDOT's request, promptly reimburse TxDOT for reasonable auditors' fees.
- (d) **Audits by Governmental Authorities.** Acceptance of funds under this Agreement by Service Provider acts as acceptance of the authority of the State Auditor's Office, the State Comptroller Claims Division and any successor governmental authorities to conduct audits and investigations in connection with those funds. The State Auditor's Office and the State Comptroller Claims Division shall at any time have access to and rights to examine, audit, excerpt and transcribe any pertinent books, documents, working papers and records of Service Provider relating to this Agreement, notwithstanding any other provision of this Agreement. Service Provider shall fully cooperate with and provide all assistance requested by the State Auditor's Office or the State Comptroller Claims Division in the conduct of such audits or investigations, including providing all records requested. In addition to and without limitation on the other audit provisions of this Agreement, pursuant to Section 2262.003, Tex. Government Code, the State Auditor may conduct an audit or investigation of Service Provider or any other entity or person receiving funds from the State directly through this Agreement or indirectly through a subcontract under this Agreement. The acceptance of funds by Service Provider or any other entity or person directly under this Agreement or indirectly through a subcontract under this Agreement acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. This Agreement may be unilaterally amended by TxDOT upon notice to Service Provider to bring this Agreement into compliance with any rules and procedures of the State Auditor's Office in the implementation and enforcement of Section 2262.154 of the Texas Government Code.
- (e) **General Procedures.**
 - (i) Service Provider shall obtain audit rights equivalent to those specified in this [Section 9.8\(c\)9.9](#) from all Subcontractors (and in all events shall obtain such audit rights from all Subcontractors as required under the Texas Government Code, including Texas Government Code 2262.003, or other applicable Law), and shall cause such rights to extend to TxDOT Auditors.
 - (ii) In performing audits, TxDOT Auditors shall endeavor to avoid unnecessary disruption of Service Provider's operations and unnecessary interference with Service Provider's ability to perform the Services in accordance with the Service Levels.

- (iii) TxDOT Auditors shall be given adequate private workspace in which to perform an audit, including access to photocopiers, telephones, internet connectivity, computer hook-ups, and any other facilities or equipment needed for the performance of the audit.
- (iv) As requested by TxDOT, Service Provider shall provide TxDOT Auditors access to on-line view and notification components of any measurement and monitoring tools used by Service Provider in connection with its delivery of the Services.
- (v) Service Provider recognizes that TxDOT must comply with applicable Laws respecting procurement of services in connection with any engagement of an audit firm or other consultant for conducting the audits contemplated in this [Section 9.8 Audit Rights](#). To the extent permissible under such Laws and the reasonable practice of TxDOT, TxDOT shall consult with Service Provider respecting the audit firm or other consultant and appropriate criteria related thereto (including general terms of engagement) in making its selection; provided, however, TxDOT reserves the right to determine, in its sole discretion, the appropriate audit firm or consultant to be engaged and the arrangement for such engagement.
- (vi) TxDOT shall provide Service Provider with notice at least three (3) Business Days prior to any operational or financial audit by a TxDOT Auditor; provided that no such notice shall be required with respect to audits conducted pursuant to [Section 9.8\(d\) Audits by Governmental Authorities](#) or to the extent limited due to extenuating circumstances. To the extent TxDOT has advance notice of an audit to be conducted pursuant to [Section 9.8\(d\) Audits by Governmental Authorities](#) it shall provide reasonable notice to Service Provider.
- (f) **Service Provider Internal Audit.** If Service Provider determines as a result of its own internal audit that it has overcharged TxDOT, then Service Provider shall promptly pay to TxDOT the amount of such overcharge, together with interest at the rate specified by the Texas Comptroller of Public Accounts in accordance with Section 2251.025(b), Texas Government Code, from the date of receipt by Service Provider of the overcharged amount until the date of payment to TxDOT. In the event such an audit results in a determination that Service Provider has undercharged TxDOT, then, subject to [Section 12.1\(d\) Invoicing Time Limitation](#) and [Section 12.4 Disputed Charges](#), and TxDOT's right to dispute the amount of such undercharge, Service Provider shall promptly report such undercharge to TxDOT and may invoice TxDOT for such undercharged amounts.
- (g) **Service Provider Response.** Service Provider and TxDOT shall meet promptly upon the completion of an audit conducted pursuant to this [Section 9.8 Audit Rights](#) (i.e., an exit interview) and/or issuance of an interim or final report to Service Provider and TxDOT following such an audit. Service Provider shall respond to each exit interview and/or audit report in writing within thirty (30) days, unless a shorter response time is specified in such report. Service Provider and TxDOT shall develop and agree upon an action plan to promptly address and resolve any deficiencies, concerns and/or recommendations identified in such exit interview and/or audit report and Service Provider, at its own expense, shall undertake remedial action in accordance with such action plan and the dates specified therein to the extent necessary to comply with Service Provider's obligations under this Agreement.
- (h) **Service Provider Response to External Audits.** If an audit by a governmental body, standards organization, or regulatory authority having jurisdiction over TxDOT or Service Provider results in a finding that Service Provider is not in compliance with any applicable Law or standard, including any generally accepted accounting principle or other audit requirement relating to the performance of its obligations under this Agreement, Service Provider shall, if and to the extent such audit deficiency or finding of non-compliance results from Service Provider's failure to comply with its obligations under this Agreement, at its own expense and within the time period specified by such auditor, address and resolve the deficiency(ies) identified by such audit governmental body, standards organization or regulatory authority, in the manner approved by TxDOT, to the extent necessary to comply with Service Provider's obligations under this Agreement.
- (i) **Security Attestation.** Service Provider shall provide an annual written attestation that the Service Provider has a cybersecurity risk management program consistent with TxDOT Standards and the State of Texas information security standards and requirements.

- (j) **Security Assessment.** The Service Provider shall conduct an annual security assessment for each TxDOT system that they are the Information Custodian for that accesses, transmits, uses, or stores TxDOT data that demonstrates the system meets the TxDOT security controls TxDOT determines are proportionate with the risk based on the sensitivity of the TxDOT data. Service Provider shall propose, and TxDOT will review and approve the minimum content and format of the security assessment report that will be created by the Service Provider to include those required under Texas Administrative Code (TAC) 202 – Information Security Standards and Texas Government Code 2054 - Information Resources. In addition, Service Provider shall support any security assessment conducted by TxDOT on TxDOT systems for which the Service Provider serves as the Information Custodian.

9.9 Subcontractors.

- (a) **Use of Subcontractors.** Service Provider shall not subcontract any of its responsibilities under this Agreement without TxDOT's prior written approval, which may be withheld in TxDOT's sole discretion. Prior to entering into a subcontract with a third party for the Services, Service Provider shall:
- (i) deliver to TxDOT a copy of the entire and complete proposed subcontract (other than charges thereunder, except to the extent such charges are the basis on which Charges are based), or (in TxDOT's discretion) a detailed description of the scope and material terms (other than pricing terms) of the proposed subcontract;
 - (ii) obtain for TxDOT the licenses described in [Article 14 MATERIALS](#);
 - (iii) give TxDOT reasonable prior notice of the subcontract (no less than thirty (30) days), specifying the components of the Services affected, the scope of the proposed subcontract, the identity and qualifications of the proposed Subcontractor and the reasons for subcontracting the work in question, the location of the Subcontractor facilities from which the Services shall be provided, the extent to which the subcontract shall be dedicated and the Subcontractor's willingness to grant the rights described in [Section 4.3 Termination Assistance Services](#), and [Article 14 MATERIALS](#); and
 - (iv) obtain TxDOT's prior written approval of such Subcontractor.
- (b) An entire and complete copy of the subcontract includes any contract that Service Provider considers an enterprise agreement such that Service Provider utilizes the subcontract for Service Provider's other customer(s) in addition to TxDOT. A list of Subcontractors that TxDOT has approved as of the Effective Date as found in the relevant SMM, and the Parties acknowledge that such Subcontractors are approved to perform the Services to the extent described in the relevant SMM pursuant to the subcontracts previously provided to TxDOT.
- (c) **Right to Revoke Approval.** TxDOT may revoke its prior approval of a Subcontractor and direct Service Provider to replace any Subcontractor as soon as possible at no additional cost to TxDOT, if the Subcontractor's performance is materially deficient or if there are other reasonable grounds for removal. Service Provider shall have a reasonable opportunity to investigate TxDOT's concerns, correct the Subcontractor's deficient performance and provide TxDOT with a written action plan to assure that such deficient performance shall not recur. If TxDOT is not reasonably satisfied with Service Provider's efforts to correct the Subcontractor's deficient performance and/or to prevent its recurrence, Service Provider shall, as soon as possible, remove and replace such Subcontractor. Service Provider shall continue to perform its obligations under this Agreement, notwithstanding the removal of the Subcontractor. TxDOT shall have no responsibility for any termination charges or cancellation fees that Service Provider may be obligated to pay to a Subcontractor as a result of the removal of such Subcontractor at TxDOT's request or the withdrawal or cancellation of the Services then performed by such Subcontractor as permitted under this Agreement.
- (d) **Performance by Service Provider Affiliates.** Service Provider may subcontract certain Service Provider obligations under this Agreement to Service Provider's Affiliates and, without limiting the provisions of [Sections 20.3 Termination Upon Service Provider Change of Control](#), and [21.1 Delegation of Authority](#), TxDOT hereby approves such subcontracts, provided that Service Provider shall (A) provide TxDOT with prior notice of any such performance, (B) obtain for TxDOT and their

designee(s) the rights described in [Section 4.4 Use of Third Parties](#), (C) obtain for TxDOT and their designee(s) the licenses described in [Article 14 MATERIALS](#), and (D) deliver to TxDOT a copy of the entire and complete subcontract, allowing TxDOT to disclose the subcontract during future procurements .

- (e) **Service Provider Responsibility.** Unless otherwise approved by TxDOT, the terms of any subcontract must be sufficient to enable Service Provider to perform all of its responsibilities and comply with all of its obligations under this Agreement, including: (A) confidentiality and intellectual property obligations; (B) obtaining for TxDOT and their designee(s) the rights described in [Section 4.3 Termination Assistance Services](#), (C) obtaining for TxDOT and their designee(s) the licenses described in [Article 14 MATERIALS](#), (D) TxDOT's approval rights (which must apply directly to the Subcontractor); (E) compliance with TxDOT Rules, TxDOT Standards, Strategic Plans and applicable Laws; (F) audit rights as described in [Section 9.8 Audit Rights](#); (G) Key Personnel; (H) insurance coverage as described in [Attachment B Insurance and Risk of Loss](#), with coverage limits consistent with the scope of the work to be performed by such Subcontractors; and (I) obtaining for TxDOT the rights specified in [Section 9.9 \(a\) Use of Subcontractors](#). For purposes of this Agreement, services, functions, and responsibilities performed by Subcontractors (including their personnel) shall be deemed Services performed by Service Provider, the obligations of Service Provider hereunder related to such performance shall be deemed applicable to Subcontractors as if expressly so provided herein and references to Service Provider in this Agreement (including references to a "Party" constituting references to Service Provider) shall include Subcontractors. Service Provider shall be TxDOT's sole point of contact regarding the Services, including with respect to payment. Notwithstanding the terms of the applicable subcontract, the approval of any Subcontractor by TxDOT or the availability or unavailability of Subcontractor insurance, Service Provider shall be and remain responsible and liable for any failure by any Subcontractor or Subcontractor personnel to perform in accordance with this Agreement or to comply with any duties or obligations imposed on Service Provider under this Agreement to the same extent as if such failure to perform or comply was committed by Service Provider or Service Provider personnel. Without limiting the foregoing, Service Provider warrants and covenants that in no event shall any provision of this Agreement, or any right or benefit of TxDOT provided for under this Agreement, be reduced, limited or otherwise adversely affected (including through any increase in cost, Charge or expense, including taxes) as a consequence of the performance of any Services by or through Subcontractors.
- (f) **TxDOT's ability to contract with Subcontractors.** Service Provider is permitted to secure from its Subcontractors covenants not to compete with Service Provider with respect to the award of the particular Services for which Subcontractor was engaged to perform under the Subcontract, provided that any such covenant not to compete must be coterminous with the Agreement.
- (g) **Historically Underutilized Businesses.** Service Provider shall use commercially reasonable efforts to select subcontractors for the performance of the Services in accordance with TxDOT's then-current "Policy on Utilization of Historically Underutilized Businesses."

9.10 Technology Evolution.

- (a) **Obligation to Evolve.** Service Provider shall identify and propose the implementation of services, products and offerings that are likely to: (A) improve the efficiency and effectiveness of the Services (including cost savings); (B) improve the efficiency and effectiveness of the processes, services and related functions performed by or for TxDOT; (C) result in cost savings or revenue increases to TxDOT in areas of their operations outside the Services; and (D) enhance the ability of TxDOT to conduct their operations and serve their constituencies and customers faster and/or more efficiently than the then-current strategies. Service Provider will cause the Services, Software and other assets used to deliver the Services, as approved by TxDOT, 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: (1) compliant with all Laws applicable to the provision and receipt of the Services; (2) used by Service Provider and other top-tier IT providers in providing services similar to the Services to other customers; and (3) in general use within the IT industry. 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 TxDOT.

- (b) **Flexibility.** The technologies and process strategies Service Provider 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 TxDOT'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 TxDOT's operations to become more scalable and flexible.
- (c) **Obligation to Identify Best Practices.** Throughout the Term, Service Provider shall (A) identify and apply best practice techniques, methods and technologies in the performance of the Services; (B) train Service Provider-Personnel in the use of new techniques, methods, and technologies that are in general use within Service Provider's organization and the IT and business consulting industries; and (C) 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.
- (d) **Service Provider Briefings.** Service Provider will meet with TxDOT at least once during every 180-day period throughout the Term to inform TxDOT of: (A) any investments, modifications, enhancements, and improvements that Service Provider is required or proposes to make to the Services, Software, and other assets used to deliver the Services pursuant to this Section; (B) new information processing technology or business processes Service Provider is developing; (C) any pending or actual changes in Law that could reasonably be expected to affect the provision or receipt of the Services; and (D) technology or process trends and directions of which Service Provider is otherwise aware that could reasonably be expected to have an impact on TxDOT's information technology operations or business.

9.11 Retained Systems and Processes.

- (a) **No Adverse Effect.** Except as otherwise expressly agreed upon by the Parties in the Transition Plan, any Project Work Order or in connection with any New Services or Contract Change, Service Provider shall not, by any act or omission, (A) adversely affect or alter the functionality, interoperability, performance, accuracy, speed, responsiveness, quality, cost, or resource efficiency of TxDOT's Retained Systems and Processes without the prior consent of TxDOT or (B) require changes to TxDOT's Retained Systems and Processes, including associated processes, applications, systems, software, utilities, tools, or equipment, without the prior consent of TxDOT.
- (b) **Interface.** Service Provider shall ensure that the processes, Systems, Software, and Equipment used by Service Provider to provide the Services interface and integrate with TxDOT's Retained Systems and Processes.
- (c) **Assistance.** As part of the Services, Service Provider shall provide TxDOT (upon TxDOT's written request) with Services in relation to TxDOT's Retained Systems and Processes, including: liaising with TxDOT or third parties regarding the impact of any alterations to TxDOT's Retained Systems and Processes and vice versa.

9.12 Multi-sourcing Services Integration and Cooperation

Service Provider acknowledges and agrees that it will deliver the Services to TxDOT in an environment in which there are various other Service Component Providers providing related services to TxDOT ("Multi-sourcing Services Environment"). Service Provider 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. **Exhibit 3.1 Service Level and Deliverables Matrix** specifies certain Service Levels and obligations to TxDOT related to the provision of the Services in a multi-supplier environment and **Exhibit 3.4 Operating Agreements** requires development and execution of agreements with respect to the integration, cooperation and coordination of the Services and services provided by the Service Provider and other Service Component Providers.

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 **Exhibit 2.1.1 Cross**

Functional) Statement of Work. 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.

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

9.13 Monitoring Tools

As requested by TxDOT, Service Provider will provide TxDOT and its designee access for audit or operational reporting, on-line view, and notification components of any measurement and monitoring tools used by Service Provider in connection with its delivery of the Services. Each such tool must be approved by TxDOT prior to implementation.

10 TxDOT RESPONSIBILITIES

10.1 Responsibilities.

In addition to TxDOT's responsibilities as expressly set forth elsewhere in this Agreement, TxDOT shall be responsible for the following:

- (a) **Designated TxDOT Representative.** TxDOT shall designate one (1) individual to whom all Service Provider communications concerning this Agreement may be addressed (the "**Designated TxDOT Representative**"), who shall have the authority to act on behalf of TxDOT in all day-to-day matters pertaining to this Agreement. TxDOT may change the Designated TxDOT Representative upon notice to Service Provider. Additionally, the Designated TxDOT Representative may, upon notice to Service Provider, delegate such of his or her responsibilities to other TxDOT employees as the Designated TxDOT Representative deems appropriate.
- (b) **Cooperation.** TxDOT shall cooperate with Service Provider by, among other things, making available, as reasonably requested by Service Provider, management decisions, information, approvals and acceptances so that Service Provider may accomplish its obligations and responsibilities hereunder.
- (c) **Requirement of Writing.** To the extent Service Provider is required under this Agreement to obtain TxDOT's approval, consent, or agreement, such approval, consent, or agreement must be in writing and must be signed by, or directly transmitted by electronic mail from, the Designated TxDOT Representative or an authorized TxDOT representative. Notwithstanding the preceding sentence, the Designated TxDOT Representative may agree in advance in writing that as to certain specific matters oral approval, consent, or agreement shall be sufficient.

10.2 Savings Clause.

- (a) Service Provider's failure to timely or otherwise perform its responsibilities under this Agreement (including failure to meet the Service Levels or Critical Deliverables) shall be excused if and to the extent such Service Provider non-performance is caused by:
 - (i) the wrongful or tortious actions or omissions of TxDOT or
 - (ii) the failure of TxDOT to perform TxDOT's obligations under this Agreement, but only if and to the extent (A) Service Provider, upon becoming aware of such an occurrence, immediately and expeditiously notifies TxDOT of such wrongful or tortious action or failure to perform and its inability to perform under such circumstances, (B) Service Provider provides TxDOT with reasonable opportunity to correct such wrongful or tortious action or failure to perform and

thereby avoid such Service Provider non-performance, (C) Service Provider identifies and pursues commercially reasonable means to avoid or mitigate the impact of such wrongful or tortious action or failure to perform, (D) Service Provider uses commercially reasonable efforts to perform notwithstanding such wrongful or tortious action or failure to perform (with TxDOT reimbursing Service Provider for its additional reasonable Out-of-Pocket Expenses incurred in connection with such effort provided, however, that TxDOT has provided prior written approval of any such additional Out-of-Pocket Expenses), and (E) Service Provider conducts a Root Cause Analysis and thereby demonstrates that such wrongful or tortious action or failure to perform is the cause of Service Provider's non-performance.

- (b) Service Provider acknowledges and agrees that the circumstances described in this [Section 10.2 Savings Clause](#), together with [Section 18.2 Force Majeure](#), are the only circumstances in which its failure to perform its responsibilities under this Agreement or to meet the Service Levels will be excused and that Service Provider will not assert that any other act or omission of TxDOT excuses any such failure on Service Provider's part, provided, however, that upon the occurrence of a Service Level Escalation Event or a Governance Escalation Event, Service Provider may escalate such issue for resolution through governance in accordance with **Exhibit 1.2 Governance Model**, which resolution may include excusing Service Provider's performance. Solely for the purposes of excusing Service Provider's performance under this [Section 10.2 Savings Clause](#), TxDOT will consider the wrongful or tortious actions or omissions of a TxDOT Contractor provided that such TxDOT Contractor is not a TxDOT Service Component Provider.

10.3 Governance Escalation Event.

A Governance Escalation Event occurs, if (a) the Service Provider asserts that it has been unable to perform all or a portion of the Services solely as a result of the failure by a TxDOT Service Component Provider to perform certain obligations reasonably specified in the Service Management Manual or in the applicable Operating Agreement (OA), (b) the Service Provider has performed its own obligations as set forth in the Agreement, including the Statements of Work, Service Management Manual, and the applicable OA, and (c) the Service Provider, upon becoming aware of such an occurrence or failure, (A) immediately notifies the TxDOT Service Component Provider of such failure and that such failure will result in a failure by the Service Provider to perform its obligations to TxDOT under such circumstances, (B) provides the TxDOT Service Component Provider with reasonable opportunity to correct such failure to perform and thereby avoid the Service Provider's non-performance, (C) uses commercially reasonable efforts to perform its obligations under the Agreement notwithstanding such failure to perform, (D) has notified TxDOT that corrective action has commenced, and (E) has otherwise exhausted all other rights and remedies to cause the TxDOT Service Component Provider to perform. Upon the occurrence of a Governance Escalation Event, the Service Provider may escalate the Service Component Provider's failure through the appropriate governance structure for resolution in accordance with **Exhibit 1.2 Governance Model**. If the applicable governance committee has determined that Service Provider has satisfied each of the requirements and obligations set forth above, such resolution shall include excusing Service Provider's performance related to such failure and may include other actions as reasonably determined by TxDOT including appropriate changes to the Service Management Manual and/or the applicable OLA.

10.4 TxDOT Benchmarking Reviews

(a) Benchmarking Review

During the course of the Contract, beginning not less than eighteen (18) months after the Commencement Date, TxDOT may, at its expense and subject to this Section, engage the services of an independent third party (a "**Benchmarker**") to compare the quality and price of all or any Service Component of the Services against the quality and price of representative suppliers performing similar services to determine whether TxDOT is receiving from Service Provider pricing and levels of service that are competitive with market rates and prices, given the nature, volume and type of Services and Service Levels provided by Service Provider hereunder ("**Benchmarking**"). In making this comparison, the Benchmarker shall consider a minimum of four (4) comparable transactions (at least three (3) of which shall involve public sector clients), and shall further consider the following factors and normalize the pricing data as and to the extent appropriate:

- (i) whether supplier transition, transformation, and other charges are paid by the customer as incurred or over a period of time;
- (ii) the extent to which supplier pricing includes the purchase of the customer's existing assets or assumption of any agreements.
- (iii) the extent to which supplier pricing includes the cost of acquiring future assets;
- (iv) the extent to which the comparable supplier is working within a Multi-Sourcing Services Integrator (MSI) model;
- (v) the extent to which this Agreement calls for Service Provider to provide and comply with unique TxDOT requirements;
- (vi) whether taxes are included in such pricing or stated separately in supplier invoices;
- (vii) the restrictions related to location of the delivery of the Services;
- (viii) differences in the volumes of the services being compared;
- (ix) applicability of service levels, and
- (x) material differences in terms and conditions.

(b) General

- (i) Any Benchmarker engaged by TxDOT shall: (A) be independent; (B) have, in TxDOT's reasonable judgment, experience in Benchmarking the required services; and (C) execute a non-disclosure agreement substantially in the form attached hereto as **Attachment A Form of Non-disclosure**; provided, however, Service Provider agrees and acknowledges that such non-disclosure agreement shall be amended to permit the Benchmarker to anonymously reuse all Benchmarking data or other benchmarking studies it performs.
- (ii) Service Provider recognizes that TxDOT must comply with applicable Laws respecting procurement of services in connection with any engagement of a Benchmarker. To the extent permissible under such Laws and the reasonable practice of TxDOT, TxDOT shall consult with Service Provider respecting the Benchmarker and appropriate criteria related thereto (including general terms of engagement) in making its selection; provided, however, TxDOT reserves the right to determine, in its sole discretion, the appropriate Benchmarker to be engaged and the arrangement for such engagement. Service Provider shall cooperate fully with TxDOT and the Benchmarker and shall provide reasonable access to any premises, equipment, personnel or documents and provide any assistance required by the Benchmarker to conduct the Benchmarking, all at Service Provider's cost and expense provided, however, that Service Provider will not be obligated to provide the Benchmarker with Service Provider's internal costs or information concerning other Service Provider customers.

(c) Result of Benchmarking

If the Benchmarker finds that the aggregate Charges that are the subject of the Benchmarking are more than ten percent (10%) higher than the average of the comparable transactions set forth above, then Service Provider shall reimburse TxDOT for its costs associated with such Benchmarking and the Parties will work together in good faith to eliminate any such unfavorable variance either through reduced Charges equivalent to the variance or through other means that demonstrate value to the State. The Service Provider will eliminate the unfavorable variance within 180 days, provided, however, if the Service Provider does not decrease the Charges or otherwise demonstrate an equivalent value to the State as described above within such 180 days, TxDOT may, at its option, terminate this Agreement in whole or in relevant part (determined in TxDOT's judgment provided further, however, that any termination exercised by TxDOT hereunder will not be subject to or otherwise require payment of any Termination Charges). Termination by CLIENT under this Section shall not be deemed a termination for cause under [Section 20.1 Termination for Cause.](#) Under no circumstances shall Benchmarking result in any increases to the Charges. The Benchmarker shall reasonably explain its methodology, including its use of relevant comparative data in the Benchmarkers report. TxDOT will instruct the Benchmarker to conduct the Benchmark so as not to unreasonably disrupt

Service Provider's operations under this Agreement.

(d) Service Provider's Review and Dispute

TxDOT shall provide Service Provider with a copy of the Benchmark's report. Service Provider shall have ten (10) Business Days to dispute the validity of the report, in writing, to the TxDOT Contract Manager. No later than twenty (20) Business Days after receipt of the report, Service Provider must provide quantitative evidence for each point disputed in the Benchmark's report. Failure to provide materials within the timeframes contained in this Section shall result in a forfeiture of the Service Provider's right to dispute.

11 FEES

11.1 General.

- (a) **Payment of Charges.** In consideration of Service Provider's performance of the Services and in accordance with Chapter 2251, Texas Government Code, TxDOT shall pay to Service Provider the Charges.
- (b) **No Additional Charges.** Unless expressly set forth in this Agreement or in **Exhibit 4.0 Business Model** as a responsibility of TxDOT, there shall be no charges, fees, expenses, or other amounts payable to Service Provider for the provision of Services. Any costs incurred by Service Provider prior to the Commencement Date are included in the Charges and are not to be separately paid or reimbursed by TxDOT.
- (c) **Incidental Expenses.** Service Provider acknowledges that, except as expressly provided otherwise in this Agreement, expenses that Service Provider incurs in performing the Services (including management, travel and lodging, document reproduction and shipping, equipment, and software required by Service Provider Personnel, and long-distance telephone) are included in the Charges set forth in **Exhibit 4.0 Business Model**. Accordingly, such Service Provider expenses shall not be separately paid or reimbursed by TxDOT unless TxDOT has agreed in advance and in writing to reimburse Service Provider for the expenses, and in all events any such expenses shall not exceed the amounts authorized by the current State Travel Regulations or other applicable Laws.
- (d) **No Charge for Reperformance.** At no additional cost or expense to TxDOT, Service Provider shall reperform (including, subject to [Section 13.5 TxDOT Data – Correction and Restoration](#), any required backup or restoration of data from scheduled backups or, if not available on such backups, restoration by other means with TxDOT's reasonable cooperation) any Services that, during the Term or applicable warranty period, due to an error or breach of this Agreement by the Service Provider either (i) result in incorrect outputs or (ii) are not correctly performed due to an error or breach of this Agreement by Service Provider. The resources required for such performance shall not be counted in calculating the Charges payable or resources utilized by TxDOT hereunder and Service Provider shall be solely responsible for any additional Pass-Through Expenses and other costs and expenses incurred by TxDOT in connection with such performance.
- (e) **Charges for Contract Changes.** Unless otherwise agreed, changes in the Services (including changes in TxDOT Rules, TxDOT Standards, Strategic Plans, Technology Plans, processes, Materials, Equipment and Systems) and changes in the rights or obligations of the Parties under this Agreement shall result in changes in the applicable Charges only if and to the extent (A) this Agreement expressly provides for a change in the Charges in such circumstances; (B) the agreed upon Charges or pricing methodology expressly provides for a price change in such circumstances; or (C) such change meets the definition of New Services and additional Charges are applicable in accordance therewith.
- (f) **Efforts to Minimize.** Service Provider shall continually seek to identify methods of reducing and minimizing TxDOT's total cost of receiving the Services (including the amount of Pass-Through Expenses and Retained Expenses) and shall notify TxDOT of such methods and the estimated potential savings associated with each such method.

11.2 Pass-Through Expenses.

- (a) **Paid by TxDOT Directly.** If the Parties agree that any Pass-Through Expenses are to be paid by TxDOT directly, Service Provider shall arrange that the Pass-Through Expenses are invoiced by the third party directly to TxDOT, and timely provided to TxDOT together with any documentation required by TxDOT to support such invoiced charges. Before any such third party invoices are submitted to TxDOT for payment, Service Provider shall review the invoiced charges and communicate with the applicable third party to correct any errors in such invoices in a timely manner and otherwise in accordance with the applicable provisions of the Service Management Manual. TxDOT shall pay such invoices in accordance with Chapter 2251, Texas Government Code.
- (b) **Paid by Service Provider.** If the Parties agree that any Pass-Through Expenses are to be paid by Service Provider directly, Service Provider shall pay the third party invoices containing such Pass-Through Expenses on behalf of TxDOT. Prior to making any such payment, however, Service Provider shall review the invoiced charges and communicate with the applicable third party to correct any errors in such invoices in a timely manner and shall provide TxDOT with a reasonable opportunity to review such invoices to confirm that the third party charges are proper and valid. Following such review by Service Provider and TxDOT, Service Provider shall pay the amounts due and shall invoice TxDOT for such charges.
- (c) **Generally.** No new Pass-Through Expenses may be added without TxDOT's prior consent, which TxDOT may withhold in its sole discretion. For all products or services paid for on a Pass-Through Expenses basis, TxDOT reserves the right to (A) obtain such products or services directly from a third party, (B) designate the third party source for such products or services, (C) designate the particular products or services that Service Provider shall obtain (provided that if Service Provider demonstrates to TxDOT that such designation shall have an adverse impact on Service Provider's ability to meet the Service Levels, such designation shall be subject to Service Provider's approval), (D) require Service Provider to identify and consider multiple sources for such products or services or to conduct a competitive procurement, and (E) review and approve the Pass-Through Expense for such products or services before entering into a contract for such products or services. In addition, for all products and services paid for on a Pass-Through Expense basis, Service Provider shall use commercially available efforts to pass through, or otherwise provide, to TxDOT all benefits offered by the manufacturers and/or vendors of such products and services (including all warranties, refunds, credits, rebates, discounts, training, technical support, and other consideration offered by such manufacturers and vendors) except to the extent otherwise agreed by TxDOT. If Service Provider is unable to pass through any such benefit to TxDOT, it shall notify TxDOT in advance and shall not purchase such product or service without TxDOT's prior approval.

11.3 Procurement.

- (a) **Requested Purchases for TxDOT.** Upon TxDOT's request, Service Provider shall procure products and services on TxDOT's behalf by (1) purchasing the products and services on behalf of TxDOT, (2) leasing, or arranging for a third party to lease, such products to TxDOT, or (3) licensing, or arrange for a third party to license, such products to TxDOT. In connection with the foregoing, the following shall apply:
 - (i) **Pass-Through Expenses; Rights in Products.** TxDOT shall pay directly to Service Provider, the supplier, third party lessor, or third party licensor, as agreed by the Parties, the purchase, lease, or license fees, as applicable, in respect of products and services procured on behalf of TxDOT on a Pass-Through Expense basis in accordance with **Exhibit 4.0 Business Model**. Unless otherwise expressly set forth in **Exhibit 4.0 Business Model**, Service Provider will not add any mark-up or margin to the costs of such items procured on TxDOT's behalf. Except as otherwise agreed by the Parties or as otherwise provided in this Agreement, (A) all rights in and title to any products purchased by Service Provider on behalf of TxDOT shall belong to TxDOT, as applicable, and (B) all products shall be new.
 - (ii) **General.** Service Provider shall adhere to the applicable product and services standards specified by TxDOT or set forth in the Service Management Manual and shall not deviate from such

standards without TxDOT's prior approval. To the extent an authorized TxDOT representative specifies the third party vendor, pricing and/or other terms and conditions for procuring products or services on behalf of TxDOT, Service Provider shall not deviate from such instructions without TxDOT's prior approval.

- (iii) **TxDOT Master Agreements.** Service Provider may use master agreements between TxDOT and third party vendors to procure products and services under this **Section 12.3(a)**; provided, however, that, in the event Service Provider is able to procure such products or services at lower cost than such products or services can be procured through such master agreements, then, subject to **Section 11.3(a)(iv) Service Provider Agreements** (including TxDOT's approval rights therein), Service Provider shall procure such products or services at such lower prices. Service Provider shall provide reasonable documentation respecting the foregoing as may be reasonably requested by TxDOT.
- (iv) **Service Provider Agreements.** Service Provider may use, with TxDOT's prior approval, agreements between Service Provider and third party vendors if permitted by such agreements to procure products and services on TxDOT's behalf. Service Provider's use of such agreements shall be conditioned on and subject to the following: (A) TxDOT approving in advance the terms, conditions and pricing of such agreements and any financial or other commitments made therein by or on behalf of TxDOT; (B) Service Provider complying with the terms and conditions of such agreements and accepting responsibility for meeting any minimum volumes; (C) where permitted by such agreements and consistent with TxDOT's approval, Service Provider passing through to TxDOT any refunds, credits, discounts or other rebates to the extent such amounts are directly allocable to TxDOT; (D) Service Provider retaining responsibility for curing any breaches of such agreements and indemnifying, under and in accordance with **Section 17.3 Indemnification Procedures**, TxDOT for any Losses in connection with such breaches; (E) such agreements offering more favorable pricing and equivalent or better terms and conditions for the requested product or service than any master agreement between TxDOT and third party vendors; (F) giving TxDOT price quotations and other benefits consistent with Service Provider's favorable third party vendor arrangements where permitted by such vendors, without any uplift; and (G) to the extent reasonably practicable, using the aggregate volume of Service Provider's procurements on behalf of itself and TxDOT to obtain more favorable pricing and equivalent or better terms and conditions for the requested product or service.

11.4 Taxes.

Pursuant to Section 151.309, Texas Tax Code, TxDOT is exempt from the assessment of State taxes and, pursuant to Texas Comptroller Rule 3.22(c)(4), is not required to present an exemption certificate with respect to State sales tax. In addition, TxDOT is exempt from federal taxes pursuant to 26 U.S.C. §§ 4253(i) and (j). Service Provider shall not include any taxes in the Charges except as expressly provided in this Section and **Exhibit 4.0 Business Model**. Without limiting the generality of the foregoing, Service Provider's responsibilities in connection with taxes arising under or in connection with this Agreement include the following obligations:

- (a) **Income Taxes.** Service Provider shall be responsible for its own Income Taxes.
- (b) **Sales Use and Property Taxes.** Service Provider shall be responsible for any sales, lease, use, personal property, stamp, duty, or other such taxes on Equipment, Materials or property it owns or leases or licenses from a third party, including any lease or license assigned pursuant to this Agreement.
- (c) **Taxes on Goods or Services Used by Service Provider.** Service Provider shall be responsible for all sales, service, value-added, lease, use, personal property, excise, consumption, and other taxes and duties payable by Service Provider on any goods or services used or consumed by Service Provider in providing the Services where the tax is imposed on Service Provider's acquisition or use of such goods or services and the amount of tax is measured by Service Provider's costs in acquiring or procuring such goods or services and not by TxDOT's cost of acquiring such goods or services from Service Provider.

- (d) **Service Taxes.** Service Provider shall be financially responsible for all Service Taxes. As a result of TxDOT's exempt status, Service Provider shall not charge TxDOT sales tax on the Services.
- (e) **Withholding.** Any withholding tax or other tax of any kind that TxDOT is required by applicable Law to withhold and pay on behalf of Service Provider with respect to amounts payable to Service Provider under this Agreement shall be deducted from said amount prior to remittance to Service Provider. TxDOT shall provide to Service Provider reasonable assistance, which shall include the provision of documentation as required by revenue authorities, to enable Service Provider to claim exemption from or obtain a repayment of such withheld taxes and shall, upon request, provide Service Provider with a copy of the withholding tax certificate.
- (f) **Tax Filings.** Service Provider represents, warrants, and covenants that it shall file appropriate tax returns, and pay applicable taxes owed arising from or related to the provision of the Services in all applicable jurisdictions. At TxDOT's request, Service Provider shall provide TxDOT with (A) written confirmation that Service Provider has filed all required tax forms and returns and has collected and remitted all applicable amounts, and (B) such other information pertaining to applicable Taxes as TxDOT may reasonably request.

11.5 New Services

- (a) **Procedures.** If TxDOT requests that Service Provider perform any New Services reasonably related to the Services or other services generally provided by Service Provider, Service Provider shall promptly prepare a New Services proposal for TxDOT's consideration. Unless otherwise agreed by the Parties, Service Provider shall prepare such New Services proposal at no additional charge to TxDOT and shall deliver such proposal to TxDOT within ten (10) days of its receipt of TxDOT's request; provided, that Service Provider shall respond more quickly in the case of a pressing need or an emergency situation. TxDOT shall provide such information as Service Provider reasonably requests in order to prepare such New Service proposal. Such New Services proposal shall include, among other things, the following at a level of detail sufficient to permit TxDOT to make an informed business decision:
 - (i) a project plan and fixed price or price estimate for the New Service;
 - (ii) a breakdown of such price or estimate;
 - (iii) a description of the service levels to be associated with such New Service;
 - (iv) a schedule for commencing and completing the New Service;
 - (v) a description of the new hardware or software to be provided by Service Provider in connection with the New Service;
 - (vi) a description of the software, hardware and other resources, including Resource Unit utilization, necessary to provide the New Service;
 - (vii) any additional facilities or labor resources to be provided by TxDOT in connection with the proposed New Service;
 - (viii) any risks associated with the New Service and/or the integration of the New Service into the existing environment; and
 - (ix) in the case of any Developed Materials to be created through the provision of the proposed New Services, any ownership rights therein that differ from the provisions of [Section 14.2 Developed Materials](#). The Designated TxDOT Representative may accept or reject proposals for New Services in his or her sole discretion. Unless the Parties otherwise agree, if the Designated TxDOT Representative accepts Service Provider's proposal, Service Provider shall perform the New Services and be paid in accordance with the proposal submitted by Service Provider and the provisions of this Agreement. Upon the Designated TxDOT Representative's acceptance of a Service Provider's proposal for New Services, the scope of the Services shall be expanded and this Agreement shall be modified to include such New Services without the need for further action by the Parties.

If Service Provider is unable to provide such New Services using its own resources (including resources it procures through a supplier or Subcontractor), TxDOT may require Service Provider to engage (as Service Provider's subcontractor) a third party approved or selected by TxDOT to provide such services. Notwithstanding any provision to the contrary, (A) Service Provider shall act reasonably and in good faith in formulating such pricing proposal, (B) Service Provider shall use commercially reasonable efforts to identify potential means of reducing the cost to TxDOT, including utilizing subcontractors as and to the extent appropriate, (C) such pricing proposal shall be no less favorable to TxDOT than the pricing and labor rates set forth herein for comparable Services, and (D) such pricing proposal shall take into account the existing and future volume of business between TxDOT and Service Provider.

- (b) **Use of Third Parties.** TxDOT may elect to solicit and receive bids from third parties to perform any New Services. If TxDOT elects to use third parties to perform New Services, (i) such New Services shall not be deemed "Services" under the provisions of this Agreement and (ii) Service Provider shall cooperate with such third parties as provided in [Section 4.4 Use of Third Parties](#).
- (c) **Services Evolution and Modification.** The Parties anticipate that, as referenced in [Section 9.10 Technology Evolution](#), the Services shall evolve and be supplemented, modified, enhanced or replaced over time to keep pace with technological advancements and improvements in the methods of delivering Services and changes in the operations of TxDOT. The Parties acknowledge and agree that these changes shall modify the Services and shall not be deemed to result in New Services unless the changed services meet the definition of New Services.
- (d) **Authorized User and TxDOT Requests.** Service Provider shall promptly inform the TxDOT Designated Representative of requests for New Services from Authorized Users, and shall submit any proposals for New Services to the Designated TxDOT Representative. Service Provider shall not agree to provide New Services to TxDOT or any Authorized Users without the prior approval of the Designated TxDOT Representative. Without limiting TxDOT's other rights under this Agreement or applicable Law, if Service Provider fails to comply strictly with this [Section 11.5 New Services](#), it shall receive no compensation for any services rendered to any person or Entity in violation of this [Section 11.5 New Services](#).

11.6 Extraordinary Events.

- (a) **Definition.** As used in this Agreement, an "Extraordinary Event" means a circumstance in which an event or discrete set of events has occurred or is planned with respect to the operations of TxDOT that results or shall result in a change in the scope, nature or volume of the Services that TxDOT shall require from Service Provider. Examples of the kinds of events that might cause such substantial increases or decreases include the following:
 - (i) changes in locations where the TxDOT operates;
 - (ii) changes in constituencies served by, or activities or operations of, TxDOT;
 - (iii) privatizations, dispositions, or reorganizations of TxDOT;
 - (iv) changes in the method of service delivery;
 - (v) changes in the applicable regulatory environment or applicable Laws; and
 - (vi) changes in TxDOT's policy, technology or processes.
- (b) **Consequence.** If an Extraordinary Event occurs, TxDOT may, at its option, request more favorable pricing with respect to applicable Charges for any Functional Service Area specified in **Exhibit 4.0 Business Model** in accordance with the following:
 - (i) Service Provider and TxDOT shall mutually determine on a reasonable basis the efficiencies, economies, savings and resource utilization reductions, if any, resulting from such Extraordinary Event and, upon TxDOT's approval, Service Provider shall then proceed to implement such efficiencies, economies, savings, and resource utilization reductions as quickly as practicable and in accordance with the agreed upon schedule. As the efficiencies, economies, savings or resource utilization reductions are realized, the Charges specified in **Exhibit 4.0 Business Model** shall be

promptly and equitably adjusted to pass through to TxDOT the net benefit of such efficiencies, economies, savings, and resource utilization reductions; provided, that TxDOT shall reimburse Service Provider for any net costs or expenses incurred to realize such efficiencies, economies, savings, or resource utilization reductions if and to the extent Service Provider (A) notifies TxDOT of such additional costs and obtains TxDOT's approval prior to incurring such costs, (B) uses commercially reasonable efforts to identify and consider practical alternatives, and reasonably determines that there is no other more practical or cost effective way to obtain such savings without incurring such expenses, and (C) uses commercially reasonable efforts to minimize the additional costs to be reimbursed by TxDOT.

- (ii) An Extraordinary Event shall not result in Charges to TxDOT being higher than such Charges would have been if the rates and charges then specified in **Exhibit 4.0 Business Model** had been applied. TxDOT may, at its sole option, elect, for each Extraordinary Event, at any time to forego its rights under this [Section 11.6 Extraordinary Events](#), and instead, apply rates and charges specified in **Exhibit 4.0 Business Model** to adjust the Charges. For the avoidance of doubt, upon the occurrence of an Extraordinary Event, TxDOT is entitled to request more favorable pricing with respect to the applicable Charges even if the change in consumption related to the Extraordinary Event is within the bands associated with the applicable fixed and variable Charges set forth in **Exhibit 4.1 Pricing Structure**.
- (c) If the Parties cannot agree on an equitable adjustment to the Charges in accordance with this Section within thirty (30) days after Service Provider's receipt of notice of the Extraordinary Event, TxDOT shall have the right to terminate the Agreement, in whole or in part, by written notice to Service Provider, effective as of the date set forth in such notice.

11.7 Unanticipated Change.

If an Unanticipated Change occurs, and if TxDOT requests any modifications to the Services to incorporate such Unanticipated Change, the Parties shall use the procedures in [Section 11.6 \(b\) Consequence](#) to equitably adjust the Charges and other relevant provisions of this Agreement to take such Unanticipated Change into account. An "Unanticipated Change" shall consist of 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 Service Provider's cost of providing the Services.

11.8 Proration.

Service Provider shall compute periodic Charges under this Agreement on a monthly basis, and shall prorate such Charges for any partial month on a daily basis.

11.9 Refundable Items.

- (a) **Paid Amounts.** Where TxDOT has paid for a service, function, or item for which Service Provider is assuming financial responsibility under this Agreement, Service Provider shall promptly refund to TxDOT, upon either Party identifying the payment, that portion of such paid expense which is attributable to periods after Service Provider's assumption of financial responsibility.
- (b) **Refunds and Credits.** If Service Provider should receive a refund, credit, discount, or other rebate for goods or services paid for by TxDOT on a Pass-Through Expense, retained expense, cost-plus or cost-reimbursement basis, then Service Provider shall (A) notify TxDOT of such refund, credit, discount or rebate and (B) pay the full amount of such refund, credit, discount, or rebate to TxDOT.

11.10 Pricing Commitment

- (a) Service Provider's Charges to TxDOT for Services to be provided under this Agreement shall be at least as low as Service Provider's lowest fees, under agreements entered into directly between Service Provider and other State governmental entities or agencies, for the same or substantially similar services provided at similar volumes.
- (b) At TxDOT's request, not more frequently than once in any rolling twelve (12) month period (with the

- first assessment to be conducted no sooner than twelve (12) months from the Commencement Date), Service Provider shall conduct a competitive price assessment. The assessment shall first identify whether there are any agreements between Service Provider and other entities meeting the criteria in **Section 11.10 (a)** above and then, assuming there are such agreements, shall proceed to assess the price competitiveness of this Agreement with up to three (3) such agreements selected by TxDOT from a list of candidates presented by Service Provider, taking into account the type of normalization factors referenced in **Section 11.10 (a)** to ensure a like-for-like comparison. At the conclusion of the assessment, either (A) Service Provider shall verify that the assessment has been completed and no adjustment is required for the Charges to be brought in line with lower fees or (B) Service Provider shall identify any relevant variance, offer a plan to enable Service Provider to reduce the Charges so that they are brought in line with the lower fees, and reduce such Charges prospectively from the date of verification of the relevant variance. TxDOT shall be allowed to review and approve such plan, and in all events Service Provider shall implement the relevant Charges reductions no later than thirty (30) days from the date of TxDOT's approval of such plan. The provisions of **Section 9.8 Audit Rights** shall not apply to the assessment conducted in accordance with this **Section 11.9 Pricing Commitment**.
- (c) If TxDOT becomes aware of any agreement that it believes would appropriately be subject to the assessment described in this **Section 11.10**, TxDOT may call such agreement to Service Provider's attention, and the Parties shall discuss in good faith whether a competitive price assessment in accordance with **Section 11.10 (b)** above is appropriate in the circumstances.

12 INVOICING AND PAYMENT

12.1 Invoicing.

- (a) **Invoice.** After the Commencement Date, and within five (5) Business Days after the end of each month in which Services are provided thereafter, Service Provider shall meet with TxDOT to review any preliminary Charges and Resource Unit volumes that Service Provider expects to include on the Monthly Invoice. Service Provider shall provide variance explanations for Resource Unit dollar and volume fluctuations based on the thresholds established by and at the level of detail required by TxDOT. Within ten (10) Business Days after the end of each month, Service Provider shall present TxDOT with an invoice (the "**Monthly Invoice**") for any Charges, Resource Unit volumes and Pass-Through Expenses due and owing for the preceding month. Service Provider shall not invoice TxDOT for taxes, any advance or concurrent charges or other amounts. Service Provider and TxDOT shall mutually agree on a process that shall enable Service Provider to provide expedited invoices to TxDOT so that TxDOT shall have sufficient time to process and remit payment on such invoices before the end of the calendar year. To the extent that any Charges included in the Monthly Invoice are disputed by TxDOT, such dispute shall be resolved in accordance with **Section 12.4 Disputed Charges.**
- (b) **Form and Data.** Each invoice provided by Service Provider to TxDOT under this Agreement shall be presented in hard copy and electronically in the form specified in **Exhibit 4.3 Form of Invoice** and shall (A) comply with all applicable legal, regulatory, and accounting requirements, including Chapter 2251, Texas Government Code, (B) allow TxDOT to validate volumes and Charges, and (C) comply with TxDOT's accounting and billing requirements, including providing sufficient detail for TxDOT to allocate costs to all federal and State programs in accordance with the relative benefits received and to make federal claims according to the federal cost plan of TxDOT (if any). Each invoice shall include: (1) the pricing calculations and related data utilized to establish the Charges, (2) sufficient information to validate the service volumes and associated Charges, and (3) indicate which expenses, if any, are attributable to Historically Underutilized Businesses (collectively, the "Invoice Data"). Each invoice and the data underlying each invoice shall be delivered to TxDOT electronically in a form and format compatible with TxDOT's accounting systems.
- (c) **Credits.** To the extent a Service Level Credit, Deliverable Credit, or other credit may be due to TxDOT pursuant to this Agreement, Service Provider shall provide TxDOT with an appropriate credit against amounts then due and owing. If no further payments are due to Service Provider, Service Provider shall pay such amounts to TxDOT within thirty (30) days of the date such amounts become due and owing.

- (d) **Time Limitation.** Unless otherwise requested by Service Provider in advance and agreed by TxDOT in its sole discretion, if Service Provider fails to provide an invoice to TxDOT for any amount within four (4) invoice cycles (i.e., issuance of invoices) of the month in which the Services in question are rendered or the expense incurred, or such other period designated by TxDOT, Service Provider shall waive any right it may otherwise have to invoice for and collect such amount.

12.2 Payment Due.

Subject to the other provisions of this [Article 12 INVOICING AND PAYMENT](#), each Monthly Invoice provided for under [Section 12.1 Invoicing](#), above and other amounts due under this Agreement shall be due and payable by TxDOT under and in accordance with Chapter 2251, Texas Government Code.

12.3 Set Off.

Subject to [Section 12.4 Disputed Charges](#), TxDOT may set off against any and all amounts to be paid or reimbursed by TxDOT any amount that Service Provider is obligated to pay TxDOT hereunder, provided that TxDOT notifies Service Provider in writing of the amounts of, and the basis for, such set off.

12.4 Disputed Charges.

- (a) **Disputed Amounts.** TxDOT may withhold any amount of any invoice in dispute as provided in and in accordance with Chapter 2251, Texas Government Code. TxDOT shall comply with Chapter 2251, Texas Government Code, with respect to timely notice of such disputed amounts.
- (b) **Interest.** For invoice amounts that have been paid by TxDOT that become the subject of a dispute which is resolved in favor of TxDOT, in addition to any amounts that Service Provider may subsequently credit to TxDOT arising from resolution of such dispute, Service Provider shall include interest on the reimbursed amounts accrued monthly at the rate specified by the Texas Comptroller of Public Accounts in accordance with Section 2251.025(b), Texas Government Code, calculated from the ninetieth (90th) day following the date of TxDOT's dispute.
- (c) **No Waiver.** Neither the failure to dispute any Charges or amounts prior to payment nor the failure to withhold any amount shall constitute, operate or be construed as a waiver of any right TxDOT may otherwise have to dispute any Charge or amount or recover any amount previously paid.
- (d) **Prompt Resolution.** In the event TxDOT initiates a dispute in accordance with the Service Management Manual related to a Monthly Invoice (a "**TxDOT-Initiated Financial Dispute**"), Service Provider will promptly respond to the issue raised in such dispute, which response will include a written explanation of the charges that are the subject of the TxDOT-Initiated Financial Dispute, as well as any supporting documentation necessary to support Service Provider's position. If within thirty (30) days of the date on which TxDOT notifies Service Provider of the TxDOT-Initiated Financial Dispute, Service Provider has either (A) failed to respond to TxDOT or (B) failed to provide documentation or other evidence as to the validity of the disputed charges, then such dispute will be deemed resolved in favor of TxDOT and the appropriate credits will be processed and the matter will be closed.

13 TxDOT DATA AND OTHER CONFIDENTIAL INFORMATION

13.1 Confidentiality.

Nothing in this [Section 13.1 Confidentiality](#), is intended to limit the obligations of Service Provider under [Sections 13.2 TxDOT Data](#), [Section 13.3 TxDOT Personal Data](#), [Section 13.4 TxDOT Regulated Data](#) of this Agreement with respect to the TxDOT Data addressed in such Sections and, to the extent the provisions of [Sections 13.2 TxDOT Data](#), or [Section 13.3 TxDOT Personal Data](#) or [Section 13.4 TxDOT Regulated Data](#) conflict with the provisions of this [Section 13.1 Confidentiality](#), as they pertain to TxDOT Data, the provisions of [Sections 13.2 TxDOT Data](#), or [Section 13.3 TxDOT Personal Data](#) or [Section 13.4 TxDOT Regulated Data](#) shall control over the provisions of this [Section 13.1 Confidentiality](#), as applicable.

- (a) **Confidential Information.** Service Provider and TxDOT each acknowledge that the other possesses

and shall continue to possess information that has been developed or received by it, has commercial, proprietary or other value in its or its constituents' or customers' activities or operations and is not generally available to the public, subject, however to the applicability of the Public Information Act and other applicable Law. Except as otherwise specifically agreed in writing by the Parties, "**Confidential Information**" means (A) all information marked confidential, restricted, or proprietary by either Party and (B) any other information that is treated as confidential by the disclosing Party and would reasonably be understood to be confidential, whether or not so marked. Confidential Information also shall include Developed Materials, TxDOT Data, TxDOT Personal Data, TxDOT Regulated Data, Work Product, Authorized User information, attorney-client privileged materials, attorney work product, research information, information that contains trade secrets, human resources and personnel information, or other information or data obtained, received, transmitted, processed, stored, archived, or maintained by Service Provider under this Agreement. Service Provider's Confidential Information shall not include Confidential Information of TxDOT, and provided further, however characterization of information as Confidential Information of Service Provider shall not limit or restrict the rights of TxDOT to exercise their rights (including rights related to auditing and Benchmarking) provided for under this Agreement.

(b) Disclosure of Confidential Information.

- (i) The disclosing Party represents and warrants that it has the right to disclose its Confidential Information to the receiving party, subject to the confidentiality obligations contained in this [Section 13.1 Confidentiality.](#)
- (ii) During the term of this Agreement and at all times thereafter as specified in [Section 13.7 Survival.](#), each Receiving Party (A) shall hold Confidential Information received from a disclosing Party in confidence and shall use such Confidential Information only for the purposes of fulfilling its obligations or exercising its rights under this Agreement and for no other purposes; (B) shall follow all applicable security requirements, protocols, and procedures for accessing and handling such Confidential Information; and (C) shall not disclose, provide, disseminate, or otherwise make available any Confidential Information of the disclosing Party to any third party without the express written permission of the disclosing Party, unless expressly permitted by [Sections 13.1\(b\)\(iii\)](#) and [13.1\(b\)\(iv\)](#) below or elsewhere in this Agreement. Subject to the requirements of [Sections 13.2 \(b\) Safeguarding of TxDOT Data.](#) and [Section 13.3 TxDOT Personal Data.](#), as applicable, each Receiving Party shall use at least the same degree of care to prevent disclosure, dissemination, and misuse of the disclosing Party's Confidential Information to third parties as the Receiving Party employs to avoid unauthorized disclosure, publication, dissemination, destruction, loss or alteration of its own information (or information of its customers) of a similar nature, but not less than reasonable care.
- (iii) The Receiving Party may disclose Confidential Information of the disclosing Party to its employees, directors, attorneys, financial advisors, contractors, and agents (including TxDOT Auditors in the case of TxDOT) provided that (A) such person or Entity has a need to know the Confidential Information for purposes of performing his or her obligations under or with respect to this Agreement or as otherwise naturally occurs in such person's scope of responsibility, (B) such disclosure is made pursuant to an obligation of confidentiality upon such person or Entity that is no less stringent than that set forth in this [Section 13.1 Confidentiality.](#) and (C) such disclosure is not in violation of Law, the Service Management Manual, or applicable TxDOT Standards. The Receiving Party assumes full responsibility for the acts or omissions of any person or Entity to whom it discloses Confidential Information of the disclosing Party regarding their use of such Confidential Information and must take commercially reasonable measures to protect the Confidential Information from disclosure or use in contravention of this Agreement.
- (iv) The Receiving Party may disclose Confidential Information of the disclosing Party as required to satisfy any legal requirement of a competent government body, provided that, promptly upon receiving any such request, the Receiving Party, to the extent it may legally do so, gives notice to the disclosing Party of the Confidential Information to be disclosed and the identity of the third party requiring such disclosure prior to the making such disclosure in order that the disclosing Party may interpose an objection to such disclosure, take action to assure confidential handling of

the Confidential Information, or take such other action as it deems appropriate to protect the Confidential Information. The Receiving Party shall use reasonable efforts to cooperate with the disclosing Party in its efforts to seek a protective order or other appropriate remedy or, in the event such protective order or other remedy is not obtained, to obtain assurance that confidential treatment shall be accorded such Confidential Information.

- (v) Unless expressly permitted by this Agreement, neither Party shall (A) make any use or copies of the Confidential Information of the other Party except as expressly contemplated by this Agreement, (B) possess or acquire any right in or assert any lien against the Confidential Information of the other Party, (C) sell, assign, transfer, lease, encumber or otherwise dispose of or disclose the Confidential Information of the other Party to third parties or commercially exploit, or permit a third party to commercially exploit, such information, including through Derivative Works, or (D) refuse for any reason (including a default or material breach of this Agreement by the other Party) to promptly provide the other Party's Confidential Information (including any copies thereof) to the other Party if requested to do so.
- (vi) Notwithstanding the provisions of this [Section 13.1 \(b\) Disclosure of Confidential Information](#), TxDOT may disclose Confidential Information relating to the financial or operational terms of this Agreement and/or Service Provider's performance hereunder (e.g., applicable Service Levels and measurements of Service Provider's performance with respect to such Service Levels) in connection with Benchmarking or the solicitation of proposals for or the procurement of the same or similar services from prospective TxDOT Contractors provided, TxDOT may not disclose Confidential Information related to Service Provider's processes and procedures without first securing an obligation from prospective TxDOT Contractors to keep such information confidential.
- (vii) Notwithstanding the provisions of this [Section 13.1 \(b\) Disclosure of Confidential Information](#), the Parties acknowledge and agree that each Party may be required to disclose Confidential Information pursuant to Chapter 552, Texas Government Code (the "**Public Information Act**"), that TxDOT shall be required to and may disclose this Agreement and the terms hereof pursuant to the Public Information Act and that the Parties shall comply with the Public Information Act and with all applicable opinions of the Office of the Texas Attorney General concerning the Public Information Act.
- (viii) Each Party shall take all necessary steps to cause its employees, contractors and subcontractors to comply with the provisions of this [Article 13 TxDOT DATA AND OTHER CONFIDENTIAL INFORMATION](#).
- (c) **Exclusions.** Notwithstanding the above, [Section 13.1 \(b\) Disclosure of Confidential Information](#), shall not apply to any particular information which the receiving Party can demonstrate: (A) is, at the time of disclosure to it, generally available to the public other than through a breach of the Receiving Party's or a third party's confidentiality obligations; (B) after disclosure to it, is published by the disclosing Party or otherwise becomes generally available to the public other than through a breach of the Receiving Party's or a third party's confidentiality obligations; (C) was lawfully in the possession of the Receiving Party immediately prior to the time of disclosure to it; (D) is received from a third party having a lawful right to disclose such information; or (E) is independently developed by the Receiving Party without reference to the disclosing Party's Confidential Information. The exclusions in this [Section 13.1 \(c\) Exclusions](#) shall not apply to TxDOT Personal Data.
- (d) **Loss of Confidential Information.** Each Party shall (A) immediately notify the other Party of any possession, use, knowledge, disclosure, or loss of such other Party's Confidential Information in contravention of this Agreement, (B) promptly furnish to the other Party all known details and assist such other Party in investigating and/or preventing the reoccurrence of such possession, use, knowledge, disclosure, or loss, (C) cooperate with the other Party in any investigation or litigation deemed necessary by such other Party to protect its rights and (D) promptly use appropriate efforts to prevent further possession, use, knowledge, disclosure, or loss of Confidential Information in contravention of this Agreement. Each Party shall bear any costs it incurs in complying with this [Section 13.1 \(d\) Loss of Confidential Information](#).

- (e) **No Implied Rights.** Nothing contained in this [Section 13.1](#) shall be construed as obligating a Party to disclose its Confidential Information to the other Party, or as granting to or conferring on a Party, expressly or impliedly, any rights or license to any Confidential Information of the other Party.
- (f) **Return or Destruction of Confidential Information.** Each Party shall securely store the other Party's Confidential Information until such Confidential Information is returned or destroyed as described in this [Section 13.1](#). Except as provided in this Agreement with respect to Contract Records, each Party shall destroy all documentation in any medium that contains, refers to or relates to the other Party's Confidential Information (or the portion of such Confidential Information specified by the other Party) or shall return such documentation to the other Party or its designee, in the format and on the media reasonably prescribed by the other Party, as follows: (A) within thirty (30) days of the expiration or termination of this Agreement and completion of each Party's obligations hereunder, including, with respect to Service Provider, all periods of Termination Assistance Services requested by TxDOT; and (B) with respect to TxDOT Confidential Information, at any time TxDOT requests such Confidential Information or, with respect to particular Confidential Information, within thirty (30) days of the date that such Confidential Information is no longer required by Service Provider to perform its obligations under this Agreement as identified by TxDOT or pursuant to the Service Management Manual. Such documentation shall include all copies of a Party's Confidential Information in the other Party's possession or under the other Party's control. The Party returning or destroying the other Party's Confidential Information shall deliver to the other Party written certification of its compliance with this paragraph signed by an authorized representative of such Party. Notwithstanding the foregoing, either Party may retain one (1) copy of the other Party's Confidential Information in its legal department as and to the extent required to comply with applicable Laws or enforce its rights under this Agreement; provided that such Confidential Information shall be returned or destroyed in accordance with this provision upon the expiration of the period specified in the applicable Law, the expiration of the applicable statute of limitations and the final resolution of any pending dispute. Contract Records shall be retained by Service Provider for the duration of the Audit Period unless and to the extent Service Provider is directed by TxDOT to deliver such Contract Records to TxDOT prior to the expiration of the Audit Period. In no event shall a party withhold any Confidential Information of the other party as a means of resolving any dispute.
- (g) **Transfer of TxDOT Confidential Information.** Service Provider shall not transfer TxDOT Confidential Information to any other locations, nor change the locations for storage and processing of such TxDOT Confidential Information, except with the express written consent of TxDOT, which TxDOT may withhold in its sole discretion.

13.2 TxDOT Data.

Nothing in this [Sections 13.2 TxDOT Data](#), is intended to limit the obligations of Service Provider under [Section 13.1 Confidentiality](#), [Section 13.3 TxDOT Personal Data](#) and [Section 13.4 TxDOT Regulated Data](#) of this Agreement with respect to the Confidential Information addressed in such Sections.

- (a) **Ownership of TxDOT Data.** TxDOT Data shall be and shall remain, as between the Parties, the property of TxDOT. Service Provider shall not sell, assign, lease, transfer, distribute, or encumber TxDOT Data. Service Provider shall not disclose to or allow access by third parties to TxDOT Data, unless expressly provided for in this Agreement. Service Provider shall not commercially exploit, or permit a third party to commercially exploit, TxDOT Data on behalf of Service Provider or any other person or Entity. TxDOT Data shall be made available to TxDOT, upon its request, in the form and format as reasonably requested by TxDOT. Service Provider agrees that Service Provider and Service Provider Personnel shall not use any TxDOT Data for any purpose other than the fulfillment of the terms and conditions of this Agreement.
- (b) **Safeguarding of TxDOT Data.**
 - (i) Service Provider shall implement and maintain a written, comprehensive data security program, which shall include reasonable and appropriate technical, organizational and security measures against the destruction, loss, unauthorized access or alteration of TxDOT Data in the possession of Service Provider, and which shall be (A) no less rigorous than those maintained (or required to

be maintained) by TxDOT as of the Commencement Date (or required or implemented by TxDOT in the future to the extent deemed necessary by TxDOT and communicated to Service Provider in accordance with [Section 6.3 TxDOT Rules/Employee Safety](#)), (B) no less rigorous than those maintained by Service Provider for its own information of a similar nature, (C) no less rigorous than accepted security standards in the industry and TxDOT Rules and TxDOT Standards, and (D) (without limiting the Parties' obligations under [Section 15.11 Compliance with Laws](#).) compliant with all applicable TxDOT Rules and TxDOT Standards, including the requirements of TxDOT's then-current privacy, security and records retention policies and the rules pertaining to information technology security standards found at 1 Texas Administrative Code (TAC), Chapter 202, and (F) be reviewed at least annually.

- (ii) The content and implementation of such data security program and associated technical, organizational and security measures shall be fully documented by Service Provider in the Service Management Manual. Service Provider shall permit TxDOT Auditors to review such documentation and/or to inspect Service Provider's compliance with these provisions in accordance with [Section 9.8 Audit Rights](#). TxDOT acknowledges that elements of Service Provider's data security program involve customized services offerings regarding the specific means and levels of security protection selected by a customer (regarding, for example, desired levels of host and network intrusion detection services, methods for monitoring and limiting access to data, extent of desired encryption, etc.). All TxDOT Data shall reside on TxDOT-owned or provided Systems within the United States of America. Not less frequently than two (2) times per Contract Year, Service Provider shall proactively provide technical information regarding security best practices in the industry.
- (iii) Under no circumstances shall Service Provider make any changes that materially weaken any technical, organizational or security measures in place to safeguard TxDOT Data, or result in Service Provider's failure to meet any of the minimum standards set forth above without the written approval of TxDOT's Designated Representative. In the event TxDOT directs Service Provider to make a change that Service Provider concludes will materially weaken any technical, organizational or security measures in place to safeguard TxDOT Data, or result in Service Provider's failure to meet any of the minimum standards set forth above, Service Provider shall advise TxDOT in writing prior to making any such change. Under no circumstances shall Service Provider or Service Provider Personnel attempt to access or allow access to TxDOT Data that is not required for the performance of Service Provider's obligations or otherwise permitted under this Agreement.
- (iv) Subject to any restriction in contracts with Service Provider's other customers, Service Provider shall regularly advise TxDOT of data security practices, procedures, and safeguards in effect for other Service Provider customers that, in Service Provider's reasonable judgment, are (A) relevant to the Services being provided under this Agreement and (B) define or exceed relevant industry standards relevant to the Services. If requested by TxDOT, Service Provider shall, to the extent reasonably practicable and subject to the Change Control Procedures, implement such enhanced practices, procedures and safeguards with respect to its provision of Services to TxDOT hereunder.
- (v) TxDOT shall have the right to establish backup security for any TxDOT Data and to keep backup and files for such Data in its possession if it chooses. Service Provider shall provide TxDOT with downloads of TxDOT Data, as requested and directed by TxDOT, to enable TxDOT to maintain such backup copies.
- (vi) In the event Service Provider discovers or is notified of a Security Breach or potential Security Breach relating to TxDOT Data, Service Provider shall, in addition to its obligations pursuant to [Section 6.3 TxDOT Rules/Employee Safety](#), immediately once Service Provider knows or should have known such a Security Breach or potential Security Breach has occurred (A) notify TxDOT of such breach or potential breach, (B) investigate (with TxDOT's participation if so desired by TxDOT) such breach or potential breach and perform a risk assessment, Root Cause Analysis and corrective action plan thereon, (C) provide a written report to TxDOT of such risk

assessment, Root Cause Analysis and action plan, (D) remediate the effects of such breach, potential breach, exposure, or inappropriate disclosure of security as soon as practicable or coordinate such remediation if Service Provider does not have responsibility for the matters which are the source of the breach or potential breach, and (E) provide TxDOT with reasonable assurances that such breach or potential breach shall not recur.

- (vii) To the extent Service Provider removes TxDOT Data from any media that is taken out of service that is under Service Provider's control, Service Provider shall destroy or securely erase such media in accordance with the Service Management Manual. Under no circumstances shall Service Provider use or re-use media on which TxDOT Data has been stored to store data of any other customer of Service Provider or to deliver data to a third party, including another Service Provider customer, unless such TxDOT Data has been securely erased in accordance with the Service Management Manual.
- (viii) Service Provider agrees that Service Provider and Service Provider Personnel shall not access any TxDOT Data for any purpose other than the fulfillment of requested Services as provided for in this Agreement. Service Provider shall not disclose or allow access to TxDOT Data, without an approved Request for Solution that requires access to TxDOT Data for the fulfillment of Services.

13.3 TxDOT Personal Data.

In addition to the provisions of [Section 13.1 Confidentiality](#), and [Sections 13.2 TxDOT Data](#), the following privacy and data protection provisions shall apply to TxDOT Personal Data as defined by the State of Texas Business and Commerce Code 521.002, Sensitive Personal Information.

- (a) Service Provider shall hold any TxDOT Personal Data that it receives in confidence and in compliance with (A) Service Provider's obligations under this Agreement, the Exhibits and Attachments hereto and the Service Management Manual and (B) subject to [Section 15.11 Compliance with Laws](#), all Laws regarding its use of and access to such TxDOT Personal Data.
- (b) Service Provider agrees that Service Provider and Service Provider Personnel shall not use any TxDOT Personal Data for any purpose other than the fulfillment of the terms and conditions of this Agreement. Service Provider shall not process or disseminate TxDOT Personal Data to any third party or transfer TxDOT Personal Data without the approval of TxDOT unless expressly provided for in this Agreement. Service Provider shall take appropriate action to cause:
 - (i) Any Service Provider Personnel who have access to TxDOT Personal Data pursuant to this Agreement to be advised of, and comply with, the terms and conditions of this [Section](#); and
 - (ii) Any Service Provider Personnel who have access to TxDOT Personal Data to be trained regarding their handling of such TxDOT Personal Data.

Service Provider shall be responsible for any failure of Service Provider Personnel to comply with the terms and conditions regarding TxDOT Personal Data set forth in this [Section](#).

- (c) When interfacing with TxDOT regarding TxDOT Personal Data, Service Provider shall only disclose or transmit TxDOT Personal Data to those TxDOT employees and TxDOT Contractors authorized by the Designated TxDOT Representative or identified in the Service Management Manual.
- (d) TxDOT shall notify Service Provider of any:
 - (iii) Limitation in any privacy notice used by TxDOT to the extent that such limitation may affect Service Provider's use or disclosure of TxDOT Personal Data; and
 - (iv) Restriction on the use or disclosure of TxDOT Personal Data to which TxDOT agreed to the extent that such restriction may affect Service Provider's use or disclosure of such TxDOT Personal Data.

Service Provider agrees to promptly implement any such limitation or restriction as directed by TxDOT.

- (e) If Service Provider has knowledge of any unauthorized disclosure of or access to TxDOT Personal Data, Service Provider shall:
 - (v) Expeditiously report such unauthorized disclosure or access to TxDOT,
 - (vi) Mitigate, to the extent practicable, any harmful effect of such disclosure or access that is known to Service Provider or its agents, and
 - (vii) Cooperate with TxDOT in providing any notices regarding impermissible disclosures caused by such disclosure or access which TxDOT deems appropriate.
- (f) To the extent such unauthorized disclosure or access is attributable to a Security Incident by Service Provider or Service Provider Personnel's obligations under this Agreement with respect to TxDOT Personal Data, Service Provider shall bear the following costs and expenses to the extent Service Provider is found responsible for such breach as determined by the root cause analysis and related processes as provided in the relevant SMM(s):
 - (i) the costs incurred by Service Provider in complying with its legal obligations relating to such Security Incident and
 - (ii) in addition to any other damages for which Service Provider may be liable for under this Agreement (except to the extent such disclosure is due to TxDOT's failure to provide or identify (including through authorization to provide as part of the Services) the level of encryption required under this Agreement or applicable Law(s) to protect such Data), the following costs incurred by TxDOT in complying with their legal obligations relating to such breach, to the extent applicable, (1) the cost of providing notice to affected individuals, (2) the cost of providing such affected individuals with credit monitoring services for thirty-six (36) months, (3) the cost of providing such affected individuals with \$50,000 of identity theft insurance, (4) creating a call center support, and bearing the costs thereof, for such affected individuals for thirty (30) days, (5) any related governmental fees or fines assessed against TxDOT, and (6) any other Losses for which Service Provider would be liable under [Section 17.1 \(d\) TxDOT Data or Confidential Information](#).

The above shall not be considered damages subject to, and shall not be counted toward, any liability exclusion or cap specified in [Article 18 LIABILITY](#).

13.4 TxDOT Regulated Data

TxDOT Regulated Data is information that is controlled by a federal statute, federal regulation, or other third-party agreements. The TxDOT Regulated Data may include the following TxDOT Confidential Data that has its use and protection dictated by a federal agency or by third-party agreements. The protection of TxDOT data must meet the appropriate statutory definitions or industry agreement conditions. The TxDOT Regulated Data may include the following:

- (a) **Payment Card Information.** To the extent applicable to the Services, Service Provider shall comply with the Payment Card Industry Data Security Standard ("PCI DSS") with respect to Payment Card Information as defined therein, including remaining aware at all times of changes to the PCI DSS and promptly implementing all procedures and practices as may be necessary to remain in compliance with the PCI DSS, in each case, at Service Provider's sole cost and expense. Service Provider shall access Payment Card Information only for the limited purpose of performing the Services or as specifically agreed to by Visa, MasterCard, American Express, and/or Discover (collectively, the "Issuers"), TxDOT, or as required by applicable law. In the event of a breach or intrusion of, or otherwise unauthorized access to, Payment Card Information stored by or for Service Provider, Service Provider shall immediately notify TxDOT, in the manner required, and provide TxDOT or its designee, the Issuers, and the acquiring financial institution and their respective designees access to Service Provider's facilities and all pertinent records to conduct a review of Service Provider's compliance with these requirements. Service Provider shall maintain appropriate business continuity procedures and systems to ensure security of Payment Card Information in the event of a disruption, disaster, or failure of Service Provider's primary data systems which involve a risk to Payment Card

Information. Service Provider shall provide access to its security systems and procedures, as reasonably requested by TxDOT or its designee. Service Provider shall cooperate fully with any reviews of their facilities and records provided for in this **Section 13.4 TxDOT Regulated Data**. Service Provider will comply with any assessment, validation, or verification of PCI DSS rules and regulations.

- (b) **Criminal Justice Information.** To the extent applicable to the Services, Service Provider shall comply with the U.S. Department of Justice Criminal Justice Information Services (CJIS) Security Policy. Service provider shall access CJIS information only for the limited purposes of performing the Services or as specifically authorized by the Texas Department of Public Safety (DPS) or TxDOT, or as required by applicable law.
- (c) **Personal Information in Motor Vehicle Records.** To the extent applicable to the Services, Service Provider shall comply with Title 18, U.S.C., regarding protection of personal information in Motor Vehicle Records.

In addition to the provisions of **Section 13.1 Confidentiality. and Section 13.2 TxDOT Data**, the following privacy and data protection provisions shall apply to TxDOT Regulated Data:

- (a) Service Provider shall hold any TxDOT Regulated Data that it receives in confidence and in compliance with (A) Service Provider's obligations under this Agreement, the Exhibits and Attachments hereto and the Service Management Manual and (B) subject to **Section 15.11 Compliance with Laws.**, all Laws regarding its use of and access to such TxDOT Regulated Data.
- (b) Service Provider agrees that Service Provider and Service Provider Personnel shall not use any TxDOT Regulated Data for any purpose other than the fulfillment of the terms and conditions of this Agreement. Service Provider shall not process or disseminate TxDOT Regulated Data to any third party or transfer TxDOT Personal Data without the approval of TxDOT unless expressly provided for in this Agreement. Service Provider shall take appropriate action to cause:
 - (i) Any Service Provider Personnel who have access to TxDOT Regulated Data pursuant to this Agreement to be advised of, and comply with, the terms and conditions of this **Section**; and
 - (ii) Any Service Provider Personnel who have access to TxDOT Regulated Data to be trained regarding their handling of such TxDOT Personal Data.

Service Provider shall be responsible for any failure of Service Provider Personnel to comply with the terms and conditions regarding TxDOT Regulated Data set forth in this **Section**.

- (c) When interfacing with TxDOT regarding TxDOT Regulated Data, Service Provider shall only disclose or transmit TxDOT Regulated Data to those TxDOT employees and TxDOT Contractors authorized by the Designated TxDOT Representative or identified in the Service Management Manual.
- (d) TxDOT shall notify Service Provider of any:
 - (i) Limitation in any privacy notice used by TxDOT to the extent that such limitation may affect Service Provider's use or disclosure of TxDOT Regulated Data; and
 - (ii) Restriction on the use or disclosure of TxDOT Regulated Data to which TxDOT agreed to the extent that such restriction may affect Service Provider's use or disclosure of such TxDOT Regulated Data.

Service Provider agrees to promptly implement any such limitation or restriction as directed by TxDOT.
- (e) If Service Provider has knowledge of any unauthorized disclosure of or access to TxDOT Regulated Data, Service Provider shall:
 - (i) Expeditiously report such unauthorized disclosure or access to TxDOT,
 - (ii) Mitigate, to the extent practicable, any harmful effect of such disclosure or access that is

known to Service Provider or its agents, and

- (iii) Cooperate with TxDOT in providing any notices regarding impermissible disclosures caused by such disclosure or access which TxDOT deems appropriate.
- (f) To the extent such unauthorized disclosure or access is attributable to a Security Incident by Service Provider or Service Provider Personnel of Service Provider's obligations under this Agreement with respect to TxDOT Regulated Data, Service Provider shall bear the following costs and expenses to the extent Service Provider is found responsible for such breach as determined by the root cause analysis and related processes as provided in the relevant SMM(s):
 - (i) the costs incurred by Service Provider in complying with its legal obligations relating to such Security Incident and
 - (ii) in addition to any other damages for which Service Provider may be liable for under this Agreement (except to the extent such disclosure is due to TxDOT's failure to provide or identify (including through authorization to provide as part of the Services) the level of encryption required under this Agreement or applicable Law(s) to protect such Data), the following costs incurred by TxDOT in complying with their legal obligations relating to such breach, to the extent applicable, (1) the cost of providing notice to affected individuals, (2) the cost of providing such affected individuals with credit monitoring services for thirty-six (36) months, (3) the cost of providing such affected individuals with \$50,000 of identity theft insurance, (4) creating a call center support, and bearing the cost thereof, for such affected individuals for thirty (30) days, (5) any related governmental fees or fines assessed against TxDOT, and (6) any other Losses for which Service Provider would be liable under [Section 17.1 \(d\) TxDOT Data or Confidential Information](#).

The above shall not be considered damages subject to, and shall not be counted toward, any liability exclusion or cap specified in [Article 18 LIABILITY](#).

13.5 File Access.

TxDOT shall have secure access to, and the right to review and retain the entirety of, all TxDOT Confidential Information in the possession or control of Service Provider. Such access shall be provided to TxDOT in near-real time and by the means and in the format reasonably requested by TxDOT. At no time shall any of such files or other materials or information be stored or held in a form or manner not readily accessible to TxDOT in this manner. Service Provider shall provide to the Designated TxDOT Representative, or his or her designee, all passwords, codes, comments, keys, documentation and the locations of any such files and other materials promptly upon his or her request, including Equipment and Software keys and such information as to format, encryption (if any) and any other specification or information necessary for TxDOT to retrieve, read, revise and/or maintain such files and information. Upon the request of the Designated TxDOT Representative, or his or her designee, Service Provider shall confirm that, to the best of its knowledge, all files and other information provided to TxDOT are complete and that no material element, amount, or other fraction of such files or other information to which TxDOT may request access or review has been deleted, withheld, disguised or encoded in a manner inconsistent with the purposes and intent of providing full and complete access to TxDOT as contemplated by this Agreement.

13.6 TxDOT Data – Correction and Restoration.

- (a) **Corrections.** The correction of any errors or inaccuracies in or with respect to TxDOT Data shall be performed by the Party that has operational responsibility for inputting such TxDOT Data into the applicable System. To the extent (i) Service Provider is operationally responsible for inputting such data or (ii) such errors or inaccuracies are attributable to the failure of Service Provider or Service Provider Personnel to comply with Service Provider's obligations under this Agreement, Service Provider shall bear the cost of correcting such errors or inaccuracies.
- (b) **Re-running of Corrected Data.** If the correction of errors or inaccuracies as described above

necessitates the re-running of corrected TxDOT Data and thereby results in the usage of additional Resource Units, TxDOT shall pay the applicable Charge as set forth in **Exhibit 4.0 Business Model**, unless the underlying errors or inaccuracies are attributable to the failure of Service Provider or Service Provider Personnel to comply with Service Provider's obligations under this Agreement (including the failure of Service Provider or Service Provider Personnel to adhere to applicable processes and controls that, if adhered to, would have enabled Service Provider or Service Provider Personnel to identify and timely correct such errors or inaccuracies, even if caused by TxDOT), in which case Service Provider shall be financially responsible for any additional Resource Units usage resulting from the re-running of corrected data.

- (c) **Restoration of Data.** The restoration of any destroyed, lost or altered TxDOT Data shall be performed through generally accepted data restoration techniques by the Party that has operational responsibility under **Exhibit 4.2 Financial Responsibility Matrix** for maintaining the System on which such TxDOT Data resides and for creating and maintaining backup copies of such TxDOT Data. To the extent (A) Service Provider is operationally responsible for performing such restoration or (B) such destruction, loss or alteration is attributable to the failure of Service Provider or Service Provider Personnel to comply with Service Provider's obligations under this Agreement, Service Provider shall bear the cost of restoring such data to the most recent required back-up.

13.7 Survival.

Notwithstanding the expiration or any termination of this Agreement, (A) the limitations on use and disclosure by Service Provider under this **Article 13** with respect to TxDOT Personal Data and TxDOT Regulated data shall survive the expiration or any termination of this Agreement and shall be perpetual and (B) each Party's confidentiality obligations under this Agreement shall continue for any period required by applicable Law, or in the absence of a required period for seven (7) years after the expiration or termination of this Agreement, or, if sooner, until such time as the Confidential Information is publicly known and made generally available through no action or inaction of the receiving Party.

13.8 Requirements for Information in Legal Proceedings.

- (a) **Preservation of Legal Privilege.** If TxDOT notifies Service Provider, or Service Provider is otherwise aware, that particular TxDOT Confidential Information may be within TxDOT attorney-client or work-product privileges of TxDOT, then regardless of any applicable exclusions, Service Provider (A) shall not disclose such TxDOT Confidential Information or take any other action that would result in waiver of such privileges and (B) shall instruct all Service Provider Personnel who may have access to such communications to maintain privileged material as strictly confidential and otherwise protect TxDOT privileges.
- (b) **Service Provider Responsibility for TxDOT Information.** To the extent requested by TxDOT, Service Provider shall comply with TxDOT litigation response plan, including policies and procedures to prepare for and respond to discovery requests, subpoenas, investigatory demands, and other requirements for information related to legal and regulatory proceedings, as such plan may be revised from time to time, including preparing for and complying with requirements for preservation and production of data in connection with legal and regulatory proceedings and government investigations. Upon receipt of any request, demand, notice, subpoena, order or other legal information request relating to legal proceedings or investigations by third parties relating to any Materials, TxDOT Confidential Information or related Systems in Service Provider's possession, Service Provider shall immediately notify TxDOT and provide TxDOT with a copy of all documentation of such legal information request, to the extent Service Provider legally may do so and shall cooperate with TxDOT in responding to such request, demand, notice, subpoena, order or other legal information request.
- (c) **Cost of Compliance.** Service Provider's cost of complying with this [Section 13.8 Requirements for Information in Legal Proceedings](#), shall be at no additional charge to TxDOT.

14 MATERIALS

14.1 TxDOT Owned and Licensed Materials.

- (a) **Ownership of TxDOT Owned Materials.** As between the Parties, TxDOT shall be the sole and exclusive owner of:
- (i) all Materials and other intellectual property owned by TxDOT as of the Effective Date,
 - (ii) all Materials and other intellectual property acquired by TxDOT on or after the Effective Date, and
 - (iii) certain Developed Materials as provided in [Section 14.2 Developed Materials](#), (collectively, "TxDOT Owned Materials"), including all United States and foreign patent, copyright, trade secret and other intellectual property rights ("IP Rights") that exist now or in the future in the TxDOT Owned Materials.
- (b) **License to TxDOT Owned Materials.** As of the Commencement Date, TxDOT hereby grants to Service Provider and, if and to the extent necessary for Service Provider to provide the Services, to Subcontractors designated by Service Provider, a non-exclusive, non-transferable, royalty-free limited right and license during the Term to Use the TxDOT Owned Materials provided by TxDOT to Service Provider for the express and sole purpose of providing the Services, subject to any conditions or limitations arising from the financial participation of United States federal government authorities in the development or acquisition of such TxDOT Owned Materials or otherwise imposed under applicable Laws. Service Provider shall have no right to the source code to such TxDOT Owned Materials unless and to the extent approved in advance in writing by TxDOT. TxDOT Owned Materials shall remain the property of TxDOT. Service Provider shall not:
- (i) use any TxDOT Owned Materials for the benefit of any person or Entity other than TxDOT,
 - (ii) separate or uncouple any portions of the TxDOT Owned Materials, in whole or in part, from any other portions thereof, or
 - (iii) reverse assemble, reverse engineer, translate, disassemble, decompile, or otherwise attempt to create or discover any source or human readable code, underlying algorithms, ideas, file formats or programming interfaces of the TxDOT Owned Materials by any means whatsoever, without the prior approval of TxDOT, which may be withheld at TxDOT's sole discretion.
- (c) Except as otherwise requested or approved by TxDOT, Service Provider shall cease all use of TxDOT Owned Materials upon the end of the Term and shall certify such cessation to TxDOT in a notice signed by an officer of Service Provider. THE TXDOT OWNED MATERIALS ARE PROVIDED BY TXDOT TO SERVICE PROVIDER ON AN AS-IS, WHERE-IS BASIS. TXDOT EXPRESSLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO THE TXDOT OWNED MATERIALS OR THE CONDITION OR SUITABILITY OF THE TXDOT OWNED MATERIALS FOR USE BY SERVICE PROVIDER TO PROVIDE THE SERVICES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- (d) **License to TxDOT Third Party Materials.** Subject to Service Provider having obtained any Required Consents, TxDOT hereby grants to Service Provider, for the sole purpose of performing the Services and subject to TxDOT's underlying rights and any conditions or limitations imposed under applicable Laws, the same rights of access and use as TxDOT possesses under the applicable licenses with respect to the TxDOT licensed Third Party Materials provided by TxDOT to Service Provider. Subject to Service Provider having obtained any Required Consents, TxDOT shall also grant such rights to Subcontractors designated by Service Provider if and to the extent necessary for Service Provider to provide the Services. Except as otherwise expressly agreed by the applicable third party licensors, Service Provider shall comply with the duties, including use restrictions and nondisclosure obligations, imposed on TxDOT by such licenses. If proof of entitlement for a license is not available, TxDOT will, at a minimum, notify Service Provider in writing of:
- (i) the name of the software product and vendor;

- (ii) the number of license available to TxDOT; and
 - (iii) any other duties, restrictions, and obligations know to TxDOT.
- (e) Except as otherwise requested or approved by TxDOT (or the relevant licensor), Service Provider shall cease all use of such Third Party Materials upon the end of the Term. THE TXDOT LICENSED THIRD PARTY MATERIALS ARE PROVIDED BY TXDOT TO SERVICE PROVIDER ON AN AS-IS, WHERE-IS BASIS. TXDOT EXPRESSLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO THE TXDOT LICENSED THIRD PARTY MATERIALS OR THE CONDITION OR SUITABILITY OF THE TXDOT LICENSED THIRD PARTY MATERIALS FOR USE BY SERVICE PROVIDER TO PROVIDE THE SERVICES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

14.2 Developed Materials.

- (a) **TxDOT Ownership.** Except as otherwise expressly provided in Sections 14.2(c) and 14.2(d) below, TxDOT shall be the sole and exclusive owner of all:
- (i) Developed Materials that are modifications, enhancements, improvements, or Upgrades to or Derivative Works of TxDOT Owned Materials, including all IP Rights therein, and
 - (ii) the copyright in all other Developed Materials that are provided to TxDOT as a Deliverable (as defined in Section 14.2(c) below).

All Developed Materials owned (or to be owned) by TxDOT pursuant to this Section 14.2(a) shall be considered "works made for hire" (as that term is used in the United States Copyright Act, 17 U.S.C. Section 101, or in analogous provisions of other applicable Laws). Service Provider hereby irrevocably and perpetually assigns, and shall assign, to TxDOT without further consideration to the extent of such ownership by TxDOT all of Service Provider's right, title and interest in and to such Developed Materials, including all IP Rights. Service Provider acknowledges that TxDOT and the successors and assignees of TxDOT shall have the right to obtain and hold in their own name all rights, title and interest in and to all such rights in such Developed Materials. Service Provider agrees to execute any documents and take any other actions reasonably requested by TxDOT to effectuate the purposes of this Section 14.2(a). TxDOT hereby grants Service Provider certain license and other rights with respect to such Developed Materials, as described in Section 14.1(b).

- (b) **Source Code and Documentation.** Service Provider shall, promptly as it is developed by Service Provider, provide TxDOT with the source code and configurations, if any, and object code and documentation for all Developed Materials owned by TxDOT pursuant to Section 14.2(a) above. Such source code and technical documentation shall be sufficient to allow a reasonably knowledgeable and experienced programmer to maintain and support such Materials. The user documentation for such Materials shall accurately describe in terms understandable by a typical Authorized User the functions and features of such Materials and the procedures for exercising such functions and features.
- (c) **Service Provider Owned Developed Materials.** Service Provider shall be the sole and exclusive owner of all Developed Materials that are modifications, enhancements, improvements, or Upgrades, to or Derivative Works of, Service Provider owned Materials or to the extent not owned by TxDOT pursuant to Section 14.2(a) above, including all IP Rights in such Materials; provided, however, that if the creation of any such Developed Material is specifically requested by TxDOT and is provided through performance of the Services, it shall be treated as commercially available Service Provider owned Developed Material for purposes of all license and other rights of TxDOT therein granted pursuant to this Agreement, including under Section 14.6 Ongoing TxDOT Rights. TxDOT acknowledges that Service Provider and the successors and assignees of Service Provider shall have the right to obtain and hold in their own name all rights, title and interest in and to Developed Materials owned by Service Provider pursuant to this Section 14.2(c). TxDOT agrees to execute any documents and take any other actions reasonably requested by Service Provider to effectuate the purposes of this Section 14.2(c). Service Provider hereby grants TxDOT certain license and other rights with respect to such Developed Materials, as described in Sections 14.3(b) and Section 14.6 Ongoing TxDOT Rights.

- (d) **Third Party Materials.** The ownership of Derivative Works of Third Party Materials created by Service Provider in connection with the Services shall, as between Service Provider and TxDOT, be considered Developed Materials owned by TxDOT. TxDOT's ownership of such Derivative Works may be subject to, or limited by, the terms of the underlying agreement with the owner of the underlying Third Party Materials; provided that Service Provider shall notify TxDOT in advance if the terms of any such agreement will preclude or limit TxDOT's ownership of such Derivative Work and shall obtain TxDOT's consent prior to proceeding with such Derivative Work.
- (e) **Disclosure by Service Provider of Developed Materials.** Service Provider shall promptly disclose in writing to TxDOT the Developed Materials that are developed under this Agreement. With respect to each disclosure, Service Provider shall indicate the features or concepts that it believes to be new or different.
- (f) **Waiver of Moral Rights.** To the extent permitted by Law, Service Provider hereby waives and shall cause Service Provider Personnel who will provide any Services to waive any moral rights, reversionary rights, artist rights, or any similar rights in the TxDOT owned Developed Materials, such as the right to be named as author, the right to modify, the right to prevent mutilation and the right to prevent commercial exploitation, whether arising under the Berne Convention or otherwise. Service Provider acknowledges the receipt of equitable compensation for its assignment and waiver of such moral rights, reversionary rights, artist rights, or any similar rights and agrees to provide equitable compensation to Service Provider Personnel for any assignment or waiver of moral rights.

14.3 Service Provider Owned and Licensed Materials.

- (a) **Ownership of Service Provider Owned Materials.** As between the Parties, Service Provider shall be the sole and exclusive owner of the:
 - (i) Materials and other intellectual property lawfully owned by it or its Affiliates prior to the Effective Date;
 - (ii) Materials and other intellectual property acquired by Service Provider or its Affiliates on or after the Effective Date (including any such Materials and intellectual property purchased from TxDOT pursuant to this Agreement) other than Materials and other intellectual property obtained by Service Provider or its Affiliates from third parties specifically for or on behalf of TxDOT;
 - (iii) certain Developed Materials as provided in [Sections 14.2\(c\) Service Provider Owned Developed Materials](#) and [14.2\(d\) Third Party Materials](#); and
 - (iv) Materials and other intellectual property that are not developed by or on behalf of Service Provider pursuant to this Agreement or otherwise paid for by TxDOT under this Agreement (collectively, "Service Provider owned Materials"), including all IP Rights in the Service Provider owned Materials.
- (b) **License to Service Provider Owned Materials.** As of the Commencement Date, Service Provider hereby grants to TxDOT during the Term, at no additional charge, a world-wide, non-exclusive, irrevocable, royalty-free right and license to Use, with the right to allow, Service Component Providers, TxDOT Contractors and other third parties to Use for the benefit of or Use by TxDOT, the Service Provider owned Materials (including all modifications, replacements, Upgrades, enhancements, improvements, methodologies, tools, documentation, materials, configurations, and media related thereto), including to
 - (i) receive the full benefit of the Services;
 - (ii) perform or have performed services of the nature of the Services, including in-scope processes and services;
 - (iii) monitor, access, interface with or use the Materials then being used in the performance of the Services; and
 - (iv) perform or have performed ancillary services and functions, including related information technology services and functions, and modifying the Service Provider owned Materials for

continued Use after the expiration or termination of this Agreement.

Service Provider owned Materials shall remain the property of Service Provider. The rights and obligations of TxDOT and their designee(s) with respect to such Service Provider owned Materials following the expiration or any termination of this Agreement, in whole or in part, are set forth in [Section 14.6 Ongoing TxDOT Rights.](#)

- (c) **License to Service Provider Third Party Materials.** As of the Commencement Date, and subject to Service Provider having obtained any Required Consents, Service Provider hereby grants to TxDOT during the Term, at no additional charge, a world-wide, non-exclusive, irrevocable, royalty-free right and license to Use, with the right to grant sublicenses to TxDOT Contractors and other third parties to Use, the Third Party Materials for which Service Provider holds the license or for which Service Provider is financially responsible under this Agreement (including all modifications, replacements, Upgrades, enhancements, improvements, methodologies, tools, documentation, materials, configurations, and media related thereto) for the benefit of TxDOT, including to:
- (i) receive the full benefit of the Services;
 - (ii) perform or have performed services of the nature of the Services, including in-scope processes and Services;
 - (iii) monitor, access, interface with or use the Materials then being used in the performance of the Services; and
 - (iv) perform or have performed ancillary services and functions, including related information technology services and functions, and modifying the Service Provider owned Materials for continued Use after the expiration or termination of this Agreement.

To the extent a TxDOT Contractor requires a license to Service Provider licensed Third Party Materials for the performance of services or functions previously performed by Service Provider in circumstances in which the services or functions in question have not been terminated or taken completely away from Service Provider and such Third Party Software is generally commercially available at established market rates, if Service Provider is required to buy additional licenses to accommodate such use by a TxDOT Contractor, then TxDOT or the TxDOT Contractor shall pay shall reimburse Service Provider for such license fees, provided that Service Provider notifies TxDOT of such fee, obtains TxDOT's approval prior to incurring it; and uses commercially reasonable efforts (including providing TxDOT the benefit of discounted license fees that are available to Service Provider under the circumstances) to minimize any fee to be paid or reimbursed by TxDOT or the TxDOT Contractor. Except as provided in this provision, neither TxDOT nor the TxDOT Contractors shall be required to pay any other fees or expenses in connection with such licenses to such Third Party Software. The rights and obligations of TxDOT and their designee(s) with respect to such Service Provider licensed Third Party Materials following the expiration or any termination of this Agreement, in whole or in part, are set forth in [Section 14.6 Ongoing TxDOT Rights.](#)

- (d) **Embedded and Dependent Materials.** To the extent that Service Provider owned Materials or Third Party Materials are either (i) embedded in or (ii) dependent on or necessary for the Use of any Developed Materials owned by TxDOT pursuant to [Section 14.2 \(a\) TxDOT Ownership](#) or any Third Party Materials that TxDOT licenses, then subject to [Section 14.2 \(d\) Third Party Materials](#) Service Provider shall not be deemed to have assigned its or any third party's intellectual property rights in such Materials to TxDOT, but Service Provider hereby grants to TxDOT a world-wide, non-exclusive, perpetual, irrevocable, royalty-free right and license to Use, with the right to allow Service Component Providers, TxDOT Contractors and other third parties the right to Use for the benefit of or Use by TxDOT, such Materials (including all modifications, replacements, Upgrades, enhancements, improvements, methodologies, tools, documentation, materials, configurations, and media related thereto); provided, however, such license shall not extend to TxDOT's commercial exploitation of such Service Provider owned Materials or Third Party Materials on a stand-alone basis. Following the expiration or any termination of this Agreement and the termination of the Service(s) for which such Service Provider owned Materials were used, Service Provider shall, at TxDOT's request, provide Upgrades, maintenance, support and other services for such Service Provider owned Materials or Third Party Materials in accordance with [Section 14.6 \(b\) Service Provider Owned Materials](#), or [14.6 \(c\) Third Party Materials](#), as applicable.

- (e) **Source Code Escrow.** At TxDOT's request, Service Provider shall deposit in escrow with an escrow agent selected by TxDOT the source code and related documentation for Service Provider owned Materials consisting of Software in any of the following circumstances: (A) in the case of any such Software that is no longer routinely supported by Service Provider; or (B) in the case of any such Software for which source code is made available to other Service Provider customers (including through such escrow arrangements).

In the event of the occurrence of any event giving rise to termination of this Agreement by TxDOT pursuant to [Section 20.4 Termination for Insolvency.](#), Service Provider shall provide reasonable assurance to TxDOT that such occurrence has not and shall not jeopardize Service Provider owned Materials continuing to be routinely supported by Service Provider comparable to that provided prior to such occurrence. If Service Provider shall be unable to comply with the foregoing to TxDOT's reasonable satisfaction, Service Provider shall, upon direction from TxDOT, comply with the obligations of this [Section 14.3 \(e\) Source Code Escrow](#) as if such Service Provider owned Materials were then no longer routinely supported by Service Provider.

At TxDOT's request, Service Provider shall deposit in escrow, with an escrow agent selected by TxDOT, the source code and related documentation, to the extent available to Service Provider, for any Third Party Materials consisting of Software used by Service Provider to perform the Services; provided, however, that this obligation will not be applicable to Commercial Off-the-Shelf (COTS) Third Party Materials. Any such escrow shall be governed by and subject to the terms and conditions appearing in the Escrow Agreement attached hereto as **Attachment C Form of Source Code Escrow Agreement**, as such terms and conditions may be modified by TxDOT and the escrow agent. Unless approved by TxDOT, Service Provider shall not use any Third Party Materials consisting of Software for the performance of the Services without obtaining the right to the source code for such software, other than COTS Third Party Materials as permitted above, whether by escrow or otherwise. While Service Provider shall not be required to escrow third party COTS software, Service Provider shall ensure that Service Provider provides all licenses and other rights required under this Agreement.

14.4 Work Product; Other Materials.

All Work Product shall be owned by TxDOT. TxDOT shall have all right, title, and interest in and to the Work Product and all copies made from them. To the extent any Work Product is not deemed a "**work made for hire**" by operation of law, Service Provider hereby irrevocably assigns, transfers, and conveys, and shall cause its employees, contractors, and agents to assign, transfer and convey, to TxDOT without further consideration all of its and their right, title, and interest in and to such Work Product, including all rights of copyright, trade secret, moral rights, and other similar rights in such materials. Service Provider acknowledges, and shall cause its employees, contractors, and agents to acknowledge that TxDOT and the successors and permitted assignees of TxDOT shall have the right to obtain and hold in their own name any such intellectual property rights in and to such Work Product. Service Provider agrees to execute, and shall cause its employees, contractors, and agents to execute, any documents or take any other actions as may reasonably be necessary, or as TxDOT may reasonably request, to perfect TxDOT's ownership of any such Work Product. This Agreement shall not confer upon either Party intellectual property rights in Materials of the other Party (to the extent not covered by this [Article 14 MATERIALS](#)) unless otherwise so provided elsewhere in this Agreement.

14.5 General Rights.

- (a) **Copyright Legends.** Each Party agrees to reproduce copyright legends which appear on any portion of the Materials which may be owned by the other Party or third parties.
- (b) **No Implied Licenses.** Except as expressly specified in this Agreement, nothing in this Agreement shall be deemed to grant to one (1) Party, by implication, estoppel or otherwise, license rights, ownership rights or any other intellectual property rights in any Materials owned by the other Party or any Affiliate of Service Provider.
- (c) **Incorporated Materials.** Without limiting the provisions of [6.5 Assignment of Licenses, Leases, and Related Agreements](#), should either Party incorporate into Developed Materials any intellectual property subject to third party patent, copyright or license rights, any ownership or license rights granted herein with respect to such Materials shall be limited by and subject to any such patents, copyrights or license

rights; provided that, prior to incorporating any such intellectual property in any Materials, the Party incorporating such intellectual property in the Materials has disclosed this fact and obtained the prior approval of the other Party.

- (d) **Residuals.** This Agreement shall not restrict an individual who is an employee or representative of a Party from using ideas, concepts, or know-how relating to the provision of information technology, network management and data processing products and services that are retained solely in the unaided memory of such individual after performing the obligations of such Party under this Agreement, except to the extent that such use infringes upon any patent, copyright or trademark right of a Party (or in the case of TxDOT) or its Affiliates; provided, however, that this [Section 14.5 \(d\) Residuals](#) shall not operate or be construed as permitting an employee or representative of Service Provider to disclose, publish, disseminate, or use:
- (i) the source of any proprietary information of TxDOT,
 - (ii) any financial, statistical or personnel information of TxDOT, or
 - (iii) the operational plans of TxDOT. An individual's memory is unaided if the individual has not intentionally memorized the information for the purpose of retaining and subsequently using or disclosing it as otherwise permitted under this [Section 14.5 \(d\) Residuals](#) and does not identify the information as Confidential Information upon recollection.
- (e) **Termination or Expiration.** In the event of termination or expiration of this Agreement and in addition to the ownership and licensing rights described above, Service Provider hereby provides a perpetual, irrevocable, worldwide, royalty-free, fully paid up right and license to TxDOT to Use the Materials and Management Tools that were utilized in providing the Services or New Services in use upon termination or expiration of the Agreement. Such license to Use will allow TxDOT to continue to use the Materials and Management Tools that were utilized in providing the Services or New Services, so that such Services or New Services may continue to be offered uninterrupted to TxDOT's customers or consumers. By way of illustration only, if Service Provider uses or embeds automation scripts or other proprietary or commercially-available products in order to deliver or manage the Services, TxDOT has the unrestricted right and license to continue offering the Services post-expiration or post-termination, including use of such automation scripts or other proprietary or commercially-available products for that purpose. The Parties agree that the purpose of this right and license to the Materials and Management Tools is to ensure uninterrupted offering of Services, including the full benefit of such Services, even if Service Provider is no longer a vendor of services to TxDOT.

14.6 Ongoing TxDOT Rights.

As part of Termination Assistance Services, Service Provider shall provide the following to TxDOT and their designee(s) with respect to Materials:

- (a) **TxDOT Owned and Licensed Materials.** With respect to TxDOT Owned Materials and TxDOT licensed Third Party Materials, Service Provider shall, at no cost to TxDOT:
- (i) deliver to TxDOT all such Materials and all copies thereof in the format and medium in use to provide the Services; and
 - (ii) following confirmation by TxDOT that the copies of such Materials delivered by Service Provider are acceptable and the completion by Service Provider of any Termination Assistance Services for which such Materials are required, destroy or securely erase all other copies of such Materials then in Service Provider's possession, and cease using such Materials and any information contained therein for any purpose.
- (b) **Service Provider Owned Materials.**
- (i) **Commercially Available Service Provider Owned Materials.** With respect to those Materials owned by Service Provider or Service Provider Affiliates or Subcontractors that are implicated by the Assistance Event that are used to provide the Services (including all modifications, replacements, Upgrades, enhancements, improvements, methodologies, tools, documentation,

materials and media related thereto) and that are commercially licensed or otherwise commercially available:

- (A) Service Provider hereby grants to TxDOT (or, at TxDOT's election, to their designee(s)) a worldwide, perpetual, non-exclusive, irrevocable, royalty-free, fully paid-up license on standard terms and conditions no less favorable than those offered generally by Service Provider to commercial licensees of such Materials (or at TxDOT election under then current terms and conditions applicable between Service Provider and TxDOT for similar items) to Use, with the right to grant sublicenses to Use, such Materials and the IP Rights therein; provided that, in all events, such terms and conditions shall be at least broad enough to permit TxDOT following the expiration or termination of the Agreement, to continue to use such Materials to provide for the Services and uses for which such Materials are in use at the time of such expiration or termination;
 - (B) Service Provider shall deliver to TxDOT (or, at TxDOT's election, to their designee(s)) (A) a copy of such Materials and related documentation, (B) the source code and object code for such Materials to the extent such code is reasonably necessary to permit them to Use such Materials, (C) the source code and object code for such Materials that are not COTS products and (D) the source code and object code for such Materials that are COTS products if Service Provider does not offer or provide upgrades, maintenance, support and other services for such Service Provider owned Materials as provided in **Section 14.6(b)**; and
 - (C) Service Provider shall offer to provide to TxDOT (or, at TxDOT's election, to their designee(s)) Upgrades, maintenance, support and other services for such Materials on reasonable commercial terms and conditions and for reasonable fees and charges (on the basis of most favored customer pricing based on Service Provider customers receiving similar volumes of services similar to such Upgrades, maintenance, support and other services).
- (ii) **Non-Commercially Available Service Provider Owned Materials.** With respect to those Materials owned by Service Provider or Service Provider Affiliates or Subcontractors that are implicated by the Assistance Event that are used to provide the services (including all modifications, replacements, Upgrades, enhancements, improvements, methodologies, tools, documentation, materials and media related thereto) and that are not then commercially licensed or otherwise commercially made available, unless otherwise expressly agreed by TxDOT in writing prior to the first use of such Materials, Service Provider hereby grants to TxDOT (or, at TxDOT's direction, its designee) a worldwide, perpetual, irrevocable, non-exclusive, non-transferable (except to the extent this Agreement is assigned in accordance with this Agreement) a fully paid-up license, to Use such Materials and the IP Rights therein following the expiration or termination of the term or termination of the Service(s) for which such Materials were in use. Such license shall be limited to the use of such Materials by TxDOT (or, at TxDOT's direction, its designee) or such other uses permitted under this Agreement. Unless TxDOT has otherwise consented prior to the first use of such Materials, TxDOT (or, at TxDOT's direction, its designee) shall not be obligated to pay any license or transfer fees in connection with its receipt of the licenses and other rights specified above.
- (A) If Service Provider is unwilling or unable to grant TxDOT or its designee the license and other rights described in the preceding paragraph, Service Provider shall so notify TxDOT and shall not use such non-commercially available Materials to provide the Services without TxDOT's prior written approval. In seeking TxDOT's approval, Service Provider may propose alternative terms, such as a fee for such license, a limitation on the use of such Materials by TxDOT Contractors, or a limitation on the license period and/or the substitution of a functionally equivalent product.
 - (B) At TxDOT's request, Service Provider shall provide Upgrades, maintenance, support, and other services for such non-commercially available Materials on reasonable commercial terms and conditions (on the basis of most favored customer pricing based on other commercial customers receiving similar volumes of services similar to such Upgrades, maintenance, support and other services). If Service Provider fails to offer or provide

Upgrades, maintenance, support, or other services, Service Provider shall deliver source code and object code for such Materials to the extent such materials include source code, together with the right to modify, enhance and create derivative works of such materials.

- (C) Notwithstanding the foregoing, during the Termination Assistance Services period, Service Provider may substitute a license for Third Party Software or Materials sufficient to perform, without additional cost, support or resources and at the levels of performance and efficiency required by this Agreement, the functions of such non-commercially available Materials. If it proposes to do so, Service Provider shall notify TxDOT and describe in detail the features, functionality and cost of the substitute product. TxDOT may, in its sole discretion, elect to use a different product for such purpose. In such case, Service Provider shall direct the amount it would have expended in procuring the proposed substitute product toward the procurement of the product selected by TxDOT.
 - (D) Unless TxDOT has otherwise agreed in advance, TxDOT (and, to the extent applicable, its designee(s)) shall not be obligated to pay any fees or costs in connection with its receipt of the licenses and other rights contained in this [Section 14.6 \(b\) Service Provider Owned Materials](#). Service Provider's use of any such Materials to provide the Services shall obligate Service Provider to provide, at no additional cost, the license and other rights set forth in this [Section 14.6 \(b\) Service Provider Owned Materials](#), to TxDOT and their designees.
- (c) **Third Party Materials.** With respect to Third Party Materials for which Service Provider holds the license or for which Service Provider is financially responsible under this Agreement, upon the effective date of an Assistance Event, Service Provider hereby grants to TxDOT (or, at TxDOT's election, to their designee(s)) a sublicense (with the right to grant sublicenses) on the same rights and terms (including warranties) that are available to Service Provider (or Service Provider's Affiliates or Subcontractors) to such Third Party Materials that are implicated by that Assistance Event for the benefit of TxDOT; provided that, during the applicable period of time in which Service Provider performs the relevant Termination Assistance Services, Service Provider may, with TxDOT's approval, substitute one of the following for such sublicense: (A) the transfer or assignment to TxDOT (or, at TxDOT's election, to their designee(s)) of the underlying license for such Third Party Materials on terms and conditions acceptable to all applicable parties; (B) the procurement for TxDOT (or, at TxDOT's election, to their designee(s)) of a new license (with terms at least as favorable as those in the license held by Service Provider or its Affiliates or Subcontractors and with the right to either grant sublicenses or allow a third party the right to access and Use such Materials for the benefit of or Use by TxDOT to such Third Party Materials for the benefit of TxDOT; or (C) the procurement for TxDOT (or, at TxDOT's election, to their designee(s)) of a substitute license for new Third Party Materials sufficient to perform, without additional cost, support or resources and at the levels of performance and efficiency required by this Agreement, the functions of such Third Party Materials.
- (i) Service Provider shall deliver to TxDOT (or, at TxDOT's election, to their designee(s)) a copy of such Third Party Materials (including source code, to the extent it has been available to Service Provider) and related documentation and shall cause maintenance, support and other services to continue to be available to TxDOT (or, at TxDOT's election, to their designee(s)) to the extent it has been available to Service Provider. Unless TxDOT has otherwise agreed in advance in accordance with [Section 6.4 \(c\) General Rights](#), TxDOT shall not be obligated to pay any fees or costs in connection with their receipt of the licenses, sublicenses and other rights specified in this [14.6 \(c\) Third Party Materials](#). Service Provider shall not use any Third Party Materials in connection with the Services for which it is unable to offer the license or other rights set forth in this [14.6 \(c\) Third Party Materials](#) without TxDOT's prior written approval (and absent such approval, Service Provider's use of any such Third Party Materials shall obligate Service Provider to provide, at no additional cost, such license and other rights to TxDOT and their designees). TxDOT, however, shall be obligated to make monthly or annual payments attributable to periods after Service Provider's completion of all Termination Assistance Services with respect to the Services for which such Third Party Materials were used for the right to use and receive maintenance or support related thereto, but only to the extent Service Provider would have been

obligated to make such payments if it had continued to hold the licenses in question or TxDOT has agreed in advance to make such payments.

- (ii) To the extent TxDOT has agreed in advance to pay any fees or costs in connection with its receipt of the licenses, sublicenses or other rights set forth in this [14.6 \(c\) Third Party Materials](#), Service Provider shall, at TxDOT's request, identify the licensing and sublicensing options available to TxDOT and their designee(s), and the fees and costs associated with each. Service Provider shall use commercially reasonable efforts to obtain the most favorable options and the lowest possible fees and costs for Third Party Materials. Service Provider shall not commit TxDOT to paying any such fees or expenses without TxDOT's prior approval. If the licensor offers more than one form of license, TxDOT (not Service Provider) shall select the form of license to be received by TxDOT and their designee(s).
- (d) **Ownership of Deliverables.** All Deliverables shall be owned by TxDOT, and TxDOT shall have all right, title and interest, IP Rights in and to the Deliverables and all copies made from it, and all Deliverables are considered "works made for hire" by TxDOT as the "author" and owner. Service Provider shall document appropriately all Deliverables created by Service Provider. Service Provider further acknowledges, certifies, and agrees that: (A) TxDOT is and shall be deemed the exclusive owner throughout the world of all rights (including IP Rights) in and to the Deliverables for any and all purposes; (B) TxDOT has the unencumbered right to reproduce, reuse, alter, modify, edit, prepare derivative works based on, or to change the Deliverables as it sees fit and for any purpose; and (C) TxDOT has the right to exploit any or all of the foregoing in any and all media, now known or hereafter devised, throughout the universe, in perpetuity, in all configurations as TxDOT determines in its sole discretion.

Service Provider hereby irrevocably and unconditionally waives any and all "moral rights" and any analogous rights, including rights of attribution, paternity and integrity, arising under any Law, that Service Provider has in the Deliverables, and any contribution thereto, and hereby agrees not to make any claim against TxDOT or any party authorized by TxDOT to exploit the Deliverables based on such "moral rights" and any analogous rights. Unless otherwise permitted by Law, Service Provider shall not, at any time during or after the Term, dispute or contest, directly or indirectly, TxDOT's exclusive right and title to the Deliverables and the IP Rights related thereto or the validity thereof. Notwithstanding anything in this Agreement to the contrary, TxDOT shall have a non-exclusive, royalty-free, fully paid-up, irrevocable, non-transferable license to any Service Provider intellectual property incorporated or embedded in Deliverables.

15 REPRESENTATIONS, WARRANTIES, AND COVENANTS

15.1 Work Standards.

Service Provider represents, warrants, and covenants that (i) the Services shall be rendered with promptness, due care, skill, and diligence; (ii) the Services shall be executed in a professional and workmanlike manner, in accordance with the Service Levels and accepted industry standards of first tier providers of services that are the same as or similar to the Services; (iii) Service Provider shall use adequate numbers of qualified individuals with suitable training, education, experience, know-how, competence, and skill to perform the Services; (iv) Service Provider shall provide such individuals with training as to new products and services prior to the implementation of such products and services in TxDOT's environments; and (v) Service Provider shall have the resources, capacity, expertise and ability in terms of Equipment, Materials, know-how, and personnel to provide the Services.

15.2 Maintenance.

Service Provider Responsibility. Service Provider represents, warrants, and covenants that, unless otherwise agreed and to the extent it has operational responsibility under this Agreement, it shall maintain the Equipment and Software so that they operate substantially in accordance with the Service Levels and their Specifications, including (i) maintaining Equipment in good operating condition, subject to normal wear and tear, (ii) undertaking repairs and preventive maintenance on Equipment in accordance with the applicable Equipment manufacturer's recommendations and requirements, and (iii) performing Software maintenance

in accordance with the applicable Software supplier's documentation, recommendations and requirements.

15.3 Efficiency and Cost Effectiveness.

Service Provider represents, warrants, and covenants that it shall use commercially reasonable efforts to provide the Services in a cost-effective and efficient manner consistent with the required level of quality and performance. Without limiting the generality of the foregoing, such efforts shall include:

- (a) **Timing of Actions.** Making adjustments in the timing of actions (consistent with TxDOT priorities and schedules for the Services and Service Provider's obligation to meet the Service Levels).
- (b) **Timing of Functions.** Delaying or accelerating, as appropriate, the performance of non-critical functions within limits acceptable to TxDOT.
- (c) **Systems Optimization.** Tuning or optimizing the Systems (including memory), Applications Software, databases and/or processes to optimize performance and minimize costs.
- (d) **Usage Scheduling.** Controlling its use of the System and/or the TxDOT data network by scheduling usage, where possible, to low utilization periods.
- (e) **Alternative Technologies.** Subject to [Section 9.4 Processes, Procedures, Architecture, Standards and Planning](#), using alternative technologies to perform the Services.
- (f) **Efficiency.** Efficiently using resources for which TxDOT is charged hereunder, consistent with industry norms, and compiling data concerning such efficient use in segregated and auditable form whenever possible.

15.4 Intellectual Property.

- (a) **Ownership and Use.** Service Provider represents, warrants, and covenants that: (1) it is either the owner of, or is authorized to use, and possesses sufficient rights to grant the rights and licenses contained in this Agreement to, any and all Materials, Equipment, Systems, or Services and other resources or items utilized or provided or both by Service Provider and (2) that such Materials, Equipment, Systems, or Services and other resources or items utilized and/or provided by Service Provider shall not infringe the IP Right of any third party. As to any such Materials, Equipment, Systems, Services, resources, or items that Service Provider does not own, Service Provider shall advise TxDOT in writing as to the ownership and extent of Service Provider's rights with regard to such Materials, Equipment, Systems, Services, resources, or items to the extent any limitation in such rights would materially impair Service Provider's performance of its obligations under this Agreement or the right and licenses granted by Service Provider under this Agreement.
- (b) **Performance.** Service Provider represents, warrants and covenants that any Service Provider Owned Materials consisting of Software and any Equipment provided by Service Provider shall Comply in all material respects with their applicable documentation and Specifications and shall provide the functions and features and operate in the manner described therein during the Warranty Period.
- (c) **Developed Materials Compliance.** Service Provider warrants and covenants that Developed Materials and Services shall at all times during the Warranty Period (i) be free from material errors in operation and performance, (ii) shall Comply in all material respects with the applicable documentation and Specifications, (iii) shall not infringe the IP Rights of any third party, and (iv) shall provide the functions and features and operate in the manner described in **Exhibit 2 Service Model** or otherwise agreed by the Parties (including in the Transition Plan). During the Warranty Period, Service Provider shall correct any failure to Comply at no additional charge to TxDOT and shall use commercially reasonable efforts to do so as expeditiously as possible. In the event that Service Provider fails or is unable to repair or replace such nonconforming Developed Material, TxDOT shall, in addition to any and all other remedies available to it hereunder, be entitled to obtain from Service Provider a copy of the source code and/or object code and/or other applicable documentation to such Developed Material, provided that with respect to any such provided source code for Service Provider owned Developed Materials, TxDOT (or its designee) may utilize such source code only for the repair or maintenance of such Service Provider owned Developed Material, and/or to facilitate the Termination Assistance Services to be provided by

Service Provider during the Termination Assistance period (to the extent reasonably necessary for TxDOT to continue to have Services performed for it pursuant to the terms of this Agreement). The foregoing warranties and covenants will not extend to any failure of any Service Provider to Comply attributable to:

- (i) any change or modification to the Developed Material requested by TxDOT not contemplated by this Agreement, and for which Service Provider or its Affiliate or Subcontractor provides notice as being outside the scope of this Agreement; or
- (ii) TxDOT operating such Developed Material contrary to
 - (A) the applicable documentation and Specifications,
 - (B) for the purpose(s) contemplated by this Agreement, or
 - (C) on types of hardware contemplated by this Agreement or recommended, supplied or approved by Service Provider.
- (d) **Nonconformity of Service Provider Owned Software.** In the event that the Service Provider owned Materials consisting of Software (excluding Service Provider owned Developed Materials that are addressed in [Section 15.4 \(c\) Developed Materials Compliance](#)) or any Equipment provided by Service Provider do not Comply with their applicable documentation and Specifications and/or materially adversely affects the Services provided hereunder, Service Provider shall, at its sole cost and expense and without any charge to TxDOT or any other TxDOT Contractors, expeditiously repair such Software or Equipment, or replace such Software or Equipment with conforming Software or Equipment.

15.5 Non-Infringement.

- (a) **Performance of Responsibilities.** Except as otherwise provided in this Agreement, each Party represents, warrants and covenants that it shall perform its obligations and responsibilities under this Agreement in a manner that does not infringe or misappropriate, or constitute an infringement or misappropriation of, any patent, copyright, trademark, trade secret or other intellectual property, proprietary or privacy rights of any third party; provided, however, that the performing Party shall not have any obligation or liability to the extent any infringement or misappropriation is caused by (A) modifications made by the other Party or its contractors or subcontractors, without the approval of the performing Party, (B) the other Party's combination of the performing Party's work product or Materials with items not furnished, specified, recommended, or approved by the performing Party or contemplated by this Agreement, (C) a breach of this Agreement by the other Party, (D) the failure of the other Party to use corrections or modifications provided by the performing Party offering equivalent features and functionality, (E) adherence to detailed specifications provided by the other Party that the performing Party is required to comply with (provided the performing Party notifies the other Party of the possibility of infringement or misappropriation if and to the extent it knows or reasonably should know of such possibility), or (F) Third Party Materials, except to the extent that such infringement or misappropriation arises from the failure of the performing Party to obtain the necessary licenses or Required Consents or to abide by the limitations of the applicable Third Party Materials licenses. Each Party further represents, warrants and covenants that it shall not use or create Materials in connection with the Services which are libelous, defamatory or obscene.
- (b) **Third Party Materials Indemnification.** In addition, with respect to Third Party Materials provided by Service Provider pursuant to this Agreement, Service Provider covenants that it shall either indemnify, defend, and hold TxDOT harmless from and against any Losses arising out of or relating to such Third Party Materials, or it shall obtain and provide intellectual property indemnification for TxDOT (or obtain intellectual property indemnification for itself and enforce such indemnification on behalf of TxDOT) from the suppliers of such Materials. Unless otherwise approved in advance by TxDOT, such indemnification shall be:
 - (i) comparable to the intellectual property indemnification provided by Service Provider to TxDOT under this Agreement; or
 - (ii) the best indemnification reasonably available in the industry for the same or substantially similar

types of products for the intended use of such Materials

15.6 General.

- (a) **Service Provider.** Service Provider represents, warrants, and covenants to TxDOT that:
- (i) It is a corporation duly incorporated, validly existing and in good standing under the Laws of its state of incorporation;
 - (ii) It has the requisite corporate power and authority to execute, deliver, and perform its obligations under this Agreement;
 - (iii) Except as otherwise provided in [Article 5 REQUIRED CONSENTS](#), it has obtained all licenses, authorizations, approvals, consents, or permits required to perform its obligations under this Agreement under all applicable federal, state, or local Laws and under all applicable rules and regulations of all authorities having jurisdiction over the Services, including under all applicable Laws of the State;
 - (iv) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated by this Agreement have been duly authorized by the requisite corporate action on the part of such Party;
 - (v) The execution, delivery and performance of this Agreement shall not constitute a violation of any judgment, order or decree; a material default under any material contract by which it or any of its material assets are bound; or an event that would, with notice or lapse of time, or both, constitute such a default; and
 - (vi) As of the Effective Date there is, to Service Provider's knowledge, no pending claim, suit or proceeding against or affecting Service Provider or any of its Affiliates or Subcontractors that would reasonably be expected to adversely affect Service Provider's ability to perform and fulfill its obligations under this Agreement including, without limitation, actions pertaining to the proprietary rights described in [Sections 15.4 Intellectual Property](#), and [15.5 Intellectual Property](#). Service Provider shall notify TxDOT within fifteen (15) days of Service Provider's knowledge of any such claim, suit, or proceeding. Without limiting the terms of [Section 13.1\(b\) Disclosure of Confidential Information](#), Service Provider shall notify TxDOT, within forty-eight (48) hours, if process is served on Service Provider in connection with this Agreement where such matter may reasonably affect the Services or a Party's rights including any subpoena for Service Provider's records, and shall send a written notice of the service together with a copy of the same to TxDOT within seventy-two (72) hours of such service.
- (b) **TxDOT.** TxDOT represents, warrants, and covenants to Service Provider that:
- (i) TxDOT has statutory authority to enter into this Agreement and to perform its obligations hereunder; and
 - (ii) The execution, delivery, and performance of this Agreement shall not constitute a violation of any judgment, order, or decree; a material default under any material contract by which it or any of its material assets are bound; or an event that would, with notice or lapse of time, or both, constitute such a default.

15.7 Certifications.

Service Provider, for itself and on behalf of its Subcontractors, certifies that it:

- (a) Has not given, offered to give, and does not intend to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the Agreement,
- (b) Is not currently delinquent in the payment of any franchise tax owed the State of Texas and is not ineligible to receive payment under Section 231.006, Texas Family Code and acknowledges the Agreement may be terminated and payment withheld if this certification is inaccurate,

- (c) Represents and warrants that, in accordance with Government Code Section 2155.005, neither Service Provider nor the firm, corporation, partnership, or institution represented by Service Provider, or anyone acting for such firm, corporation, partnership, or institution has (1) violated any provision of the Texas Free Enterprise and Antitrust Act of 1983, Chapter 15, of the Texas Business and Commerce Code, or the federal antitrust laws, or (2) communicated the contents of the Response directly or indirectly to any competitor or any other person engaged in the same line of business as Service Provider for the purpose of obtaining an unfair price advantage,
- (d) Has not received payment from TxDOT or any of its employees for participating in the preparation of the Agreement,
- (e) Under Sections 2155.004 and 2155.006, Texas Government Code, is not ineligible to receive the specified contract and acknowledges that this Agreement may be terminated and payment withheld if this certification is inaccurate,
- (f) To the best of its knowledge and belief, knows there are no suits or proceedings pending or threatened against or affecting it, which if determined adversely to it will have a material adverse effect on the ability to fulfill its obligations under the Agreement,
- (g) Service Provider and its principals are not suspended or debarred from doing business with the federal government as listed in the System for Award Management (“SAM”) maintained by the General Services Administration;
- (h) As of the Effective Date, is not listed in the prohibited vendors list authorized by Executive Order #13224, "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism," published by the United States Department of the Treasury, Office of Foreign Assets Control;
- (i) Agrees that any payments due under this Agreement will be applied towards any debt, including but not limited to delinquent taxes and child support, that is owed to the State;
- (j) Is in compliance with Section 669.003, Texas Government Code, relating to contracting with executive head of a state agency;
- (k) It does not have any knowledge that any Service Provider Personnel or any employee of a Subcontractor performing Services under this Agreement is, or is a relative of, any current or former State employee, within three (3) degrees of consanguinity, and if these facts change during the Term, any failure by Service Provider to disclose to TxDOT the existence of any such employee relationship known to Service Provider shall give rise to a right by TxDOT to terminate this Agreement, in whole or in part, immediately for cause or exercise any other remedy under Applicable Law;
- (l) It Represents and warrants that the provision of Services or other performance under the Agreement will not constitute an actual or potential conflict of interest and certifies that it will not create the appearance of impropriety, and, if these facts change during the course of the Agreement, Service Provider certifies it shall disclose for itself and on behalf of Subcontractors, the actual or potential conflict of interest and any circumstances which create the appearance of impropriety;
- (m) Represents and warrants that TxDOT’s payment to Service Provider and Service Provider’s receipt of appropriated or other funds under this Agreement are not prohibited by Sections 556.005 or 556.008, Texas Government Code; and
- (n) Service Provider acknowledges the applicability of Sections 2155.444 and 2155.4441, Texas Government Code, in fulfilling the terms of the Agreement.
- (o) Service Provider shall comply with the requirements related to federal immigration laws and regulations, to include but not limited to Immigration and Reform Act of 1986, of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 ("IIRIRA"), and the Immigration Act of 1990 (8 U.S.C.1101, et seq.) regarding employment verification and retention of verification forms for any individual(s) hired on or after the effective date of 1996 Act, who will perform any labor or services under this Agreement. Nothing herein is intended to exclude compliance by Service Provider with all other relevant federal immigration statutes and regulations promulgated pursuant thereto.

- (p) Pursuant to Executive Order No. RP-80, issued by the Governor of Texas on December 3, 2014, and as subsequently clarified, the Service Provider shall, as a condition of this Contract, also comply with the United States Department of Homeland Security's E-Verify system to determine the eligibility of:
 - (i) all persons 1) to whom the E-Verify system applies, and 2) who are hired by the Service Provider during the term of this Contract to perform duties within Texas; and
 - (ii) all Subcontractors' employees 1) to whom the E-Verify system applies, and 2) who are hired by the Subcontractor during the term of this Contract and assigned by the Subcontractor to perform work pursuant to this Contract.
- (q) The Service Provider shall require its Subcontractors to comply with the requirements of this Section and the Service Provider is responsible for the compliance of its Subcontractors. Nothing herein is intended to exclude compliance by Service Provider and its Subcontractors with all other relevant federal immigration statutes and regulations promulgated pursuant thereto.
- (r) During the term, Service Provider shall, for itself and on behalf of its Subcontractors, promptly disclose to TxDOT all changes that occur to the foregoing certifications, representations and warranties. Service Provider covenants to fully cooperate in the development and execution of resulting documentation necessary to maintain an accurate record of the certifications, representations and warranties.

15.8 Inducements; TxDOT Code of Ethics.

In addition to these provisions applying to Service Provider, Service Provider shall impose the provisions of this Section in each of its subcontracts and each such representation, warranty, and covenant shall be fully applicable with respect to Service Provider and each Subcontractor:

- (a) **Reliance.** In executing this Agreement, TxDOT relies on Service Provider's representations, warranties and covenants regarding the following:
 - (i) Service Provider regularly provides the types of Services described in the RFO to other public or private entities;
 - (ii) Service Provider has the skills, qualifications, expertise, financial resources, and experience necessary to perform the Services described in this Agreement in an efficient, cost-effective manner, with a high degree of quality and responsiveness, and has performed similar Services for other public or private entities;
 - (iii) Service Provider has thoroughly reviewed, analyzed, and understood the RFO, has timely raised all questions or objections to the RFO, and has had the opportunity to review and fully understand the current program, operating environment for the Services, this Agreement and the needs and requirements of TxDOT and the State during the Term;
 - (iv) Service Provider has had the opportunity to review and understand the State's stated objectives in entering into this Agreement and, based on such review and understanding, Service Provider has the ability and capacity to perform the Services for the Term in accordance with the terms and conditions of this Agreement;
 - (v) Service Provider also has reviewed and understands all of the risks associated with the Services as described in the Agreement, including the risk of non-appropriation of funds;
 - (vi) Service Provider shall at all times be capable of and legally authorized to provide the Services; and
 - (vii) the Charges assessed to TxDOT shall be true and correct.
- (b) **Inducements.** Service Provider represents, warrants, and covenants that neither Service Provider nor any of its Affiliates, nor any employee of either, nor any member of the immediate family of any such employee has given or will give commissions, payments, kickbacks, lavish or extensive entertainment or other inducements of more than minimal value to any employee or agent of TxDOT in connection with this Agreement. Service Provider also represents, warrants, and covenants that, to the best of its knowledge, neither Service Provider nor any of its Affiliates, nor any employee of either, nor any

member of the immediate family of any such employee has given any such payments, gifts, entertainment or other thing of value to any employee or agent of TxDOT. Service Provider also acknowledges that the giving of any such payment, gift, entertainment or other thing of value is strictly in violation of TxDOT policy on conflicts of interest, and may result in the cancellation of this Agreement and other existing and future contracts between the Parties.

- (c) **TxDOT Code of Ethics.** Service Provider represents, warrants, and covenants that, in the performance of the Services and its other contractual obligations hereunder, it shall comply with the TxDOT Code of Ethics, as modified from time to time.
- (d) **No Interest.** Service Provider represents, warrants, and covenants that neither Service Provider nor any of its Affiliates, nor any employee of either, nor any member of the immediate family of any such employee has acquired or will acquire, any contractual, financial, business or other interest or advantage, direct or indirect, that would conflict in any manner or degree with Service Provider's performance of its duties and responsibilities to TxDOT under this Agreement or otherwise create an appearance of impropriety with respect to this Agreement; and Service Provider shall promptly inform TxDOT of any such interest that may be incompatible with the interests of TxDOT.
- (e) **No Abuse of Authority for Financial Gain.** Service Provider represents, warrants, and covenants that neither Service Provider nor any of its Affiliates, nor any employee of either, has used or shall use the authority provided or to be provided under this Agreement to improperly obtain financial gain, advantage or benefit for Service Provider, any of its Affiliates, any of their employees or any member of the immediate family of any such employee.
- (f) **No Use of Information for Financial Gain.** Service Provider represents, warrants, and covenants that neither Service Provider nor any of its Affiliates, nor any employee of either, has used or shall use any TxDOT Confidential Information acquired in connection with this Agreement to obtain financial gain, advantage, or benefit for Service Provider, any of its Affiliates, any of their employees, nor any member of the immediate family of any such employee, or any member of the immediate family of any such employee.
- (g) **Independent Judgment.** Service Provider represents, warrants, and covenants that neither Service Provider nor any of its Affiliates, nor any employee of either, has accepted or shall accept another TxDOT contract that would impair the independent judgment of Service Provider in the performance of this Agreement.
- (h) **No Influence.** Service Provider represents, warrants, and covenants that neither Service Provider nor any of its Affiliates, nor any employee of either, nor any member of the immediate family of any such employee, has accepted or shall accept anything of value, or an inducement that would provide a financial gain, advantage or benefit, based on an understanding that the actions of Service Provider, any such Affiliates or any such employees on behalf of TxDOT would be influenced thereby; and neither Service Provider nor any of its Affiliates shall attempt to influence any TxDOT employee by the direct or indirect offer of anything of value.
- (i) **No Payment Tied to Award.** Service Provider represents, warrants and covenants that neither Service Provider nor any of its Affiliates, nor any employee of either, nor any member of the immediate family of any such employee, has paid or agreed to pay any person or Entity, other than bona fide employees working solely for Service Provider or such Affiliates or any Subcontractors, any fee, commission, percentage, brokerage fee, gift or any other consideration, that is contingent upon or resulting from the award or execution of this Agreement.
- (j) **No Collusion.** Service Provider represents, warrants, and covenants that the prices presented in Service Provider's response to the RFO were arrived at independently, without consultation, communication, or agreement with any other proposer for the purpose of restricting competition, the prices quoted were not knowingly disclosed by Service Provider to any other proposer and no attempt was made by Service Provider to induce any other person or Entity to submit or not to submit a proposal for the purpose of restricting competition.

15.9 Security Vulnerabilities.

At all times during the Term, Service Provider shall maintain written plans and procedures designed to prevent the introduction of security vulnerabilities into TxDOT's environment or any System used to provide the Services, which such measures shall include plans to notify and update TxDOT of such security vulnerabilities and to mitigate the effects thereof. Each Party shall cooperate with the other Party and shall take commercially reasonable actions and precautions consistent with industry standards and TxDOT Rules and TxDOT Standards to prevent the introduction and proliferation of security vulnerabilities into TxDOT's environment or any System used to provide the Services and to notify the other Party expeditiously of any security vulnerabilities in any such environment or System of which it become aware. Without limiting Service Provider's other obligations under this Agreement, in the event security vulnerabilities are found in Equipment, Software, or Systems managed or supported by Service Provider, Service Provider shall, at no additional charge to TxDOT, eliminate or permanently quarantine such security vulnerabilities and reduce the effects of such security vulnerabilities and, if the security vulnerabilities cause a loss of operational efficiency or loss of data, mitigate such losses and restore such data with generally accepted data restoration techniques.

15.10 Disabling Code.

Service Provider represents, warrants, and covenants that, without the prior written consent of TxDOT, Service Provider shall not insert into the Software any code that could be invoked to disable or otherwise shut down all or any portion of the Software, Equipment, and/or Systems. Service Provider further represents, warrants, and covenants that, with respect to any disabling code that may be part of the Software, Service Provider shall not invoke or cause to be invoked such disabling code at any time, including upon expiration or any termination of this Agreement, without TxDOT's prior written consent. Service Provider also represents, warrants, and covenants that it shall use commercially reasonable efforts to not use Third Party Materials consisting of Software containing disabling code without the prior approval of TxDOT. For purposes of this provision, code that serves the function of ensuring software license compliance (including passwords) shall not be deemed disabling code, provided that Service Provider shall use commercially reasonable efforts to learn from third parties whether such code is included in third party products and shall notify TxDOT accordingly and obtain TxDOT's approval prior to installing such code in any Software, Equipment or System.

15.11 Compliance with Laws.

- (a) **Compliance by Service Provider.** Subject to Sections 15.11(d) and (e) below, Service Provider represents, warrants and covenants that, with respect to the provision of the Services and the performance of any of Service Provider's other legal and contractual obligations hereunder, Service Provider is and shall be in compliance in all material respects with all applicable Laws and shall remain in compliance with such Laws during the Term, including identifying and procuring applicable permits, certificates, approvals, and inspections required under such Laws. If any charge of non-compliance by Service Provider with any such Laws occurs or Service Provider is aware that it is not in compliance with such Laws that could have an adverse impact on the performance, receipt, or use of the Services, Service Provider shall promptly notify TxDOT of such charge or non-compliance, as applicable.
- (b) **Compliance Data and Reports.** At no additional charge, Service Provider shall provide TxDOT with data and reports in Service Provider's possession as reasonably necessary for TxDOT to comply with all Laws applicable to the Services (including the Equipment, Materials, and other resources it provides or has assumed operational responsibility hereunder).
- (c) **Materials, Equipment, and Systems Compliance.** Service Provider represents, warrants, and covenants that the Materials, Equipment, and Systems owned, developed, implemented, provided or used by Service Provider in providing the Services are in compliance with all applicable Laws and shall remain in compliance with such Laws during the Term.
- (d) **Notice of Laws.** Service Provider shall notify TxDOT of any Laws and changes in Laws applicable to the providers of services similar to the Services or to the performers of activities or functions similar to any of Service Provider's other legal and contractual obligations hereunder ("**Service Provider Laws**").

TxDOT shall notify Service Provider of any other Laws applicable to TxDOT, including those specific to TxDOT's business that are supported by Service Provider under this Agreement ("**TxDOT Laws**"), that would reasonably be expected to materially affect the Services or Service Provider's performance of its obligations under this Agreement. Service Provider shall undertake reasonable efforts, including through Service Provider Personnel, to maintain general familiarity with TxDOT Laws, and shall bring requirements of any such Laws known to Service Provider to TxDOT's attention. Subject to its non-disclosure obligation under other customer contracts, Service Provider shall use commercially reasonable efforts to obtain information regarding such requirements from other outsourcing customer engagements and to communicate such information to TxDOT in a timely manner. Each Party shall further use commercially reasonable efforts to advise the other of Laws and changes in Laws about which such Party becomes aware in any way impacting the performance, provision, receipt, and use of the Services, but without assuming an affirmative obligation of inquiry, except as otherwise provided herein, and without relieving the other Party of its obligations hereunder. At TxDOT's request, Service Provider Personnel shall participate in TxDOT provided compliance training programs.

- (e) **Interpretation of Laws or Changes in Laws.** Service Provider shall be responsible for interpreting and agrees to interpret Service Provider Laws and shall make adjustments to the Services as needed to maintain compliance with such Service Provider Laws. TxDOT shall be responsible for interpreting and agrees to interpret TxDOT Laws and, with Service Provider's cooperation, advise Service Provider of changes that must be made to the Services or Service Provider's other obligations under this Agreement that are required to maintain TxDOT's compliance with TxDOT Laws. In the event a change to the Services or other Service Provider's obligations under this Agreement is required in order to comply with applicable Laws, the Parties shall timely comply, with such implementation to be undertaken in accordance with Change Control and **Section 15.11(g) Termination** below, as applicable. For purposes of clarity, TxDOT maintains final approval rights, in its sole discretion, to interpret any such change needed under this **Section 15.11 (e)** relating to all applicable Laws provided, however, that such approval rights in the case of Service Provider Laws will be limited to those Service Provider Laws impacting or otherwise related to TxDOT's operating environment. To the extent the impact of any Law (including change in Law) applicable to the provision of the Services and the performance of any of Service Provider's other legal or contractual obligations hereunder cannot be readily identified by Service Provider, the Parties shall cooperate in interpreting such Law and shall seek in good faith to identify and agree upon the impact on the performance, provision, receipt and use of the Services. If the Parties are unable to agree upon such impact, TxDOT shall retain the right, in its sole discretion, to interpret such Law and determine its impact. In addition, if Service Provider reasonably concludes, after due inquiry, that the compliance obligations associated with any Law applicable to the provision of the Services and the performance of any of Service Provider's other legal and contractual obligations hereunder are unclear or that there is more than one (1) reasonable approach to achieving compliance, Service Provider shall escalate the issue to TxDOT for a final decision. In no event shall either Party be obligated to interpret and/or offer legal advice regarding Laws applicable to the other Party.

Without limiting either Party's obligations under this **Section 15.11 (e)**, the Parties intend to proactively cooperate with each other in understanding TxDOT Laws and Service Provider Laws, and the impact such laws may have on the Services and TxDOT's use or receipt of the Services.

- (f) **Implementation of Changes in Laws.** In the event of any changes in Laws (including laws other than applicable to the provision of the Services and the performance of any of Service Provider's other legal and contractual obligations hereunder, to the extent Service Provider has knowledge of such Laws, including from TxDOT), Service Provider shall, with prior approval from TxDOT, implement any necessary modifications to the Services, Materials, Equipment, and Systems prior to the deadline imposed by the regulatory or governmental body having jurisdiction for such requirement or change. Without modifying the Parties' respective financial obligations set forth in **Exhibit 4.0 Business Model**, Service Provider shall bear the costs associated with compliance with (A) Service Provider Laws, and (B) TxDOT Laws unless the change(s) required for compliance meets the definition of New Service, in which case it shall be treated as a Project.
- (g) **Termination.** In the event that any change(s) in Laws results in an increase of ten percent (10%) or more

in the estimated average monthly Charges or otherwise has a material adverse impact on Service Provider's ability to perform the Services and TxDOT would not have incurred such additional cost or impact if it had not outsourced the Services in question to Service Provider, then TxDOT may, within one hundred eighty (180) days of such aggregate increase being attained and upon at least ninety (90) days prior notice to Service Provider, terminate this Agreement in its entirety or the impacted Service as of the termination date specified in the notice.

- (h) **Responsibility.** Subject to Section 15.11(e), Service Provider will be responsible for any Losses imposed on Service Provider or TxDOT resulting from any failure of Service Provider or any third party engaged by Service Provider to comply with applicable Laws or respond in a timely manner to changes in such Laws.

15.12 Equal Opportunity Compliance.

Service Provider represents, warrants, and covenants that it shall abide by all applicable Laws pertaining to equal employment opportunity, including state and federal Laws. In accordance with such Laws, Service Provider agrees that no individual in the United States of America shall, on the grounds of race, color, religion, national origin, sex, age, veteran status, or disability, be excluded from employment with or participation in, be denied the benefits of or be otherwise subjected to discrimination under any program or activity performed by Service Provider under this Agreement. If Service Provider is found to be in non-compliance with these requirements, Service Provider agrees to take appropriate steps to correct these deficiencies. Upon request, Service Provider shall furnish to TxDOT information regarding Service Provider's nondiscriminatory hiring and promotion policies, as well as specific information on the composition of its principals and staff, including the identification of minorities and women in management or other positions with discretionary or decision-making authority.

15.13 Information Furnished to TxDOT.

Service Provider represents that, based on the knowledge of the undersigned after reasonable due diligence, all written information made a part of this Agreement is true, accurate, and complete, and contains no untrue statement of a material fact or omits any material fact necessary to make such information not misleading. Service Provider hereby agrees to provide TxDOT with notice within two (2) Business Days in the event it discovers that any information that has been provided to TxDOT becomes or turns out not to be true and correct. Such notice shall identify the information as incorrectly provided and shall set forth the correct information.

15.14 Previous and Outside Contracts.

Other than as specifically disclosed by Service Provider in writing, Service Provider represents that neither it, nor any of its Affiliates or Subcontractors, is in default or breach of any other contract or agreement related to information systems facilities, equipment, or services that it or they may have with TxDOT, the State, or any other TxDOT or State related Entity. Service Provider further represents that neither it, nor any of its Affiliates or Subcontractors, has been a party to any contract for information system facilities, equipment, or services with TxDOT, the State or any other TxDOT or State-related Entity that was finally terminated within the previous five (5) years for the reason that Service Provider or such person or Entity failed to perform or otherwise breached an obligation of such contract. Service Provider hereby certifies that it has provided disclosure of all pending, resolved, or completed litigation, mediation, arbitration, or other alternate dispute resolution procedure involving Service Provider, its Affiliates and Subcontractors that would reasonably be expected to materially adversely affect Service Provider's ability to perform and fulfill its obligations under this Agreement.

Service Provider shall promptly disclose any future litigation, mediation, arbitration, or other alternate dispute resolution procedure involving Service Provider, its Affiliates or Subcontractors that would reasonably be expected to materially adversely affect Service Provider's ability to perform and fulfill its obligations under this Agreement or would relate to the type of Services performed under this Agreement.

15.15 Completeness of Due Diligence Activities.

Service Provider acknowledges that it has been provided with sufficient access to TxDOT Facilities, information, and personnel, and has had sufficient time in which to conduct and perform a thorough due diligence of TxDOT's operations and business requirements and assets currently used by TxDOT in providing the Services. Accordingly, Service Provider shall not seek any adjustment in the Charges based on any incorrect assumptions made by Service Provider in arriving at the Charges.

15.16 Interoperability.

Service Provider represents, warrants, and covenants that the Software, Equipment, and Systems provided by Service Provider and/or used to provide the Services shall be interoperable with the software, equipment, and systems used by TxDOT to the extent necessary to provide the same or similar services and/or to deliver records to, receive records from, or otherwise interact with the Software, Equipment, and Systems to receive the Services.

15.17 Prohibition on Contracts with Companies Boycotting Israel.

As required by Texas Government Code section 2270.002, by executing this Agreement, Service Provider represents and warrants that it does not, and will not during the term, boycott Israel. Service Provider further represents and warrants that no subcontractor of the Service Provider boycotts Israel, or will boycott Israel during the term. Service Provider agrees to take all necessary steps to ensure this representation and warranty remains true during the term.

15.18 Contracting Information Responsibilities

Service Provider represents and warrants that it will comply with Chapter 552 of the Texas Government Code.

15.19 Human Trafficking Prohibition

Under Section 2155.0061 of the Texas Government Code, the Service Provider certifies that the individual or business entity named in this Agreement is not ineligible to receive the specified Agreement and acknowledges that this Agreement may be terminated and payment withheld if this certification is inaccurate.

15.20 Cyber Security Training

In accordance with Section 2054.5192 of the Texas Government Code, each Service Provider Personnel that will access a TxDOT computer system or database must complete a TxDOT approved cyber security training program that is certified under Section 2054.5192 of the Texas Government Code. The training program must be completed by each Service Provider Personnel during the term of the Agreement and during any renewal period. The Service Provider must provide verification of completion of the cyber security training program in a method designated by TxDOT.

15.21 Right to Audit

- (a) The state auditor may conduct an audit or investigation of Service Provider or any other entity or person receiving funds from the state directly under the contract or indirectly through a subcontract under the Agreement. Acceptance of funds directly under the Agreement or indirectly through a subcontract under the Agreement acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, Service Provider or any other entity that is the subject of an audit or investigation by the state auditor must provide the state auditor access to any information the state auditor considers relevant to the investigation or audit.
- (b) Service Provider will ensure that this section concerning the authority of the state auditor and TxDOT to audit funds received indirectly by subcontractors through Service Provider and the requirement to cooperate is included in any subcontract it awards.

15.22 Payment of Subcontractors

As provided by Government Code Section 2251.022, Service Provider must pay a subcontractor the

appropriate share of any payment Service Provider receives from TxDOT not later than the 10th day after the date the Service Provider receives the payment. The appropriate share is overdue on the 11th day after the date Service Provider receives the payment.

16 INSURANCE AND RISK OF LOSS

Service Provider shall continuously maintain the insurance coverages set forth in **Attachment B Insurance and Risk of Loss**. This attachment contains provisions or other information applicable to Service Provider's obligations respecting insurance and to the Parties' allocation of certain risks of loss.

17 INDEMNITIES

17.1 Indemnity by Service Provider.

Service Provider agrees to indemnify, defend, and hold harmless TxDOT and their respective officers, directors, employees, agents, representatives, successors and assignees from and against any and all Losses and threatened Losses due to non-Party claims arising from or in connection with any of the following:

- (a) **General.** Any grossly negligent acts or omissions or intentional misconduct of Service Provider, Service Provider Personnel, or Subcontractors in the execution or performance of this Agreement.
- (b) **Representations, Warranties and Covenants.** Service Provider's breach of any of its representations, warranties, or obligations set forth in [Article 15 REPRESENTATIONS, WARRANTIES, AND COVENANTS](#).
- (c) **Assumed Contracts.** Service Provider's decision to terminate or failure to comply with or perform any duties or obligations to be complied with or performed by Service Provider under any of the Third Party Materials licenses, Equipment Leases or Third Party Contracts assigned to Service Provider or for which Service Provider has assumed financial or operational responsibility pursuant to this Agreement.
- (d) **Licenses, Leases and Contracts.** Service Provider's failure to observe or perform any duties or obligations to be observed or performed by Service Provider under Third Party Materials licenses, Equipment Leases, or Third Party Contracts used by Service Provider to provide the Services (other than Third Party Materials Service Provider is required to use by a Service Component Provider pursuant to a license held by such Service Component Provider), including any action undertaken by TxDOT in conformity with the request or direction of Service Provider with respect to any such license, lease or contract.
- (e) **TxDOT Data or Confidential Information.** Service Provider's breach of its obligations with respect to [Article 13 TxDOT DATA AND OTHER CONFIDENTIAL INFORMATION](#), including any breach or exposure or Security Breach of TxDOT Data, TxDOT Personal Data, TxDOT Confidential Information., or TxDOT Regulated Data.
- (f) **Infringement.** Infringement or misappropriation or alleged infringement or alleged misappropriation of a patent, trade secret, copyright, or other intellectual property or other proprietary rights in contravention of Service Provider's representations, warranties and covenants in [Sections 15.4 Intellectual Property, and 15.5 Non-Infringement](#).
- (g) **Compliance with Laws; Government Claims.** Losses, including government fines, penalties, sanctions, interest, or other remedies, resulting from Service Provider's failure to perform its responsibilities under this Agreement in compliance with applicable Laws as required by this Agreement.
- (h) **Taxes.** Taxes, together with interest and penalties, that are the responsibility of Service Provider under [Section 11.4 Taxes](#).
- (i) **Claims Arising in Shared Facility Services.** Any claim for damage, interruption, delay or loss of service (not constituting Services provided pursuant to this Agreement) by a third party receiving services from a shared Service Provider facility or using shared Service Provider resources.
- (j) **Affiliate, Subcontractor, or Assignee Claims.** Any claim, other than an indemnification claim under

this Agreement, initiated by (A) a Service Provider Affiliate or Subcontractor asserting rights under this Agreement or (B) any Entity to which Service Provider assigned, transferred, pledged, hypothecated, or otherwise encumbered its rights to receive payments from TxDOT under this Agreement.

- (k) **Personal Injury and Property Loss or Damage.** Personal injury (including death) or any loss or damage to real or tangible personal property resulting from Service Provider's negligent or wrongful acts or omissions.
- (l) **Employment Claims.** Any claim resulting from any
 - (i) violation by Service Provider or its officers, directors, employees, representatives or agents, of any applicable Laws protecting persons or members of protected classes or categories, including Laws prohibiting discrimination or harassment on the basis of a protected characteristic;
 - (ii) liability resulting from any failure by Service Provider to collect and withhold any social security or other employment taxes, workers' compensation claims, and premium payments and contributions applicable to the wages and salaries of such Service Provider Personnel;
 - (iii) payment or failure to pay any salary, wages, or other cash compensation due and owing to any Service Provider Personnel,
 - (iv) employee pension or other benefits of any Service Provider Personnel,
 - (v) other aspects of the employment relationship of Service Provider Personnel with Service Provider or the termination of such relationship, including claims for wrongful discharge, claims for breach of express or implied employment contract, and claims of joint employment; and/or
 - (vi) liability resulting from representations (oral or written) by Service Provider or its respective officers, directors, employees, representatives, or agents made in connection with the interview, selection, hiring and/or transition process, the offers of employment made to such employees, the failure to make offers to any such employees, or the terms and conditions of such offers (including compensation and employee benefits).
- (m) **Government Claims.** Any claim by any government or any authority, department or agency thereof (excluding the State and TxDOT) resulting from Service Provider's failure to comply with its obligations under this Agreement.
- (n) **Negligence Claims.** Any negligent acts or omissions of Service Provider, Service Provider Personnel, or Subcontractors in the execution or performance of this Agreement.

THE PARTIES AGREE THAT THE INDEMNITIES ABOVE SHALL CONTINUE IN EFFECT EVEN IN THE CASE WHERE A PORTION OF THE DAMAGE IS CAUSED BY THE ACTS OR OMISSIONS (INCLUDING NEGLIGENCE) OF TXDOT. HOWEVER, THE PARTIES FURTHER AGREE THAT SERVICE PROVIDER IN NO WAY WAIVES ANY DEFENSE OTHERWISE AVAILABLE TO IT IN ANY SUCH EVENT, INCLUDING THE RIGHT TO ASSERT COMPARATIVE FAULT OF TXDOT.

17.2 Infringement.

In the event that (1) any Materials, Equipment, Systems, Services, and other resources or items provided by Service Provider or used by Service Provider in the performance or delivery of the Services (other than Third Party Materials Service Provider is required to use by a Service Component Provider) are found, or in TxDOT's reasonable opinion are likely to be found, to infringe upon the patent, copyright, trademark, trade secrets, intellectual property, or proprietary rights of any third party in any country in which Services are to be performed or received under this Agreement or (2) the continued use of such Materials, Equipment, Systems, Services, and other resources or items is enjoined, Service Provider shall, in addition to defending, indemnifying, and holding harmless TxDOT as provided in **Section 17.1 (e) Infringement** and to the other rights TxDOT may have under this Agreement, promptly and at its own cost and expense and in such a manner as to minimize the disturbance to TxDOT's operations and activities do one of the following:

- (a) **Obtain Rights.** Obtain for TxDOT the right to continue using and receiving the benefits of such Materials, Equipment, Systems, or Services.

- (b) **Modification.** Modify the item(s) in question so that it is no longer infringing (provided that such modification does not degrade the performance or quality of the Services or adversely affect TxDOT's intended use as contemplated by this Agreement).
- (c) **Replacement.** Replace such item(s) with a non-infringing functional equivalent acceptable to TxDOT, including all associated services and expenses such as testing, integrating, and configuring.
- (d) **Discontinued Use.** If, despite Service Provider's commercially reasonable efforts to effect the alternatives set forth in Sections 17.2(a)-(c) above, the Parties determine that none of such alternatives are feasible, Service Provider may discontinue its use of such infringing or potentially infringing Materials, Equipment, Systems, or Services; provided, however, neither such right or such discontinuation shall neither limit nor expand TxDOT's rights or Service Provider's obligations under the Agreement; nor shall such right or such discontinuation excuse any breach by Service Provider of its obligation to provide the Services and to provide the Services in a non-infringing manner.

17.3 Indemnification Procedures.

With respect to claims which are subject to indemnification under this Agreement, the following procedures shall apply:

- (a) **Notice.** Promptly after receipt by any person or Entity entitled to indemnification under this Agreement of notice of the commencement or threatened commencement of any civil, criminal, administrative, or investigative action or proceeding involving a claim in respect of which the indemnitee shall seek indemnification hereunder, the indemnitee shall notify the indemnitor of such claim. No delay or failure to so notify an indemnitor shall relieve it of its obligations under this Agreement except to the extent that such indemnitor has suffered actual prejudice by such delay or failure. Within fifteen (15) days following receipt of notice from the indemnitee relating to any claim, but no later than five (5) days before the date on which any response to a complaint or summons is due, the indemnitor shall notify the indemnitee that the indemnitor elects to assume control of the defense and settlement of that claim (a "**Notice of Election**").
- (b) **Procedure Following Notice of Election.**
 - (i) If the indemnitor delivers a Notice of Election within the required notice period, the indemnitor shall assume sole control over the defense and settlement of the claim; provided, however, that (A) the indemnitor shall keep the indemnitee reasonably apprised at all times as to the status of the defense, and (B) the indemnitor shall obtain the prior written approval of the indemnitee before entering into any settlement of such claim asserting any liability against the indemnitee or imposing any obligations or restrictions on the indemnitee or ceasing to defend against such claim.
 - (ii) The indemnitor shall not be liable for any legal fees or expenses incurred by the indemnitee following the delivery of a Notice of Election; provided, however, that (A) the indemnitee shall be entitled to employ counsel at its own expense to participate in the handling of the claim, and (B) the indemnitor shall pay the fees and expenses associated with such counsel if the indemnitor has an actual or apparent conflict of interest with respect to such claim which is not otherwise resolved or if the indemnitor has requested the assistance of the indemnitee in the defense of the claim or the indemnitor has failed to defend the claim diligently and the indemnitee is prejudiced or likely to be prejudiced by such failure.
 - (iii) Service Provider acknowledges that TxDOT's counsel is the Office of the Texas Attorney General, and Service Provider shall coordinate and cooperate with the Office of the Texas Attorney General on all defense and settlement matters relating to claims which are subject to indemnification under this Agreement. The indemnitor shall not be obligated to indemnify the indemnitee for any amount paid or payable by such indemnitee in the settlement of any claim if (A) the indemnitor has delivered a timely Notice of Election and such amount was agreed to without the written consent of the indemnitor, (B) the indemnitee has not provided the indemnitor with notice of such claim and a reasonable opportunity to respond thereto, or (C) the time period within which to deliver a Notice of Election has not yet expired.

- (c) **Procedure Where No Notice of Election Is Delivered.** If the indemnitor does not deliver a Notice of Election relating to any claim within the required notice period, the indemnitee shall have the right to defend the claim in such manner as it may deem appropriate. The indemnitor shall promptly reimburse the indemnitee for all such reasonable costs and expenses incurred by the indemnitee, including reasonable attorneys' fees.

17.4 Subrogation.

Except as otherwise provided in **Attachment B Insurance and Risk of Loss**, in the event that an indemnitor shall be obligated to indemnify an indemnitee pursuant to any provision of this Agreement, the indemnitor shall, upon payment of such indemnity in full, be subrogated to all rights of the indemnitee with respect to the claims to which such indemnification relates.

18 LIABILITY

18.1 General Intent.

Subject to the specific provisions and limitations of this **Article 18** and, to the extent allowed by applicable Laws, it is the intent of the Parties that each Party shall be liable to the other Party for any actual damages incurred as a result of the breaching Party's failure to perform its obligations in the manner required by this Agreement.

18.2 Force Majeure.

- (a) **General.** Subject to **Section 18.2(d)**, no Party shall be liable for any default or delay in the performance of its obligations under this Agreement if and to the extent such default or delay is caused, directly or indirectly, by fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism, epidemics, or any other similar cause beyond the reasonable control of such Party except to the extent that the non-performing Party is at fault in failing to prevent or causing such default or delay, and provided that such default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout, or labor dispute involving Service Provider Personnel shall not excuse Service Provider from its obligations hereunder. In addition, the refusal of Service Provider Personnel to enter a facility that is the subject of a labor dispute shall excuse Service Provider from its obligations hereunder only if and to the extent such refusal is based upon a reasonable fear of physical harm.
- (b) **Duration and Notification.** In the event of a force majeure event the non-performing Party shall be excused from further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such Party continues to use commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay. Any Party so prevented, hindered, or delayed in its performance shall, as quickly as practicable under the circumstances, notify the Party to whom performance is due by telephone (to be confirmed in writing within one (1) day of the inception of such delay) and describe at a reasonable level of detail the circumstances of the force majeure event, the steps being taken to address such force majeure event, and the expected duration of such force majeure event.
- (c) **Substitute Services; Termination.** If any event described in **Section 18.2(a)** above has substantially prevented, hindered, or delayed, or is reasonably expected to substantially prevent, hinder, or delay the performance by Service Provider of Services necessary for the performance of critical TxDOT functions for longer than the recovery period specified in the applicable Disaster Recovery Plan or, if there is no such specified recovery period, twenty-four (24) hours, Service Provider shall, unless and until otherwise directed by TxDOT, use commercially reasonable efforts to procure such Services from an alternate source at Service Provider's expense for so long as the delay in performance shall continue, up to the Charges actually paid to Service Provider for the Services with respect to the period of non-performance. If Service Provider is unable to procure such substitute services on an expedited basis or TxDOT elects to contract directly for such services, TxDOT may procure such Services from an alternate source at TxDOT's expense. In addition, if any event described in **Section 18.2(a)** above substantially prevents, hinders or delays the performance by Service Provider of Services necessary for the performance of

critical TxDOT functions:

- (i) for more than seven (7) days, then TxDOT may, upon notice to Service Provider, terminate all or any portion of the Services so affected (including portions that are no longer required if the impacted portion is terminated) as of the termination date specified in the notice; or
 - (ii) for more than fifteen (15) days, then TxDOT may, upon notice to Service Provider, terminate this Agreement, in whole or in part, as of the termination date specified in the notice. Service Provider shall not have the right to additional payments or increased usage charges as a result of any force majeure occurrence affecting Service Provider's ability to perform.
- (d) **Disaster Recovery.** Upon the occurrence of a force majeure event that constitutes a Disaster under the applicable Disaster Recovery Plan and as declared at TxDOT's discretion, Service Provider shall promptly implement, as appropriate, the applicable business continuity and Disaster Recovery Plan and provide Business Continuity and Disaster Recovery Services, including as described in Exhibit 2.1 Cross Functional Statement of Work and Exhibit 2.3 IT Service Management Continuity.
- (e) **Payment Obligation.** If Service Provider fails to provide Services in accordance with this Agreement due to the occurrence of a force majeure event, all amounts payable to Service Provider hereunder shall be equitably adjusted downward so that TxDOT is not required to pay any amounts for Services that TxDOT is not receiving, whether from Service Provider or from an alternate source at Service Provider's expense pursuant to Section 18.2(c).
- (f) **Allocation of Resources.** Without limiting Service Provider's obligations under this Agreement, whenever a force majeure event or disaster causes Service Provider to allocate limited resources between or among Service Provider's customers and Affiliates, TxDOT shall receive at least the same treatment as comparable Service Provider customers. In no event shall Service Provider re-deploy or re-assign any Key Personnel to another customer or account in the event of the occurrence of a force majeure event.

18.3 Duty to Mitigate

- (a) **Duty to Mitigate.** Each Party shall use appropriate efforts to mitigate its damages to the extent within its reasonable control and consistent with the Parties' respective performance obligations under this Agreement; provided, however, this provision is not intended to expand or diminish a Party's rights or obligations under this Agreement, alter the plain meaning of the provisions contained herein, or limit a Party's rights to act in its own self-interest.

18.4 Limitation of Liability.

- (a) **Exclusions from Limitations.** EXCEPT AS PROVIDED IN THIS SECTION 18.3, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR INDIRECT, CONSEQUENTIAL, SPECIAL, INCIDENTAL, COLLATERAL, EXEMPLARY, OR PUNITIVE DAMAGES, INCLUDING LOST PROFITS, REGARDLESS OF THE FORM OF THE ACTION OR THE THEORY OF RECOVERY, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. Notwithstanding the exclusion from limitations provided in this section, Losses pursuant to the indemnification obligations set forth in Section 17.1 may be recovered.
- (b) **Liability Cap.** Additionally, except as provided in this Section 18.4 and, in the case of TxDOT, to the extent authorized by applicable Laws (including the constitution of the State), the total aggregate liability of either Party, for all claims asserted by the other Party under or in connection with this Agreement, regardless of the form of the action or the theory of recovery, shall not exceed the charges (excluding Pass-Through Expenses) paid and payable by TxDOT during the _____ months preceding such action or claim, or, in the event the charges have not been paid for _____ months following the Commencement Date, an amount equal to the amounts specified in Exhibit 4.1 Pricing Structure applicable to the first contract months following the Commencement Date.
- (c) **Exceptions to Limitations of Liability.** Sections 18.4 (a) and (b) above shall not apply with respect to:

- (i) Losses occasioned by the fraud, willful misconduct, or gross negligence of a Party.
 - (ii) Losses that are the subject of indemnification under this Agreement.
 - (iii) Any losses occasioned by any breach of Service Provider's representations, or warranties or covenants under this Agreement set forth in [Sections 15.6 \(a\) General, 15.7 Certifications, 15.8 Inducements; TxDOT Code of Ethics, 15.9 Malicious Code, 15.10 Disabling Code, 15.11 Compliance with Laws, 15.12 Equal Opportunity Compliance, and 15.17 Prohibition on Contracts with Companies Boycotting Israel](#), under this Agreement.
 - (iv) Losses caused by Service Provider's refusal to provide Services or Termination Assistance Services.
 - (v) Any of the losses occasioned by Service Provider's breach of its obligations under [Article 13 TxDOT DATA AND OTHER CONFIDENTIAL INFORMATION](#).
- (d) **Items Not Considered Damages.** The following shall not be considered damages subject to, and shall not be counted toward the liability exclusion or cap specified in, [Sections 18.3\(a\) Exclusions from Limitations or \(b\) Liability Cap](#) above:
- (i) Service Level Credits or Deliverable Credits assessed against Service Provider pursuant to [Exhibit 3.0 Performance Model](#).
 - (ii) Amounts withheld by TxDOT in accordance with this Agreement due to incorrect Charges or Services not provided.
 - (iii) Amounts paid by TxDOT but subsequently recovered from Service Provider due to incorrect Charges or Services not provided.
 - (iv) Invoiced Charges and other amounts that are due and owing to Service Provider for Services under this Agreement.
- Further, indirect, incidental, collateral, consequential, or special damages or lost profits do not include those damages provided in [Article 17 INDEMNITIES](#).
- (e) **Waiver of Liability Cap.** If, at any time, the total aggregate liability for claims asserted by TxDOT under or in connection with this Agreement exceeds sixty percent (60%) of the applicable liability cap specified in [Section 18.3 \(b\) Liability Cap](#) above and, upon receipt of the request TxDOT, if Service Provider refuses to waive such cap and/or increase the available cap to an amount at least equal to the original liability cap, then TxDOT may, upon notice, terminate this Agreement in its entirety as of the termination date specified in the notice.
- (f) **Acknowledged direct Damages.** The following shall be considered direct damages and neither Party shall assert that they are indirect, incidental, collateral, consequential or special damages or lost profits to the extent they result directly from the breaching Party's failure to perform in accordance with this Agreement:
- (i) Costs and expenses of restoring or reloading any lost, stolen or damaged TxDOT Data.
 - (ii) Costs and expenses of implementing a work-around in respect of a failure to provide the Services or any part thereof.
 - (iii) Costs and expenses of replacing lost, stolen or damaged Equipment and Materials.
 - (iv) Cover damages, including the costs and expenses incurred to procure the Services or corrected Services from an alternate source.

- (v) Costs and expenses incurred to bring the Services in-house or to contract to obtain the Services from an alternate source.
- (vi) Straight time, overtime or related expenses incurred by either Party in performing (i) through (v) above, including overhead allocations for employees, wages and salaries of additional employees, travel expenses, overtime expenses, telecommunication charges and similar charges.
- (vii) Subject to [Section 15.11 Compliance with Laws.](#), fines, penalties, sanctions, interest or other monetary remedies incurred as a result of a failure to comply with applicable Laws.
- (viii) Service Level Credits or Deliverable Credits assessed against Service Provider.
- (ix) Costs and expenses of protecting and compensating the State and its constituents after a Security Incident, including but not limited to notifications, fines and penalties, establishing a call center, and thirty-six (36) months of credit monitoring for effected individuals.

The absence of direct damages listed in this [Section 18.3\(f\) Acknowledged direct Damages](#) above shall not be construed or interpreted as an agreement to exclude it as a direct damage under this Agreement.

19 DISPUTE RESOLUTION

19.1 Informal Dispute Resolution.

Subject to compliance with Chapter 2260, Texas Government Code, prior to the initiation of formal dispute resolution procedures with respect to any dispute, other than as provided in [Section 19.1\(e\) Equitable Remedies](#) below, the Parties shall first attempt to resolve such dispute informally, as follows:

- (a) **Initial Effort.** The Parties agree that the Designated TxDOT Representative and the Service Provider Account Manager shall attempt in good faith to resolve all disputes (other than those described in [Section 19.1\(e\) Equitable Remedies](#) below or [20.8 Absolute Right.](#)). In the event the Designated TxDOT Representative and the Service Provider Account Manager are unable to resolve a dispute in an amount of time that either Party deems reasonable under the circumstances, such Party may refer the dispute for resolution to the senior executives specified in [Section 19.1\(b\) Escalation](#) below upon notice to the other Party.
- (b) **Escalation.** Within five (5) Business Days of a notice under [Section 19.1\(a\) Initial Effort](#) above referring a dispute for resolution by senior executives, the Designated TxDOT Representative and the Service Provider Account Manager shall each prepare and provide to the designated senior executive of TxDOT and the designated senior executive of Service Provider, respectively, summaries of the non-privileged relevant information and background of the dispute, along with any appropriate non-privileged supporting documentation, for their review. The designated senior executives shall confer as often as they deem reasonably necessary in order to gather and furnish to the other all non-privileged information with respect to the matter in issue which the Parties believe to be appropriate and germane in connection with its resolution. The designated senior executives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding. The specific format for the discussions shall be left to the discretion of the designated senior executives, but may include the preparation of agreed-upon statements of fact or written statements of position.
- (c) **Provision of Information.** During the course of negotiations under [Section 19.1\(a\) Initial Effort](#) or [\(b\) Escalation](#) above, all reasonable requests made by one Party to another for non-privileged information, reasonably related to the dispute, shall be honored in order that each of the parties may be fully advised of the other's position. All negotiations shall be strictly confidential and used solely for the purposes of settlement or resolution. Any materials prepared by one Party for these proceedings shall not be used as evidence by the other Party in any subsequent arbitration or litigation; provided, however, that the

underlying facts supporting such materials may be subject to discovery.

- (d) **Prerequisite to Formal Proceedings.** Upon the earlier to occur of (i) the designated senior executives under **Section 19.1(b) Escalation** above concluding in good faith that amicable resolution through continued negotiation of a dispute does not appear likely and (ii) the thirty-first (31st) day following the date of the notice provided under **Section 19.1(a) Initial Effort** above referring the dispute to senior executives, then the Parties shall be entitled to discontinue negotiations and to seek to resolve the dispute through the dispute resolution process provided for in Chapter 2260, Texas Government Code, and TxDOT Rule Number 1, Texas Administrative Code Section 201.1(b).
- (e) **Equitable Remedies.** Notwithstanding the provisions and time periods specified in this **Section 19.1**, at any time the Parties may use formal proceedings pursuant to the process set forth in Chapter 2260, Texas Government Code, and 43 Texas Administrative Code Chapter 1, Subchapter G, in order to (i) avoid the expiration of any applicable limitations period, (ii) preserve a superior position with respect to other creditors, (iii) address a claim arising out of the breach of a Party's obligations under **Article 13**, or (iv) pursue claims for injunctive relief with respect to a Party's obligations to the extent resulting in irreparable injury.

Service Provider acknowledges that, in the event it breaches (or attempts or threatens to breach) its obligation to provide any Services (including Termination Assistance Services) in accordance with this Agreement, its obligation respecting continued performance in accordance with **Section 19.3 Continued Performance**, or its obligation to provide access to computers or files containing TxDOT Data in accordance with **Section 13.4 File Access**, TxDOT may be irreparably harmed and TxDOT may proceed directly to court. If a court of competent jurisdiction should find that Service Provider has breached (or attempted or threatened to breach) any such obligations, Service Provider agrees that TxDOT shall be entitled to seek injunctive relief, including entry of an appropriate order compelling performance by Service Provider and restraining it from any further breaches (or attempted or threatened breaches).

19.2 Jurisdiction.

The laws of the State of Texas shall govern the construction and interpretation of this Agreement. Except as otherwise expressly provided in this Section, each Party irrevocably agrees that any legal action, suit, or proceeding brought by such Party in any way arising out of this Agreement must be brought solely and exclusively in the state courts of Travis County, Texas, or the State Office of Administrative Hearings, as applicable, and irrevocably accepts and submits to the sole and exclusive jurisdiction of each of the aforesaid courts generally and unconditionally with respect to any action, suit, or proceeding brought by it or against it by the other Party.

19.3 Continued Performance.

- (a) **General.** Each Party agrees that it shall, unless otherwise directed by the other Party, continue performing its obligations under this Agreement while any dispute is being resolved; provided, that this provision shall not operate or be construed as extending the Term of this Agreement or prohibiting or delaying a Party's exercise of any right it may have to terminate this Agreement as expressly provided herein. TxDOT Data may not be withheld by Service Provider pending the resolution of any dispute.
- (b) **Non-Interruption of Services.** Service Provider acknowledges and agrees that any interruption to the Services may cause irreparable harm to TxDOT and may adversely impact the ability of the State to carry out vital public safety and other governmental functions (including homeland security matters), in which case an adequate remedy at Law would not be available. Except to the extent expressly permitted under Chapter 2251, Texas Government Code, Service Provider expressly acknowledges and agrees that at any time, including, but not limited to, pending resolution of any dispute or controversy, it shall continue to perform under this Agreement and not directly or indirectly engage in any act or omission that may have a detrimental effect on provision of the Services to TxDOT under this Agreement.

19.4 Governing Law

This Agreement and the rights and obligations of the Parties under this Agreement shall be governed by and construed in accordance with the Laws of the State of Texas, without giving effect to the principles thereof relating to the conflicts of Laws. Nothing in this Agreement shall be construed to waive the State's sovereign immunity. The Parties expressly disclaim, to the fullest extent permitted by Law, any application of the Uniform Computer Information Transactions Act which may otherwise be or become applicable (including through enactment subsequent to the Effective Date) during the Term.

20 TERMINATION

20.1 Termination for Cause.

- (a) **By TxDOT.** TxDOT may, upon notice to Service Provider, terminate this Agreement in whole or in part as of the termination date specified in the notice if Service Provider:
- (i) commits a material breach of its obligations with respect to the Transition Services as provided in [Sections 4.2 \(e\) Remedies for Transition Failures](#) as applicable and such breach is not cured within the applicable timeframe for cure provided in such provision;
 - (ii) commits a material breach of this Agreement, which breach is not cured within thirty (30) days after notice of the breach from TxDOT;
 - (iii) commits a material breach of this Agreement which is not capable of being cured within the period specified pursuant to [Section 20.1\(a\)\(ii\)](#) above;
 - (iv) commits numerous breaches of its duties or obligations (excluding Service Level Defaults) which collectively constitute a material breach of this Agreement and Service Provider fails to do both of the following: (A) cure each such breach within thirty (30) days of notice thereof; and (B) develop within fifteen (15) days following written notice of breach from TxDOT a complete plan reasonably acceptable to TxDOT for curing the breach and correcting the deficiencies causing such breaches on a permanent basis; provided, however, this [Section 20.1\(a\)\(iv\)](#) shall in no manner limit: (1) TxDOT's right of termination pursuant to any other provision of this [Section 20.1\(a\)](#), or (2) Service Provider's obligation to cure individual nonmaterial breaches of this Agreement;
 - (v) becomes liable for or incurs Service Level Credits under this Agreement that, in the aggregate, exceed seventy-five percent (75%) of the cumulative At Risk Amount during any rolling six (6) month period (exclusive of any earnback during such period);
 - (vi) fails to perform in accordance with the Minimum Service Level for the same Critical Service Level for three (3) consecutive Measurement Windows or during four (4) of any six (6) consecutive Measurement Windows (provided that the applicable Measurement Window is at least one (1) month in duration); or
 - (vii) commits a material breach of [Section 15.8](#) of this Agreement.
- (b) **By Service Provider.** In the event that TxDOT fails to pay Service Provider amounts due and owing in accordance with Chapter 2251, Texas Government Code exceeding in the aggregate three (3) months of Monthly Charge by the specified due date and fails to cure such default within thirty (30) days of notice from Service Provider of its intention to terminate for failure to make such payment, Service Provider may, upon further notice to TxDOT specifying Service Provider's intention to terminate this Agreement in accordance with this provision following an additional thirty (30) days, terminate this Agreement in its entirety as of the termination date specified in the further notice (provided that TxDOT has not cured the default prior to the effective date of termination). Service Provider acknowledges and agrees that this [Section 20.1\(b\)](#) describes Service Provider's sole right to terminate this Agreement and Service Provider hereby waives any other rights it may have to terminate this Agreement.

20.2 Termination for Convenience.

TxDOT may, upon at least ninety (90) days prior notice to Service Provider, terminate this Agreement, in

whole or in part, for convenience and without cause as of the termination date specified in the notice without cost or penalty and without payment of any termination charges.

20.3 Termination Upon Service Provider Change of Control.

In the event of a change in Control of Service Provider (or that portion of Service Provider providing all or any material portion of the Services under this Agreement) or the Entity that Controls Service Provider (if any), where such control is acquired, directly or indirectly, in a single transaction or series of related transactions, or all or substantially all of the assets of Service Provider (or that portion of Service Provider providing all or any material portion of the Services under this Agreement) are acquired by any Entity, or Service Provider (or that portion of Service Provider providing all or any material portion of the Services under this Agreement) is merged with or into another Entity to form a new Entity, then at any time within twelve (12) months after the last to occur of such events, then TxDOT may, upon at least ninety (90) days prior notice to Service Provider, terminate this Agreement, in whole or in part, as of the termination date specified in the notice.

20.4 Termination for Insolvency.

If Service Provider (a) files for bankruptcy, (b) becomes or is declared insolvent, or is the subject of any bona fide proceedings related to its liquidation, administration, provisional liquidation, insolvency or the appointment of a receiver or similar officer for it, (c) passes a resolution for its voluntary liquidation, (d) has a receiver or manager appointed over all or substantially all of its assets, (e) makes an assignment for the benefit of all or substantially all of its creditors, or (f) enters into an agreement or arrangement for the composition, extension, or readjustment of substantially all of its obligations or any class of such obligations, then TxDOT may, upon notice to Service Provider (and during the period such proceeding, condition, event or situation continues or otherwise remains open or unresolved), terminate this Agreement, in whole or in part, as of the termination date specified in the notice.

20.5 TxDOT Rights Upon Service Provider's Bankruptcy.

- (a) **General Rights.** In the event of Service Provider's bankruptcy or other formal procedure referenced in [Section 20.4 Termination for Insolvency](#), or of the filing of any petition under bankruptcy Laws affecting the rights of Service Provider which is not stayed or dismissed within thirty (30) days of filing, in addition to the other rights and remedies set forth herein, to the maximum extent permitted by Law, TxDOT shall have the immediate right to retain and take possession for safekeeping all TxDOT Data, TxDOT Confidential Information, TxDOT licensed Third Party Materials, TxDOT owned Equipment, TxDOT owned Materials, TxDOT-owned Developed Materials and all other Materials, Equipment or Systems to which TxDOT is or would be entitled during the Term or upon the expiration or any termination of this Agreement. Service Provider shall cooperate fully with TxDOT and assist TxDOT in identifying and taking possession of the items listed in the preceding sentence. TxDOT shall have the right to hold such TxDOT Data, Confidential Information, Materials, Equipment and Systems until such time as the trustee or receiver in bankruptcy or other appropriate insolvency office holder can provide adequate assurances and evidence to TxDOT that they shall be protected from sale, release, inspection, publication, or inclusion in any publicly accessible record, document, material or filing. Service Provider and TxDOT agree that without this material provision, TxDOT would not have entered into this Agreement or provided any right to the possession or use of TxDOT Data, TxDOT Confidential Information or TxDOT Materials covered by this Agreement.
- (b) **TxDOT Rights in Event of Bankruptcy Rejection.** Notwithstanding any other provision of this Agreement to the contrary and to the maximum extent permitted by applicable Laws, in the event that Service Provider becomes a debtor under the United States Bankruptcy Code (11 U.S.C. §101 et. seq. or any similar Law in any other country (the "**Bankruptcy Code**")) and rejects this Agreement pursuant to Section 365 of the Bankruptcy Code (a "**Bankruptcy Rejection**"):
 - (i) any and all of the licensee and sublicensee rights of TxDOT arising under or otherwise set forth in this Agreement, including the rights of TxDOT referred to in [Section 14.6 Ongoing TxDOT Rights](#), shall be deemed fully retained by and vested in TxDOT as protected intellectual property

rights under Section 365(n)(1)(B) of the Bankruptcy Code and further shall be deemed to exist immediately before the commencement of the bankruptcy case in which Service Provider is the debtor;

- (ii) TxDOT shall have all of the rights afforded to non-debtor licensees and sublicensees under Section 365(n) of the Bankruptcy Code; and
- (iii) to the extent any rights of TxDOT under this Agreement which arise after the expiration or any termination of this Agreement are determined by a bankruptcy court not to be "intellectual property rights" for purposes of Section 365(n) of the Bankruptcy Code, all of such rights shall remain vested in and fully retained by TxDOT after any Bankruptcy Rejection as though this Agreement were terminated or expired. TxDOT shall under no circumstances be required to terminate this Agreement, in whole or in part, after a Bankruptcy Rejection in order to enjoy or acquire any of its rights under this Agreement, including any of the rights of TxDOT set forth in [Section 14.6 Ongoing TxDOT Rights](#), unless and to the extent required by applicable Laws.

20.6 Termination for Material Adverse Change in Service Provider's Financial Condition.

If (i) Service Provider receives a "going concern" qualification from its external auditor, or (ii) Standard & Poor's lowers Service Provider's long term credit rating to lower than BB- and in the reasonable opinion of TxDOT such change in the financial condition of Service Provider may impair or otherwise compromise the ability of Service Provider to perform its obligations under this Agreement, then TxDOT may, in its sole discretion, terminate this Agreement by giving Service Provider at least thirty (30) days prior notice. With respect to the events described in (ii) above, prior to exercising its right to terminate, TxDOT shall meet with Service Provider within ten (10) days following notification (or awareness) of such event and permit Service Provider to submit to TxDOT within fifteen (15) days of such meeting a plan that comprehensively addresses TxDOT's concerns related to Service Provider's ability to perform its obligations under this Agreement. If TxDOT, in its sole discretion, determines that the plan does not adequately address its concerns, TxDOT shall have the right to terminate this Agreement as described above.

20.7 Step-In Rights.

Without limiting TxDOT's rights under [Section 20.1 Termination for Cause](#), if Service Provider commits a material breach which has a significant impact on the ability of TxDOT to conduct a material aspect of its operations, and Service Provider is unable to cure such breach within forty-eight (48) hours, TxDOT may, in addition to its other remedies at Law and in equity, obtain from a third party or provide for itself comparable services which shall allow TxDOT to conduct their operations until Service Provider has cured the breach or this Agreement is terminated. Service Provider shall reimburse TxDOT for all reasonable costs and expenses of obtaining or providing such services during such period of non-performance. The express inclusion of this remedy in this [Section 20.7](#) does not limit TxDOT's right to use a similar remedy for other breaches by Service Provider of this Agreement.

20.8 Absolute Right.

If Service Provider becomes (i) listed on the prohibited vendors list authorized by Executive Order Number 13224, "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism", published by the United States Department of the Treasury, Office of Foreign Assets Control or (b) Service Provider becomes suspended or debarred from doing business with the federal government as listed in the Excluded Parties List System maintained by the General Services Administration, then TxDOT may, upon notice to Service Provider, terminate this Agreement, in whole or, to the extent possible under applicable Law, in part, as of the termination date specified in the notice.

20.9 Lack of Sufficient Funds or Statutory Authority.

If funding for TxDOT's obligations under this Agreement is reduced by Law or funds sufficient to pay Service Provider for the Services provided hereunder are not appropriated by applicable governing bodies or otherwise made available by Law, then TxDOT may, upon at least thirty (30) days prior notice to Service Provider, decrease the amount and types of the Services in such manner and for such periods of time as

TxDOT may elect. In such event, the Charges shall be adjusted downward in accordance with **Exhibit 4.0 Business Model**, to the extent applicable, or equitably adjusted downward in proportion to the portion of the Services that Service Provider shall not be providing to the extent that **Exhibit 4.0 Business Model** does not provide for such reduction. TxDOT shall promptly notify Service Provider if TxDOT believes that the necessary funding or authorizations shall not be obtained. If partial funding sufficient only for a portion of the Services shall be made available, the Parties may agree to perform their respective obligations relative to such Services, and this Agreement shall be amended accordingly. TxDOT is a State agency whose authority is subject to the actions of the State legislature. If funds sufficient to pay TxDOT's obligations under this Agreement are not appropriated by applicable governmental authorities or if TxDOT's statutory authority to enter into this Agreement is repealed by the State legislature or ruled unconstitutional by a court of competent jurisdiction, then TxDOT may, upon notice to Service Provider, terminate this Agreement, in whole or in part, as of the termination date specified in the notice. If TxDOT and/or the subject matter of this Agreement become subject to a legislative or regulatory change or the revocation of statutory or regulatory authority that would (a) render the continued provision of the Services impossible or unnecessary, (b) render this Agreement invalid, illegal or otherwise unenforceable, (c) substantially decrease the amount and types of the Services or (d) terminate the appropriations for this Agreement, then TxDOT may, upon notice to Service Provider, terminate this Agreement, in whole or in part, as of the termination date specified in the notice.

20.10 General Termination Rights

- (a) **Partial Terminations.** If TxDOT chooses to terminate only a portion of this Agreement, the Charges shall be adjusted downward in accordance with **Exhibit 4.0 Business Model**, to the extent applicable, or equitably adjusted downward in proportion to the portion of the Services that Service Provider shall not be providing to the extent that **Exhibit 4.0 Business Model** does not provide for such reduction.
- (b) **Other Terminations.** In addition to the provisions of this Section, TxDOT may terminate this Agreement as expressly provided in this Agreement or under Law.

20.11 Effect of Termination.

Following termination of this Agreement, in whole or in part, upon TxDOT's request, Service Provider shall provide Termination Assistance Services directly to TxDOT, its successors or assigns and any of their designee(s) in accordance with **Section 4.3**.

21 GENERAL

21.1 Delegation of Authority.

Whenever, by any provision of this Agreement, any right, power, or duty is imposed or conferred on TxDOT, the right, power, or duty so imposed or conferred is possessed and exercised by the TxDOT Executive Director unless any such right, power, or duty is specifically delegated to the duly appointed agents or employees of TxDOT. The TxDOT Executive Director will reduce any such delegation of authority to writing and provide a copy to Service Provider on request.

21.2 No Waiver of Sovereign Immunity.

The Parties expressly agree that no provision of this Agreement shall be construed as or constitute a waiver by TxDOT or the State of Texas of any immunities from suit or from liability that TxDOT or the State of Texas have by operation of law.

21.3 RFO Errors and/or Omissions.

Service Provider shall not take advantage of or exploit any errors and/or omissions in the RFO or the resulting Agreement. Service Provider must promptly notify TxDOT of any such errors and/or omissions that are discovered.

21.4 Abandonment or Default.

Abandon means to relinquish or renounce the Agreement for any reason other than for a force majeure event. If Service Provider abandons the Agreement, TxDOT reserves the right to cancel the Agreement without notice and either re-solicit and re-award the Agreement, or take such further action, or no action, in the best interest of the State. The abandoning Service Provider will not be considered in the re-solicitation and may not be considered in future solicitations for the same type of Services, unless the specifications or scope of work significantly changes.

21.5 Place of Performance.

Unless otherwise agreed to in writing, all Services performed by Service Provider, its Subcontractors and agents must be performed in the United States.

21.6 Buy Texas.

Pursuant to Section 2155.4441 of the Texas Government Code, Service Provider shall buy products and materials produced in the State for use in providing the Services required under this Agreement when such products and materials are available at a comparable price and in a comparable period of time when compared to products and materials produced outside of the State.

21.7 Binding Nature and Assignment.

- (a) **Binding Nature.** This Agreement shall be binding on the Parties and their respective successors and permitted assigns. Except in the instance of an assignment or transfer by TxDOT of all or any portion of this Agreement pursuant to **Section 21.7(b)**, the assigning Party shall remain liable for the performance of any assigned or transferred obligations hereunder.
- (b) **Assignment.** Service Provider may not assign all or any portion of its rights under or interests in this Agreement (including by operation of law) or delegate any of its duties without the prior written consent of TxDOT, which consent may be withheld in TxDOT's sole discretion. Any written request for assignment or delegation must be accompanied by written acceptance of the assignment by the Assignee, in a form acceptable to TxDOT in its sole discretion. Except where otherwise specifically agreed in writing by TxDOT, TxDOT's acceptance of any assignment or delegation does not release Service Provider from its obligations pursuant to this Agreement. TxDOT may, without the approval of Service Provider, assign or transfer its rights or obligations under this Agreement, in whole or in part, to any other State agency as directed by the State legislature or as otherwise required under Law. The consent of a Party to any assignment of this Agreement shall not constitute such Party's consent to further assignment. Each party to whom an assignment or transfer is made must assume all or any part of Service Provider's or TxDOT's interests in this Agreement, the Services, and any documents executed with respect to this Agreement, including, without limitation, its obligation for all or any portion of the payments due hereunder.
- (c) **Impermissible Assignment.** Any attempted assignment that does not comply with the terms of this Section shall be null and void *ab initio*; provided, however, that if Service Provider assigns this Agreement in contravention of this Section by operation of Law, such assignment shall be voidable at the option of TxDOT.

21.8 Entire Agreement; Amendment.

This Agreement, including any Exhibits and attachments referred to herein or attached hereto, each of which is incorporated herein for all purposes, constitutes the entire agreement between the Parties with respect to the subject matter hereof. There are no agreements, representations, warranties, promises, covenants, commitments or undertakings other than those expressly set forth herein. This Agreement supersedes all prior agreements, representations, warranties, promises, covenants, commitments or undertaking, whether written or oral, with respect to the subject matter contained in this Agreement. No amendment, modification, change, waiver, or discharge hereof shall be valid unless in writing and signed by an authorized representative of the Party against which such amendment, modification, change, waiver or discharge is sought to be enforced.

21.9 Notices.

- (a) **Primary Notices.** Any notice, notification, request, demand or determination provided by a Party pursuant to the following:
- (i) [Section 4.3 Termination Assistance Services.](#) (Termination Assistance Services);
 - (ii) [Section 4.4 \(a\) Right of Use.](#) (Use of Third Parties – Right of Use);
 - (iii) [Section 10.2 Savings Clause.](#) (Savings Clause);
 - (iv) [Section 11.6 Extraordinary Events.](#) (Extraordinary Events);
 - (v) [Section 13.1 \(d\) Loss of Confidential Information](#) (Loss of Confidential Information);
 - (vi) [Sections 17.3 Indemnification Procedures.](#) (Indemnification Procedures);
 - (vii) [Section 18.2 Force Majeure.](#) (Force Majeure);
 - (viii) [Section 18.3 \(g\) Waiver of Liability Cap](#) (Waiver of Liability Cap);
 - (ix) [Section 19.1 Informal Dispute Resolution.](#) (Informal Dispute Resolution);
 - (x) [Article 20 TERMINATION](#) (Termination); and
 - (xi) [Section 21.7 Binding Nature and Assignment](#) (Binding Nature and Assignment)

shall be in writing and shall be delivered in hard copy using one of the following methods and shall be deemed delivered upon receipt: (A) by hand, (B) by an express courier with a reliable system for tracking delivery or (C) by registered or certified mail, return receipt requested, postage prepaid. Unless otherwise notified, the foregoing notices shall be delivered as follows:

In the case of TxDOT:

Texas Department of Transportation
125 East 11th Street
Austin, Texas 78701
Attention: Designated TxDOT Representative

With a copy to:

Texas Department of Transportation
125 East 11th Street
Austin, Texas 78701
Attention: Procurement Division Director

And:

Texas Department of Transportation
125 East 11th Street
Austin, Texas 78701
Attention: Contract Services Division Director

And:

Texas Department of Transportation
125 East 11th Street
Austin, Texas 78701
Attention: General Counsel

In the case of Service Provider:

With Copy to:

- (b) **Other Notices.** All notices, notifications, requests, demands or determinations required or provided pursuant to this Agreement, other than those specified in **Section 21.9(a)**, may be sent in hard copy in the manner specified in **Section 21.9(a)**, or by e-mail transmission (where receipt is acknowledged by the recipient) or facsimile transmission (with acknowledgment of receipt from the recipient's facsimile machine) to the addresses set forth below:

In the case of TxDOT:

Texas Department of Transportation
125 East 11th Street
Austin, Texas 78701
Attention: Designated TxDOT Representative

With a copy to:

Texas Department of Transportation
125 East 11th Street
Austin, Texas 78701
Attention: Procurement Division Director

And:

Texas Department of Transportation
125 East 11th Street
Austin, Texas 78701
Attention: Contract Services Division Director

And:

Texas Department of Transportation
125 East 11th Street
Austin, Texas 78701
Attention: General Counsel

In the case of Service Provider:

With Copy to:

- (c) **Written Complaints.** In addition to other remedies contained in this Agreement, Service Provider may direct its written complaints regarding TxDOT to the following office:

Texas Department of Transportation
125 East 11th Street
Austin, Texas 78701
Attention: Chief Information Officer

With a copy to:

Texas Department of Transportation
125 East 11th Street
Austin, Texas 78701
Attention: Contract Services Division Director

And:

Texas Department of Transportation
125 East 11th Street
Austin, Texas 78701
Attention: General Counsel

- (d) **Notice of Change.** A Party may from time to time change its address or designee for notification purposes by giving the other Party prior notice of the new address or designee and the date upon which it shall become effective.

21.10 Counterparts.

This Agreement may be executed in several counterparts, all of which taken together shall constitute one single agreement between the Parties hereto.

21.11 Headings.

The article and section headings and the table of contents used herein are for reference and convenience only and shall not be considered in the interpretation of this Agreement.

21.12 Relationship of Parties.

Service Provider, in furnishing Services hereunder, is acting as an independent contractor, and Service Provider has the sole obligation to supervise, manage, contract, direct, procure, perform or cause to be performed, all work to be performed by Service Provider under this Agreement. The relationship of the Parties under this Agreement shall not constitute a partnership or joint venture for any purpose. Service Provider is not an agent of TxDOT and has no right, power, or authority, expressly or impliedly, to represent or bind TxDOT as to any matters.

21.13 Severability.

If any provision of this Agreement (or any portion thereof) or the application of any such provision (or portion thereof) to any person, Entity or circumstance is held to be invalid, illegal, or otherwise unenforceable in any respect by a final judgment, order of the State Office of Administrative Hearings or a court of competent jurisdiction, such provision shall be deemed to be void and unenforceable. Notwithstanding the preceding sentence, the remaining provisions of this Agreement, if capable of substantial performance, shall remain in full force and effect. By entering into this Agreement, TxDOT makes no representations or warranties regarding the enforceability of the terms of this Agreement and TxDOT does not waive any applicable Law that conflicts with the terms of this Agreement.

21.14 Consents and Approval.

Except where expressly provided as being in the sole discretion of a Party, where any agreement, approval, acceptance, consent, confirmation, determination, notice or similar action by either Party is required under this Agreement, such action shall not be unreasonably delayed or withheld. An approval or consent given by a Party under this Agreement shall not relieve the other Party from responsibility for complying with the requirements of this Agreement, nor shall it be construed as a waiver of any rights under this Agreement, except as and to the extent otherwise expressly provided in such approval or consent.

21.15 Waiver of Default; Cumulative Remedies.

- (a) **Waiver of Default.** A delay or omission by either Party hereto to exercise any right or power under this Agreement shall not be construed to be a waiver thereof. A waiver by either of the Parties hereto of any of the covenants to be performed by the other or any breach thereof shall not be construed to be a waiver of any succeeding breach thereof or of any other covenant herein contained. All waivers must be in writing and signed by the Party waiving its rights.
- (b) **Cumulative Remedies.** Except as expressly set forth herein, all remedies provided for in this Agreement shall be cumulative and in addition to and not in lieu of any other remedies available to either Party at Law, in equity or otherwise. The election by a Party of any remedy provided for in this Agreement or otherwise available to such Party shall not preclude such Party from pursuing any other remedies available to such Party at Law, in equity, by contract or otherwise.

21.16 Survival.

Any provision of this Agreement which contemplates performance or observance subsequent to any termination or expiration of this Agreement shall survive any termination or expiration of this Agreement and continue in full force and effect. Additionally, all provisions of this Agreement shall survive the expiration or termination of this Agreement to the fullest extent necessary to give the Parties the full benefit of the bargain expressed herein.

21.17 Publicity.

- (a) Except as provided in Subsection (b) below, Service Provider shall not use the name of TxDOT or the State, or refer to TxDOT directly or indirectly in any media release, or public announcement, relating to this Agreement or its subject matter, including, in any promotional or marketing materials, customer lists, or business presentations (other than proposals or reports submitted to TxDOT an administrative agency of the State, or the Federal government).
- (b) Except with prior written consent of TxDOT, Service Provider shall not publish any media release or public announcement relating to this Agreement or its subject matter, including but not limited to, in any promotional or marketing materials, customer lists, business presentations (other than as required by TxDOT under this Agreement or by applicable law), or results of Service Provider's performance under this Agreement. Service Provider shall provide TxDOT a copy of any such pre-approved publication not less than five (5) Business Days prior to its intended public release. Service Provider shall provide additional copies at the request of TxDOT.

21.18 Service Marks.

Service Provider agrees that it shall not, without TxDOT's prior written consent, use any of the names, service marks, or trademarks of TxDOT in any of its advertising or marketing materials.

21.19 Export.

The Parties acknowledge that certain Equipment, Materials and technical data to be provided hereunder and certain transactions hereunder may be subject to export controls under the Laws of the United States, the European Union, the United Nations and other jurisdictions. Without limiting the Parties' respective obligations under [Section 15.11 Compliance with Laws.](#), no Party shall export or re-export any such items or any direct product thereof or undertake any transaction or service in violation of any such Laws and, to

the extent within Service Provider's control, Service Provider shall be responsible for, and shall coordinate and oversee, compliance with such export Laws in respect of such items exported or imported hereunder.

21.20 No Third Party Beneficiaries.

This Agreement is entered into solely between, and may be enforced only by, TxDOT and Service Provider and shall not be deemed to create any rights or causes of action in or on behalf of any third parties, including employees, suppliers and customers of a Party, or to create any obligations of a Party to any such third parties.

21.21 Covenant Against Pledging.

Service Provider agrees that, without the prior written consent of TxDOT, it shall not assign, transfer, pledge, hypothecate or otherwise encumber its rights to receive payments from TxDOT under this Agreement for any reason whatsoever. To the extent TxDOT permits Service Provider to assign, transfer, pledge, hypothecate, or otherwise encumber its rights to receive payments from TxDOT under this Agreement, Service Provider shall continue to be TxDOT's sole point of contact with respect to this Agreement, including with respect to payment. The person or Entity to which such rights are assigned, transferred, pledged, hypothecated, or otherwise encumbered shall not be considered a third party beneficiary under this Agreement and shall not have any rights or causes of action against TxDOT.

21.22 Solicitation and Hiring of Employees.

Except as expressly set forth herein, during the Term and for a period of twelve (12) months thereafter, Service Provider shall not directly or indirectly recruit for employment in a position involved in the performance of Service Provider's obligations under this Agreement, any employees of TxDOT or individual TxDOT Contractors without the prior approval of TxDOT. This provision shall not operate or be construed to prevent or limit any employee's right to practice his or her profession or to utilize his or her skills for another employer or to restrict any employee's freedom of movement or association.

21.23 Further Assurances.

Each Party covenants and agrees that, subsequent to the execution and delivery of this Agreement and without any additional consideration, each Party shall execute and deliver any further legal instruments and perform any acts that are or may become necessary to effectuate the purposes of this Agreement.

21.24 Liens.

Service Provider shall not file, or by its action or inaction permit one of the Service Provider Personnel to file, any liens on or against property or realty of TxDOT. In the event that any such liens arise as a result of Service Provider's action or inaction, Service Provider shall obtain a bond to fully satisfy such liens or otherwise remove such liens at its sole cost and expense within ten (10) Business Days. If Service Provider fails to do so, TxDOT may, in its sole discretion, pay the amount of such lien, and/or deduct such amounts from payments due to the Service Provider.

21.25 Covenant of Good Faith.

Each Party agrees that, in its respective dealings with the other Party under or in connection with this Agreement, it shall act in good faith.

21.26 Acknowledgment.

The Parties each acknowledge that the terms and conditions of this Agreement have been the subject of active and complete negotiations, with the assistance of legal counsel, and that such terms and conditions should not be construed in favor of or against any Party by reason of the extent to which any Party or its professional advisors participated in the preparation of this Agreement.

21.27 References.

Unless otherwise directed by TxDOT, Service Provider shall regularly use TxDOT as a reference for all prospective Service Provider customers interested in purchasing services that include the same or substantially similar services to the Services. The Parties anticipate that, unless otherwise directed by TxDOT, Service Provider shall use TxDOT as a reference for all major state and local sector efforts within the United States of America and not less than one (1) major non-state and local sector pursuit per year. Notwithstanding [Section 13.1 Confidentiality](#), but subject to appropriate confidentiality arrangements and applicable Law, Service Provider acknowledges and agrees that TxDOT may freely discuss all aspects of Service Provider's performance and TxDOT's satisfaction with such performance with prospective Service Provider customers. Service Provider shall provide such prospective Service Provider customers with appropriate TxDOT contact information.

21.28 Guaranty

As a material condition to the effectiveness of this Agreement, Service Provider shall cause to be executed and deliver to TxDOT the guaranty set forth in **Attachment D Form of Parent Guaranty**.

•

IN WITNESS WHEREOF, the Parties have executed this Master Services Agreement in their capacities as stated below with authority to bind their organizations on the dates set forth by their signatures. This Agreement shall be effective from the date of the last signature thereto (the "**Effective Date**").

Texas Department of Transportation

Service Provider

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: Executive Director

Title: _____

Date: _____

Date: _____



Texas Department of Transportation

Managed Network Services

MSA Attachment A

Form of Non-Disclosure Agreement

Version 1.0

Solicitation No. 601440000032124

FORM OF NON-DISCLOSURE AGREEMENT

This Non-Disclosure Agreement (“NDA”) is made as of this _____ day of _____, 20____, by and among the State of Texas, acting by and through the Texas Department _____ of Transportation (“TxDOT”), _____, (“Service Provider”) and _____, (“Receiving Party”), a third party retained by TxDOT.

WHEREAS, Service Provider and TxDOT are parties to that certain Master Services Agreement dated as of [_____], 20____, as amended, supplemented or otherwise modified from time to time (the “Services Agreement”);

WHEREAS, Service Provider is the owner and licensor of certain Confidential Information (as defined below); and

WHEREAS, TxDOT wishes to disclose, or have Service Provider disclose, to Receiving Party, and Receiving Party wishes to receive, under the terms and conditions of this NDA, Confidential Information.

NOW, THEREFORE, in consideration of the promises hereinafter set forth, TxDOT, Receiving Party and Service Provider acknowledge and agree as follows:

1. **Confidential Information.**

- a. “**Confidential Information**” shall mean information marked by Service Provider as “Proprietary”, “Confidential” or with a similar legend, or otherwise promptly after disclosure identified in writing as proprietary or confidential.
- b. Confidential Information shall not include information Receiving Party can demonstrate (i) is, at the time of disclosure to it, in the public domain, (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of Receiving Party, (iii) is in the possession of Receiving Party at the time of disclosure to it without any obligation of confidentiality, (iv) is received without obligation of confidentiality from a third party having a lawful right to disclose such information or (v) is independently developed by Receiving Party without reference to Confidential Information.

2. **Receiving Party's Duties.**

- a. During the term of this NDA and at all times thereafter, Receiving Party shall not disclose, and shall maintain the confidentiality of, all Confidential Information. Receiving Party shall use at least the same degree of care to safeguard and to prevent disclosing to third parties Confidential Information as it employs to avoid unauthorized disclosure, publication, dissemination, destruction, loss, or alteration of its own information (or information of its customers) of a similar nature, but not less than reasonable care. Receiving Party may disclose Confidential Information to its employees as and to the extent such disclosure is necessary for the performance of such person's or entity's

obligations or otherwise naturally occurs in such person's or entity's scope of responsibility. Receiving Party assumes full responsibility for the acts or omissions of such person or entity and must take all reasonable measures to ensure that Confidential Information is not disclosed or used in contravention of this NDA.

- b. Receiving Party shall not (i) make any use or copies of Confidential Information except as contemplated by this NDA, (ii) acquire any right in or assert any lien against Confidential Information, (iii) sell, assign, transfer, lease, or otherwise dispose of Confidential Information to third parties or commercially exploit such information, or (iv) refuse for any reason to promptly provide Confidential Information (including copies thereof) to Service Provider if requested to do so.
- c. Receiving Party shall not be considered to have breached its obligations under this NDA for disclosing Confidential Information as required to satisfy any legal, accounting, or regulatory requirement of a competent government body, provided that, promptly upon receiving any such request and to the extent that it may legally do so, Receiving Party advises Service Provider of the Confidential Information to be disclosed and the identity of the third party requiring such disclosure prior to making such disclosure in order that Service Provider may interpose an objection to such disclosure, take action to assure confidential handling of the Confidential Information, or take such other action as it deems appropriate to protect the Confidential Information.
- d. Receiving Party shall (i) promptly notify Service Provider of any known possession, use, knowledge, disclosure or loss of Confidential Information in contravention of this NDA, (ii) promptly furnish to Service Provider all known details and assist Service Provider in investigating and/or preventing the reoccurrence of such possession, use, knowledge, disclosure or loss, (iii) reasonably cooperate with Service Provider in any investigation or litigation deemed necessary by Service Provider to protect its rights to or under Confidential Information and (iv) promptly use commercially reasonable efforts to prevent further possession, use, knowledge, disclosure, or loss of Confidential Information in contravention of this NDA. Receiving Party shall bear its own costs in complying with this subsection.

3. Termination.

- a. Upon completion of Receiving Party's assignment for TxDOT, Receiving Party shall return or destroy, as Service Provider may direct, all Confidential Information, and retain no copies; provided, however, that if and to the extent that Receiving Party performed audit or Benchmarking functions for TxDOT, Receiving Party may retain its work papers that are related to such functions.
- b. The obligation to maintain confidentiality, the restrictions on use, disclosure, duplication, protection and security of Confidential Information and indemnification for breach thereof by Receiving Party shall survive the rescission, termination, or completion of this NDA, and remain in full force and effect until such Confidential Information, through no fault of Receiving Party, becomes part of the public domain.

4. General Provisions.

- a. This NDA shall be governed by and construed, and the legal relations between and among the parties shall be determined, in accordance with the laws of the State of Texas, without giving effect to the principles of conflicts of laws. Nothing in this NDA shall be construed to waive the State's sovereign immunity.
- b. This NDA supersedes all prior understandings and negotiations, oral and written, and constitutes the entire understanding among the parties on this subject.
- c. No waiver, modification, or amendment to this NDA shall be binding upon the parties unless it is in writing signed by an authorized representative of the party against whom enforcement is sought.
- d. Nothing in this NDA nor any disclosure made hereunder shall be deemed to grant to Receiving Party, by implication, estoppel or otherwise, license rights, ownership rights or any other intellectual property rights in any Confidential Information.
- e. Capitalized terms used in this NDA that are not defined herein shall have the meanings ascribed to them in the Services Agreement.

IN WITNESS WHEREOF, the parties have caused this NDA to be executed by their respective duly authorized representatives as of the date first set forth above.

**THE STATE OF TEXAS, acting by and through
THE TEXAS DEPARTMENT OF
TRANSPORTATION**

By: _____
Name: _____
Title: _____
Legal: _____

[SERVICE PROVIDER]

By: _____
Name: _____
Title: _____

[FULL NAME OF RECEIVING PARTY]

By: _____
Name: _____
Title: _____



Texas Department of Transportation

Managed Network Services

MSA Attachment B

Insurance and Risk of Loss

Version 1.0

Solicitation No. 601440000032124

1 INSURANCE

- (a) **Requirements.** Service Provider agrees to keep in full force and effect and maintain at its sole cost and expense the following policies of insurance with the specified minimum limits of liability during the Term of the Agreement:

- (i) Workers' Compensation and Employer's Liability Insurance in full compliance with the applicable Laws of the State and, as applicable, such other state in which the work is to be performed. Each such policy shall contain a waiver of subrogation endorsement against TxDOT, and its officers, directors, employees, agents, successors and assigns.

The limits of liability of Workers' Compensation Insurance shall be not less than the limits required by applicable Law.

The limits of liability of Employer's Liability Insurance shall not be less than \$1,000,000 per employee by accident / \$1,000,000 per employee by disease / \$1,000,000 policy limit by disease (or, if higher, the policy limits required by applicable Law).

- (ii) Commercial General Liability Insurance (including coverage for Contractual Liability assumed by Service Provider under this Agreement, Premises-Operations, Completed Operations-Products and Independent Contractors and, to the extent commercially reasonable, coverage for explosion, collapse, and underground property damage hazards) providing coverage for bodily injury, personal injury and property damage with limits of not less than \$5,000,000 per occurrence. This coverage may be provided with a combination of primary and excess insurance policies.
- (iii) Commercial Business Automobile Liability Insurance including coverage for all owned, non-owned, leased, and hired vehicles providing coverage for bodily injury and property damage liability with combined single limits of not less than \$1,000,000 per occurrence, except as may otherwise be required by Law.
- (iv) Professional Liability Insurance (also known as Errors and Omissions Liability) and, as and to the extent becoming commercially available, Cyber Risk Insurance covering acts, errors and omissions arising out of Service Provider's operations or Services in an amount not less than \$10,000,000 per claim and policy aggregate.
- (v) Comprehensive Crime Insurance including Employee Dishonesty Insurance and Computer Fraud Insurance, covering the loss of money, securities, and other property belonging to TxDOT resulting from any fraudulent or dishonest

acts committed by Service Provider employees, acting alone or with others, in an amount not less than \$5,000,000 per occurrence.

- (vi) All-risk property insurance covering loss or damage to Service Provider owned or leased Equipment and other tangible assets used to provide the Services in an amount not less than the full replacement cost of such Equipment and assets.
- (b) **Approved Companies.** All such insurance shall be procured with reputable insurance companies and in such form as is usual and customary to Service Provider's business. Such insurance companies shall maintain a rating at least "A-" and be at least a Financial Size Category VIII as both criteria are defined in the most current publication of Best's Policyholder Guide or comparable rating agency equivalent where applicable.
- (c) **Endorsements.** Service Provider shall obtain the following endorsements to its policy or policies of insurance (or so reflect in appropriate policy certificate(s)) as are necessary to cause the policy or policies to comply with the requirements stated herein.
 - (i) Service Provider's insurance policies as required herein under Sections 1(a)(ii) and (iii) shall include TxDOT and its officers, directors and employees as Additional Insureds thereunder for liability (subject to the terms of this Agreement) arising at any time in connection with the performance of Service Provider or Service Provider Personnel under this Agreement. The policy required under Section 1(a)(ii) shall have no cross-suits exclusion, or any similar exclusion that excludes coverage for claims brought by one insured under the policy against another insured under the policy.

The Service Provider insurance policies required under Sections 1(a) must either (A) provide coverage on a per occurrence basis (i.e., not claims-based) or (B) if the insurance described in Section 1(a) is written on a claims-made form, coverage shall be continuous (by renewal or extended reporting period) for not less than thirty-six (36) months following the expiration or termination of the Agreement. The Service Provider shall use best efforts to ensure that coverage, including any renewals, shall have the same retroactive date as the Agreement.

- (ii) The Service Provider insurance policy required under Section 1(a)(v) shall include TxDOT and its officers, directors and employees as loss payees as their interests may appear.

All policies required to be maintained by Service Provider hereunder shall provide (or to the extent such policy does not so provide, Service Provider shall cause the applicable insurance company to agree to provide such notice) that should the policy be cancelled before the expiration date thereof, Service Provider shall use best efforts to provide thirty (30) days notice (ten (10) days for non-payment) prior to cancellation. Should any policy expire or be canceled during the Term and should Service Provider thereafter fail to immediately procure replacement

insurance as specified, TxDOT may at its option procure such insurance and to deduct the cost thereof from any sums due Service Provider under this Agreement.

- (iii) All insurance required under this Section 1 shall be primary insurance and any other valid insurance existing for TxDOT's benefit shall be excess of such primary insurance with respect to the scope of this Agreement and Service Provider's liability.
- (d) **Minimum Amounts, Self-Insurance.** These insurance provisions set forth the minimum amounts and scopes of coverage to be maintained by Service Provider and are not to be construed in any way as a limitation on Service Provider's liability under this Agreement. Any and all deductibles in the above-referenced insurance policies shall be assumed by, for the account of, and at the sole risk of the Service Provider.
- (e) **Certificates.** Service Provider shall provide TxDOT with certificates of insurance evidencing compliance (including evidence of renewal of insurance) signed by authorized representatives of the respective carriers for each year that this Agreement is in effect.
- (f) **No Implied Limitation.** The obligation of Service Provider to provide the insurance specified herein shall not limit or expand in any way any obligation or liability of Service Provider provided elsewhere in this Agreement. The rights of TxDOT to insurance coverage under policies issued to or for the benefit of it are independent of this Agreement and shall not be limited by this Agreement.
- (g) **Waiver of Subrogation.** With respect to insurance coverage to be provided by Service Provider pursuant to Sections 1(a) (ii) and (iii) herein, the insurance policies shall provide that the insurance companies waive all rights of subrogation against TxDOT, and its Affiliates, officers, directors and employees. Service Provider waives its rights to recover against TxDOT and its respective officers, directors, employees, agents, successors and assigns in subrogation or as subrogee for another party and shall, to the extent available on a commercially reasonable basis, similarly arrange for such waiver with respect to the coverage provided by Service Provider pursuant to Section 1(a)(i). Notwithstanding the foregoing, Service Provider acknowledges and agrees that the enforceability of any such waivers is effective to the extent authorized by applicable Laws.

2 RISK OF LOSS

- (a) **General.** Each Party shall be responsible for risk of loss of, and damage to, any Equipment, Materials, or other items in its possession or under its control. Service Provider shall be deemed to possess and control of all Equipment, Materials, and other items located in Service Provider Facilities or in TxDOT Facilities used by Service Provider to provide the Services excluding Equipment, Materials, and other items owned by Service Provider. Each Party shall promptly notify the other of any damage (except normal wear and tear), destruction, loss, theft, or governmental taking of any such Equipment, Materials, and other items in the possession or under the control of

such Party, whether or not insured against by such Party, whether partial or complete, which is caused by any act, omission, fault or neglect of such Party (an “**Event of Loss**”). Each Party shall promptly notify the other Party of any damage (except normal wear and tear), destruction, loss, theft, or governmental taking of such other Party’s tangible property or real property (whether owned or leased).

- (b) **Waiver.** Service Provider and TxDOT each waive all rights to recover against the other Party for damage, destruction, loss, theft, or governmental taking of their respective real or tangible personal property (whether owned or leased) from any cause to the extent covered by insurance maintained by each of them, including their respective deductibles or self-insured retentions. Service Provider shall cause its insurers to issue appropriate waivers of subrogation rights endorsements to all property insurance policies.



Texas Department of Transportation

Managed Network Services

MSA Attachment C

Form of Source Code Escrow

Version 1.0

Solicitation No. 601440000032124

FORM OF SOURCE CODE ESCROW

This Source Code Escrow Agreement (this “**Escrow Agreement**”) is entered into on _____, 20__ (the “**Escrow Agreement Effective Date**”), by and among _____, a _____ organized and existing under the laws of the State of _____ (“**Escrow Agent**”), _____, a _____ organized and existing under the laws of the State of _____ (“**Depositor**”) and The Texas Department of Transportation (“**Registrant**”). Escrow Agent, Depositor and Registrant are each referred to herein individually as “party” and collectively as “the parties.”

A. Depositor and Registrant have entered into that certain Master Services Agreement dated as of _____, 20__, as amended, supplemented or otherwise modified from time to time (for purposes of this Escrow Agreement, the “**Services Agreement**”), pursuant to which Depositor licensed to Registrant certain Service Provider Owned Materials and Third Party Materials consisting of Software (as such terms are defined in the Services Agreement) and agreed to provide to Registrant support and maintenance Services for such Software.

B. Depositor has agreed to place in escrow with Escrow Agent the Source Code (as hereinafter defined) for such Service Provider Owned Materials and Third Party Materials, as required by the Services Agreement.

C. Such Materials (as such term is defined in the Services Agreement) are critical to Registrant (as such term is defined in the Services Agreement) in the conduct of their operations.

D. Depositor and Registrant desire to establish an escrow with Escrow Agent to ensure the availability to Registrant of such Materials and all necessary proprietary information related to such Materials in the event certain Release Conditions (as hereinafter defined) should occur.

E. The parties desire this Escrow Agreement to be supplementary to the Services Agreement pursuant to 11 United States Code, Section 365(n), as amended.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows.

1. DEFINITIONS. When used herein with initial capital letters, the following terms shall have the following meanings:

a. “**Ancillary Agreement**” means the Services Agreement and any other agreements between or among the parties and/or their Affiliates that are entered into in connection therewith.

b. “**Deposit Materials**” means the Source Code for: (i) the Service Provider Owned Materials that constitute Software, and (ii) to the extent available pursuant to Depositor’s then-current license, the Third Party Materials that constitute Software, in each case if and to the extent

Registrant has requested that Depositor deposit the Source Code for such Software in escrow pursuant to applicable provisions of the Services Agreement.

c. **“Services Agreement”** shall have the meaning given such term in the preamble of this Escrow Agreement.

d. **“Release Condition”** shall have the meaning given such term in Section 5(a) below.

e. **“Source Code”** means, with respect to any Software, the full source language, human-readable statement of such Software and complete source materials, user documentation and program maintenance documentation for such Software, including all available flow charts, schematics and annotations which comprise the precoding detailed design specifications for such Software, together with all configurations, settings, compiler switches, library routines and files, data files, templates and the like necessary or desirable for creating the executable code form of such Software, all in a form suitable for reproduction by computer and photocopy equipment, and all Software necessary to convert such source code into the executable code form of such Software.

f. **“Verification”** means a procedure or process to determine the accuracy, completeness, sufficiency and quality of the Deposit Materials at a level of detail reasonably requested by Registrant. Verification may include, as required by Registrant (or by a third party on behalf of Registrant), file listing, compilation, size comparison, function comparison and on-line comparison services.

Terms that are used herein with initial capital letters but are not defined herein shall have the meanings given such terms in the Services Agreement. Without limiting the generality of the foregoing, the following terms shall have the meanings given to them in the Services Agreement: **“Control”**, **“Materials”**, **“Service Provider Materials”**, **“Software”** and **“Third Party Materials.”**

2. DELIVERY.

a. **Obligation to Deliver Deposit Materials.** Within ten (10) business days after Registrant has requested pursuant to the Services Agreement that Depositor deposit any Deposit Materials in escrow, and thereafter from time to time as required hereunder, Depositor shall deliver to Escrow Agent a parcel (the **“Parcel”**) sealed by Depositor, which Depositor warrants contains two (2) complete sets of such Deposit Materials. Depositor shall deliver updated Deposit Materials to Escrow Agent in accordance with **Section 2(g)** below.

b. **Identification of Tangible Media.** Prior to each delivery of the Deposit Materials to Escrow Agent, Depositor shall (i) conspicuously label for identification each document, magnetic tape, disk or other tangible media upon which the Deposit Materials are written or stored and (ii) properly complete and sign a copy of the attached Source Code Escrow Attachment A (a **“SCE Attachment”**) to list such tangible media by the item label description, the type of media and the quantity provided. Each SCE Attachment must be properly completed, signed and delivered by Depositor to Escrow Agent together with each deposit of the Deposit Materials. Each SCE

Attachment that is executed by Depositor shall be deemed a part of this Escrow Agreement and is incorporated herein by this reference.

c. **Deposit Inspection.** When Escrow Agent receives a Parcel and any supplements to or update of the Deposit Materials, Escrow Agent shall promptly conduct a deposit inspection by opening the Parcel and visually matching the labeling of the tangible media containing the Deposit Materials to the item descriptions and quantity listed on the applicable SCE Attachment. Escrow Agent shall complete each such inspection no more than five (5) business days after receiving a Parcel. In addition to such inspection, upon Registrant's request, Escrow Agent shall promptly conduct a Verification of the Deposit Materials in accordance with Registrant's requirements and Section 2(e) below. In the event Escrow Agent determines that the labeling of the tangible media comprising a Parcel matches the information listed on the applicable SCE Attachment, Escrow Agent shall sign the SCE Attachment and mail a copy thereof to Depositor and Registrant. Alternatively, in the event Escrow Agent determines that the labeling of the tangible media comprising a Parcel does not match the information listed on the applicable SCE Attachment, Escrow Agent shall immediately (i) note the discrepancies in writing on the SCE Attachment, (ii) sign the SCE Attachment with the exceptions noted and (iii) immediately provide a copy of such SCE Attachment to Depositor and Registrant. Within five (5) days after receiving from Escrow Agent written notice of such discrepancies, Depositor shall remedy such discrepancies and re-deliver to Escrow Agent the applicable Parcel. Escrow Agent's acceptance of each Parcel shall be deemed effective upon the earlier of the signing on behalf of Escrow Agent of the applicable SCE Attachment or the expiration of the five-day period commencing with Escrow Agent's receipt of the applicable Parcel.

d. **Depositor's Warranties and Representations.** Depositor represents, warrants and covenants, as appropriate, as follows:

- (1) Depositor lawfully possesses all of the Deposit Materials deposited with Escrow Agent;
- (2) with respect to all of the Deposit Materials, Depositor has the right and authority to grant to Escrow Agent and Registrant the rights and licenses as provided in this Escrow Agreement and the Services Agreement;
- (3) the Deposit Materials are not subject to any lien or other encumbrance;
- (4) the Deposit Materials consist of the proprietary information and other Materials identified in the Services Agreement and comply in all respects to, and are covered by Depositor's representations, warranties, covenants and indemnities contained in, the Services Agreement, as applicable pursuant to the Services Agreement;
- (5) there are no known intended or unintended copy inhibitors or limiters, locking mechanisms, lockout encryption or security devices or Malicious Code contained in or related to the Deposit Materials that may prevent Registrant or a third party from using, copying and modifying the Deposit Materials; and

- (6) the Deposit Materials delivered to Escrow Agent shall at all times (i) conform to the version(s) of the Service Provider Owned Materials and, as applicable, the Third Party Materials then in use in connection with the Services, (ii) be a complete and correct set of the Source Code version of the Service Provider Owned Materials and, as applicable, the Third Party Materials and (iii) be sufficient to enable a reasonably skilled computer programmer of Registrant to maintain and support the Service Provider Owned Materials and, as applicable, the Third Party Materials without further assistance from Depositor or reference to any other Software or Materials.

e. Verification. Registrant (or a third party on behalf of Registrant) reserves the right from time to time and at any time to cause Verification of the Deposit Materials and to examine the Deposit Materials to verify conformance to the requirements of the Services Agreement and this Escrow Agreement. Except as otherwise required by Registrant (or by a third party on behalf of Registrant and reasonably approved by Depositor), all Verification tasks shall be performed solely by employees of Escrow Agent and, at Registrant's option, of Registrant or a third party engaged by Registrant (subject to by Depositor's reasonable approval of Registrant), without interference from Depositor; provided, however, that if and to the extent requested by Registrant (or by a third party on behalf of Registrant), Depositor shall at Depositor's expense provide to Escrow Agent and/or Registrant all reasonably necessary assistance and cooperation in connection with the performance of any Verification, including, without limitation, assisting in the performance of tests and inspections ancillary to such Verification and compiling the Source Code into the executable code version of the Service Provider Owned Materials and, as applicable, the Third Party Materials. Any Verification performed by Escrow Agent or a third party engaged by Escrow Agent (and acceptable to Registrant) shall be performed in a good, workmanlike, timely and professional manner by qualified persons fully familiar with the requirements, Materials and technology involved in performing such Verifications.

f. Degeneration Prevention. The parties agree that since the Deposit Materials are susceptible to loss of quality either resulting from improper storage or the passage of time:

- (1) Escrow Agent represents and warrants that it shall store the Deposit Materials in a fire-proof, weatherproof, demagnetization-proof and environmentally controlled locked receptacle, under climatic conditions sufficient to safeguard the quality and integrity of the Deposit Materials, and in the event the Deposit Materials have not been updated within twelve (12) months subsequent to Depositor's most recent deposit, Escrow Agent shall promptly notify Depositor and Registrant in writing of the foregoing fact.
- (2) Within ten (10) business days after such notification is sent to Depositor, Depositor shall provide Escrow Agent with the latest and then-current version of the Deposit Materials. After the expiration of such ten (10) Business Day period, Escrow Agent shall notify Registrant that either (i) Escrow Agent has received from Depositor an update to the Deposit Materials and Escrow Agent shall identify the contents of such update or (ii) Escrow Agent has not received from Depositor any response to Escrow Agent's notice.

g. Deposit Updates. In addition to deliveries of the Deposit Materials pursuant to Section 2(f), Depositor shall deliver to Escrow Agent updates to the Deposit Materials as described in this Subsection. Such updates shall consist of the Source Code version of each Upgrade of the Service Provider Owned Materials and, as applicable, the Third Party Materials and Upgrades to any other components of the Deposit Materials. Depositor shall deliver such updates within thirty (30) days after the calendar quarter in which Depositor develops or obtains such Upgrades. Such Upgrades shall be added to or replace the existing Deposit Materials as appropriate in accordance with Depositor's instructions contained in the applicable SCE Attachment; provided, however, that Escrow Agent shall not remove, destroy or replace any Deposit Materials without Registrant's prior written consent. All Upgrades to Deposit Material shall be listed on a new SCE Attachment, and such new SCE Attachment shall be signed by Depositor. Escrow Agent shall ensure that each SCE Attachment shall be held and maintained separately within Registrant's account. Escrow Agent shall create an independent record to document all activity occurring in connection with Registrant's account and each SCE Attachment. All references in this Escrow Agreement to the Deposit Materials shall be read and understood to mean and include the initial Deposit Materials and any Upgrades thereto.

h. Removal of Deposit Materials. The Deposit Materials may be removed or exchanged solely (i) upon the joint written consent of both Depositor and Registrant or (ii) as otherwise provided in this Escrow Agreement.

i. Retained Rights. Depositor hereby acknowledges and agrees that in the event of bankruptcy, if Depositor as a debtor-in-possession, or a trustee or other guardian for Depositor's creditors (either, a "**Trustee**"), rejects this Escrow Agreement, the Services Agreement or any agreement supplementary thereto (collectively, for purposes of this Section, "**this Agreement**"), Registrant (or a third party on behalf of Registrant) may elect to retain its rights hereunder as provided in Section 365(n) of the Bankruptcy Code. Notwithstanding any prior delivery of Deposit Materials under this Agreement or any right thereto, Registrant (or a third party on behalf of Registrant) shall have the right to (i) obtain from Depositor and/or its Trustee and (ii) use a copy of the Deposit Materials and all other Software to which Registrant has a right or license under this Agreement as of the first time Depositor becomes the subject of an action in bankruptcy, insolvency, liquidation or reorganization (or the equivalent) or has appointed for it a Trustee. Depositor shall not interfere with the rights of Registrant as provided in this Agreement to obtain Deposit Materials from the Trustee. Depositor or the Trustee shall, if requested by Registrant (or by a third party on behalf of Registrant) prior to any permitted rejection by the Trustee of this Agreement, or following such rejection if Registrant (or a third party on behalf of Registrant) elects to retain its rights under this Agreement pursuant to said Section 365(n), promptly make a complete copy of the Deposit Materials on appropriate magnetic or optical media available to Registrant or, at Registrant's request (or at a third party's request on behalf of Registrant) and reasonable expense, cause such a copy of the Deposit Materials to be delivered to Registrant.

3. CONFIDENTIALITY AND RECORD KEEPING.

a. Confidentiality. Escrow Agent shall maintain the confidentiality of all Deposit Materials and restrict access of such Deposit Materials solely to those employees who are

necessary to perform services under this Agreement on behalf of the Escrow Agent and who are under contractual obligations restricting such persons from use or disclosure of Deposit Materials. Except as provided in this Escrow Agreement, Escrow Agent shall not disclose, transfer, make available or use the Deposit Materials. If Escrow Agent receives a subpoena or other order of a court or other judicial tribunal pertaining to the disclosure or release of the Deposit Materials, Escrow Agent will immediately notify Depositor and Registrant. It shall be the responsibility of either Depositor or Registrant to challenge any such order; provided, however, that Escrow Agent does not waive its rights to present its position with respect to any such order. Escrow Agent will not be required to disobey any court or other judicial tribunal order.

b. Status Reports. At least semi-annually, or as reasonably requested by Depositor or Registrant, Escrow Agent shall issue to Depositor and Registrant a report that describes any activity related to Registrant's account and inventories the Deposit Materials held by Escrow Agent.

c. Audit Rights. Escrow Agent shall retain and make available for audit purposes, upon request by Depositor or Registrant (or by a third party on behalf of Registrant), all Depositor- and Registrant-related records and documentation, including invoices, correspondence, contracts and service logs. During the term of this Escrow Agreement and for a two-year period thereafter, Depositor and Registrant (or a third party on behalf of Registrant) shall each have the right to inspect the written records of Escrow Agent pertaining to this Escrow Agreement. Any inspection shall be held during normal business hours and following at least three (3) Business Days' prior notice. The party requesting such audit shall bear the cost of conducting the same; provided, however, that in the event such audit uncovers inaccuracies in such records, Escrow Agent shall reimburse such party for such costs and provide a credit to Registrant of all fees paid to Escrow Agent hereunder attributable to such inaccuracies.

4. GRANT OF RIGHTS TO ESCROW AGENT. Depositor hereby grants Escrow Agent the right to transfer all media and tangible embodiments that comprise the Deposit Materials in accordance with this Escrow Agreement. However, except for the rights and licenses granted hereunder, such transfer does not include the ownership or transfer of the intellectual property rights in such Deposit Materials. Escrow Agent shall have the right to make copies of the Deposit Materials as necessary to perform under this Escrow Agreement. Escrow Agent shall not remove any titles, proprietary rights notices or similar legends contained on the Deposit Materials. As of the Escrow Agreement Effective Date, Depositor hereby grants to Escrow Agent a world-wide, non-exclusive, irrevocable, royalty-free right and license to sublicense the Deposit Materials to Registrant in accordance with the terms of this Escrow Agreement but only as needed to perform its obligations hereunder. Except as provided herein, Escrow Agent shall not sublicense or otherwise transfer its rights to the Deposit Materials.

5. RELEASE OF DEPOSIT.

a. Release Conditions. For all purposes under this Escrow Agreement, "**Release Condition**" means the occurrence of any of the following:

- (i) The sale, assignment, or transfer to any third party of any of Depositor's rights in the Service Provider Owned Materials (or any portion thereof) or as applicable, the Third Party Materials (or any portion thereof), if such sale, assignment, or transfer would prevent Depositor from discharging any of its obligations under any Ancillary Agreement or this Escrow Agreement;
- (ii) Depositor becomes insolvent or commits any affirmative act of insolvency, or generally fails to pay, or admits in writing its inability to pay, debts as they become due, makes a general assignment for the benefit of creditors, files a voluntary petition of bankruptcy, suffers or permits the appointment of a receiver for its business or assets, becomes subject to any proceeding under, or case in, any bankruptcy or insolvency law, or Depositor takes any action to authorize, or in the furtherance of, any of the foregoing;
- (iii) Depositor discontinues providing full support and maintenance Services for the Service Provider Owned Materials (or any material portion thereof) or, as applicable, the Third Party Materials in accordance with its obligations pursuant to any Ancillary Agreement;
- (iv) Depositor has ceased to do business or improperly refuses to provide the Services (in the case of Service Provider Owned Materials (as defined in the Ancillary Agreement) and for purposes of **Section 14.3** of the Master Services Agreement relating to the maintenance of such Materials to Registrant in accordance with the terms of any Ancillary Agreement;
- (v) Depositor has breached (and if subject to a cure period, has not cured such breach within such period) any material term or condition of any Ancillary Agreement or this Escrow Agreement, including, without limitation, Depositor's obligation to provide Services thereunder.
- (vi) Any change in Control of Depositor (or that portion of Depositor providing all or any material part of the Services under any Ancillary Agreement) or Depositor's parent company, where such Control is acquired, directly or indirectly, in a single transaction or series of related transactions, or all or substantially all of the assets of Depositor (or that portion of Depositor providing all or any material part of the Services) are acquired by any entity, or Depositor (or that portion of Depositor providing all or any material part of the Services) is merged with or into another entity to form a new entity; or
- (vii) Any other circumstance in which Registrant (or a third party on behalf of Registrant) would be entitled to access or use the applicable Deposit Materials under the express terms of any Ancillary Agreement.

b. Release of Deposit. In the event that Registrant (or a third party on behalf of Registrant) provides Escrow Agent with written notice stating that a Release Condition has occurred, Escrow Agent shall follow the following procedures:

- (1) *[Note: Alternative 1—for use with Deposit Material consisting of Service Provider Owned Materials:* Promptly upon the receipt of such written notice notifying Escrow Agent of the occurrence of a Release Condition and confirmation of current Escrow Agent account status, Escrow Agent shall verify such Release Condition with Depositor. If Depositor verifies the Release Condition or fails to respond within five (5) business days, then Escrow Agent shall release to Registrant or its designee the Deposit Material. In the event of a dispute respecting Release Condition pursuant to the proviso of the foregoing sentence, Depositor and Registrant shall submit the dispute to the dispute resolution procedures in **Section 19.1** of the Services Agreement, provided that in the event such process shall not produce a resolution within thirty (30) days of initiation of such process, this issue will be immediately presented to Depositor’s General Manager of Public Sector (or equivalent position) and Registrant’s General Counsel for further efforts at resolution. If after fifteen (15) days following such escalation for further efforts at resolution the dispute is not resolved, the Deposit Material shall be released, provided that such release shall not waive any rights of either party hereunder. *[Note: Alternative 2-- for use with other Deposit Material:* Promptly upon the receipt of such written notice notifying Escrow Agent of the occurrence of a Release Condition and confirmation of current Escrow Agent account status, Escrow Agent shall release to Registrant or its designee the Deposit Material.
- (2) Immediately upon release of the Deposit Material to Registrant or its designee, Escrow Agent shall notify Depositor thereof in writing.
- (3) Notwithstanding the procedures set forth above in clauses (1) and (2) of this Subsection, Escrow Agent shall also release to Registrant the Deposit Materials upon instruction from Depositor.

This Escrow Agreement shall terminate upon the release to Registrant of all of the Deposit Materials held by Escrow Agent, provided that Registrant has accepted the Deposit Materials within thirty (30) days of the date of delivery by Escrow Agent and provided that all fees due to Escrow Agent with respect to this Escrow Agreement have been paid in full. *[** Note: The following sentence to be deleted in the case of escrow of Service Provider Owned Materials:]* A dispute regarding the existence of a Release Condition shall not affect Escrow Agent’s obligation to release the Deposit Materials pursuant to this Subsection.

c. License. Depositor hereby grants to Registrant (and their respective successors and assigns), at no additional charge, a world-wide, non-exclusive, irrevocable, royalty-free right and license to Use, with the right to allow third parties the right to Use on Registrant’s (as defined in the Services Agreement) behalf, the Deposit Materials, in each case in accordance with the applicable terms and conditions of the Services Agreement. Depositor acknowledges and agrees that the foregoing right and license is in addition to, and not in lieu of, any rights or licenses granted to Registrant under any Ancillary Agreement.

6. TERM AND TERMINATION.

a. **Term of Agreement.** The initial term of this Escrow Agreement is for a period of one (1) year starting on the Escrow Agreement Effective Date. Thereafter, this Escrow Agreement shall automatically renew from year to year unless:

- (1) Depositor and Registrant jointly instruct Escrow Agent in writing at any time after the initial one (1) year term that this Escrow Agreement is terminated; or
- (2) this Escrow Agreement is terminated as otherwise provided hereunder.

b. **Termination for Nonpayment.** In the event of the nonpayment of fees properly due to Escrow Agent hereunder, Escrow Agent shall provide written notice of delinquency to Depositor and Registrant within thirty (30) days of such delinquency. Any party to this Escrow Agreement shall have the right to make the payment to Escrow Agent to cure such nonpayment. If the past-due payment is not received in full by Escrow Agent within sixty (60) days after the date of latest receipt of such notice, then Escrow Agent shall provide to Depositor and Registrant a second written notice of such delinquency. If the past-due payment is not paid to Escrow Agent within sixty (60) days after the date of the latest receipt of such second notice, then Escrow Agent shall have the right to terminate this Escrow Agreement any time thereafter by sending written notice of termination to Depositor and Registrant.

c. **Termination for Convenience.** Registrant reserves the right to terminate this Escrow Agreement at any time, with or without cause. Upon termination, Escrow Agent shall be entitled to payment of amounts owed up to the effective termination date. Notwithstanding the foregoing, in the event of any termination hereunder, Escrow Agent shall immediately reimburse Registrant on a pro rata basis for any advance payments or payments made to Escrow Agent for services not performed as of the effective termination date.

d. **Default.** The occurrence of any of the following shall constitute an event of default of Escrow Agent hereunder:

- (1) a breach, by Escrow Agent, of any term or provision of this Escrow Agreement, whether or not material;
- (2) any false or misleading representation or warranty made by Escrow Agent;
- (3) any affirmative act of insolvency by Escrow Agent, or the filing by Escrow Agent of any petition or action under any bankruptcy, receivership, insolvency, reorganization, dissolution, liquidation or moratorium law, or other similar proceedings instituted by or against Escrow Agent or against all or any part of its property under the Federal Bankruptcy Code or other law of the United States or of any other competent jurisdiction;
- (4) the filing of any involuntary petition under any bankruptcy statute against Escrow Agent, or the appointment of any receiver or trustee to take possession of the

properties of Escrow Agent, unless such petition or appointment is set aside or withdrawn or ceases to be in effect within thirty (30) days from the date of said filing or appointment; or

- (5) the subjection of any of Escrow Agent's property to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency.

In the event of Escrow Agent's default, at Registrant's election, Registrant may continue with this Escrow Agreement, cancel or terminate this Escrow Agreement and/or have recourse to any other right or remedy available at law or in equity. Upon Registrant's election to cancel or terminate this Escrow Agreement, Registrant and Depositor shall enter into a new escrow agreement with a mutually agreed-upon third party escrow agent. Any and all terms and conditions stated herein shall, without modification, be incorporated into the new escrow agreement; provided, however, that Depositor agrees to negotiate in good faith with such escrow agent in the event such escrow agent or Registrant requests modification of any terms and conditions contained herein.

e. Disposition of Deposit Materials Upon Termination. Upon termination of this Escrow Agreement by joint instruction of Depositor and Registrant or for non-payment of Escrow Agent's fees properly due hereunder, Escrow Agent shall destroy, return or otherwise deliver the Deposit Materials in accordance with Depositor's instructions.

f. Survival of Terms Following Termination. Upon any termination or expiration of this Escrow Agreement, the following provisions of this Escrow Agreement shall survive:

- (1) this Section 6(f);
- (2) Depositor's warranties, representations, or covenants hereunder;
- (3) the obligations of confidentiality with respect to the Deposit Materials;
- (4) the rights and licenses granted hereunder if a Release Condition has occurred or if Depositor and Registrant have jointly instructed Escrow Agent to release the Deposit Materials;
- (5) the obligation to pay Escrow Agent any undisputed fees and expenses due;
- (6) the provisions of Section 8 and Section 9 below; and
- (7) any provisions in this Escrow Agreement which specifically state they survive the termination or expiration of this Escrow Agreement.

7. ESCROW AGENT COMPENSATION.

a. **Fee Schedule.** Escrow Agent is entitled to be paid its standard fees and expenses applicable to the services provided as such fees are listed on **Schedule A** attached hereto and incorporated herein by this reference. For any service not listed on **Schedule A**, Escrow Agent will provide a quote prior to rendering the service, if requested.

b. **Payment Terms.** All fees are due within sixty (60) days of receipt of Escrow Agent's invoice. Registrant shall be responsible for all fees and charges payable pursuant to this Escrow Agreement.

8. LIABILITY AND DISPUTES.

a. **Right to Rely on Instructions.** Escrow Agent may act in reliance upon any instruction, instrument or signature reasonably believed by Escrow Agent to be genuine. Escrow Agent may reasonably assume that any employee of Depositor or Registrant who gives any written notice, request or instruction has the authority to do so.

b. **Indemnification.** Escrow Agent shall be responsible for performing its obligations under this Escrow Agreement and acting in a reasonable and prudent manner with regard to the matters contemplated herein. Provided Escrow Agent has acted in the manner stated in the preceding sentence, Depositor and Registrant each agree to indemnify, defend and hold harmless Escrow Agent from any and all Losses arising out of third party claims relating to this Escrow Agreement. Notwithstanding anything to the contrary contained herein, Escrow Agent shall not be entitled to indemnification or payment of Losses in connection with any matter if (i) it did not act in good faith and in a manner reasonably believed to be in the best interests of Depositor and Registrant or (ii) such Loss arises from Escrow Agent's breach of this Escrow Agreement, negligence, gross negligence, willful or intentional misconduct, fraud, violation of applicable Law, actions taken outside the scope of this Escrow Agreement or failure to observe standards of performance of a reasonably prudent escrow agent under similar circumstances.

c. **Controlling Law.** This Agreement shall be construed in accordance with the laws of the State of Texas without reference to the conflicts of law provisions thereof. For such purposes, the parties shall accept as due and binding service of legal process by receipted mail directed to the respective addresses provided herein for notices.

9. GENERAL PROVISIONS.

a. **Publicity.** Escrow Agent shall not use the name, trade name, service marks, trademarks, trade dress or logo of Registrant or Depositor in any form of publicity, whether as a press release, a brochure, a verbal announcement, an advertisement or any similar activity without Registrant's or Depositor's written consent, respectively.

b. **Time is of the Essence.** Depositor and Escrow Agent expressly acknowledge and agree that time is of the essence in the performance of their respective obligations hereunder. Registrant is relying on timely performance by Depositor and Escrow Agent and shall schedule operations

and incur obligations to third parties in reliance upon such timely performances by Depositor and Escrow Agent, and shall sustain substantial Losses by reason of any failure of timely performance.

c. Remedies. All remedies available to Registrant for breach of this Escrow Agreement shall be cumulative and may be exercised concurrently or separately, and the exercise of any one remedy shall not be deemed an election of such remedy to the exclusion of other remedies.

d. Waiver. The failure or delay of the Registrant and Depositor to insist, in any one or more instances, upon the performance of any of the terms, covenants or conditions of this Escrow Agreement or to exercise any right, power or privilege under this Escrow Agreement, including, but without limiting the generality of the foregoing, rights, powers or privileges arising from course of performance, course of dealing and usage of trade, shall not operate or be construed as a relinquishment of future performance under this Escrow Agreement or as a waiver or modification of any of the same or similar rights, powers or privileges in the future, and the obligation of the Registrant and Depositor with respect to such future rights or performance shall continue in full force and effect as if such failure or delay had never occurred.

e. Entire Agreement. This Escrow Agreement, which includes the Attachments and Schedules described herein or attached hereto, embodies the entire understanding between all of the parties with respect to the subject matter hereto and supersedes all previous communications, representations or understandings, either oral or written, other than the terms and conditions of the Ancillary Agreements. In the event, and to the extent, of a conflict, express or implied, or any ambiguity between the terms of this Escrow Agreement and the terms of any Ancillary Agreements, the terms of this Escrow Agreement shall prevail. No amendment or modification of this Escrow Agreement shall be valid or binding unless signed by an authorized representative of each of the parties hereto, except that Attachment A need not be signed by Registrant.

f. Notices. Any notice or other communication required or permitted under this Escrow Agreement shall be in writing and shall be sent by certified mail, return receipt requested, telegram or hand delivered to the parties at the respective addresses set forth below or to such other address as the party to receive the notice designates by notice to the other party, provided that payments, notices and communications sent by Registrant shall be sufficient if sent by regular mail or any other reasonable method.

IF TO DEPOSITOR:

 Attention: _____
 [ADDRESS]
 Telephone:
 Email Address:

With a copy to:
 Attention: _____
 [ADDRESS]
 Telephone:

Email Address:

Attention: _____

IF TO ESCROW AGENT: Escrow Agent

Attention: _____
[ADDRESS]
Telephone:
Email Address:

IF TO REGISTRANT: Texas Department of Transportation

125 East 11th Street
Austin, Texas 78701
Attention:
Telephone:
Email Address:

With a copy to:

Texas Department of Transportation
125 East 11th Street
Austin, Texas 78701
Attention:
Telephone:
Email Address:

g. Assignment. Registrant may assign any interest in this Escrow Agreement or any of its duties or rights hereunder in connection with the permitted assignment of the Services Agreement. Neither Depositor nor Escrow Agent may assign this Escrow Agreement without the prior written consent of Registrant. Any assignment or attempted assignment of this Escrow Agreement other than in accordance with this Section shall be void and of no effect. Escrow Agent shall not mortgage, grant a security interest in, pledge, transfer, delegate or assign, in whole or in part, this Escrow Agreement, whether voluntary, involuntary or by operation of law, without the prior written consent of Registrant. Upon Registrant's consent to the foregoing, Escrow Agent warrants that all said successors shall comply with any and all obligations arising under this Escrow Agreement and shall be liable for all obligations breached by Escrow Agent. Furthermore, Escrow Agent warrants that as a condition to any of the foregoing, Escrow Agent shall covenant in writing with each successor that said successor shall be liable for any and all obligations arising under this Escrow Agreement and for any breach committed by Escrow Agent in the past.

h. Headings. The Article and Section headings contained in this Escrow Agreement are embodied herein for the purpose of convenience of reference only and are not intended to limit or affect any terms or conditions hereof.

i. Severability. In the event any provision of this Escrow Agreement is found to be invalid, voidable or unenforceable, the parties agree that unless such invalidity, voidability or unenforceability materially affects the entire intent and purpose of this Escrow Agreement, it shall affect neither the validity of this Escrow Agreement nor the remaining provisions herein, and the provision in question shall be deemed to be replaced with the valid and enforceable provision most closely reflecting the intent and purpose of the original provision.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto, through their duly authorized representatives, have entered into this Escrow Agreement as of the later of the dates set forth below.

DEPOSITOR: _____

By: _____

Name: _____

Title: _____

Date: _____

**REGISTRANT: THE TEXAS DEPARTMENT OF
TRANSPORTATION**

By: _____

Name: _____

Title: _____

Date: _____

ESCROW AGENT: _____

By: _____

Name: _____

Title: _____

Date: _____

SCHEDULE A

FEES

Fees to be paid shall be as follows:

Initialization fee (one time only) \$ _____
(\$ _____ for current clients)

Annual maintenance fee \$ _____
• includes two Deposit Material Updates (\$ _____/product)
• includes two cubic feet of storage space (foreign \$ _____)

International (outside of U.S.) - \$ _____/product

Additional Updates (\$ _____/product)
(above two per year)

Additional Storage Space (\$ _____/cubic ft.)

Payable by Depositor or Registrant Only Upon Release Request:

Due Upon Depositor's or Registrant's \$ _____ for initial 2 hours
Request for Release of Deposit Materials
\$ _____/hour for
additional hours

SCE ATTACHMENT

A-1 Product Name _____
 Version # _____

Additional products (and versions) provided to Registrant hereafter shall be deposited in source code form with Escrow Agent and deemed included within the scope of this Escrow Agreement.

Prepared and Confirmed by:

Title:

Date:

Signature:

Type of deposit:

_____ Initial Deposit
 _____ Update Deposit to replace current deposits
 _____ Other (please describe) _____

Items Deposited:

Quantity	Media Type	Description of Material
A) _____		
B) _____		
C) _____		

A-2 Product Name _____
 Version # _____

Prepared and Confirmed by:

Title:

Date:

Signature:

Type of deposit:

_____ Initial Deposit
 _____ Update Deposit to replace current deposits
 _____ Other (please describe) _____

Items Deposited:

Quantity	Media Type	Description of Material
A) _____		
B) _____		
C) _____		



Texas Department of Transportation

Managed Network Services

MSA Attachment D

Form of Parent Guaranty

Version 1.0

Solicitation No. 601440000032124

FORM OF PARENT GUARANTY

GUARANTY OF OBLIGATIONS

THIS GUARANTY OF OBLIGATIONS ("**Guaranty**") is made and entered into as of [____], and is executed and delivered by [____], a [____] corporation (the "**Guarantor**"), in favor of the Texas Department of Transportation ("**TxDOT**").

WHEREAS, [**Service Provider**] (the "**Subsidiary**") and TxDOT have entered into that certain Master Services Agreement dated as of [____], (as amended, restated, supplemented, or otherwise modified from time to time, the "**Agreement**") with respect to certain services to be provided by Subsidiary to TxDOT;

WHEREAS, the Guarantor is the parent, directly or indirectly, of Subsidiary;

WHEREAS, the Guarantor's execution and delivery of this Guaranty is a condition to TxDOT entering into the Agreement; and

WHEREAS, the Guarantor acknowledges that it will receive direct and indirect benefits from TxDOT entering into and performing its obligations under the Agreement and, accordingly, the Guarantor is willing to guarantee all of the obligations of Subsidiary to TxDOT under the Agreement on the terms and conditions contained herein;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Guarantor, the Guarantor agrees as follows:

Section 1. Guaranty. The Guarantor hereby absolutely, irrevocably, and unconditionally guaranties the due and punctual performance when due of all obligations of Subsidiary (including any obligation for the payment of money) under the Agreement (collectively referred to as the "**Guarantied Obligations**"). Notwithstanding anything in this Guaranty to the contrary, the obligations of Guarantor hereunder shall be subject to the rights, privileges and defenses otherwise available to Subsidiary with respect to the Guarantied Obligations.

Section 2. Guaranty of Payment and Not of Collection. This Guaranty is a guaranty of performance and payment, and not of collection, and an obligation and debt of the Guarantor for its own account; provided, however, TxDOT may resort to the Guarantor for the performance of any of the Guarantied Obligations only if in TxDOT's reasonable judgment efforts to obtain performance of the Guarantied Obligations against Subsidiary are not likely to result in the full and timely performance of such Guarantied Obligations. Accordingly, except as provided in the preceding sentence, TxDOT shall not be obligated or required before enforcing this Guaranty against the Guarantor: (a) to pursue any right or remedy TxDOT may have against Subsidiary, or any other Person or commence any suit or other proceeding against Subsidiary or any other Person in any court or other tribunal; or (b) to make any claim in a liquidation or bankruptcy of Subsidiary or any other Person. As used herein, "Person" means an individual, corporation, limited liability

company, partnership, trust, association, joint venture, unincorporated organization or entity of any kind or nature, or a governmental authority.

Section 3. Guaranty Absolute. The Guarantor guarantees that the Guaranteed Obligations will be performed or paid, as applicable, strictly in accordance with the terms of the Agreement and any other documents evidencing the same. The Guarantor waives any right that it might have to challenge the amount or validity of any amounts (i) acknowledged by the Subsidiary to be due under the Agreement or (ii) determined to be due under the Agreement pursuant to the dispute resolution procedures, mediation procedures, and arbitration proceedings or otherwise pursuant to or in connection with the Agreement. Subject to Section 1 hereof, the liability of the Guarantor under this Guaranty shall be absolute and unconditional in accordance with its terms and shall remain in full force and effect without regard to, and shall not be released, suspended, discharged, terminated or otherwise affected by, any circumstance or occurrence whatsoever (other than full and timely performance or indefeasible payment in full, as applicable).

Section 4. Action with Respect to Guaranteed Obligations. TxDOT, at any time and from time to time, without the consent of, or notice to, the Guarantor, and without discharging the Guarantor from its obligations hereunder, may, with any required consent of the Subsidiary: (a) amend, modify, alter, or supplement the terms of any of the Guaranteed Obligations, including, but not limited to, extending or shortening the time of payment of any of the Guaranteed Obligations; (b) amend, modify, alter, or supplement the Agreement; (c) release any other person liable in any manner for the payment or collection of the Guaranteed Obligations; (d) exercise, or refrain from exercising, any rights against Subsidiary, or any other Person, subject to Section 2 hereof.

Section 5. Representations and Warranties. The Guarantor hereby represents and warrants to TxDOT as follows:

(a) Organization; Power; Qualification. The Guarantor is a [_____] corporation, duly incorporated and validly existing under the jurisdiction of its incorporation, and has the power and authority to carry on its business.

(b) Authorization. The Guarantor has the right and power, and has taken all necessary action to authorize it, to execute, deliver, and perform this Guaranty in accordance with its terms. This Guaranty has been duly executed and delivered by the duly authorized officers of the Guarantor and is a legal, valid and binding obligation of the Guarantor enforceable against the Guarantor in accordance with its terms except as the same may be limited by bankruptcy, insolvency, and other similar laws affecting the rights of creditors generally and the availability of equitable remedies for the enforcement of certain obligations.

(c) Compliance with Laws, etc. The execution, delivery and performance of this Guaranty in accordance with its terms and the guaranties hereunder do not and will not, by the passage of time, the giving of notice, or both: (i) require any governmental approval or violate any applicable law relating to the Guarantor; (ii) conflict with, result in a breach of or constitute a default under the organizational documents of the Guarantor, or any indenture, agreement or other

instrument to which the Guarantor is a party or by which it or any of its properties may be bound; or (iii) result in or require the creation or imposition of any lien upon or with respect to any property now owned or hereafter acquired by the Guarantor.

Section 6. Waiver. Except as otherwise provided herein, the Guarantor, to the fullest extent permitted by applicable law, hereby waives notice of acceptance hereof or any presentment, demand, protest or notice of any kind, and any other act or thing, or omission or delay to do any other act or thing, which in any manner or to any extent might vary the risk of the Guarantor or which otherwise might operate to discharge the Guarantor from its obligations hereunder and hereby waives all rights the Guarantor may now or in the future have under any statute relating to sureties or otherwise related to the foregoing waiver. Except as otherwise provided herein, any right which at any time the Guarantor has under the existing or future laws to require that recourse be had to the assets of any other person before any claim is enforced against such Guarantor in respect of the obligations hereby assumed by the Guarantor is hereby abandoned and waived. If at any time TxDOT sues the Guarantor in respect of this Guaranty and the Subsidiary is not sued also, the Guarantor shall not claim that the Subsidiary must be made a party to the proceedings. The Guarantor agrees to be bound by this Guaranty whether or not it is made a party to legal proceedings for the recovery of any amount due or owing to TxDOT by the Subsidiary and whether the formalities required by any law whether existing now or in the future in regard to the rights or obligations of sureties shall or shall not have been observed.

Section 7. Reinstatement of Guaranteed Obligations. If claim is ever made on TxDOT for repayment or recovery of any validly owing amount or amounts received in payment or on account of any of the Guaranteed Obligations, and TxDOT repays all or part of said amount by reason of (a) any judgment, decree or order of any court or administrative body of competent jurisdiction, or (b) any settlement or compromise of any such claim effected by TxDOT with any such claimant, then and in such event, the Guarantor agrees that any such judgment, decree, order, settlement or compromise shall be binding on it, notwithstanding any revocation hereof or the cancellation of the Agreement, and the Guarantor shall be and remain liable to TxDOT for the validly owing amounts so repaid or recovered to the same extent as if such amount had never originally been paid by TxDOT.

Section 8. Payments Free and Clear. Except as otherwise provided herein or by law, all sums payable by the Guarantor hereunder shall be paid in full, without set-off or counterclaim or any deduction or withholding whatsoever.

Section 9. Information. The Guarantor assumes all responsibility for being and keeping itself informed of the financial condition of Subsidiary, and of all other circumstances bearing upon the risk of non-performance or nonpayment of any of the Guaranteed Obligations and the nature, scope and extent of the risks that the Guarantor assumes and incurs hereunder, and agrees that TxDOT shall not have any duty whatsoever to advise the Guarantor of information regarding such circumstances or risks.

Section 10. Governing Law. THIS GUARANTY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS. THIS GUARANTY IS INCLUDED IN THE AGREEMENT.

Section 11. Jurisdiction. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THE AGREEMENT, EACH PARTY IRREVOCABLY AGREES THAT ANY LEGAL ACTION, SUIT, OR PROCEEDING BROUGHT BY SUCH PARTY IN ANY WAY ARISING OUT OF THIS AGREEMENT MUST BE BROUGHT SOLELY AND EXCLUSIVELY IN THE STATE COURTS OF TRAVIS COUNTY, TEXAS, OR THE STATE OFFICE OF ADMINISTRATIVE HEARINGS, AS APPLICABLE, AND IRREVOCABLY ACCEPTS AND SUBMITS TO THE SOLE AND EXCLUSIVE JURISDICTION OF EACH OF THE AFORESAID COURTS GENERALLY AND UNCONDITIONALLY WITH RESPECT TO ANY ACTION, SUIT, OR PROCEEDING BROUGHT BY IT OR AGAINST IT BY THE OTHER PARTY.

Section 12. Waiver of Remedies. No delay or failure on the part of TxDOT in the exercise of any right or remedy it may have against the Guarantor hereunder or otherwise shall operate as a waiver thereof, and no single or partial exercise by TxDOT of any such right or remedy shall preclude other or further exercise thereof or the exercise of any other such right or remedy.

Section 13. Termination. This Guaranty shall remain in full force and effect until three (3) years following the termination or cancellation of the Agreement.

Section 14. Successors and Assigns. Each reference herein to TxDOT shall be deemed to include TxDOT's respective successors and assigns (including, but not limited to, any holder of the Guaranteed Obligations) (and Guarantor acknowledges and agrees that TxDOT may assign the Agreement in whole or in part to the extent permitted by the Agreement, and in the case of one or more partial assignments, any reference to TxDOT shall include both TxDOT and such assignees with respect to the part of the Agreement so assigned) in whose favor the provisions of this Guaranty also shall inure, and each reference herein to the Guarantor shall be deemed to include the Guarantor's successors and assigns, upon whom this Guaranty also shall be binding. The Guarantor may not assign or transfer its obligations hereunder to any Person.

Section 15. Amendments. This Guaranty may not be amended except in writing signed by TxDOT and the Guarantor.

Section 16. Payments. All payments to be made by the Guarantor pursuant to this Guaranty shall be made in U.S. Dollars, in immediately available funds to TxDOT, not later than 2:00 p.m. within ten (10) days of the date of demand therefor.

Section 17. Notices. All notices under this Guaranty will be in writing and will be deemed to have been duly given if delivered personally or by commercial overnight delivery, or mailed by registered or certified mail, return receipt requested, postage prepaid, to the Parties at the addresses set forth below:

If to TxDOT:

Texas Department of Transportation

[_____]

Austin, Texas [_____]

Attention: [_____]

With a copy to:

[_____]

Attention: [_____]

If to Guarantor:

[Address]

Attention: [_____]

With a copy to:

[Subsidiary Address]

Attention: [_____]

All notices under this Guaranty that are addressed as provided in this Section 17, shall be in writing and shall be delivered in hard copy using one of the following methods and shall be deemed delivered upon receipt: (i) by hand, (ii) by an express courier with a reliable system for tracking delivery or (iii) by registered or certified mail, return receipt requested, postage prepaid. Either party from time to time may change its address or designee for notification purposes by giving the other party notice of the new address or designee and the date upon which such change will become effective.

Section 18. Severability. In case any provision of this Guaranty shall be invalid, illegal, or unenforceable in any jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 19. Headings. Section headings used in this Guaranty are for convenience only and shall not affect the construction of this Guaranty.

IN WITNESS WHEREOF, the Guarantor has duly executed and delivered this Guaranty as of the date and year first written above.

[Guarantor]

By: _____
Name: _____
Title: _____

Accepted, Acknowledged and Agreed:

State of Texas, acting by and through the Texas Department of Transportation

By: _____
Name: _____
Title: _____



Department of Transportation

Managed Network Services

MSA Attachment E

Form of Work Order

Version 1.0

Solicitation No. 601440000032124

1 STRUCTURE

This Attachment E is intended as a framework for establishing Work Orders in accordance with **Section 4.6** of the Agreement entitled “Projects”. This Attachment E and each issued Work Order are hereby incorporated into and made part of the Agreement and are governed by the terms of the Agreement.

Each Work Order shall include, to the extent appropriate, (a) the information described in the form of Work Order attached hereto; and (b) additional provisions applicable to the Work Order not otherwise set forth in this Attachment E or the Agreement.

2 DEFINITIONS AND INTERPRETATION

Defined terms used in this Attachment E and the applicable Work Order(s) shall have the meanings set forth in **Exhibit 1.1 Definitions** to the Agreement, unless otherwise defined in this Attachment E, or the applicable Work Order(s).

3 TERM

The term of each Work Order shall commence on the date set forth therein (the “Work Order Effective Date”) and shall continue until the expiration date set forth in the Work Order (which if not specified, shall be the date all Services and Work Product under such Work Order are complete, including warranty Services), unless such Work Order is terminated earlier in accordance with the terms of this Attachment E, the Agreement or the applicable Work Order (the “Work Order Term”).

4 WORK ORDER PLANNING

Each Work Order shall list the milestones relating to Service Provider’s obligations under such Work Order and the Deliverables to be completed by Service Provider. The Work Order shall specify any Critical Deliverable Credits or payments associated with the successful completion of each milestone or Deliverable in accordance with its acceptance criteria. The acceptance process for milestones and Deliverables is set forth in **Section 4.5** of the Agreement.

A project plan shall be attached to each Work Order (“Work Order Plan”). The Work Order Plan shall describe Service Provider’s overall approach, including: (a) the overall design, methodology, steps, construction, validation, testing and/or implementation processes; (b) major activities and schedules for each phase or release; and (c) any modified timeframes relating to acceptance testing and completion, as further described in **Section 4.5** of the Agreement. Each Work Order Plan must be approved by TxDOT. TxDOT has the right to interview and approve Service Provider lead positions on all Work Orders (Work Order Managers, technical leads).

5 COMPENSATION

Work Order payments shall be tied to Deliverable or milestone completion. The payment schedules for a specific Work Order shall be set forth in the applicable Work Order. All Work

Order payments shall be invoiced in accordance with **Article 12** of the Agreement and **Exhibit 4.0 Business Model**.

All fees and expenses (if any) to be invoiced shall be expressly specified in the applicable Work Order. Unless expressly specified in the Work Order, there are no additional or other fees or expenses to be paid by TxDOT that are applicable to Service Provider's performance of its obligations and the provision of the Services and Deliverables under such Work Order.

6 TERMINATION RIGHTS

TxDOT may terminate a Work Order at any time. Upon Service Provider's termination notice receipt, Service Provider shall not undertake any new work relating to the terminated Work Order and Service Provider shall cooperate with TxDOT to wind-down all work under the terminated Work Order. In no event shall TxDOT be obligated to compensate Service Provider for any work under a Work Order that has not been performed as of the effective date of such termination or, if applicable, the end of any Termination Assistance Services, or for any subsequent phases of such Work Order or related Work Orders, regardless of whether work under such subsequent phases or Work Orders has been scheduled.

At TxDOT's request, Service Provider shall deliver to TxDOT any and all Deliverables existing as of the termination effective date or the end of any Termination Assistance Services, whichever is later. The Parties' respective ownership and license rights to Deliverables is governed by **Article 14** of the Agreement.

Service Provider shall, upon TxDOT's request, provide Termination Assistance Services (as described in the Agreement). The provisions of **Section 4.3** of the Agreement shall apply in the event of the termination or expiration of a Work Order including, the termination rights provisions in **Section 20**.

ATTACHMENT E: FORM OF WORK ORDER (SAMPLE)

This Work Order no. [x.x] (“**Work Order**”) is made and entered into as of the [] day of [], 20[] (the “**Work Order Effective Date**”) by and between the Texas Department of Transportation (TxDOT) and Service Provider (Name).

This Work Order is issued under and subject to the terms and conditions of the Agreement between TxDOT and Service Provider.

1.0 DEFINITIONS

Capitalized terms used herein and not otherwise expressly defined shall have the respective meanings assigned to them in **Exhibit 1.1 Definitions** of the MSA.

[define any additional terms for this Work Order here if necessary]

2.0 WORK ORDER

2.1 Scope

The scope of the Work Order consists of:

1. [Insert Work Order activities and scope]
2. [Describe the Services to be provided, and specify any TxDOT responsibilities and any additional standards, policies or procedures with which Service Provider must comply]
3. [Specifications]
4. [List any milestones, Deliverables, and/or reports to be completed, if any.]
5. [Work Order Plan, detailing tasks and start and finish dates for each task.]
6. [Work Order schedule]
7. [Work Order location – list the TxDOT Facilities/Sites and/or Service Provider Facilities/Sites where Services are to be performed]
8. [Preexisting works / Third Party products to be used, if any]
9. [Identity of Work Order manager; identity / role of other key consultant personnel]
10. [Testing requirements and acceptance testing criteria]
11. [Other required resources and estimated related charges]

12. [Required documentation or training, and the Party providing such documentation or training]
13. [Equipment, Software or other items required]
14. [Other respective responsibilities of the Parties]
15. [Service Levels, if any]
16. [Any Permitted Subcontractors that will perform Services under this Work Order, together with the type of Services to be performed.]
17. [Any specific Termination Assistance Services to be provided]

2.2 Work Order Staffing

Service Provider will provide the following resources:

Service Provider Personnel Table					
Number of Service Provider Personnel	Service Rate (from Exhibit 4.1)		Service Expenses	Target Service Start Date	Target Service Completion Date

Notes to the Service Provider Personnel Table:

- **[NOTE:** If using rates from an existing rate card under the MSA, include the following:] “The columns labeled “Service Rate” correspond to the rates set out in the [Name of Rate Card] tabs in **Exhibit 4.1 Pricing Structure**; and”
- Service Provider and TxDOT agree to work in good faith to determine which personnel shall be assigned to perform the Services, and to replace or reassign such personnel during the term of this Work Order.

2.3 Work Order Fees and Expenses /Payment Schedule

Pursuant to **Exhibit 4.1 Pricing Structure**, Service Provider estimates that its Fees for the Services during the Work Order Term, estimated at ___ hours, are \$ _____, plus all applicable taxes (the “**Work Order Fees**”).

[Detail how the fees are being determined, e.g., 1 Work Order manager for 40 hr a wk - \$XXX]

[Estimate total fees.]

[Include applicable payment criteria (e.g., milestones, time and materials, fixed fee, discounts, etc.)]

[Add whether reimbursement of certain expenses is allowed – and if so, what; identify explicit timetable – must have a start and stop date]

Work Order payments shall be invoiced in accordance with the Work Order and the Agreement.

2.4 Changes

Either Party may request a Change to the scope or manner of provision of the Services under this Work Order subject to the Change Control Procedures. This Work Order may only be changed by a written Work Order amendment executed by the Parties.

3.0 ASSETS

3.1 TxDOT Equipment or Software

If applicable and if agreed to by the Parties, TxDOT shall provide Service Provider with the TxDOT Equipment or Software specified below for the purpose of performing the Services.

Quantity	Description of TxDOT Equipment or Software

4.0 TERM

4.1 Work Order Term

The Work Order Term shall commence as of 12:00:01 a.m., Central Time on the Work Order Effective Date and continue until 11:59:59 p.m., Central Time, on [_____, 20[___]] unless extended by mutual written agreement of the Parties or terminated in accordance with the terms

of the MSA, in which case the Work Order Term shall end at 11:59:59 p.m., Central Time, on the termination effective date or the date to which this Work Order is extended.

4.2 Effective Date

IN WITNESS WHEREOF, the Parties have caused this Work Order to be executed by their respective duly authorized representatives as of the Work Order Effective Date (*the date of the last signature thereto*).

TxDOT

Service Provider

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____



Texas Department of Transportation

Managed Network Services

Exhibit 1.1

Definitions

Version 1.0

Solicitation No. 601440000032124

EXHIBIT 1.1
DEFINITIONS

When used in this Agreement with initial capital letters, the terms listed in this Exhibit shall have the meanings set forth herein.

Term	Definition
Accept, Acceptance <i>or</i> Accepted	Means TxDOT’s written acceptance of any Deliverable, Critical Deliverable, Payment Deliverable, Time Critical Deliverable, milestone, Corrective Action Plan, Disaster Recovery Plan, or other plans which may be given or withheld in accordance with the Agreement. In accordance with <u>Section 4.5(e)</u> of the Agreement.
Acceptance Criteria	The criteria that Service Provider must confirm have been met prior to submitting a Deliverable for Acceptance by TxDOT. 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 <u>Section 4.5(e)(i)</u> of the Agreement, provided that any provision of written notice alerting TxDOT that a Deliverable is complete and ready for review that is submitted outside a Business Day shall be considered to be submitted for the purpose of TxDOT internal review, on the Business Day immediately following the day on which such notice was submitted.
Accessibility Standards	Has the meaning given in federal and State of Texas accessibility laws and regulations which include Chapter 2054, Subchapter M of the Texas Government Code and 1 Texas Administrative Code Chapter 213 (Electronic and Information Resources).
ACD	Automatic Call Distributor
Addendum	A modification of the Request for Offer (RFO) issued by the Texas Department of Transportation (TxDOT) and posted on the Electronic State Business Daily (ESBD).
Actual Uptime	Means, of the Critical Uptime, the aggregate number of minutes during which the applicable Service component defined in <u>Exhibit 3.1</u> is Available.
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)	The final version of any contractually binding agreement between TxDOT and the Service Provider relating to the subject matter of the RFO; references to the Agreement include all Exhibits, Attachments and other documents attached thereto or incorporated therein by reference. Notwithstanding the foregoing, unless expressly provided or the context otherwise requires, references to the Agreement in conjunction with section or article references shall be deemed references to the body of the Agreement (that is, <u>Articles 1</u> through <u>21</u>).
Ancillary Agreement	Has the meaning given in <u>Attachment C Form of Source Code Escrow</u> , to the Agreement.
Annual Charges	Has the meaning given in <u>Exhibit 4.0</u> of the Agreement.
API	Application Program Interface
Application(s)	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 - related information processing functions or support day-to-day operations (including the supporting documentation, media, on- line help facilities, and tutorials), or otherwise used in the provision of Services by Service Provider. Applications 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 TxDOT or Service Provider during the Term. Applications do not include the tools, utilities, or Operating Software or Systems Software used to deliver Applications.
Application Development and Maintenance (ADM) Services	The TxDOT Service Component for Application Development and Maintenance Services as defined in <u>Exhibits 2.1.1</u> and <u>2.1.4</u> .

Term	Definition
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).
At-Risk Amount	For any month during the Term, the percent (%) of the Service Level Invoice Amount, which is the maximum amount that the Service Provider will have at risk for Service Level Credits as set forth in Exhibit 3.1 . 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 Exhibit 3.1 .
Audit Period	Has the meaning given in Section 9.8(a) of the Agreement.
AUP	Acceptable Use Policy.
Authorized User(s)	Unless otherwise indicated, the officers, directors, employees, contractors, agents, customers, customer technical staff, and vendors of TxDOT and any other person(s) designated by TxDOT to receive or use the Systems or Services provided by Service Provider.
Availability or Available	The period for which the full functionality of a Service Component is ready for use by Authorized Users and is not degraded in any material respect.
Availability Management	Means the evaluation, design, implementation, measurement and management of the IT Infrastructure Availability from a component and an end-to-end perspective (e.g., Services), including new or modified IT service management methodologies and tools, as well as technology modifications or upgrades of IT infrastructure systems and components.
Badge Reader	A device designed to read information encoded into a small plastic card; used to control access to areas associated with electrically operated door locks.
Bankruptcy Code	Has the meaning given in Section 20.5(b) of the Agreement.
Bankruptcy Rejection	Has the meaning given in Section 20.5(b) of the Agreement.
Benchmarker	Has the meaning given in Section 10.4(a) of the Agreement.
Benchmarking	Has the meaning given in Section 10.4(a) of the Agreement.
Border Security Inspection Facility (BSIF)	A facility managed to serve as a centralized location to inspect vehicles crossing into the United States from outside US territory. BSIF handle mechanical and physical inspections and include intelligent traffic systems
Business Continuity Services	Means the overall enterprise plans and specific activities of TxDOT and/or Service Provider that are intended to enable continued business operations in the event of any unforeseen interruption (e.g. plans and activities to move a department to a new location in the event of a disruption).
Business Day	Means each day from Monday through Friday 7:00 a.m. through 6:00 p.m. (Central Time), excluding national holidays as defined by Tex. Gov’t Code § 662.003(a).
Call	A contact (including by telephone, voicemail, electronic mail, fax, walk-up, automated tool or web request) to Service Provider reporting a problem, requesting assistance or Services, or asking a question pertaining to the Services, as well as automated alerts and other problem and Service notifications communicated to Service Provider.
CAP Notice	Has the meaning given in Section 4.1(e) of the Agreement.
CAP Failure Credit	Has the meaning given in Exhibit 3.0 of the Agreement.
Capacity Management	Means the processes responsible for ensuring that the elements that collectively make up the Service can deliver the identified capacity in a cost effective and timely manner.
Change(s)	Any addition, modification, alteration, or deletion to (i) any installed and supported IT Equipment or Software components or (ii) the policies, procedures, or documentation on how Services are performed. This includes all production, test, and development system Equipment and Software, any management and support tools and utilities deployed in the IT environment, all associated documentation, as well as the methodologies used to manage and support delivery of the Services. Changes may arise reactively in response to incidents/problems or externally imposed requirements (e.g., legislative Changes), or proactively from attempts to (a) seek greater efficiency or effectiveness in the provision or delivery of Services; (b) reflect business initiatives; or (c) implement programs, Projects or Service improvement initiatives. Changes must be approved by TxDOT through the Change Management process, prior to implementation.

Term	Definition
Change Advisory Board (CAB)	The representative group that is responsible for assessing from both a business and technical viewpoint all high impact request for Change.
Change Control Procedures	Has the meaning given in <u>Section 9.5(a)</u> of the Agreement.
Change Management or Change Management Process	The processes relating to planning and performing all Changes in TxDOT 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.
Charges	Means the fees defined in <u>Exhibit 4.0</u> .
Closed Circuit Television (CCTV)	Video surveillance and recording used to increase situational awareness and are physically connected and typically contained within a logical or physical system which would require conversion to broadcast outside the specific system.
CJIS	Criminal Justice Information Services
CMDB	Configuration Management Database
CMIS	Change Management Information System
CMS	Configuration Management System
Commencement Date	Means 12:00 a.m., Central Time, on the day following the date of Acceptance of all Transition Services set forth in the Transition Plan, or such other date as the Parties may agree upon in writing.
Commercial Off-The-Shelf (COTS)	Services, Equipment, and/or Software, as applicable, that is readily available to the public from a Third Party that is not an Affiliate of a Party.
Compliance (also 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.
Complement	Has the meaning given in <u>Section 9.8(i)</u> of the Agreement.
Confidential Information or Confidential Data	Has the meaning given in <u>Section 13.1(a)</u> of the Agreement.
Configuration Item (CI)	Any component part of Services that is (or is to be) under the control of Configuration Management and therefore subject to formal Change Control.
Configuration Management	The process of identifying and defining the functional and physical characteristics of any Equipment or Software in the Service recipient environment, controlling any modifications to any Configuration Item (CI) characteristics throughout their life cycle, tracking, recording, and updating any CMDB as a result of any Changes, and reporting on the status of and verifying the completeness, accuracy, and currency of CI data.
Configuration Management Database (CMDB)	A System that contains details regarding the Software, Equipment, and Systems that are used in the provision and management of Services, including information that relates to the maintenance, movement and problems experienced with such Software, Equipment, and Systems.
Contract	Any contract resulting from this procurement/RFO, consisting of the contract document(s) as described in <u>RFO Section 2.5 Form of Contract</u> and <u>Section 2.1</u> of the Agreement.
Contract Performance Incentive (CPI)	The Service Provider’s proposed initiatives to create value in areas that are not already identified and required in the Agreement. Contract Performance Incentives are outcome-based performance incentives that are designed to reward innovation investments that create value that is shared between the Service Provider and the State.
Contract Records	Has the meaning given in <u>Section 9.8(a)</u> of the Agreement.
Contract Year	Contract Year means each State of Texas fiscal year period commencing on the Commencement Date and each State of Texas fiscal year periods thereafter during the Term. Based upon the Commencement Date, the first Contract Year during the Term may be less than a full 12 months (September 1 st – August 31 st). For a Contract Year that is less than twelve (12) months, the rights and obligations under the Agreement that are calculated on a Contract Year basis will be proportionately adjusted for such shorter period.

Term	Definition
Control (also Controlled, Controlling)	(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 (1) of its Affiliates) of the position of sole general partner.
Control Deficiency	Has the meaning given in Section 9.8 of the Agreement.
Corrective Action Plan (CAP)	Means a written action plan prepared by Service Provider that (i) clearly identifies the applicable problem or failure, (ii) describes the desired situation going forward, and (iii) sets forth the specific steps that shall be taken to solve the identified problem or correct the identified failure.
Crisis	Any situation that is threatening or could threaten to harm people or property, seriously interrupt business, significantly damage reputation and/or negatively impact the bottom line.
Critical Deliverable(s)	Means the One-Time Deliverables and Recurring Deliverables that have associated Deliverable Credits payable to TxDOT in the event Service Provider fails to successfully and timely complete such Deliverables as identified in Exhibit 3.1 .
Critical Project Deliverable Credits	Has the meaning given in MSA Attachment E Form of Work Order.
Critical Service Level	Any Service Level designated as "critical" by TxDOT, and with respect to which TxDOT may become entitled to receive Service Level Credits as a result of Service Provider’s failure to satisfy the associated Service Level standards as set forth in Exhibit 3.0 Performance Model .
CRM	Customer Relationship Management
Critical Uptime	Means the aggregate number of minutes in the specified period(s) in the applicable Measurement Window during which a defined Service component is required to be Available. Unless otherwise specified in the Agreement, the Service Management Manual, or the CMDB, Critical Uptime equals the total number of minutes in the Measurement Window. A defined Service component is not required to be Available during Scheduled Downtime.
Cross-Functional Services	Those Services performed in connection with performing, and in support of, each of the Services.
Data Lake	A centralized repository that allows for storage of structured and unstructured data at any scale
Decoder	A sensing device that provides feedback, typically used to modify signals to read by a control device or system.
Deliverable	All Materials, processes, inventions, Work Products, and information that Service Provider develops for or on behalf of TxDOT, in whole or in part, solely or jointly with others, including all intermediate and partial versions thereof in whatever medium fixed or embodied, and any and all documentation relating thereto, including any code (including source and object), scripts, APIs, interfaces, menus, structures, operational instructions, text, graphics, animation, audio or digital video components, specifications, data, reports, schematics, research, configurations, flow charts, knowledge bases, notes, outlines, formulae, training materials, documentation, manuals, processes, algorithms and the like created in connection therewith, whether or not protected by copyright, patent, trademark law, or any similar intellectual property law and all materials developed or created by Service Provider for TxDOT under Statements of Work.
Deliverable Charges	Has the meaning given in Exhibit 4.0 .
Deliverable Credits	Has the meaning given in Section 7.3 of the Agreement.
Depositor	Has the meaning given in Attachment C Form of Source Code Escrow , to the Agreement.
Deposit Materials	Has the meaning given in Attachment C Form of Source Code Escrow , to the Agreement.
Derivative Work(s)	Work based on one (1) 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 TxDOT Representative	Has the meaning given in Section 10.1(a) of the Agreement.
Developed Material(s)	Any new Materials or any modifications, enhancements, improvements, Upgrades or Derivative Works of such Materials that are developed pursuant to the Agreement and paid for by TxDOT under the Agreement. Developed Materials does not include any underlying Service Provider or Third Party Owned Materials.
Development or Development Environment	The Systems environment in which Software and databases are initially designed and created. TxDOT may have more than one Development Environment.
Development and Testing	A software development process that involves synchronized application of a broad spectrum of defect prevention and detection strategies in order to reduce software development risks, time, and costs.
Development and Testing Environment	A setting in which the software development and testing/test process takes place.
Development Tool	All software programs and programming (and all modifications, replacements, Upgrades, enhancements, documentation, materials, and media related thereto) that are used in the development, testing, deployment, and maintenance of Software. Development Tools shall include all such programs and programming in use or required to be used as of the Commencement Date. Development Tools also shall include all such programs and programming developed and/or introduced by or for TxDOT or Service Provider during the Term.
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
Disaster	Means (i) a sudden, unplanned calamitous event causing great damage or loss to TxDOT directly or to any third party that requires an immediate response by TxDOT as part of its Disaster Recovery Plan, (ii) any event that prohibits the ability of TxDOT to provide critical business functions for some predetermined period of time, or (iii) any other event that is designated as a Disaster under the applicable Disaster Recovery Plan.
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. Disaster Recovery Services include support and coordination with the Business Continuity Services.
Disaster Recovery Plan (DRP)	The plan to execute Disaster Recovery Services.
Disaster Recovery Test	The test of the Disaster Recovery Plan
Distributed Denial of Service Attack (DDOS)	A cyber attacks traffic that limits that is represented by flooding applications, servers and networks with excessive traffic.
District	A TxDOT defined logical grouping which oversees the construction, maintenance and management of State highways in accordance with approved policies, procedures, plans and specifications. Districts are subdivided by county within the state of Texas.
Document Repository	A repository to store and manage all TxDOT documentation, including the Service Management Manuals, knowledge bases of Services, known errors and workarounds, training content, Frequently Asked Questions, and similar documentation for the Service Provider’s organization as well as from other Service Component Providers as specified by TxDOT
Domain Name Security Extensions (DNSSEC)	Specifications for securing information and used to protect network from cyber attacks.
Domain Name Service (DNS)	Hierarchical and decentralized naming systems for technology resources.
DQM	Data Quality Management
Dynamic Host Configuration Protocol	A network management protocol on internet protocol based networks and used in assignment of addresses and subnets.
Dynamic Message Sign (DMS)	Promote road safety and awareness by providing travelers with information about driving conditions and emergency details. DMS appear on major highways and can be updated remotely.
Earnback	Means the methodology used to determine the potential return of a Service Level Credit as described in Exhibit 3.0 .
Effective Date	Has the meaning given in the "Authority to Execute" paragraph located on the signature page of the Agreement.
EIR	Electronic and Information Resources

Term	Definition
Encoder	A sensing device that provides feedback, typically used to detail motion and convert to a signal to be read by some control device.
Entity(ies)	A governmental body, agency, unit, or division, corporation, partnership, joint venture, trust, limited liability company, limited liability partnership, association, or other organization or entity.
Equipment	Means the computer, telecommunications, and facility-related hardware, equipment, and peripherals (and all modifications, replacements, Upgrades, enhancements, documentation, materials, and media related thereto) that are used in connection with the Services by Service Provider.
Equipment Leases	Means all leasing arrangements whereby TxDOT, Service Provider or any TxDOT Contractor leases Equipment as of the Effective Date which shall be used by Service Provider to perform the Services after the Effective Date. Equipment Leases shall include all such leasing arrangements entered into by or for TxDOT, any TxDOT Contractor or Service Provider during the Term.
ERP Managed Application Services (MAS)	The TxDOT Service Component for ERP Managed Application Services as defined in Exhibits 2.1.1 and 2.1.2 .
ESBD	Electronic State Business Daily
Escrow Agent	Has the meaning given in <u>Attachment C Form of Source Code Escrow</u> to the Agreement.
Escrow Agreement	Has the meaning given in <u>Attachment C Form of Source Code Escrow</u> to the Agreement.
Escrow Agreement Effective Date	Has the meaning given in <u>Attachment C Form of Source Code Escrow</u> to the Agreement.
Event of Loss	Has the meaning given in <u>Attachment B Insurance and Risk of Loss</u> to the Agreement.
Expected Service Level	The desired level of performance for a Key Measurement, as set forth in <u>Exhibit 3.0</u>
Expected Service Level Default	Service Provider's level of performance for a particular Service Level fails to meet the applicable Expected Service Level (but does not fail to meet the applicable Minimum Service Level), as specified in <u>Exhibit 3.0</u> and its Attachments, and has failed to meet such Expected Service Level for four (4) or more occurrences in any rolling twelve (12) month period.
Extraordinary Event	Has the meaning given in <u>Section 11.6(a)</u> of the Agreement.
FAQ(s)	Frequently Asked Question(s)
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
FIPS	Federal Information Processing Standards
Fixed Fees	A set amount paid for work or a service and is independent of a time and effort required to produce the identified deliverable.
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 person working full time for one year. Unless otherwise agreed, one FTE is assumed to be 1,920 productive hours per year. Without TxDOT's prior written approval, one dedicated individual's total work effort cannot amount to more than one FTE.
Fully Managed Third Party	Has the meaning given in <u>Section 6.6</u> of the Agreement.
Fully Managed Third Party Contract	Has the meaning given in <u>Section 6.6</u> of the Agreement.
GIS	Geographic Information System
Governance Committee	Has the meaning given in <u>Exhibit 1.2 Governance</u> of the Agreement.
Governance Escalation Event	Has the meaning given in <u>Section 10.3</u> of the Agreement.
GRC	Governance, Risk, and Compliance
Guarantied Obligations	Has the meaning given in <u>Attachment D Form of Parent Guaranty</u> to the Agreement.
Guarantor	Has the meaning given in <u>Attachment D Form of Parent Guaranty</u> to the Agreement.
Guaranty	Has the meaning given in <u>Attachment D Form of Parent Guaranty</u> to the Agreement.
Hardware Lifecycle Services	The TxDOT Service Component for Hardware Lifecycle Services as defined in <u>Exhibits 2.1.1 and 2.1.10</u> .
HSP	Historically Underutilized Business (HUB) Subcontracting Plan

Term	Definition
Historically Underutilized Business(es) (HUB)	Shall have the meaning given to such term by the Texas Comptroller of Public Accounts (TCPA).
Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA)	Has the meaning given in <u>Section 15.7(o)</u> of the Agreement.
IMACD	Means installation, move, add, changes, and decommission as set forth in Section 4.6 of <u>Exhibit 2.1.6</u> and Section 4.5 of <u>Exhibit 2.1.8</u>
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 TxDOT productivity.
Income Tax	Used in <u>Section 11.4(a)</u> of the Agreement. Means any tax on or measured by the net income of a Party (including taxes on capital, net worth or revenue that are imposed as an alternative to a tax based on net or gross income), or taxes which are of the nature of excess profits tax, minimum tax on tax preferences, alternative minimum tax, accumulated earnings tax, personal holding company tax, capital gains tax, or franchise tax for the privilege of doing business.
Information Custodian	Has the meaning given in <u>Section 9.8</u> of the Agreement.
Infrastructure (also IT Infrastructure)	The entire portfolio of Equipment, System Software, and Network components required for the integrated provision and operation of TxDOT IT systems and Applications.
Initial Term	Has the meaning given in <u>Section 3.1</u> of the Agreement.
Intermediate Distribution Frame (IDF)	A wiring rack located between the Main Distribution Frame and end user devices.
Intrusion Detection Services (IDS)	A service to monitor systems for malicious activity or policy violations.
Intrusion Prevention Services (IPS)	A service to scan and analyze suspicious content for threats and automate actions and remediation.
In-Scope	Those Services or resources that are the subject of Service Provider's obligations under the Agreement.
IP Address Management	Service for planning and managing assignment and usage of internet protocol addresses and closely related resources.
IP Rights	Means all rights in and to United States and foreign (i) patents, patent disclosures, and inventions (whether patentable or not), (ii) trademarks, service marks, trade dress, trade names, logos, corporate names, and domain names, and other similar designations of source or origin, together with the goodwill symbolized by any of the foregoing, (iii) copyrights and works of authorship (whether copyrightable or not), including computer programs, and rights in data and databases, (iv) trade secrets, know-how, and other confidential information, and (v) all other intellectual property rights, in each case whether registered or unregistered, and including all registrations and applications for, and renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection in any part of the world.
Invoice Data	Has the meaning set forth in <u>Section 12.1(b)</u> of the Agreement.
ISO	International Organization for Standards
Issuers	Has the meaning set forth in <u>Section 13.5(d)</u> of the Agreement.
ITD	Information Technology Division of TxDOT.
ITD SG	Information Technology Division Service Governance function.
ITIL	Means the “Information Technology Infrastructure Library,” a world-wide recognized best-practice framework for the management and delivery of IT services throughout their full life-cycle.
IT Service Management (ITSM)	The entirety of activities – directed by policies, organized and structured in processes and supporting procedures — that are performed by an organization or part of an organization to plan, deliver, operate and control IT services offered to customers.
ITSCM	Information Technology Service Continuity Management
ITS Radio	Intelligent Transportation System Radio that acts as a point to point or point to multi-point single-band, or dual-band operating in license free frequency.
IVR	Integrated Voice Response
Key Personnel	Any Service Provider staff in a management or decision-making position regarding the Contract. Key Personnel are those individuals identified as such in the Agreement.
Key Service Level	Any Service Level designated as "key" by TxDOT as set forth in <u>Exhibit 3.0 Performance Model</u> .
Knowledge Database	A centralized repository for information

Term	Definition
Known Error Database	A database documenting all Known Errors within a System or Systems
Known Error	A problem that has a documented root cause and a Workaround
LAR	Legislative Appropriations Request
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 Applications	Application programs that operate with obsolete or inefficient hardware or software technology.
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 between Level 1 and Level 3. For example, Level 2 Support might exist in a computer operations or a distribution/mail out center. If Level 2 personnel cannot resolve the inquiry or problem, the inquiry or problem is directed to the appropriate Level 3 personnel or a Third Party for resolution.
Level 3 Support	Support provided by the personnel or Third Party that is most knowledgeable about the underlying problem or question and that is utilized when efforts to resolve the problem or question by Level 1 and Level 2 Support have failed or are bypassed. Inquiries or problems are usually reported by Level 1 or Level 2 Support personnel, but may be initiated directly by Authorized Users or the Service Provider.
Level 4 Support	Support provided by the personnel or Third Party that is most knowledgeable about the underlying problem or question and that is utilized when efforts to resolve the problem or question by Level 1, Level 2 and Level 3 Support have failed or are bypassed. Inquiries or problems are usually reported by Level 1 or Level 2 Support personnel, but may be initiated directly by Authorized Users or the Service Provider. This also includes working directly with OEM and Software manufacturer regarding major incidents or problems that require advanced Services
Local Area Network	Has the meaning given in Article 6 of Exhibit 2.1.6 .
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.
Main Distribution Frame	Cable rack that interconnects and manages the telecommunication wiring between private and public connections and Intermediate Distribution Frames (IDF).
Maintainability	The characteristics of a Service that determines how easy or difficult it is to provide existing and potentially enhanced services.
Major Incident	The highest category of impact for an Incident. A Major Incident results in significant disruption to business operations.
Major Problem	A cause of one or more Major Incidents. The cause is not usually known at the time a Problem record is created, and the Problem Management Process is responsible for further investigation.
Managed Business Network Services	The TxDOT Service Component for Managed Business Network Services as defined in Exhibits 2.1.1 and 2.1.6 .
Managed Third Parties	Means the TxDOT Contractors listed in Exhibit 4.1 (and any substitutes or replacements therefor reasonably designated by TxDOT), including any Fully Managed Third Parties.
Managed Traffic Network Services	The TxDOT Service Component for Managed Traffic Network Services as defined in Exhibits 2.1.1 and 2.1.8 .

Term	Definition
Management Tools	All items used by Services Provider 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 <u>Exhibit 3.2 Service Level Definitions</u> , those as to which the license, maintenance, or support costs as required by <u>Exhibit 4.2 Financial Responsibility Matrix</u> , and those as to which Service Provider received reasonable notice and/or access prior to the Commencement Date. Management Tools also shall include all such products and tools selected and/or developed by or for TxDOT or Service Provider during the Term.
Master Services Agreement (MSA)	See “Agreement.”
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.
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.
Minimum Service Level	Means the minimum level of performance set forth in <u>Exhibit 3.2</u> with respect to each Key Measurement.
Minimum Service Level Default	The Service Provider's level of performance for a particular Key Measurement fails to meet the applicable Minimum Service Level at any time.
Monthly Charges	The total Charges invoiced by Service Provider in any calendar month for Services (excluding Pass-Through Expenses, Out-of-Pocket Expenses and Service Taxes).
Monthly Invoice	Has the meaning given in <u>Section 12.1(a)</u> of the Agreement.
Monthly Invoice Amount	Charges due and owing for the preceding month as defined in <u>Exhibit 4.0</u> and any other amounts payable by TxDOT to Service Provider pursuant to the express terms of the Agreement.
Monthly Productive Hours Worked	With respect to any month and any Service Provider Personnel, the number of productive hours worked by such Service Provider Personnel, excluding non-productive time (e.g., commuting time, vacation, holidays, training unrelated to the Services, education, marketing, administrative staff meetings, medical leave, and military leave).
Multi-sourcing Services Environment	Has the meaning given in <u>Section 9.12</u> of the Agreement.
N/N-1	The version of Software designated and/or approved by TxDOT 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.
NCWF	National Initiative for Cybersecurity Education (NICE) Cybersecurity Workforce Framework
Network	Collectively, WAN, LAN, and other communication or transport networks.
Network Topology	The arrangement in which the nodes or interfaces to the Network are connected.
Network Operations Center (NOC)	One or more logical locations functioning within operations from which monitoring and management of events, incidents and problems affecting infrastructure, systems and software

Term	Definition
New Service(s)	Services requested by TxDOT or required by applicable Laws (without limiting the obligation of the Parties under Section 11.5 of the Agreement) (i) that are materially different from the Services, (ii) that require materially different levels of effort or resources from Service Provider to provide the Services, and (iii) which are not required for Service Provider to meet the Service Levels. For the avoidance of doubt, New Services shall not include (a) increases in the volume of Services for which there is an associated Resource Baseline or charging methodology, or (b) the disaggregation of an existing service.
NICE	National Initiative for Cybersecurity Education
Noncompliance	Means each instance that a Deliverable fails to meet its Acceptance Criteria, or fails to fulfill the requirements of the Specifications or the Agreement.
Notice of Election	Has the meaning given in Section 17.3 of the Agreement.
Offshore	Refers to an operational location of Service not within the United States of America.
One-Time Charges	Any Charges that are specified by the Service Provider and which are non-recurring and are typically associated with start-up and implementation costs.
One-Time Deliverables	Those Deliverables that are non-recurring as identified in Exhibit 3.1 .
Online System	Computer system that is a part of, or is embedded in, a larger entity, such as a communications system, and that interacts in real or near-real time with the entity and its users.
Onshore	Refers to an operational location of Service within the United States of America.
Onsite	Refers to physical presence at a location of Service delivery.
Operating Agreement (OA)	A documented agreement between the Service Provider and other Service Provider documenting the joint operation, issue resolution, and governance of the delivery of the Services.
Out-of-Pocket Expenses	Reasonable, demonstrable, and actual expenses due and payable to a Third Party by Service Provider that are approved in advance by TxDOT and for which Service Provider is entitled to be reimbursed by TxDOT under the Agreement. Out-of-Pocket Expenses shall not include Service Provider's overhead costs (or allocations thereof), general and/or administrative expenses or other markups. Out-of-Pocket Expenses shall be calculated at Service Provider's actual incremental expense and shall be net of all rebates and allowances.
Outage(s)	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.
Parcel	Has the meaning given in Attachment C Form of Source Code Escrow to the Agreement.
Party(ies)	Has the meaning given in the recitals to the Agreement.
Pass-Through Expense(s)	The Service Provider expenses listed in Exhibit 4.0 which TxDOT has agreed to pay directly or reimburse to Service Provider on an Out-of-Pocket Expenses basis.
Payment Card Information	Used in Section 13.6 of the Agreement. Means any personally identifiable information associated with the holder of a credit or debit card.
Payment Deliverable	Has the meaning given in Section 4.5 of the Agreement.
PC	Personal Computer
PCI	Payment Card Industry
PCI DSS	Has the meaning given in Section 13.6 of the Agreement.
Person	Has the meaning given in Attachment D Form of Parent Guaranty to the Agreement.
Physical DBA	The database administrator responsible for the environmental aspects of a database, including but not limited to the following activities: - Supporting the design and implementation of multiple production, test and development database subsystems, exclusive of table creation for Development and Initial Test Environments. - Capacity planning for database instances and reorganizing as necessary. - Performing stress testing and database performance tuning. Installing, maintaining, and monitoring the DBMS Software and products, including technical advice and support to the ADM staffs and Logical DBAs as may be required.
PII	Personally Identifiable Information

Term	Definition
PIR	Post Implementation Review
PMO	Project Management Office
POE	Proof of Entitlement
ITD SG Portal	The online Internet site providing access and links to Services, service governance documentation, reports, SMMs, and other applications.
PPM	Program and Project Management
Pre-commencement	Period between the Effective Date and the Commencement Date of the Agreement.
Priority Level (P1, P2, P3, P4)	The categorization of an incident, request or problem associated with the Services based on the potential impact of the problem to TxDOT, as further defined in Exhibit 3.0 .
Problem(s)	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 TxDOT’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 TxDOT business data and has the highest level of security and availability of all environments (includes training and other Production-like environments).
Project(s)	Means discrete units of work approved by TxDOT to be completed within a defined timeframe (as opposed to an ongoing service), undertaken to create a unique product or result, that (A) provides information resources technologies and creates products, services, or results within or among elements of a state agency; and (B) is characterized by well-defined parameters, specific objectives, common benefits, planned activities, a scheduled completion date, and an established budget with a specified source of funding.
Project Request(s)	Has the meaning given in Section 4.6(a) of the Agreement.
Project Work Order	Has the meaning given in Section 4.6(b) of the Agreement.
Public Information Act	Has the meaning given in Section 13.1(b)(vii) of the Agreement.
Q&A	Question and Answer
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.
Quality of Service (QoS)	The measurement of the overall performance and ability to achieve maximum performance based on priority of workloads and applications
Rate Card	A listing of hourly personnel pricing rates as documented in Exhibit 4.1 .
RCA	Root Cause Analysis
Recovery Point Objective (RPO)	The recovery point objectives, as designated in Exhibit 2.3 , expressed as the acceptable amount of data loss measured in time prior to an event that has been declared as a disaster.
Recovery Time Objective (RTO)	The recovery time objectives, as designated in Exhibit 2.3 , expressed as the duration of time within which an Application, including all technology components included in the TxDOT DR Plan must be recovered, restored and operational starting from the time of declaration of a disaster.
Recurring Deliverables	Means those Deliverables to be provided on a scheduled and recurring basis as identified in Exhibit 3.1 .
Registrant	Has the meaning given in Attachment C Form of Source Code Escrow , to the Agreement.
Regulated Information or Regulated Data	Has the meaning given in Section 13.4 of the Agreement.
Release Condition(s)	Has the meaning given in Attachment C Form of Source Code Escrow , to the Agreement.
Renewal Term	Has the meaning given in Section 3.2 of the Agreement.
Reports	Has the meaning given in Section 9.1(a) of the Agreement.
Request for Change (RFC)	A formal proposal for a Change to be made to any component of an IT infrastructure or any aspect of an IT service. An RFC shall include details of, and the justification for, the proposed Change. TxDOT must approve all RFCs in writing.
Request for Offer (RFO)	A formal document issued by TxDOT to the market or vendor community requesting an offer for goods or services. (This document.)
Request for Solution (RFS)	A Service Request that requires development of a proposal for TxDOT approval to fulfill the request.

Term	Definition
Request Management	The process of tracking and managing all requests from Authorized Users arising in TxDOT’s IT environment, and resolving those requests arising from or related to the Services.
Requests	Has the meaning given in <u>Exhibit 2.2 Termination Assistance</u> Services to the Agreement.
Required Consent(s)	The consents (if any) required to be obtained: (i) to assign or transfer to Service Provider TxDOT licensed Third Party Materials, Third Party Contracts, Equipment Leases or Acquired Assets (including related warranties); (ii) to grant Service Provider the right to use and/or access the TxDOT licensed Third Party Materials, Third Party Contracts, and TxDOT Provided Equipment in connection with providing the Services; (iii) to grant TxDOT and/or their designee(s) the right to use and/or access the Service Provider Owned Materials, Third Party Materials and Equipment acquired, operated, supported, used, or required to be used by Service Provider in connection with providing the Services; (iv) to assign or transfer to TxDOT and/or their designee(s) any Developed Materials to the extent provided in the Agreement; (v) to assign or transfer to TxDOT and/or their designee(s) Service Provider Owned Materials, Third Party Materials, Third Party Contracts, Equipment leases or other rights following the Term to the extent provided in the Agreement; and (vi) all other consents required from third parties in connection with Service Provider's provision of, and TxDOT's receipt and use of, the Services and Service Provider's performance of its obligations hereunder.
Resolution (also Resolve)	The restoration of full service or the completion of the service request in a manner acceptable to TxDOT or the applicable Authorized User in their reasonable discretion. Resolution may include the restoration of full service by workaround or other alternative means.
Resolution Time	The number of minutes between the Start Time for an Incident and the time such Incident is Resolved.
Resolve	See “Resolution.”
Resource Unit (RU)	A measurable device, unit of consumption, or other unit or resource utilization associated with the Services, as described in <u>Exhibit 4.0</u> to the Agreement, that is used for purposes of calculating Charges.
Respondent	Any individual, partnership, or corporation submitting a Response. Unless the Contract clearly indicates otherwise, all terms and conditions of the Contract that refer to Respondent apply with equal force to Service Provider.
Response	Has the meaning given in the recitals of the Agreement.
Response Time	The number of elapsed minutes between the time a Call is received and the time Service Provider responds to the Authorized User or other designated TxDOT contact to acknowledge and verify the problem.
Retained Expense	An expense retained by TxDOT and not included in Service Provider’s pricing that is related to the services provided by the Service Provider. The Service Provider shall help identify ways to reduce all costs (in price, pass-through or retained), where possible.
Retained Systems and Processes	Means those systems and processes of TxDOT for which Service Provider has not assumed responsibility under the Agreement (including those provided, managed, operated, supported and/or used on TxDOT’s behalf by TxDOT Contractors). Retained Systems and Processes include equipment and software associated with such systems and processes.
Road and Weather Information Systems (RWIS)	Comprise automatic weather stations in the field, with communication systems for data transfer and management.
Root Cause Analysis (RCA)	The formal process, specified in the Service Management Manual, to be used by Service Provider to diagnose the underlying cause of problems at the lowest reasonable level so that effective corrective action can be taken.
SaaS	Software as a Service
SAM	System for Award Management
SCE Attachment	Has the meaning given in <u>Attachment C Form of Source Code Escrow</u> , to the Agreement.
Scheduled Downtime	A period in which a subject Service Component is not required to be Available due to scheduled time required to perform system maintenance (for example, preventive maintenance, system upgrades, etc.), provided that such period has been mutually agreed between the Parties and is scheduled so as to minimize the impact to TxDOT's business. The Service Provider shall maintain Availability during such periods to the extent reasonably practicable.

Term	Definition
Scheduled Event(s)	A planned activity that is to occur in the future and may impact system availability and can create a Scheduled Downtime.
Secretary	Has the meaning given in Section 13.3(j) of the Agreement.
Security Breach	Is the unauthorized acquisition of computerized data that compromised the security, confidentiality, or integrity of sensitive personal information maintained by a person, including data that is encrypted if the person accessing the data has the key required to decrypt the data. Good faith acquisition of sensitive personal information by an employee or agent of the person for the purposes of the person is not a breach of system security unless the person uses or discloses the sensitive personal information in an unauthorized manner.
Security Incident	An event which results in the accidental or deliberate unauthorized access, loss, disclosure, modification, disruption, or destruction of information or information resources.
Security Incident Management Plan	Has the meaning given in Exhibit 2.1.1 of the Agreement.
Sensitive Information	Information that could be subject to release under the Texas open records request process but should be controlled to protect third parties. This information and any disclosure must be reviewed and approved by TxDOT prior to release.
Sensitive Personal Information	As defined by the Texas Business and Commerce Code 521.002.
Service(s)	Has the meaning given in Article 4 of the Agreement.
Service Catalog	Has the meaning given in Exhibit 2.1.1 of the Agreement.
Service Component	A single area which is represented with an Agreement between TxDOT and the Service Component Provider or delivered by TxDOT ITD directly (e.g., ERP Managed Application Services, Application Development and Maintenance Services, Managed Network Services, DCS TPC, DCS PCM, Desktop Engineering, etc.).
Service Component Provider (SCP)	Collectively, all Service Providers, who have entered into an agreement with TxDOT to provide the Services contemplated by one or more Statement(s) of Work (e.g. ERP MAS, ADM, Managed Business Network, Managed Traffic Network, Hardware Lifecycle, Service Desk, Technical Field Services, Mobile Device Management Services, etc.).
Service Continuity Management	The activities associated with providing prioritized service continuity and disaster recovery Services for the Applications, and their associated infrastructure.
Service Delivery Failure	Has the meaning given in Exhibit 3.0 to the Agreement.
Service Desk	The facilities, associated technologies, and fully trained staff who respond to Calls, facilitate all Incident Management and Request Management activities, and act as a single point of contact for coordination and communication to Authorized Users and Service Providers in regard to the Services.
Service Desk User	An Authorized User
Service Level(s)	Individually and collectively, the quantitative performance standards for the Services set forth in Exhibit 3.0 to the Agreement.
Service Level Credit	The monetary amounts that the Service Provider shall be obligated to pay to TxDOT (or apply against Monthly Charges) in the event of Service Level Defaults.
Service Level Default	Has the meaning given in Exhibit 3.0 to the Agreement.
Service Level Escalation Event	Has the meaning given in Exhibit 3.0 to the Agreement.
Service Level Invoice Amount	Charges due and owing for the preceding month, including, to the extent applicable, ECA adjustments and any other amounts payable by TxDOT to Service Provider pursuant to the express terms of the Agreement (excluding SSC, Rate Card Charges, Transition, and Other charges as approved by TxDOT).
Service Management Manual (SMM)	The management procedures manual for Services as described in Exhibit 1.3 .
Service Provider	Has the meaning set forth in the preamble to the Agreement.
Service Provider Account Director	Has the meaning given in Section 8.2 of the Agreement and shall describe the Service Provider representative responsible for both the day-to-day relationship with TxDOT as well as the delivery of all Services to TxDOT.
Service Provider Affiliates	Means any Affiliate of Service Provider.
Service Provider Laws	Has the meaning given in Section 15.11(d) of the Agreement.

Term	Definition
Service Provider Facility(ies)	Means, individually and collectively, the facilities owned or leased by Service Provider (or its Affiliates or Subcontractors) from which Service Provider (or its Affiliates or Subcontractors) provides any Services; itemized in Exhibit 4.1 .
Service Provider Personnel	Those employees, representatives, contractors, subcontractors, and agents of Service Provider and its Subcontractors.
Service Provider-Provided Software	Refers to any software product that the Service Component Provider provides in the course of delivery of Services.
Service Request (or Request for Service)	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 Revenue	Texas.gov program revenue that is not transaction based, such as monthly hosting fees and recurring payment fees.
Services	Has the meaning given in Section 4.1 of the Agreement.
Services Agreement	Has the meaning given in Attachment C Form of Source Code Escrow to the Agreement.
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 TxDOT from Service Component Providers, excluding Income Taxes.
SKU	Stock Keeping Unit
SLA	Service Level Agreement
SMM	Service Management Manual
Software	Means all Materials consisting of software programs and programming (and all modifications, replacements, Upgrades, enhancements, documentation, materials and media related thereto), including Antivirus Software, Application Software, Development Tools and System Software.
Software Defined Network (SDN)	An approach to network management enabling dynamic, programmatically driven and software managed configuration to reduce manual efforts and improve architectural and management flexibility. Virtualizes management via a control layer to treat physical devices as virtual devices and allow for centralized management in an open standards solution.
Software Development Life Cycle (SDLC)	A term used in system engineering, information systems and software engineering to describe a process for planning, creating, testing, and deploying an information system. The method is designed to ensure high quality software is built and released in a rapid manner, with minimal defects and a cost effective manner.
Source Code	Has the meaning given in Attachment C Form of Source Code Escrow to the Agreement.
Specialized Services	Has the meaning given in Section 9.7 of the Agreement.
Specifications	Means, with respect to processes, Software, Equipment, Systems or other Deliverables to be designed, developed, delivered, integrated, installed, and/or tested by Service Provider, the technical, design and/or functional specifications set forth in the applicable Third Party documentation, in TxDOT’s description of any New Services, or otherwise agreed upon in writing by the Parties.
SSC	Software Services Charge(s). Has the meaning given in Exhibit 4.0 of the Agreement.
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	The State of Texas, unless expressly stated otherwise.
State Auditors	The State Auditor's Office and the State Comptroller Claims Division
State Legislature	The governmental legislative body of the State.
State Travel Regulations	Means Chapter 660 of the Texas Government Code, the General Appropriations Act, and any rules or regulations adopted by the State Comptroller of Public Accounts thereunder.

Term	Definition
Strategic Plan(s)	The plan(s) that may be periodically developed by TxDOT that set forth TxDOT's key operational objectives and requirements and outline its strategies for achieving such objectives and requirements. TxDOT 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.
Statement(s) of Work (SOW)	Means <u>Exhibit 2.1.1, Exhibit 2.1.6, and Exhibit 2.1.8</u> and their associated Exhibits and Attachments.
Statewide Data Center(s)	The State data center in San Angelo, Texas, or Austin, Texas.
Statewide DCS Service Provider	The TxDOT Service Component for infrastructure services as provided through the Statewide Data Center Services Program.
Statewide MSI	The TxDOT MSI Service Component for infrastructure services as provided through the Statewide Data Center Services Program.
Subcontractors	Subcontractors (of any tier) of Service Provider, including Affiliates of Service Provider performing Services under the Agreement pursuant to <u>Section 9.9</u> of the Agreement. The initial list of Subcontractors is set forth in <u>Exhibit 4.1</u> to the Agreement.
Subsidiary	Has the meaning given in <u>Attachment D Form of Parent Guaranty</u> to the Agreement.
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 shall include all Systems in use or required to be used as of the Commencement Date, all additions, modifications, substitutions, Upgrades, or enhancements to such Systems and all Systems installed or developed by or for TxDOT or Service Provider during the Term.
Systems Development Life Cycle	A term used in system engineering, information systems and software engineering to describe a process for planning, creating, testing, and deploying an information system.
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 Service Provider to perform the Services more efficiently and effectively as well as enable TxDOT to meet and support their operational requirements and strategies.
Technology Refresh Plan	A deliverable designed to maximize business value by identifying optimal replacement of Equipment based on mean time between failure, ongoing maintenance and operational costs and industry best practices.
Technical Field Services (TFS)	The TxDOT Service Component for Technical Field Services as defined in <u>Attachment 2-A SOW Infrastructure IT</u> .
Technical Recovery Guide (TRG)	Means a compilation of technical information, procedures, environmental configurations, operations and dependencies required to document each application and environment to ensure technical recovery of hardware, Operating System, storage, Network and other Equipment. Technical Recovery Guides capture operational elements, dependencies and instructions which must be re-enabled and sequenced appropriately to restore business operations. <u>Exhibit 2.3</u> further defines the specific content which must be included in the Technical Recovery Guides.
Technical Requirement(s)	The underlying hardware and software requirements that would be required to support and run a solution.
Technology Plan	Has the meaning given in <u>Exhibit 3.1</u> of the Agreement.
Time Critical Deliverable	Has the meaning given in <u>Section 4.5</u> of the Agreement.
Term	The Initial Term and the Renewal Terms, if any, including any period during which Termination Assistance Services are provided by Service Provider under the Agreement.

Term	Definition
Termination Assistance Services	(i) The Services (including the terminated, insourced, resourced, or expired Services, the Services described in Section 4.3 of the Agreement, the Services described in Exhibit 2.2 , to the Agreement and, in each case, any replacements thereof or supplements thereto), to the extent TxDOT requests such Services during a Termination Assistance Services period; (ii) Service Provider's cooperation with TxDOT and their designee(s) in the orderly transfer of the Services (or replacement or supplemental services) to TxDOT and/or their designee(s); and (iii) any New Services requested by TxDOT in order to facilitate the transfer of the Services (or replacement or supplemental services) to TxDOT and/or their designee(s).
Termination Charge	The termination charges payable by TxDOT as set forth in Exhibit 4.0 to the Agreement. The Termination Charge shall be calculated as of the later of (i) the end of the Term (or the date of termination of the applicable Services under the Agreement), and (ii) the satisfactory completion of all Termination Assistance Services.
Texas Comptroller of Public Accounts (TCPA)	The State’s chief tax collector, accountant, revenue estimator, and treasurer. TCPA includes the Texas State Treasury.
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.
Third Party Contract(s)	All agreements between Third Parties and TxDOT or Service Provider 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 Service Provider, TxDOT and that have been or shall be used to provide or receive the Services. Third Party Materials shall include Materials owned by Subcontractors (excluding Affiliates of Service Provider) and used in the performance of the Services.
Third Party Software	Used in MSA Section 14.3(c) . Means Software owned by a Third Party that is used by Service Provider in the performance of Services.
Third Party Vendor(s)	A Third Party that provides products or services to any Party that is related to, or is in support of, the Services (e.g., hardware vendors, premier support contracts, etc.). Third Party Vendors do not include Subcontractors.
Time Synchronization Service	Ensures the ability of devices and equipment to maintain accurate date and time information and synchronized centrally in an automated fashion where possible
TOGAF	Means the Open Group Architecture Framework, a framework for enterprise architecture that provides an approach for designing, planning, implementing and governing an enterprise information technology architecture.
Time Critical Deliverable	Has the meaning given in Section 4.5 of the Agreement
Traffic Network Device Management	Has the meaning given in Section 4.1 of Exhibit 2.1.8 and further described in the service responsibility Table 2 of Section 4.1.1 .
Traffic Network Device Monitoring	Has the meaning given in Section 4.1 of Exhibit 2.1.8 and further described in the service responsibility Table 1 of Section 4.1.1 .
Transaction Fee	Texas.gov Fees charged per transaction.
Transition	Has the meaning given in Section 4.2 of the Agreement.
Transition Plan	Means the plans set forth in Exhibit 3.1 to the Agreement and developed and updated pursuant to Section 4.2 of the Agreement.
Transition Services	Used in Section 4.2 of the Agreement. Means the transition activities, functions and deliverables described in the Transition Plan and such other tasks as are necessary to enable Service Provider 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
Trustee	Has the meaning given in Attachment C Form of Source Code Escrow , to the Agreement.
TxDOT	Has the meaning given in the preamble to the Agreement.
TxDOT Auditors	Has the meaning given in Section 9.8(b) of the Agreement.
TxDOT Code of Ethics	Means TxDOT’s ethics code and policies, including the conflicts of interest and sanctions rules and policies, found (i) at 43 Texas Administrative Code, Chapter 10, (ii) in the Ethics Policy promulgated by TxDOT pursuant to Section 572.051 of the Texas Government Code, and (iii) in TxDOT’s Conflicts of Interest Policy at www.txdot.gov.
TxDOT Contractor(s)	Has the meaning as the term is used in Section 4.4(a) of the Agreement.
TxDOT Confidential Information	Has the meaning given in Section 13.1 of the Agreement.

Term	Definition
TxDOT Data	Any data or information of or regarding TxDOT that is provided to or obtained by Service Provider in connection with the negotiation and execution of the Agreement or the performance of Service Provider's obligations under the Agreement, including data and information with respect to the constituency, customer, operations, facilities, products, rates, regulatory compliance, competitors, assets, expenditures, mergers, acquisitions, divestitures, billings, collections, revenues and finances of TxDOT. TxDOT Data also means any data or information (i) created, generated, collected or processed by Service Provider in the performance of its obligations under the Agreement, including data processing input and output, service level measurements, asset information, Reports, third party service and product agreements, contract charges, and retained expense and Pass-Through Expenses, or (ii) that resides in or is accessed through Software, Equipment or Systems provided, operated, supported, or used by Service Provider in connection with the Services, as well as information derived from this data and information, but excluding the following information to the extent not required to be provided or otherwise made available to TxDOT under this Agreement, including with in connection with TxDOT's rights related to Benchmarking, Subcontractors, auditing, Reports, or Termination Assistance Services: (A) financial/accounting information (including costs, expenditures, billings collections, revenues and finances) of Service Provider, its Affiliates or Subcontractors; (B) information created by Service Provider to measure the productivity and efficiency of the Services and/or to improve the processes and procedures used by in the performance of the Services; (C) human resources and personnel information of Service Provider, its Affiliates or Subcontractors; and (iv) information with respect to Third Party Contracts or licenses of Service Provider, its Affiliates or Subcontractors and used in the performance of the Services. Data or information constituting TxDOT Data shall not constitute Service Provider Confidential Information.
TxDOT Facility(ies)	The facilities that are provided by TxDOT for use by Service Provider to the extent necessary to provide the Services as well as those TxDOT and TxDOT Contractor locations at or to which Service Provider is to provide the Services.
TxDOT-Initiated Financial Dispute	Has the meaning given in Section 12.4(d) of the Agreement.
TxDOT Laws	Has the meaning given in Section 15.10(d) of the Agreement.
TxDOT Owned Materials	Has the meaning given in Section 14.1(a) of the Agreement.
TxDOT Personal Data	That portion of TxDOT data that is subject to any Privacy Laws. This includes, but is not limited to, information which meets the definition of Sensitive Personal Information outlined in Texas Business and Commerce Code 521.002.
TxDOT Provided Equipment	Has the meaning given in Section 6.4(e) of the Agreement.
TxDOT Regulated Data	Has the meaning given in Section 13.4 of the Agreement.
TxDOT Rules	Has the meaning given in Section 6.3(a) of the Agreement.
TxDOT Security Policies	The policies established by TxDOT to support an information resources security function.
TxDOT Standard(s)	Has the meaning given in Section 9.4(a) of the Agreement.
Unanticipated Change	Has the meaning given in Section 11.7 of the Agreement.
Unit Testing	A Software verification and validation method where the programmer gains confidence that individual units of source code are fit for use. A unit is the smallest testable part of an application.
Upgrade(s)	Updates, patch installations, modifications, renovations, 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.

Term	Definition
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.
User Acceptance Test(ing) (UAT)	Testing conducted by the end user using either production or production-like data to validate end-to-end business processes and compare actual and expected results. This is a formal testing step with new Applications or major changes to existing Application, and a successful execution and result leads to the user accepting the system.
Verification	Has the meaning given in <u>Attachment C Form of Source Code Escrow</u> , to the Agreement.
Versioned	Changes are rolled out in distinct releases, the version of the release is maintained in the artifacts being rolled out for compatibility, prior versions are phased out over time though a standard process and all changes are documented.
VM	Virtual Machine
Voice Services	Has the meaning given in Article 7 of <u>Exhibit 2.1.6</u> .
WAN	Wide Area Network
Warranty Period	Means the period commencing on the Effective Date and continuing until the date that is one hundred twenty (120) days after the end of the Term.
Warranty Services	Any activities necessary to repair Problems to enable Applications and Enhancements to perform in accordance with the applicable Acceptance Criteria, documentation or other specifications.
WCAG	Web Content Accessibility Guidelines
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 to within, between or among: (i) LANs, and (ii) other locations that do business with the State and for which TxDOT is responsible for allowing Connectivity.
Work Orders	Has the meaning given in <u>Attachment E Form of Work Order</u> , to the Agreement.
Work Order Effective Date	Has the meaning given in <u>Attachment E Form of Work Order</u> , to the Agreement.
Work Order Plan	Has the meaning given in <u>Attachment E Form of Work Order</u> , to the Agreement.
Work Product	Means (i) all reports and manuals, including transition plans, business requirements documents, design documents, manuals, training and knowledge transfer materials and documentation, (ii) the Service Management Manual, (iii) Desktop Procedures, and (iv) any intellectual property created as a result of this Agreement to express, embody or execute or perform a function, method or process that is specific to the business of TxDOT.



Texas Department of Transportation

Managed Network Services

Exhibit 1.2

Governance Model

Version 1.0

Solicitation No. 601440000032124

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1 INTRODUCTION

1.1 Governance Model

The Texas Department of Transportation (TxDOT) Information Technology Division (ITD) has established a governance model for TxDOT's ITD services ecosystem. This model governs all ITD services including:

1. Insourced IT functions (including UAM and Server Administration);
2. ITD Service Governance;
3. Application Services: ERP MAS and ADM Services;
4. Managed Network Services: Business and Traffic Services;
5. Infrastructure Services (Statewide DCS Service Provider);
6. Service Desk;
7. End User Compute Services (Technical Field Services, Hardware Lifecycle Services, Mobile Device Management, and TxDOT Desktop Engineering); and
8. Information Security Services (including CSOC).

This model involves TxDOT at all levels in governance decision making. This **Exhibit 1.2 Governance Model** describes the governance model, meeting structure; participant roles and responsibilities, and issue management. Within this document the Service Provider is considered and referenced as a Service Component Provider (SCP).

1.2 Service Provider Support of ITD Governance Model Support

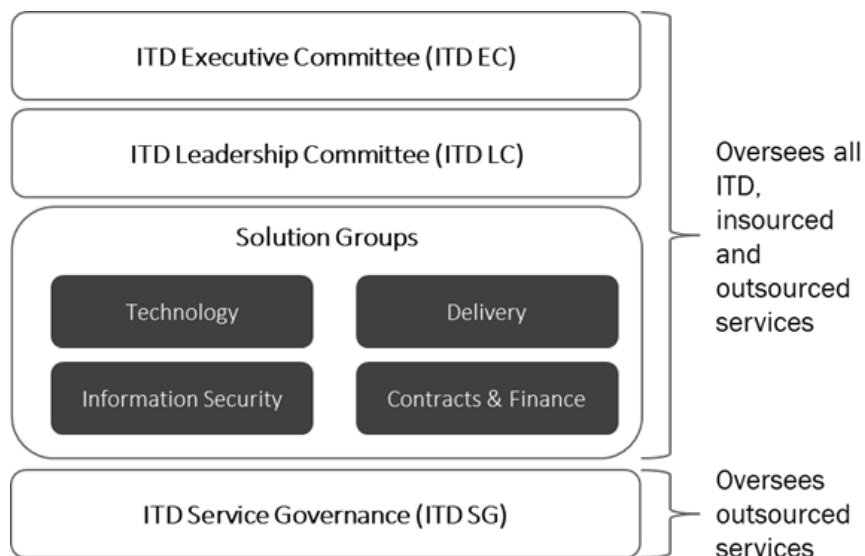
The ITD governance model is a set of defined interactions, roles and expectations that guide the governance of ITD services and the SCP's Agreement. The governance model is designed to facilitate effective communication of direction, service performance, resolution of issues and enable strategic decision making.

To support the governance model, the Service Provider shall:

- 1.2.1.1 Establish working relationships to promote efficient communication, coordination and resolution of issues in a timely manner;
- 1.2.1.2 Support the implementation and operation of a decision-making model that promotes appropriate authority and accountability;
- 1.2.1.3 Support the resolution of issues at the lowest possible organizational level; and
- 1.2.1.4 Support in the formalization and execution of roles and responsibilities regarding contract and issue management among other SCPs and TxDOT.

1.3 ITD Governance Model

1.3.1.1 The model is comprised of four (4) layers:



TxDOT ITD Governance Model

1. The ITD Executive Committee is the highest governance committee with overall responsibility for ITD services strategy, managing customer relationships, setting information security direction, and achieving financial objectives.
2. The ITD Leadership Committee defines ITD enterprise technology and operational goals and promotes their achievement. The committee focuses on enterprise operational performance, customer satisfaction, and resolves enterprise IT issues escalated from the Solution Group level and makes operational enterprise IT decisions.
3. Solution Groups are the front line for overseeing day to day service standards, service delivery and operational information security while also addressing most operational issues that are not initially resolved between SCPs, ITD Service Governance and TxDOT operational staff. The goal is to resolve ITD service issues and at this level through collaboration, data, and consensus-based solution building efforts. Service Provider representatives are fully participating members of the solution groups and committees, except for the Contract & Finance Solution Group and the ITD Executive Committee where they participate by invitation.
4. ITD Service Governance (ITD SG) provides objective administrative oversight of the ITD services through the execution of:
 - a. Service delivery oversight and escalations;
 - b. Performance management including service level management, deliverable management; and

- c. Financial management including SCP invoice management and Service Level Credit and Earnback management.
- 1.3.1.2 Each committee and group have responsibility for operational decisions in their area of expertise and for SCPs, in accordance with their respective Agreements.
- 1.3.1.3 The ITD Governance model committee and group charters and standard meeting agendas are defined in the SMM and subject to change at the discretion of TxDOT as needed to best provide and manage ITD services.

2 Meeting Structure

- 2.1.1.1 Committee and solution group meeting objectives, participants, and standing agendas are defined in the SMM.

3 Roles and Responsibilities

3.1 TxDOT Responsibilities

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

- 3.1.1.1 Facilitate governance committee and solution group meetings and activities, including providing organizational, logistical, and communication support;
- 3.1.1.2 Facilitate the issue management process;
- 3.1.1.3 Triage issues and attempt immediate resolution if possible, and route unresolved enterprise issues to appropriate governance committees for resolution;
- 3.1.1.4 Provide relationship management for customers including serving as a point of escalation for issue resolution;
- 3.1.1.5 Interpret the Agreement from TxDOT's perspective;
- 3.1.1.6 Manage financial interactions, processes, and relationships with SCPs;
- 3.1.1.7 Manage communications;
- 3.1.1.8 Coordinate ongoing training related to Agreement changes, process changes, and New Services; and
- 3.1.1.9 Perform vendor management and compliance functions including development and execution of Agreement amendments.

3.2 SCP Responsibilities

To enable the governance model, all SCPs have an important role as subject matter experts on technology, solutions, and delivery. Service Provider shall, at a minimum, perform the following responsibilities:

- 3.2.1.1 Engage directly with other SCPs and TxDOT to resolve their specific operational issues at the lowest level;
- 3.2.1.2 Assign empowered subject-matter experts to participate as requested in governance committees and solution groups to resolve enterprise issues;
- 3.2.1.3 Research, as necessary, and document Service Providers perspective for issue resolution;
- 3.2.1.4 Provide timely and accurate data, information, and responses to promote prompt resolution of issues; and
- 3.2.1.5 Enable and facilitate use of the issue management process.

3.3 ITD SG Responsibilities

The ITD SG, in its role of overseeing ITD services, has governance responsibilities to support an effective Service Component operating environment, including:

- 3.3.1.1 Plan, schedule and facilitate governance meetings including preparing agendas and presentation materials and taking meeting actions;
- 3.3.1.2 Coordinating issue escalation when multiple Service Components are involved;
- 3.3.1.3 Coordinating Service Component participation in governance meetings;
- 3.3.1.4 Offering process improvement solutions to reduce the number of escalated issues;
- 3.3.1.5 Streamlining the issue escalation processes between Service Components;
- 3.3.1.6 Coordinating implementation of decisions and solutions that are approved by the governance committees; and
- 3.3.1.7 Posting all governance agendas, presentations, meeting notes, decisions, and policies on the Portal.

4 Issues and Escalations

4.1 Issue Management

The Service Provider shall, at a minimum:

- 4.1.1.1 Work with the ITD governance committees and solution groups to address two (2) types of decisions:
 - 4.1.1.1.1 Issue resolution; and
 - 4.1.1.1.2 Strategic decisions as per the roles and responsibilities.
- 4.1.1.2 Escalate issues and present to the appropriate governance committee or solution groups based on their defined charters in the SMM
- 4.1.1.3 Following the escalation protocol as defined in the SMM, which may include:
 - 4.1.1.3.1 TxDOT performs triage and routes unresolved issues to appropriate committees and solution groups;
 - 4.1.1.3.2 All SCPs can present their perspective and position to the committee or solution group;

- 4.1.1.3.3 All decision-making agenda items will be broadcast in advance of the meeting; and
- 4.1.1.3.4 After the meeting, decisions will be documented with the issue.

4.2 Escalation Process

The Service Provider shall, at a minimum:

- 4.2.1.1 The Service Provider strives to resolve issues at the operational level; however, if unable to resolve, follow the defined escalation process to communicate the issue promptly and efficiently to the appropriate committee or solution group for resolution.
- 4.2.1.2 After TxDOT and the Service Provider determine an issue cannot be resolved at the assigned committee or solution group level, the issue is escalated to TxDOT contract manager for further triages and attempts to resolve.

4.3 Notice by Service Provider

- 4.3.1.1 Without limiting its obligations under this Agreement, Service Provider shall expeditiously notify TxDOT when it becomes aware that an act or omission a TxDOT, SCP, or TxDOT contractor personnel shall cause, or has caused, a problem or delay in providing the Services, and shall work with TxDOT, SCP, or TxDOT contractor to prevent or circumvent such problem or delay.
- 4.3.1.2 Service Provider shall cooperate with TxDOT, SCP, or TxDOT contractor to resolve differences and conflicts arising between the Services and other activities undertaken by TxDOT, SCPs, or TxDOT contractors.



Texas Department of Transportation

Managed Network Services

Exhibit 1.3

Service Management Manual (SMM) Content and Organization

Version 1.0

Solicitation No. 601440000032124

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1 INTRODUCTION

This document describes the general content and organization of the Service Management Manual (or the SMM) that will be developed to support governance of the Services. It is intended that the structure of the SMM is established by the TxDOT ITD Service Governance (ITD SG) function with the Service Provider providing support and content as required to support the Service Provider's Services.

The SMM is intended to be maintained and updated on a regular basis. The Service Provider will be required to complete significant additional detail to record the further development of the SMM to be applied in the performance of the Services by Service Provider as required in **Exhibit 3.1 Service Level and Deliverable Matrix**.

2 REQUIREMENTS

The Service Provider should adhere to the TxDOT-established framework for defining, documenting, communicating, maintaining, and monitoring the processes and procedures in the SMM.

3 DELIVERY AND CONTENTS

1. The Service Provider shall deliver to TxDOT portions and versions of the SMM for TxDOT's review and comment on the dates provided in this Attachment and **Exhibit 3.1 Service Level and Deliverable Matrix**. TxDOT will review the SMM drafts and provide the Service Provider with comments and revisions.
2. The Service Provider shall incorporate TxDOT's comments and revisions into the SMM and shall deliver subsequent versions thereof on or before the dates set forth in this exhibit and **Exhibit 3.1 Service Level and Deliverable Matrix** for TxDOT's review and comment in accordance with this Section.
3. The Service Provider shall document appropriate policies, processes, and procedures for inclusion in the SMM to provide effective Service interfaces between Service Provider and TxDOT.
4. The Service Provider shall deliver a final version of the SMM to TxDOT on or before the dates set forth in **Exhibit 3.1 Service Level and Deliverable Matrix** for TxDOT's final approval, which TxDOT may withhold in its sole discretion.
 - a. In the event of Noncompliance, the Service Provider shall submit to TxDOT a revised SMM in alignment with the terms of the Agreement addressing each of the points raised by TxDOT in its notice of Noncompliance.
 - b. The Service Provider shall continue making subsequent revisions of the SMM until approved by TxDOT.

5. The Service Provider shall include in the SMM, at a minimum:

- a. a detailed description of the manner in which each of the Services shall be performed by the Service Provider, including:
 - i. the Equipment, Materials, and Systems to be procured, operated, supported or used;
 - ii. documentation (including operations manuals, user guides, specifications, policies/procedures, and disaster recovery/business continuity plans) to be created and/or maintained by Service Provider in the course of performing the Services;
 - iii. the specific activities to be undertaken by Service Provider in connection with each Service, including, where appropriate, the direction, supervision, monitoring, staffing, reporting, planning, and oversight activities to be performed by Service Provider under this Agreement;
 - iv. the checkpoint reviews, testing, acceptance, controls and other procedures to be implemented and used to assure service quality;
 - v. the TxDOT-approved policies, processes, methodologies and controls to be implemented and used by Service Provider to comply and confirm compliance with TxDOT Rules and TxDOT Standards;
 - vi. the processes, methodologies, and controls to be implemented and used by TxDOT and the Service Provider to identify TxDOT Data TxDOT are legally prohibited from disclosing, including any confidentiality requirements specific to any TxDOT;
 - vii. subject to the Agreement, the processes, methodologies and controls to be implemented and used by Service Provider to comply and confirm compliance with applicable Laws (including applicable Privacy Laws relating to the privacy and security of TxDOT Data); and
 - viii. the processes, methodologies, and controls to be implemented and used by Service Provider to implement TxDOT-approved billing structure changes.
- b. the procedures for TxDOT and Service Provider interaction and communication, including:
 - i. call lists;
 - ii. Managed Network Services methodologies;
 - iii. Managed Network Services testing methodologies, policies, processes and procedures;
 - iv. Managed Network Services Implementation policies, processes and procedures;
 - v. Managed Network Services Operations and Maintenance policies, processes and procedures;
 - vi. Non-Technical Operations policies, processes and procedures;
 - vii. Quality Assurance procedures and checkpoint reviews; and

- viii. Acceptance testing and procedures (subject to Agreement);
- ix. Interfaces between and among SCPs and TxDOT.
- c. practices and procedures addressing such other issues and matters as TxDOT reasonably requires.
- d. The Service Provider shall incorporate TxDOT's then-current policies and procedures in the Service Management Manual to the extent it is directed to do so by TxDOT.

4 COMPLIANCE

The Service Provider shall perform the Services in accordance with the terms of the Agreement and TxDOT's then-current policies and procedures until the SMM is finalized and agreed upon by the Parties. Thereafter, the Service Provider shall perform the Services in accordance with the terms of the Agreement including the SMM. In the event of a conflict between the provisions of the Agreement and the SMM, the provisions of the Agreement shall control unless the Parties expressly agree otherwise and such agreement is set forth in the relevant portion of the SMM.

5 MAINTENANCE, MODIFICATION, AND UPDATING

1. The Service Provider shall support TxDOT in the maintenance of the SMM so as to be accessible electronically to TxDOT, and Authorized Users via the Portal or such other electronic means as approved by TxDOT, and in any case in a manner consistent with TxDOT's security policies.
2. TxDOT shall have the right, but not the obligation, to distribute hard copies of the SMM to Authorized Users.
3. The Service Provider shall promptly and timely support TxDOT to modify and update the SMM to reflect changes in the operations or procedures described therein and to comply with TxDOT Standards, TxDOT Rules, the Technology Plan and strategic plans.
4. The Service Provider shall provide the proposed changes in the SMM to TxDOT for prior review, comment, and approval, which TxDOT may withhold in its sole discretion.

6 TRAINING

The Service Provider shall provide training to TxDOT and other Service Component Provider (SCP) personnel in accordance with the terms of **Exhibit 2.1.1 Cross Functional SOW** and as otherwise required by TxDOT to provide effective Service interfaces between the Service Provider and SCPs.

7 ANNUAL REVIEW

The Parties shall meet to perform a formal annual review of each section of the SMM on a mutually agreed-upon review schedule. Reviews are coordinated by TxDOT and scheduled at quarterly intervals.

8 GENERAL CONTENT AND ORGANIZATION

[Table 1: TxDOT-led Service Management Manual Content](#) below provides the general organization and content of the SMM. Although not intended to replicate the Agreement, the SMM should provide comprehensive documentation of the procedures that the Service Provider shall follow to implement and manage the Agreement and the overall relationship. Specific references to detailed text or requirements in the Agreement may be incorporated within the SMM.

The responsibilities of the Service Provider and TxDOT should be clearly indicated within the document (including specific responsibilities by job title or function). The SMM will be used jointly by the Parties to assist with overall coordination and communication regarding the Agreement.

Please reference [Exhibit 3.1 Service Level and Deliverable Matrix](#) for additional information on the requirements for delivery.

Table 1 contains content created by the ITD SG function whereas the Service Provider is to work with TxDOT to review, update, and affirm the entire set of contents (e.g., Process, Procedure, Work Instructions, etc.) to ensure it fully supports the Service Providers operation. The Service Provider provides the content for the Governance section of [Table 1: TxDOT-led Service Management Manual Content](#) in collaboration with ITD SG.

Table 2 contains content to be developed by the Service Provider whereas the Service Provider is to take a leadership role in the design, drafting, and coordination of reviews and approvals.

8.1 TxDOT-led Service Management Manual Content

Table 1: TxDOT-led Service Management Manual Content

Content	Due Date	Description	Phase
Governance			
Contacts Lists	20 days after Effective Date	Key personnel for the Service Provider. Includes a list of contacts that are key users of the Services and/or perform a liaison function in regard to the Services (by location). Includes contact information for key Authorized Users.	Phase 1

Content	Due Date	Description	Phase
Organizational Charts	20 days after Effective Date	Include Service Provider organization charts, description of functions performed, contact information.	Phase 1
Standards and Configurations	10 days prior to Commencement Date	Document Service Provider's standards and configurations for Services.	Phase II
Service Responsibilities Matrices	60 days after Commencement Date	The Responsibility Assignment Matrix (RACI) Charts illustrating the correlating levels of responsibilities for the various teams (including other SCP dependencies) required to support the Service Provider's services.	Phase III
Operational Reports Inventory	10 days prior to Commencement Date	Current list of Service Provider operational reports.	Phase II

Content	Due Date	Description	Phase
Marketplace Procedures			
Portal 1. Policies 2. Processes 3. Procedures	10 days prior to Commencement Date	Describes the Operational Procedures that support TxDOT portal services tool. Includes processes and procedures necessary to inform the Service Component Providers on the use of the tool.	Phase II
Service Catalog Management 1. Policies 2. Processes 3. Procedures 4. Work Instructions	10 days prior to Commencement Date	A database or structured Document with information about select Services, including those available for deployment. The Service Catalog is the only part of the Service portfolio published to Customers and is used to support the request and delivery of select Services. The Service Catalog may include information about Deliverables, prices, contact points, ordering and request processes.	Phase II
IT Service Desk 1. Policies 2. Processes 3. Procedures 4. Work Instructions	10 days prior to Commencement Date	The facilities, associated technologies, and fully trained staff who respond to Calls, coordinate all Incident Management and Request Management activities, and act as a single point of contact for Authorized Users regarding the Services.	Phase II

Content	Due Date	Description	Phase
Service Management Procedures			
Incident Management 1. Policies 2. Processes 3. Procedures 4. Work Instructions	10 days prior to Commencement Date	The use of people, processes and technology with the primary goal to restore normal Service operations as quickly as possible and minimize the adverse impact on business operations, thus ensuring that the best achievable levels of service quality and availability are maintained. Includes Major Incident Management. Includes Event Management function collects and aggregates forwarded events, correlates them, and incorporates them into the TxDOT ITSM system (e.g., Incident Management System) for efficient management and resolution.	Phase II
Problem Management 1. Policies 2. Processes 3. Procedures 4. Work Instructions	10 days prior to Commencement Date	The process, software, techniques and procedures that aid in identification, tracking, communication, and resolution of Problems arising in TxDOT's IT Environment, and resolving those Problems arising from or related to the Services. The goal of Problem Management is to minimize the adverse impact of Incidents and Problems on the business that are caused by errors within the IT infrastructure, and to prevent recurrence of Incidents related to these errors. To achieve this goal, Problem Management seeks to get to the root cause of Incidents and then initiate actions to improve or correct the situation.	Phase II

Content	Due Date	Description	Phase
Information Security Management 1. Policies 2. Processes 3. Procedures 4. Work Instructions	10 days prior to Commencement Date	The process that ensures the confidentiality, integrity and Availability of an organization's assets, information, data and IT Services. Includes handling of paper, building access, phone calls etc., for the entire organization. Includes security operations management procedures.	Phase II
Access Management 1. Policies 2. Processes 3. Procedures 4. Work Instructions	10 days prior to Commencement Date	Access Management is focused on the platform, process and operations to enable Authorized Users to request access to and use an IT service.	Phase II
Request Management and Fulfillment 1. Policies 2. Processes 3. Procedures 4. Work Instructions	10 days prior to Commencement Date	The process responsible for managing the lifecycle of all Service Requests.	Phase II

Content	Due Date	Description	Phase
Change Management 1. Policies 2. Processes 3. Procedures 4. Work Instructions	10 days prior to Commencement Date	The processes relating to planning and performing all changes in 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 and includes a process of controlling changes to the infrastructure or any aspect of Services, in a controlled manner, enabling approved changes with minimum disruption.	Phase II
Asset Inventory and Management 1. Policies 2. Processes 3. Procedures 4. Work Instructions	10 days prior to Commencement Date	Leverage automated CMDB tools and Data Quality Management (DQM) capabilities and processes to capture, manage, and maintain assets for all Services.	Phase II
Software License Management 1. Policies 2. Processes 3. Procedures 4. Work Instructions	10 days prior to Commencement Date	Defines the process and procedures for managing Software License compliance and renewals to ensure accurate tracking, reporting and timely updates.	Phase II

Content	Due Date	Description	Phase
Configuration Management 1. Policies 2. Processes 3. Procedures 4. Work Instructions	10 days prior to Commencement Date	The process of identifying and defining relationships and dependencies both upstream and downstream from CIs, identifying business services and mapping CIs to those services (e.g., ERP application, Infrastructure), and verifying the completeness and correctness of the CIs.	Phase II
IT Service Continuity Management (ITSCM) 1. Policies 2. Processes 3. Procedures 4. Work Instructions	10 days prior to Commencement Date	The process responsible for managing risks that could seriously impact IT Services. ITSCM ensures that the Service Provider can always provide minimum agreed Service Levels, by reducing the risk to an acceptable level and Planning for the recovery of IT Services. ITSCM should be designed to support Business Continuity Management.	Phase II
Project Management and Support 1. Policies 2. Processes 3. Procedures 4. Work Instructions	10 days prior to Commencement Date	Project Management and Support will align projects to TxDOT requirements and deliver projects from request through end-to-end solutioning including turnover to the TxDOT validation that project requirements were met in terms of timing, quality, and cost.	Phase II

Content	Due Date	Description	Phase
Release Management 1. Policies 2. Processes 3. Procedures 4. Work Instructions	60 days after Commencement Date	The process responsible for planning, scheduling and controlling the movement of Releases to test and Production environments as well as the software development and delivery processes as part of DevOps. The primary objective of Release Management is to ensure that the integrity of the Production environment is protected, that the correct components are released, and reduce down time and customer impact. Release Management works closely with Configuration Management and Change Management.	Phase III

Content	Due Date	Description	Phase
Business Management Procedures			
Operational Intelligence 1. Policies 2. Processes 3. Procedures 4. Work Instructions	10 days prior to Commencement Date	Procedures and activities regarding key standard Reports and requests for ad hoc reports from TxDOT.	Phase II
Service Level Management (SLM) 1. Policies 2. Processes 3. Procedures 4. Work Instructions	10 days prior to Commencement Date	The process responsible for monitoring SLAs, and ensuring that these are met. SLM is responsible for ensuring that all IT Service Management Processes, OAs, and Underpinning Contracts are appropriate for the agreed Service Level targets. SLM monitors and reports on Service Levels, facilitates Service Delivery Failure actions with the appropriate Governance Committee and holds regular TxDOT reviews. Procedures for calculating Service Level Credits on invoices and Earnback calculations	Phase II

Content	Due Date	Description	Phase
IT Financial Management (ITFM) – Supplier Invoice Statements 1. Policies 2. Processes 3. Procedures 4. Work Instructions	10 days prior to Commencement Date	Procedures for invoicing (and verification of invoice by TxDOT). The content should include procedures for calculating Resource Unit volumes for pricing (per Service Component, as applicable), invoicing of Projects, etc. The content should include procedures regarding disputed invoice amounts. The content should include procedures for charge back of costs related to the Services and the overall Agreement to TxDOT.	Phase II
CRM – Customer Satisfaction Surveys 1. Policies 2. Processes 3. Procedures 4. Work Instructions	60 days after Commencement Date	Process to be used for conducting customer satisfaction surveys. Content should include procedures regarding action items and attempts to resolve customer issues.	Phase III
CRM – Escalation Management 1. Policies 2. Processes 3. Procedures 4. Work Instructions	60 days after Commencement Date	Describes the roles, responsibilities, and processes to manage the escalation of urgent or lingering issues to ensure resolution. The document also summarizes how people, processes, tools, and technology are used to resolve issues as quickly as possible when issues are not resolved through normal business practices. The goal of escalation management is to minimize adverse impacts on business operations and ensure that the best achievable levels of service quality and availability are maintained.	Phase III

Content	Due Date	Description	Phase
Service Delivery Management 1. Policies 2. Processes 3. Procedures 4. Work Instructions	10 days prior to Commencement Date	Procedures and responsibilities regarding responding to Authorized Users' (including listing of Authorized Users) problems, requests, and questions.	Phase II
Strategy Management 1. Policies 2. Processes 3. Procedures 4. Work Instructions	10 days prior to Commencement Date	Strategy Management links the business demand with the supporting IT strategies and services along with service enhancement initiatives including a long-term strategy roadmap with timelines and high-level costs, and shorter-term technology plans which guide the annual improvement and budgeting process. Within this capability, TxDOT provides the leadership and coordination for the long-term strategy efforts, including but not limited to a long-term strategy roadmap, and TxDOT will support those efforts by leading and coordinating the annual technology plan, ongoing technology refresh program, coordinate the approval and communication of Standard Products and Reference Architecture, and coordinating the effective use and disposal of Equipment and Software.	Phase II

Content	Due Date	Description	Phase
Operations Management Procedures			
Data Quality Management 1. Policies 2. Processes 3. Procedures 4. Work Instructions	60 days after Commencement Date	DQM provides a platform to collect data internally, from SCPs and Third Party Vendor(s) enabling automated intake and analysis of hardware, software and application integrity in support of the Asset Inventory and Management and Configuration Management processes. The processes will describe how the SCP data will be validated for integrity.	Phase III
Vendor and Contract Management Procedures			
Contract Change Control	10 days prior to Commencement Date	Procedures supporting changes to the Agreement, including changes to any Exhibit or Attachment. Content should include procedures to classify services as a New Service, and resulting processes to change the Agreement (including pricing). Content should include notification period and process, authority levels, and escalation procedures for changes to the Agreement.	Phase II
Contract Deliverables Management	30 days after Effective Date	Describes the process for SCPs to produce, develop, track, revise, review, and submit Deliverables to TxDOT pursuant to the terms and conditions of the Service Provider's MSA.	Phase I

Content	Due Date	Description	Phase
Issue Resolution	10 days prior to Commencement Date	Describes the process for resolving program issues which may arise during the performance of Services under the MSAs with the Service Providers. The purpose of the Program Issues Management Process described herein is to resolve Program Issues at the management level prior to initiating the Dispute Resolution process set forth in the Providers MSAs. The process occurs within the management organizations of the TxDOT and the Service Provider.	Phase II
Dispute Resolution	10 days prior to Commencement Date	Procedures regarding formal dispute resolution process used to comply with the Agreement.	Phase II

Note: All days are calendar days unless otherwise noted.

8.2 Service Provider developed Service Management Manual Content

Table 2: Service Provider developed Service Management Manual Content

Content	Due Date	Description	Phase
Service Component Provider Operational Procedures			
Key Personnel and Subcontractors	20 days after Effective Date	The Service Provider shall describe procedures for TxDOT approval regarding replacement or removal of Service Provider Key Personnel and major Service Provider Subcontractors.	Phase I
Managed Business Network Services 1. Policies 2. Processes 3. Procedures 4. Work Instructions	10 days prior Commencement Date	Document SCP processes and procedures necessary to deliver Services included in the respective Statement of Work.	Phase II

Content	Due Date	Description	Phase
Managed Traffic Network Services 1. Policies 2. Processes 3. Procedures 4. Work Instructions	10 days prior Commencement Date	Document SCP processes and procedures necessary to deliver Services included in the respective Statement of Work.	Phase II
Service Provider Tools Support 1. Policies 2. Processes 3. Procedures 4. Work Instructions	10 days prior Commencement Date	Includes any tool in use in delivery of Services. Describes the operational procedures that support the Service Provider's tools, including processes necessary to inform, as required, TxDOT and other SCPs about engaging the Service Provider team for support of the toolset. This document also informs about those maintenance and support functions performed by the Service Provider.	Phase II

Note: All days are calendar days unless otherwise noted.



Texas Department of Transportation

Managed Network Services

Exhibit 2.1.1

Cross Functional Statement of Work

Version 1.0

Solicitation No. 601440000032124

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1 INTRODUCTION

1.1 Operating Model

This **Exhibit 2.1.1 Cross Functional SOW** contains specific cross functional requirements that all Service Component Providers (SCPs) must meet in order to perform the requested Services and responsibilities defined in **Exhibit 2.0 Service Model**.

TxDOT contracts with multiple SCPs to deliver services to TxDOT Authorized Users. Those services are integrated into a common service delivery model by TxDOT's ITD Service Governance (ITD SG) function. The ITD SG provides the systems, process leadership and service delivery oversight necessary to ensure consistent, quality service delivery. Figure 1 below depicts the relationships between SCPs and ITD SG, ITD Sourcing Management, and TxDOT ITD Governance.

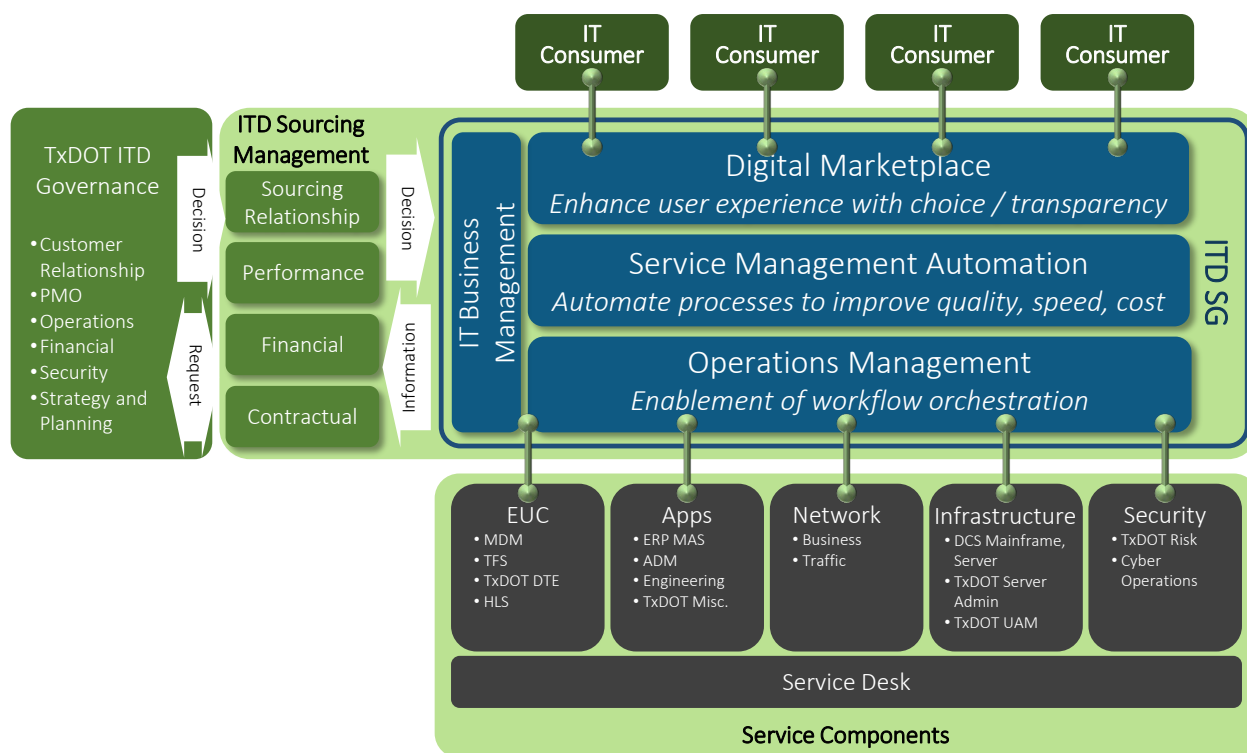


Figure 1 – TxDOT ITD Operating Model

TxDOT ITD Governance and ITD Sourcing Management

As the overall service owner, TxDOT ITD operates overall governance functions that provide customer relationship leadership, PMO, operations, financial, security and planning roles. The ITD Sourcing Management function works closely with the SCPs to ensure the provided services individually adhere to the required Service Providers requirements, and collectively meet TxDOT's desired outcomes.

1.2 Document Overview

This document contains cross functional service management categories of responsibilities that apply to the delivery of Services. These categories are considered cross functional in that they are functions which cross all SCPs. The Service Provider shall provide Services for transition, steady state, and service evolution consistent with **Exhibit 4.2 Financial Responsibilities Matrix**.

1.3 Cross Functional Systems and Processes

TxDOT bases its service management practices on the Information Technology Infrastructure Library (ITIL), which focuses on the service management lifecycle and the linkages between service management components. The Service Provider shall be responsible for using TxDOT provided cross functional systems and complying with the ITIL framework in cooperation with and as established by the ITD SG and documented in the Service Management Manual (SMM).

1.3.1 Cross Functional Processes

The Service Provider shall, at a minimum:

- 1.3.1.1 Conform and deliver to a set of processes based on ITIL guidance to enable consistent management of IT services seamlessly across the ITD SG and among SCPs.
- 1.3.1.2 Verify that processes effectively integrate with the processes, functions and roles deployed within and used by TxDOT and the other SCPs.
- 1.3.1.3 Design processes and procedures to enable the effective monitoring and reporting of Service Provider's Services.
- 1.3.1.4 Coordinate and support the execution of Service Provider processes across TxDOT Authorized Users and with the ITD SG to ensure all the individual components that make up the required Services are managed in an end-to-end manner.
- 1.3.1.5 Document Service Provider-level processes and procedures in the integrated SMM.
- 1.3.1.6 Deploy any necessary processes, procedures, and controls to provide effective end-to-end management, monitoring, and reporting of the Services.
- 1.3.1.7 Deploy and integrate any tools and systems as required to enable such processes, procedures, and controls.
- 1.3.1.8 Implement change and configuration management for systems, services, and components managed by Service Provider.
- 1.3.1.9 Maintain security tools to meet performance standards, processes and policy requirements, to maximize efficiency, and to minimize outages, as necessary.
- 1.3.1.10 Provide audit logs for any systems managed by the Service Provider.

1.3.2 Process Documentation

All documentation maintained by the Service Provider shall be subject to approval by TxDOT and will conform to the documentation standards and format provided by the ITD SG and agreed upon between TxDOT and the Service Provider. The Service Provider shall develop documentation in accordance with the requirements in **Exhibit 1.3 Service Management Manual**.

The Service Provider shall, at a minimum:

- 1.3.2.1 Maintain operations documentation related to the Services for currency, accuracy, and post in the SMM.
 - 1.3.2.1.1 Identify owners (business, operational, quality assurance, and engineering) of documentation.
 - 1.3.2.1.2 Align Systems documentation to architectural standards.
 - 1.3.2.1.3 Identify TxDOT Data to the associated System(s) and the associated security risk classification.
 - 1.3.2.1.4 Provide access to architecture and design documentation for Systems and services managed by Service Provider.
 - 1.3.2.1.5 Create and maintain current documentation as required (e.g., support documentation).
- 1.3.2.2 Develop and maintain documentation on all Operations procedures, Services, Equipment, and Software for which Service Provider is responsible according to the standard SMM format.
- 1.3.2.3 Provide documentation in an electronic format provided by the ITD SG and agreed upon between TxDOT and the Service Provider.
- 1.3.2.4 Validate documentation at least annually for completeness and accuracy, and verify that all documentation is present, organized, readable, and updated in accordance with agreed upon schedule.
- 1.3.2.5 Participate in the reporting of validation findings to TxDOT on a regular basis, and where it is determined that documentation is inaccurate (e.g., erroneous or out of date), correct and replace such documentation.
- 1.3.2.6 Update the SMM according to schedule described for the Deliverables in **Exhibit 3.1 Service Level and Deliverable Matrix**.

1.3.3 Training & Education

The Service Provider shall, at a minimum:

- 1.3.3.1 Support TxDOT as appropriate to ensure the proper training on cross-functional systems and other tools, including the supporting processes, for Service Provider personnel and other SCPs that interact with the Service Provider tools, processes, and SMMs.
- 1.3.3.2 Develop applicable training content and coordinate with TxDOT to load and manage.
- 1.3.3.3 Customize such applicable Service Provider training to be specific to the Authorized Users for the Services within the TxDOT environment.
- 1.3.3.4 Create and maintain training material for Service Provider staff that includes at least the following information: The Services provided; the value of Services to TxDOT; the financial structure of charges; overview of TxDOT; TxDOT Security Policies; orientation to all applicable laws and regulations (e.g., 1 TAC 202, HIPAA); the location of document stores; and the structure and location of the SMM.
- 1.3.3.5 Verify that all Service Provider staff interacting with TxDOT have reviewed the minimum set of documentation as defined by the Service Provider for operational readiness in accordance with the **Transition Plan**.

- 1.3.3.6 Upon request, Service Provider shall provide such documentation and training to TxDOT as specified by TxDOT.

2 MARKETPLACE

2.1 Portal

The Service Provider must leverage the ITD SG Portal to provide integrated TxDOT communications and reporting. Reporting functions and specific operational reports are defined in **Exhibit 3.0 Performance Model**, and **Exhibit 3.3 Reports**.

The Service Provider shall, at a minimum:

- 2.1.1.1 Provide the reports and communication content to be posted.
- 2.1.1.2 Provide reports and communication content in the format and standards required of the ITD SG portal.
- 2.1.1.3 Adhere to established processes as documented in the SMM.

2.2 Service Catalog Management

The ITD SG provides the Service Catalog tool for TxDOT Authorized Users to request Services from the Service Provider.

The Service Provider shall, at a minimum:

- 2.2.1.1 Coordinate with the ITD SG to validate integration of Service Provider Services into the Service Catalog.
- 2.2.1.2 Support the ITD SG to categorize and normalize Service Catalog content.
- 2.2.1.3 Support the ITD SG to determine the approval authority required to obtain the Service.
- 2.2.1.4 Support the ITD SG to document Service descriptions and dependencies.
- 2.2.1.5 Participate, in regular communications with TxDOT on updates to the Service Catalog.
- 2.2.1.6 Respond to Service Catalog requests in accordance with defined processes and Service Level Agreements (SLAs).

2.3 IT Service Desk

Service Provider shall be responsible for responding to incidents or requests TxDOT Authorized Users log with the Service Desk, in compliance with policies and procedures set forth in the SMM.

The 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 TxDOT's IT Services.

The Service Provider shall, at a minimum:

- 2.3.1.1 Actively participate with the Service Desk to develop and document processes.
- 2.3.1.2 Integrate Service Provider's Service processes with the Service Desk processes, TxDOT, and authorized Third Party Vendor(s), where the processes interact.

- 2.3.1.3 Communicate and coordinate the Service Desk processes and policies within Service Provider's own organization and TxDOT.
- 2.3.1.4 Actively participate in defining Service Desk policies and procedures, as approved by TxDOT, which set the objectives, scope, and principles that ensure the success of the Incident Management processes.
- 2.3.1.5 Provide effective and agreed upon mechanisms for properly complying with the Service Desk policies.
- 2.3.1.6 Manage all Incidents, Service Requests, etc., from Authorized Users relating to Services, including the following:
 - 2.3.1.6.1 Assigning categorization and prioritization codes.
 - 2.3.1.6.2 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 Service Provider activities.
 - 2.3.1.6.3 Ensuring Incidents and Service Requests are assigned and routed to the correct work queue in all situations regardless of whether the Incidents or Service Requests are manually or automatically assigned and routed.
 - 2.3.1.6.4 Closing all resolved Incidents, Service Requests, and other contacts.
- 2.3.1.7 Develop and document processes regarding interfaces, interaction, and responsibilities between Level 1 Support personnel, Level 2 Support personnel, Level 3 Support personnel, and any other internal or external persons or entities that may either submit an Incident or receive an Incident.
- 2.3.1.8 Utilize the Incident Management System provided by the Service Desk and integrate with the Service Desk, including the use of tools, technology, processes, and procedures.
- 2.3.1.9 Analyze Incident trends and recommend and implement actions, with TxDOT approval, to reduce Incidents. Also:
 - 2.3.1.9.1 Provide on-line FAQs and help documentation for common problems.
 - 2.3.1.9.2 Provide the Service Desk with information necessary to keep Authorized Users regularly updated with alerts advising of any new or changed information.

3 SERVICE MANAGEMENT

3.1 Event Management

Event Management generates and detects notifications, while monitoring the status of components, even when no Events are occurring. Events may be detected by a configuration item sending a message, or by a management tool polling the configuration item. After an Event has been detected it may lead to an Incident, Problem or Change, or it may simply be logged in case the information is needed. Service Provider shall, at a minimum:

- 3.1.1.1 Be responsible for providing or supporting Event management services as required.

- 3.1.1.2 Response to an Event may be automated or may require manual intervention. If actions are needed then a trigger, such as an SMS message or an incident being automatically logged, can alert support staff.
- 3.1.1.3 Service Provider shall detect and analyze Events and determine the appropriate process for handling the Events.
- 3.1.1.4 Service Provider's Event management services may include categorizing opened Events, automation processes to initiate Incidents from Events, comparing performance and behavior against SLAs, and creating the basis of service improvement and reporting.
- 3.1.1.5 Coordinate with the ITD SG to develop and approve Service Provider-related Event Management content in the SMM.
- 3.1.1.6 Comply with Event Management processes and procedures in the SMM.
- 3.1.1.7 Utilize the Event Management System provided by TxDOT for all information related to an Event.
- 3.1.1.8 Provide for training on processes and tools for escalations to Service Provider staff and other relevant resources involved with responding to Events.
- 3.1.1.9 Escalate Events in accordance with the SMM.
- 3.1.1.10 Verify that all records (e.g., inventory, asset and configuration management records) are updated.

3.2 Incident Management

Service Provider shall, at a minimum:

- 3.2.1.1 Provide Incident Management Services in the form of Level 2 Support and Level 3 Support. Incident Management is separate and distinct from Security Incident Management.
- 3.2.1.2 Provide knowledge capture and transfer regarding Incident resolution procedures to support the objective of increasing the number of Incidents capable of being resolved by Level 1 Support.
- 3.2.1.3 Coordinate with the ITD SG to develop and approve Service Provider-related Incident Management content in the SMM.
- 3.2.1.4 Comply with Incident Management SMM.
- 3.2.1.5 Utilize the Incident Management System provided by TxDOT for all information related to an Incident.
- 3.2.1.6 Provide for training on processes and tools for Incidents and escalations to Service Provider Incident Management staff and other relevant resources involved with responding to Incidents.
- 3.2.1.7 Resolve Incidents in accordance with the SMM, knowledge database documents, and configuration database(s).
- 3.2.1.8 Escalate Incidents in accordance with the SMM, knowledge database documents, and configuration database(s).

- 3.2.1.9 Participate in Incident review sessions.
- 3.2.1.10 Update the progress of an Incident's resolution within the tracking systems through to final closure.
- 3.2.1.11 Verify that all records (e.g., inventory, asset and configuration management records) are updated to reflect completed and resolved Incidents.
- 3.2.1.12 Document solutions to resolved Incidents in central knowledge base. Accurately update all information pertinent to trouble ticket including general verbiage, codes, etc.
- 3.2.1.13 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.
- 3.2.1.14 Conduct follow-up with TxDOT Authorized User who reported the Incident to verify the Incident was resolved to their satisfaction.
- 3.2.1.15 Integrate the Service Provider's Incident Management process with the other service management processes, especially Problem Management, Configuration Management, Service Level Management, and Change Management.
- 3.2.1.16 The Service Provider shall utilize the Incident Management System provided by TxDOT and integrate such with their Incident Management processes, providing a level of detail that allows for a set of Incident Resolution diagnostics.
- 3.2.1.17 The Service Desk shall provide processes and service delivery oversight necessary to ensure consistent, quality service delivery.

3.3 Problem Management

The Service Provider shall, at a minimum:

- 3.3.1.1 Provide Problem Management Services in coordination with the ITD SG Problem Management structure to minimize the adverse impact of Incidents on TxDOT's business operations.
- 3.3.1.2 Cooperate with the ITD SG 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.
- 3.3.1.3 Provide proactive Problem Management to identify and solve Problems and known errors before Incidents occur, including:
 - 3.3.1.3.1 performing predictive analysis activities, where practical, to identify potential future Problems,
 - 3.3.1.3.2 develop recommended mitigation plans, and
 - 3.3.1.3.3 implement approved corrective mitigation actions and processes.
- 3.3.1.4 Maintain, update, and disseminate information about Problems and the appropriate workarounds and resolutions to reduce the number and impact of Incidents.
- 3.3.1.5 Provide Problem Management Services for all Problems that are determined to be related to the Services. Service Provider shall also provide coordination and assistance to TxDOT and

other Service Component Providers in performing their Problem Management functions related to the Services.

- 3.3.1.6 Implement resolutions to Problems through the appropriate control procedures, especially Change management, as well as coordinating Problem Management activities with the various teams within Service Provider, TxDOT and other Service Component Providers responsible for performing Configuration Management, IT Service Continuity Management, and Service Level management activities.
- 3.3.1.7 Coordinate with the ITD SG to develop and implement processes for Problem Management and root cause analysis (RCA) (e.g., events that trigger an RCA).
- 3.3.1.8 Comply with Problem Management and RCA policies and procedures.
- 3.3.1.9 Participate in Problem Management review meetings.
- 3.3.1.10 Use and update the Problem Management knowledge database.
- 3.3.1.11 Perform Problem Management activities as set forth in the SMM.
- 3.3.1.12 Coordinate and take responsibility of Problem Management activities of all Problems that reside in Service Provider's area of responsibility (e.g., detection, logging, RCA, etc.) and provide support to other SCPs as required in the Problem Management process.
- 3.3.1.13 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.
- 3.3.1.14 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.
- 3.3.1.15 Identify, develop, document, and recommend appropriate workarounds for known errors of unresolved Problems and notify Incident Management and all other appropriate TxDOT stakeholders of its availability, if approved by TxDOT.
- 3.3.1.16 Create documentation with recommended corrective actions to resolve a Problem and submit to Change management for review and approval.

3.4 Information Security Management

Service Provider'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.

3.4.1 Information Security Management General Requirements

The Service Provider shall, at a minimum:

- 3.4.1.1 Assist ITD Information Security in support of the overall cybersecurity risk management program.
- 3.4.1.2 Integrate and maintain Service Providers operational information security processes and procedures within the SMM.
- 3.4.1.3 Adhere to the Information Security Management processes as defined in the SMM.

- 3.4.1.4 Communicate to Service Provider's staff and comply with the Information Security requirements and processes.
- 3.4.1.5 Service Provider to provide an information security attestation, Third Party Information Security Attestation, as required by ITD Information Security and described in the SMM and **Exhibit 3.1 Service Level and Deliverable Matrix**.
- 3.4.1.6 Service Provider's staff to complete all security-related training as required in the SMM and Service Provider to provide Security Training for Service Provider Personnel reports, as described in **Exhibit 3.3 Reports** to ITD Information Security.
- 3.4.1.7 Service Provider to conduct and pass Security Background Checks of all new and renewed personnel according to the screening and compliance requirements as define in the SMM, and Service Provider to provide Security Background Checks for Service Provider Personnel reports, as described in **Exhibit 3.3 Reports** to ITD Information Security.
- 3.4.1.8 Deliver Services in a manner that aligns Service Provider's security program with TxDOT's information Security program, including at a minimum Incident recording, CMDB, security exception, System Security Plan submission, risk assessment and in integrating Service Provider's Security tools directly with ITD Information Security as required to support these capabilities.
- 3.4.1.9 Implement security capabilities as required to achieve compliance with information security policies, laws, rules and regulations.
- 3.4.1.10 Provide assistance with and support to security evaluations, as directed by TxDOT, which may include supporting TxDOT or external audits, conducting self-assessments, and evaluating information security Incidents.
- 3.4.1.11 Provide assistance with and support to all TxDOT authorized assessments, develop action plans and resolve deficiencies, vulnerabilities, concerns and recommendations identified within six (6) months of the conclusion of the assessment, as defined in **Exhibit 3.1 Service Level and Deliverable Matrix**.
- 3.4.1.12 Meet all Security-related deliverables as defined in **Exhibit 3.1 Service Level and Deliverable Matrix**, which are to be agreed to by TxDOT and Service Provider.
- 3.4.1.13 As requested, attend and contribute to Security Management and Risk Management meetings.
- 3.4.1.14 Resolve agreed actions and activities resulting from Security Management meetings.
- 3.4.1.15 Document and annually refresh System Security Plan that adheres to the ITD Information Security Plan structure and requirements, as defined in the SMM, and as required in **Exhibit 3.1 Service Level and Deliverable Matrix**.
- 3.4.1.16 Develop and execute improvement plans for deficiencies documented in Service Provider's System Security Plan, as agreed to by ITD Information Security.
- 3.4.1.17 Provide ITD Information Security Plan Inputs as requested by ITD Information Security, and defined in the SMM, to be included in the overall ITD Information Security Plan.
- 3.4.1.18 Maintain certificates for Service Provider's staff and verify these are kept current and report the status to ITD Information Security on a quarterly basis.

- 3.4.1.19 Provide a forward-looking schedule for the planned Service Provider Security testing, assessments and analysis.
- 3.4.1.20 In coordination with ITD Information Security, support the evaluation of new technologies/capabilities for improving security and perform activities and/or solutions to address shortfalls in security.
- 3.4.1.21 Where investment decisions are required, support ITD Information Security in providing options with associated costs and benefits for TxDOT review and approval.
- 3.4.1.22 In coordination and support of ITD Information Security, and as related to the Service Provider's Services, evaluate details of the Security requirements for new IT services, including options for meeting these requirements and any associated costs.
- 3.4.1.23 Configure systems in accordance with secure configuration compliance standards as define in SMM.
- 3.4.1.24 Execute processes according to the ITD Information Security-approved security controls catalog and any information security baseline controls approved and referenced in the SMM, collectively referred to as Approved Information Security Configuration Controls (ISCC) to test Services are in compliance with the secure configuration compliance standards.
- 3.4.1.25 Execute ISCC checks and scans monthly that will feed configuration baseline information to ITD Information Security for ITD Information Security to determine the health check of the systems and provide monthly Secure Configuration Compliance Report as required in **Exhibit 3.3 Reports**.

3.4.2 Security Flaw Remediation Management Program

The Service Provider shall, at a minimum:

- 3.4.2.1 Review and analyze vulnerability scans for vulnerabilities, misconfigurations, non-compliance situations, and issues.
- 3.4.2.2 Develop action plans and resolve deficiencies through to closure to ensure compliance with ITD Information Security configuration requirements and standards.
- 3.4.2.3 Provide Monthly Secure Configuration Compliance Report as required in **Exhibit 3.3 Reports**, which, at a minimum, is to contain vulnerability scan information, analysis results, actions taken and status, remaining open items with schedule to close, and items with approved ITD Information Security exceptions.

3.4.3 Security Monitoring Tool

Service Provider to provide event logs, support end-point security monitoring, and will integrate and direct logs and alerts of in-scope Services to the SIEM tool managed by ITD Information Security.

At a minimum, Service Provider will:

- 3.4.3.1 As agreed by TxDOT, deploy security monitoring capabilities, or deploy ITD-provided security monitoring agents for Services including all Equipment identified by Information Security as required for security monitoring.

- 3.4.3.2 As required by ITD Information Security, configure and support integration of system logs alerting services into the ITD Information Security SIEM to enable automated alert analysis and notification.
- 3.4.3.3 As required by ITD Information Security, coordinate and mitigate issues to ensure Service Provider SIEM integration.
- 3.4.3.4 Provide Security Tool Compliance Report as required in **Exhibit 3.3 Reports**, which, at a minimum includes all active asset configuration items, including end points, targeted to provide logs, asset configuration items that are actively providing logs, asset configuration items with approved exceptions, and open actions with the associated service management ticket demonstrating work activities to resolve the open action.

3.4.4 Security Incident Management

The Service Provider shall, at a minimum:

- 3.4.4.1 Assist ITD Information Security and contribute to the creation and testing of a Security Incident Management Plan across the Service Provider's Services.
 - 3.4.4.1.1 Provide plans and exceptions for all security Incident Management plans including security Incident severity matrix, notification rosters, communications plans, and procedures for managing security Incidents.
 - 3.4.4.1.2 Implement the Service Provider's portion of the Security Incident Management Plan in concert with participation from ITD Information Security and required Service Component Providers and TxDOT personnel.
 - 3.4.4.1.3 Coordinate Security Incident Management procedures with Major Incident Management procedures.
- 3.4.4.2 Adhere to the security incident handling and notification processes that follow current NIST guidelines and is defined in the SMM.
- 3.4.4.3 As required, implement and maintain monitoring and alerting services that integrate into the ITD Incident Management System for automated alert notification.
- 3.4.4.4 Promptly investigate, document, and report security incidents in accordance with TxDOT policies, Texas laws, rules and regulations, and the SMM.
- 3.4.4.5 According to the defined process, promptly communicate and escalate security Incidents to ITD Information Security and TxDOT.
- 3.4.4.6 Conduct Root Cause Analysis and if necessary, develop and implement formal corrective actions or remediation plans once approved by TxDOT. Evaluate the analysis and proposed corrective actions to ensure future risks are adequately mitigated.
- 3.4.4.7 Provide Incident investigation support and initiate corrective actions to minimize and prevent security breaches.

3.4.5 Physical Security Administration

The Service Provider's shall, at a minimum:

- 3.4.5.1 Comply with Service Provider physical and logical security responsibilities.

- 3.4.5.2 Inform TxDOT immediately if Service Provider becomes aware of any vulnerability or weakness in the Services and recommend a solution or mitigation.
- 3.4.5.3 Provide near real-time information, to TxDOT to identify those physical access rights that should be removed from TxDOT Facilities and where, within the Service Provider's scope of responsibilities, initiate the access rights revocation request.

3.4.6 Security Assessments

Service Provider shall, at a minimum:

- 3.4.6.1 Support TxDOT while conducting security assessments, including conducting monitoring and testing security programs (e.g., Controlled 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.
- 3.4.6.2 Support TxDOT or, at TxDOT's sole discretion, a third-party security assessment vendor (the "Security Assessment Company") during Security Program assessments.
- 3.4.6.3 Cooperate fully with TxDOT and/or the Security Assessment Company and provide reasonable access to any premises, equipment, personnel or documents and provide any assistance required by TxDOT and/or the Security Assessment Company to conduct the Assessment; however, TxDOT and the Security Assessment Company shall not have access to Service Provider 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 Service Provider than TxDOT.
- 3.4.6.4 Under no circumstances will Service Provider 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 Service Provider's operations under this Agreement.
- 3.4.6.5 Within fifteen (15) days of an Assessment Notice Date, TxDOT and Service Provider 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 Service Provider and TxDOT shall develop and agree upon an action plan to promptly address and resolve any deficiencies, vulnerabilities, concerns and/or recommendations identified in such report, consistent with the Service Provider's obligations as set forth in the Agreement.

3.5 Request Management and Fulfillment

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

3.5.1 Request Management Processes

The Service Provider shall, at a minimum:

- 3.5.1.1 Actively participate with the Service Desk to develop and document Request Management processes.

- 3.5.1.2 Actively cooperate with the Service Desk in implementing and maintaining Request Management and Fulfillment processes that are flexible and facilitate effective communication and coordination across all functional areas.
- 3.5.1.3 Actively cooperate in information exchange between and among the Service Provider, other SCPs, and TxDOT to improve end-to-end Request Management.
- 3.5.1.4 Integrate the Service Provider's Request Management process with the Request Management process and systems, where the processes interact.
- 3.5.1.5 Facilitate the automation or mechanization of Service Requests between Service Provider and other Service Component Provider(s) systems.
- 3.5.1.6 Facilitate the transparency of Request Management through appropriate processes to provide a complete audit trail to meet TxDOT policy requirements.
- 3.5.1.7 Communicate and coordinate the Request Management processes and policies within Service Provider's organization.
- 3.5.1.8 Provide effective and agreed upon mechanisms for properly complying with the Request Management Policies.
- 3.5.1.9 Actively participate in developing and establishing Request for Solution processes and appropriate mechanisms to support rapid proposal development that provides a level of accuracy for budgetary information without requiring a full solution.
- 3.5.1.10 Actively support the Service Desk in establishing processes and workflow for the proper routing of Service Requests.

3.5.2 Service Request Operations

- 3.5.2.1 Actively support the Service Desk as appropriate to ensure the proper coordination of Request Management activities across all functions and organizations that provide Services to TxDOT.
- 3.5.2.2 Actively participate in Service Request tracking efforts and provide and maintain regular communications between all parties and Authorized Users through Request fulfillment.
- 3.5.2.3 Manage the effective execution of Request Management for Service Provider to achieve its primary purpose to fulfill service requests within the agreed Service Levels and SMM and promote TxDOT and Authorized User satisfaction.
- 3.5.2.4 Engage in effective Request Management governance process to support TxDOT in ensuring the following:
 - 3.5.2.4.1 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.
 - 3.5.2.4.2 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).

- 3.5.2.4.3 Communicate to TxDOT the definition of Services, the Request Management processes, and changes thereto.
- 3.5.2.4.4 Support regular training for Authorized Users on Request Management processes, Service definitions, and request mediums.
- 3.5.2.4.5 Perform regular collection of feedback from Authorized Users on the effectiveness of Request Management and engage in activities to improve process and service.
- 3.5.2.5 Support the use of online self-service to allow Authorized Users to enter Service Requests from a pre-defined list of options.
- 3.5.2.6 Support the provision for real-time visibility of data records associated with Service Requests.
- 3.5.2.7 Update required information on Service Requests within negotiated timeframes to support an up-to-date accurate view of Service Requests.
- 3.5.2.8 Develop procedures, systems and interfaces that ensure proper approval, including financial authority, or the Service Request through automated means (where practical) prior to Service Request fulfillment.
- 3.5.2.9 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.
- 3.5.2.10 The communications frequency shall be determined by the severity or priority of the request and in compliance with the SMM.
- 3.5.2.11 Keep TxDOT informed of any issues with the completion of Service Requests and status changes throughout the Service Request lifecycle and in accordance with the SMM.
- 3.5.2.12 Provide anticipated completion times for active Service Requests and update notification systems as required in the SMM to keep TxDOT and Authorized Users informed in compliance with established Service Levels per **Exhibit 3.1 Service Level and Deliverable Matrix**.
- 3.5.2.13 Support the Service Desk to ensure consistent ownership of the Service Request from recording to completion.
- 3.5.2.14 Close Service Requests, in compliance with the SMM, after receiving confirmation from the requesting Authorized User or Service Provider support personnel that the Service Request has been completed.
- 3.5.2.15 Track the progress of fulfillment efforts and the status of all Service Requests, including:
 - 3.5.2.15.1 Review the proposed fulfillment time for each Service Request with the appropriate party and update the status accordingly.
 - 3.5.2.15.2 Provide regular updates on the status of all Service Requests within designated timeframes.
 - 3.5.2.15.3 Coordinate Service Request tracking efforts and provide and maintain regular communications, per the SMM, between all parties and Authorized Users until Service Request completion.

- 3.5.2.15.4 Keep Authorized User informed of changes in Service Request status throughout the Service Request lifecycle in compliance with the SMM.
- 3.5.2.15.5 Keep Authorized User informed of anticipated Service Request completion times for active Service Requests.
- 3.5.2.15.6 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.
- 3.5.2.15.7 Track all Service Request completion against the original committed timeframe, regardless of any revisions.
- 3.5.2.16 Utilize the Request Management System for all Request Management and Fulfillment activities.
- 3.5.2.17 Provide for timely receipt and processing of all requests within designated timeframes from the Request Management System.
- 3.5.2.18 Utilize and update the Request Management System with all relevant information relating to a Service Request.

3.5.3 Request for Solution (RFS)

Requests for Solution (RFS) are those types of TxDOT Service Requests where requirements are captured in the TxDOT Request Management system and SCP's develop solutions and cost estimates for TxDOT review and approval. These solutions typically assume the SCP builds and implements the solution. For TxDOT Service Requests, which require the Service Provider to propose a solution, the Service Provider's shall, at a minimum:

- 3.5.3.1 Support TxDOT 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.
- 3.5.3.2 Support TxDOT in developing and establishing RFS processes and appropriate mechanisms to support rapid proposal development that provides a level of accuracy for budgetary information without requiring a full solution (e.g., rough order magnitude pricing and high-level architecture).
- 3.5.3.3 For all RFS delivered by the Service Provider only and that require no other SCP support:
 - 3.5.3.3.1 Review RFS to validate for completeness.
 - 3.5.3.3.2 Coordinate and lead meetings as required to review request, gather requirements, solution and develop the proposal.
 - 3.5.3.3.3 Coordinate the attendance of all necessary subject matter experts in solution and requirement gathering sessions.
 - 3.5.3.3.4 Deliver the solution proposal in accordance with the SMM, including cost estimates, once requirements are complete.
 - 3.5.3.3.5 Develop the solution which may include the technical solution, effort, acceptance criteria, solution design document, and pricing.

- 3.5.3.3.6 Validate all solutions to requests conform to TxDOT-approved architecture, technical guidelines, standards, and pricing.
 - 3.5.3.3.7 Validate all solutions to requests conform the security policies, procedures, and guidelines of TxDOT.
 - 3.5.3.3.8 Coordinate and facilitate solution reviews across the Service Provider as required to review and gain approval for the solution and pricing.
 - 3.5.3.3.9 Track all changes to RFS in project change requests in accordance with established procedures.
 - 3.5.3.3.10 Provide a single proposal to TxDOT.
 - 3.5.3.3.11 Iterate and adjust the solution and cost estimating template as required to adhere to TxDOT feedback and requirements.
 - 3.5.3.3.12 Document TxDOT approvals in accordance with established processes as per the SMM.
 - 3.5.3.3.13 Gather and validate that the proposal acceptance is authorized by TxDOT as required in **Exhibit 4.0 Business Model** and the SMM.
 - 3.5.3.3.14 Provide status to TxDOT ITD and TxDOT Authorized User, as defined in the SMM, status of all outstanding requests such that TxDOT ITD can emphasize their organizational priorities.
 - 3.5.3.3.15 Initiate Project Management, as appropriate and as defined in the SMM, upon proposal acceptance by TxDOT.
- 3.5.3.4 For an RFS where the Service Provider is one of many SCPs, lead and manage the Service Provider's solution development and project delivery using the approved systems and processes and work with the other SCPs as required to work with the other SCPs to develop a coordinated TxDOT solution, including:
- 3.5.3.4.1 Effectively execute the RFS processes and appropriate mechanisms for the fulfillment of Service Provider assigned requests requiring a solution (e.g., requirements, design, solution, price, proposal) and project delivery (e.g., plan, build, testing, cutover).
 - 3.5.3.4.2 Solution the Service Provider's portion of the RFS, including:
 - 3.5.3.4.2.1 Participate in meetings as required to review requests, gather requirements, solution and develop proposals with other SCPs, TxDOT, and other Third-Party Vendors.
 - 3.5.3.4.2.2 Coordinate the attendance of all necessary Service Provider subject matter experts in solution and requirement gathering sessions.
 - 3.5.3.4.2.3 Adhere to the agreed timeframe for delivering a solution proposal, including cost estimates, once requirements are complete.
 - 3.5.3.4.2.4 Validate all solutions to requests conform to TxDOT-approved architecture, technical guidelines, and standards and pricing.
 - 3.5.3.4.2.5 Validate all solutions to requests conform to the security policies, procedures, and guidelines of TxDOT.
 - 3.5.3.4.2.6 Participate in solution reviews across the Service Provider and all affected SCPs as required to review and gain approval for the solution and pricing.

- 3.5.3.4.2.7 Contribute to the solution development, cost-estimation, project plan, status, issues and risks in the systems and in compliance with the processes in the TxDOT-approved SMM.
- 3.5.3.4.2.8 Support the tracking of all project change requests in accordance with established procedures defined in the SMM.
- 3.5.3.4.2.9 Support TxDOT in the development of a single proposal to the requesting TxDOT Authorized User.
- 3.5.3.4.2.10 Iterate and adjust solution and cost estimation as required.
- 3.5.3.4.2.11 Initiate Project Management activities, according to the SMM, upon proposal acceptance by TxDOT.

3.6 Change Management

The Service Provider shall, at a minimum:

- 3.6.1.1 Perform Change Management Services utilizing standardized methods and procedures as defined in the SMM to provide efficient and prompt handling of all Changes.
- 3.6.1.2 Assist TxDOT in creating the schedule for any Changes and implementing such Changes.
- 3.6.1.3 Assist TxDOT 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 TxDOT requirements.
- 3.6.1.4 Comply with Change Management processes and training requirements.
- 3.6.1.5 Review and approve refinements to Change Management processes and training requirements.
- 3.6.1.6 Provide necessary information to TxDOT to assist in documenting all Request for Change's (RFCs), which could include Change cost, risk impact assessment, and system(s) security considerations.
- 3.6.1.7 Coordinate with TxDOT to assist in the development of a schedule of planned approved Changes.
- 3.6.1.8 Perform maintenance during regular maintenance periods as defined in the SMM, or as scheduled in advance with the approval of TxDOT.
- 3.6.1.9 Provide Change documentation, as required, to ITD SG, including proposed metrics on how effectiveness of the Change might be measured.
- 3.6.1.10 As requested, participate in traditional or digital CAB meetings and workflow to review planned Changes and results of Changes made.
- 3.6.1.11 Utilize the TxDOT Change Management System, tools, and processes for the efficient and effective handling of all Changes, including the CAB, subject to approval from TxDOT, in a way that minimizes risk exposure and maximizes availability of the Services.

3.7 Asset Inventory and Management

Asset Inventory and Management system provides an inventory of the IT service components managed by the Service Provider. ITD SG consolidates information from multiple Service Provider asset inventory and management sources and databases that contain details of equipment, software, applications and similar IT service items (collectively referred to as Configuration Items or CIs) used in the provision, support, and management of IT services.

Service Provider responsibilities include:

- 3.7.1.1 Actively participate with ITD SG to develop and document Asset Inventory and Management processes, as approved by TxDOT, that document the objectives, scope, and principles that ensure the success of the Asset Inventory and Management processes.
- 3.7.1.2 Integrate Service Provider Asset Inventory and Management processes and systems with TxDOT's Asset Inventory and Management process and systems, including providing Service Provider CI data electronically to TxDOT's Configuration Management Database (CMDB) in the agreed data format.
- 3.7.1.3 Communicate and coordinate the Asset Inventory and Management processes and policies within Service Provider's organization.
- 3.7.1.4 Actively cooperate in information exchange between and among the Service Component Provider(s), ITD SG, and TxDOT to improve end-to-end Asset Inventory and Management.
- 3.7.1.5 Support ITD SG to provide a complete Asset Inventory and Management audit trail to meet TxDOT policy requirements.
- 3.7.1.6 Align operations to policies and procedures that set the objectives, scope, and principles that ensure the success of the Asset Inventory and Management process.
- 3.7.1.7 Support ITD SG in establishing categorization and classification structures to support the proper documentation and maintenance of CIs.
- 3.7.1.8 Use the Asset Inventory and Management process to identify, control, maintain, and verify the CIs approved by ITD SG as comprising the Equipment, Software, and Applications to provide the Services.
- 3.7.1.9 Record the CI information for Equipment, Applications, Software and Services.
- 3.7.1.10 Verify that all CIs for the Equipment, Applications, Software, and Services are incorporated into the CMDB.
- 3.7.1.11 Utilize the CMDB provided by ITD SG as the single source of information regarding all CIs within Service Provider scope.
- 3.7.1.12 Document Services consistently in a manner that ensures that all CI data related to the Services resides in the CMDB.
- 3.7.1.13 Integrate the Service Provider's other systems, with TxDOT's CMDB.
 - 3.7.1.13.1 Where Service Provider has an internal asset inventory system or database, integrate that system or database with the TxDOT CMDB as required.
 - 3.7.1.13.2 Provide customization as required to enable the Asset Inventory and Management processes as defined in the SMM.

3.7.1.13.3 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 ITD SG.

3.7.1.14 Comply with existing and established SMM processes.

3.8 Software License Management

3.8.1 Software License Renewal Management

3.8.1.1 Service Provider has responsibility for supporting ITD SG in tracking, monitoring, and reporting the software renewal process to ensure compliance with software agreements and continued operation of Services. Service Provider's responsibilities shall include the following:

3.8.1.2 Comply with the Software License Renewal Management processes, as defined in the SMM.

3.8.1.3 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 Change Request in January, 120 days prior to the expiration date).

3.8.1.3.1 Service Provider will execute the processes and procedures defined in the SMM which may include, at a minimum, update the contract data in the approved Software License Renewal System, coordinate with TxDOT 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.

3.8.1.4 In conjunction with TxDOT, monitor Software License Renewal progress and SLA achievement.

3.8.1.5 Support TxDOT to ensure the requests and Change Requests are completed and closed upon renewal completion.

3.8.2 Software License Compliance Management

3.8.2.1 Support ITD SG in determining software license compliance position to ensure compliance with agreements and reduce operating risk in the environment. Service Provider's responsibilities shall include the following:

3.8.2.1.1 For Service Provider provided and managed software, support and execute assigned Software License Compliance Management activities as defined in the SMM.

3.8.2.1.2 For TxDOT-retained Software, at a minimum track and maintain the applicable licensing and use information received from TxDOT as defined in the SMM.

3.8.2.1.3 As defined in the SMM, utilize tools, such as an enterprise management system and remote monitoring agents, to assist in monitoring efforts, subject to TxDOT's approval of all such tools.

1. Monitor Service Providers Services or equipment for the presence of any unauthorized or non-standard Software.
2. Define and check for particular Software signatures.

3. Monitor the use of Software developed by the Service Provider application development groups.
 4. Check the presence and version of Software installed on a particular device and record in the Asset Inventory and Management system.
- 3.8.2.1.4 Provide the required data, on a frequency defined in the SMM, to enable ITD SG to report license information and compliance positions to TxDOT.
 - 3.8.2.1.5 Store and track Software license agreements and associated license keys, including processes and procedures for renewals.
 - 3.8.2.1.6 Track license counts and associations within the CMDB.
 - 3.8.2.1.7 Collect and maintain the Contract and Proof of Entitlement (POE) within the TxDOT provided system.
 - 3.8.2.1.8 Support TxDOT to collect and normalize software titles to standard names.
 - 3.8.2.1.9 Support TxDOT to review the Software License Compliance position and determine appropriate remediation.
 - 3.8.2.1.10 Support assigned actions through the Incident, Request, Change, and Project processes for any reported non-compliance of software purchased versus software installed.
 - 3.8.2.1.11 Support and provide clarifications about information presented in the Software License Compliance Report to eliminate discrepancies.
- 3.8.2.2 Support the use of Service Provider provided and managed Software to maintain strict compliance, including but not limited to:
 - 3.8.2.2.1 Immediately notify and advise TxDOT of all Software license compliance issues associated with Services.
 - 3.8.2.2.2 Support in 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 TxDOT.
 - 3.8.2.3 Support TxDOT to confirm the presence and version of Software installed on a particular device and that those attributes are recorded in the Asset Inventory and Management system.
 - 3.8.2.4 Provide reporting of license information and compliance to TxDOT.

3.8.3 Patch Management

The Service Provider shall, at a minimum:

- 3.8.3.1 Be responsible for patch deployment and control of the software and devices under its management.
- 3.8.3.2 Be responsible for participating in TxDOT Change Management processes to deploy patches on a regular basis.
- 3.8.3.3 Deploy patches to the Service Providers service components per TxDOT's policies and ensure compliance as required. Use the TxDOT-approved central deployment tool, as applicable and mutually agreed upon.
- 3.8.3.4 Provide and apply patches to Service Providers service components and devices within the timeframe guidelines in accordance with ITD Information Security policies and SMM.

- 3.8.3.5 Adhere to TxDOT's security configuration management.
- 3.8.3.6 Communicate with and/or alert the ITD Information Security when patches are not installed within the designated timeframe.

3.9 IT Service Continuity Management

Service Provider 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 TxDOT.

The Service Provider shall, at a minimum:

- 3.9.1.1 Support ITSCM requirements in **Exhibit 2.3 IT Service Continuity Management**.
- 3.9.1.2 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 Service Provider to provide the Services, including those provided at the TxDOT or Service Provider Facilities.
 - 3.9.1.2.1 The DRPs and TRGs should comply with all applicable Federal and State requirements.
- 3.9.1.3 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).
- 3.9.1.4 Coordinate Service Provider's ITSCM plan with the TxDOT ITSCM plans and TxDOT Customer Business Continuity Plan (BCPs) to ensure TxDOT can resume regular business functions in the event of a Disaster or significant event affecting the Systems, Software, and Equipment used by Service Provider to provide the Services.
- 3.9.1.5 In the event of a service disruption, coordinate all Service Provider ITSCM efforts to ensure smooth and efficient resumption of Services.

3.10 Project Management

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

The Service Provider shall, at a minimum:

- 3.10.1.1 Be responsible for executing and project managing projects related to the Service Provider's Services.
- 3.10.1.2 Conform Service Provider operations to TxDOT defined policies and procedures to ensure the success of the Project Management process.
- 3.10.1.3 Use the TxDOT approved Project and Program Management (PPM) system as the single source of project management and information regarding all projects and programs.
- 3.10.1.4 Validate that all Service Provider Project Management data resides in the PPM system.
- 3.10.1.5 Execute projects according to the approved Program Management and Project Management methodology as defined in the SMM.

3.10.1.6 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 Service Provider to support the following:

3.10.1.6.1 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>

3.10.1.6.2 Provide project deliverables as required for the QAT to review and provide proactive monitoring of project outcomes.

3.10.1.6.3 Develop and execute corrective action plans for projects with QAT identified project risks.

3.10.1.6.4 Provide status reports to TxDOT as required to report to QAT stakeholders (state leadership, TxDOT leadership, TxDOT project teams).

3.10.1.6.5 Escalate significant issues to TxDOT and advise on alternative methods for correction.

4 BUSINESS MANAGEMENT

4.1 Operational Intelligence

Service Provider shall provide the data and/or reports to ITD SG for report creation and posting via the Operational Intelligence System, and Portal as specified in **Exhibit 3.3 Reports**. Service Level and operational reports are defined in **Exhibit 3.3 Reports**.

The Service Provider shall, at a minimum:

4.1.1.1 For core Services, provide online reporting capability with near real-time data for use by TxDOT in the generation of sophisticated, custom reports.

4.1.1.2 As appropriate, provide near real-time operational data feeds to the Operational Intelligence System.

4.1.1.3 Provide on-time, monthly service-level performance data for each Service Level requirement, to Service Level Management System.

4.1.1.4 Provide mutually agreed upon reports and data to ITD SG to enable invoice reconciliation.

4.1.1.5 Coordinate with ITD SG and provide data to support the creation of integrated performance dashboards. Dashboard data should support:

4.1.1.5.1 Near real-time health dashboards for any Systems managed by Service Provider highlighting status of health metrics as defined by TxDOT.

4.1.1.5.2 Report monthly, quarterly, and annually in the Security Dashboard on the deployment of tools and procedures to the TxDOT environment.

4.1.1.6 As required, collaborate with other Component Providers, to include sharing reports and information via the portal or other mutually agreed upon mechanism as appropriate to ensure effective Service delivery.

- 4.1.1.7 Support 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.

4.2 Service Level Management

Service Level Management includes the activities associated with managing and reporting attainment of Service Level performance, deliverable commitments, and customer satisfaction.

The Service Provider shall, at a minimum:

- 4.2.1.1 Provide accurate and timely SLA data to the ITD SG team, as defined in **Exhibit 3.1 Service Level and Deliverable Matrix** and the SMM.
- 4.2.1.2 When SLAs fail to meet minimum, or expected service level targets, implement Service Level Improvement Plans (SLIP), as described **Exhibit 3.0 Performance Model** and in the SMM.
- 4.2.1.3 Summarize and report on plans and activities that affect the overall Services to TxDOT governance boards in accordance with **Exhibit 1.2 Governance Model**.

4.3 Customer Satisfaction

The ITD CRM team will have responsibility for conducting the development, maintenance, and execution of the customer surveys for all TxDOT Services. The ITD CRM team shall oversee the distribution, collect responses, tabulate results, and report results back to TxDOT customers as part of an ongoing program for measuring and improving customer satisfaction across all TxDOT Services

- 4.3.1.1 The Service Provider shall support the TxDOT Customer Satisfaction by establishing annual performance goals and specific corrective actions for customer satisfaction with input from TxDOT to be included in the Customer Satisfaction Improvement plan.
- 4.3.1.2 The Service Provider shall support the TxDOT Customer Satisfaction Survey which will capture the Customer satisfaction surveys of the Service. The service provider shall:
 - 4.3.1.2.1 Support TxDOT CRM as requested in developing survey questions;
 - 4.3.1.2.2 Promptly review the survey results as provided by TxDOT CRM and develop mitigating actions as requested by TxDOT;
 - 4.3.1.2.3 Create a Customer Satisfaction Improvement plan with specific corrective actions for the Service Provider's scope of services with the participation of TxDOT CRM as specified in **Exhibit 3.1 Service Level and Deliverable Matrix**; and
 - 4.3.1.2.4 Track and report progress of implementations toward the improvement of customer satisfaction on a quarterly basis.
- 4.3.1.3 The Service Desk Survey is intended to identify each Customer's rating pertaining to the level of service they received upon contacting the Service Desk. The Service Provider shall review the Services related survey results, determine corrective actions for assigned issues, lead resolution of assigned corrective actions and support the ITD CRM improvement program. The Service Provider shall:
 - 4.3.1.3.1 Analyze and review Service-related feedback and trends;
 - 4.3.1.3.2 Determine corrective actions for assigned issues and areas for improvement; and

- 4.3.1.3.3 Keep TxDOT CRM informed while leading and executing assigned corrective actions or improvement initiatives.

4.4 IT Financial Management

Service Provider must provide IT Financial Management Services in support of the **Exhibit 4.0 Business Model**.

The Service Provider shall, at a minimum:

- 4.4.1.1 Actively work with the ITD SG to develop and document IT Financial Management processes.
- 4.4.1.2 Actively cooperate in information exchange with TxDOT to improve end-to-end IT Financial Management.
- 4.4.1.3 Facilitate the transparency of IT Financial Management through appropriate processes to provide a complete audit trail to meet TxDOT policy requirements.
- 4.4.1.4 Integrate Service Provider IT Financial Management process and system with the TxDOT IT Financial Management process and system, where the processes interact, and as agreed to with TxDOT.
- 4.4.1.5 Communicate and coordinate the IT Financial Management processes and policies within Service Provider's own organization.
- 4.4.1.6 Utilize the IT Financial System provided by TxDOT such that it serves as the single source of information regarding all IT Financial Information for Services within Service Provider scope.
- 4.4.1.7 Integrate, as agreed, Service Providers' systems with the TxDOT IT Financial System, including providing all appropriate and required licenses and/or interfaces.
- 4.4.1.8 Provide sufficient data and detail to support TxDOT State and Federal funding accounting, grant, and audit requirements.
- 4.4.1.9 Collect, aggregate, and provide Resource Unit (RU) data, service provisioning, and service metric information to TxDOT as required.
- 4.4.1.10 Provide ITD SG with monthly invoice data required to render the Service Provider detail statement of Services.
 - 4.4.1.10.1 Support all charges with detailed invoice data as required in **Exhibit 4.3 Form of Invoice and Data Feed**, and supporting utilization data at the TxDOT customer, Resource Unit, Charge Category (e.g., Programs, Divisions, Districts) as required by TxDOT.
- 4.4.1.11 Actively participate in developing and maintaining the processes for the resolution of invoice disputes within designated timeframes.
- 4.4.1.12 Provide effective and agreed mechanisms for crediting TxDOT as appropriate.
- 4.4.1.13 Effectively execute the processes to record, track, and manage incidents of invoice disputes.
- 4.4.1.14 Research and review invoice disputes for completeness and provide supporting data.

- 4.4.1.15 Support and initiate additional treatment of invoice disputes to facilitate resolution within designated timeframes.
- 4.4.1.16 Develop procedures and verify incidents of invoice disputes are continually updated, at a minimum on a weekly basis.
- 4.4.1.17 Keep TxDOT informed of activity and anticipated resolution times for active incidents of invoice disputes.
- 4.4.1.18 Allow TxDOT to monitor and validate invoice dispute process on an ongoing basis.
- 4.4.1.19 Provide a process for escalating to Service Provider management incidents of invoice disputes not resolved within the time frames established within TxDOT policies.



Texas Department of Transportation

Managed Business Network Services

Exhibit 2.1.6

Statement of Work

Version 1.0

Solicitation No. 601440000032124

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1 Introduction

This **Exhibit 2.1.6 Managed Network Services Statement of Work (SOW)** sets forth the Services that Service Provider will provide as of the Commencement Date unless otherwise specified. Further, this **Exhibit 2.1.6 Managed Network SOW** sets forth the processes and systems that the Service Provider will provide and, in conjunction with **Exhibit 2.1.1 Cross-Functional SOW**, describes the Service Provider's obligations to work with other TxDOT Service Providers to deliver integrated end-to-end Services. The Service Provider shall work in coordination with TxDOT, TxDOT Service Component Providers, and TxDOT Contractors to effectively provide the Services.

The Service Provider confirms that unless otherwise explicitly stated, it will provide a solution that supports all of the business processes described in this **Exhibit 2.1.6 Business Network Services SOW** and its Exhibits and that all Services are included within the Charges described in **Exhibit 4.0 Business Model**. Accordingly, the Service Provider also confirms that TxDOT will not incur any other charges for the requirements described in this **Exhibit 2.1.6 Business Network Services SOW**.

The Service Provider will deliver the Services in the best interests of TxDOT. Service Provider will be responsive to the current and future requirements of TxDOT by proactively anticipating needs and adjusting Services accordingly within the Charges.

Additionally, the Service Provider shall:

- a. Integrate with TxDOT in an automated service delivery environment.
- b. Provide all Equipment and Services for transition, steady state, and service evolution consistent with **Exhibit 4.2 Financial Responsibilities Matrix**.
- c. Assume in scope services responsibility for existing services provided by all Incumbent Service Providers as defined in this Exhibit.
- d. Document the Services environment and resolve or mitigate identified issues and risks.
- e. Implement and maintain TxDOT information security standards and practices as defined in the SMM.
- f. Evolve the current environment to improve performance and efficiencies and take advantage of next-generation technologies to decrease costs to TxDOT.

The Service Provider shall be responsible for all activities necessary to ensure TxDOT's Services are performing in accordance with all standards and processes contained in the Agreement, the Service Levels in **Exhibit 3.1 Service Level & Deliverables Matrix**, and the Service Management Manual.

Service Provider will integrate and fully cooperate with TxDOT and all other SCPs as required for smooth and efficient operation during the development, implementation, and execution of its Service Management Processes to ensure consistency and integration across all Service Providers. Service Provider will work together with TxDOT and other SCPs to deliver integrated Services and share Service Level responsibilities as defined in **Exhibit 3.1 Service Level & Deliverables Matrix**.

1.1 Operating Model

Exhibit 2.1.1 Cross Functional SOW contains specific cross functional requirements that all Service Component Providers (SCPs) must meet in order to perform the requested Services and responsibilities defined in **Exhibit 2.0 Service Model**.

TxDOT contracts with multiple SCPs to deliver services to TxDOT Authorized Users. Those services are integrated into a common service delivery model by TxDOT's ITD Service Governance (ITD SG) function. The ITD SG provides the systems, process leadership and service delivery oversight necessary to ensure consistent, quality service delivery. Figure 1 below depicts the relationships between SCPs and ITD SG, ITD Sourcing Management, and TxDOT ITD Governance.

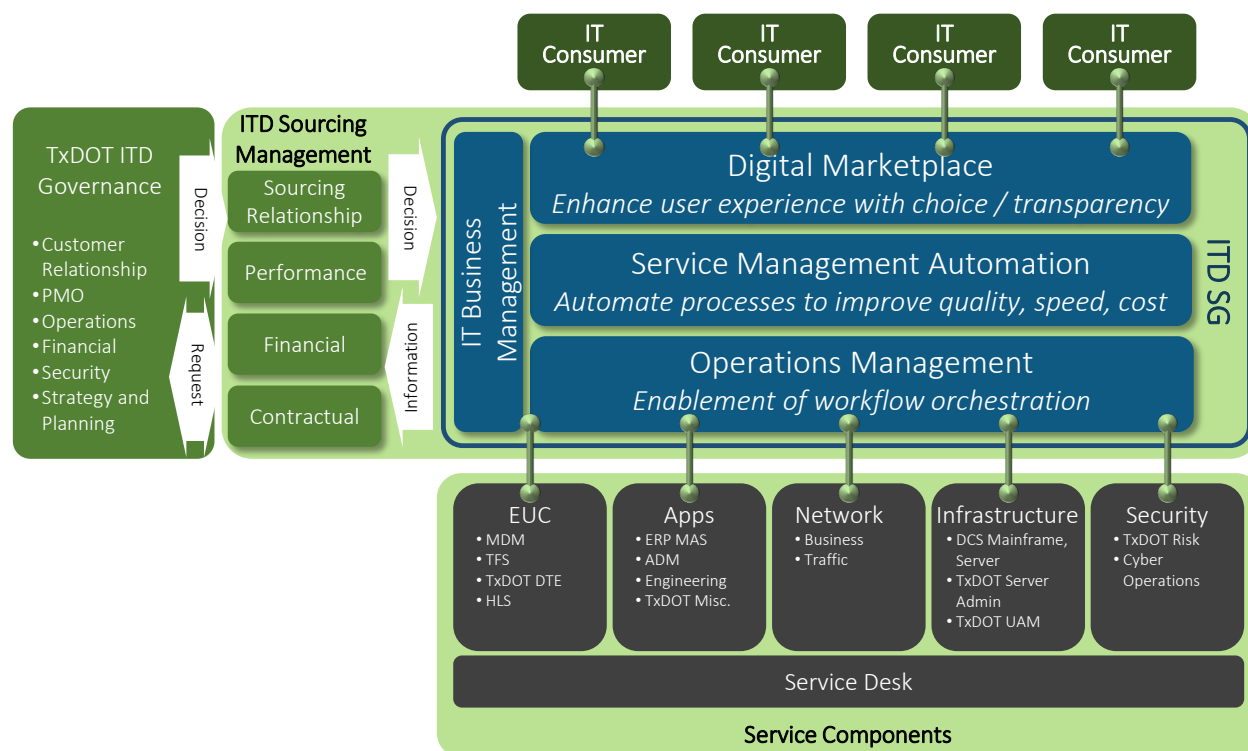


Figure 1 – TxDOT ITD Operating Model

TxDOT ITD Governance and ITD Sourcing Management

As the overall service owner, TxDOT ITD operates overall governance functions that provide customer relationship leadership, PMO, operations, financial, security and planning roles. The ITD Sourcing Management function works closely with the SCPs to ensure the provided services individually adhere to the required Service Providers requirements, and collectively meet TxDOT's desired outcomes.

2 Common Services

Common Services apply to all sections of this Statement of Work. The Service Provider shall, at a minimum:

1. Provide interoperability with industry best practice service desk services and existing and future TxDOT infrastructure
2. Respond and complete requests for TxDOT executives (e.g., VIPs) and their designees per TxDOT approved prioritization procedures as defined in SMM.
3. Implement services to ensure confidentiality, integrity, privacy, and authenticity of TxDOT Data and TxDOT Personal Data in accordance with the Agreement.

2.1 Operating Agreements with Other SCPs

TxDOT holds other contracts for additional or related work for the platforms and customer specific projects and services. The Service Provider must fully cooperate with the ITD SG and all other TxDOT SCPs as may be required for the smooth and efficient operation of all related or additional work arising from this Exhibit. All Service Provider Personnel must perform in a manner that supports the smooth and efficient operation of all related or additional work arising under the Agreement, and may not act in any way that may unreasonably interfere with the work of any other participant or TxDOT employees.

The Service Provider is required to enter into Operating Agreements (OAs), in the form of **Exhibit 3.4 Operating Agreements**, with the other SCPs including but not limited to Traffic Network SCP, ERP Managed Services, ADM Services, Service Desk, and other SCP.

2.2 Service Evolution and Optimization Services

The Service Provider will support TxDOT in the administration, implementation, optimization, and support of the use of the Service and service elements inclusive of all hardware, products, services, devices, tools, operational processes and emerging standards as to support TxDOT's position with respect to high performance, high quality, and high availability (to the extent contained and as applicable to the work in this Exhibit) Service infrastructure provided by the Service Provider in the performance of the Services and pursuant to **Section 9.10 Technology Evolution** of the Agreement.

2.2.1 Technology Planning and Optimization Roadmap

The Service Provider will support TxDOT in written annual review of a multi-year Service roadmap inclusive of all projects, optimization and transformation initiatives. This review will highlight related TxDOT change initiatives and identified opportunities to support of TxDOT.

1. The Technology Plan and Roadmap is an annual Deliverable and will require quarterly updates.
2. The Service Provider will implement the optimization and technology improvements identified in the plan and approved by TxDOT.

2.2.2 Technology Planning Process

The Service Provider shall adhere to the TxDOT process and ongoing program management for the establishment, currency, tracking, and publishing of a Technology Plan that incorporates input from TxDOT and SCPs and aligns with the governance processes. The content of the plan and frequency of the Deliverable is included in **Exhibit 3.1 Service Level and Deliverable Matrix**.

2.2.3 Technology Adoption and Alignment

The Service Provider will provide information in the format required by TxDOT Function to:

1. Develop and structure the plan as to coordinate the aggregation of technical planning information from TxDOT and SCPs as directed by TxDOT and include an implementation roadmap, consistent with TxDOT's business roadmap with estimated timing, in alignment with the Technology Plan; and
2. Provide linkage with technology currency requirements that align with technology refresh plans (e.g., software version migrations) and include input from TxDOT to identify candidates and requirements for the deployment of new technology or the automation of tasks associated with the Services and/or TxDOT's business processes.

2.2.4 Technology Standards

The Service Provider will research and recommend standard products to TxDOT for adoption into the program.

1. Publish and make available the description of services and offerings by Service Provider that are in use on a quarterly basis;
2. Publish and make available the description of standard products to Authorized Users as requested by TxDOT;
3. Provide standards for supporting open source software;

4. Make the description of approved services and offerings available on the service portal;
5. Align the approved services and offerings list with TxDOT's strategic direction, and technical architecture; and
6. Provide mechanisms and processes to capture feedback and business needs from TxDOT as to potential changes required in approved services and offerings.

2.2.5 Annual Review of Service Roadmap

In conjunction with regularly scheduled operational meetings with TxDOT and in driving Technology Evolution requirements of the Agreement, the Service Provider, at least annually, shall sponsor a meeting to review recent or anticipated industry trends, emerging technologies, technology advancements, alternative processing approaches, new tools, methodologies or business processes (collectively "best practices") that, at TxDOT's choosing, could optimize the cost, efficiency, compute, storage and networking capacity, or otherwise drive efficiencies for both TxDOT and the Service Provider. Throughout the Term, Service Provider shall:

1. Identify and apply best practice techniques, methods, and technologies in the performance of the Services;
2. Train Service Provider Personnel in the use of new techniques, methods, and technologies that are in general use within Service Provider'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 **Exhibit 4.2 Financial Responsibility Matrix**.

2.3 Key Personnel Positions

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 TxDOT, the Parties will jointly review certain Key Service Provider management and TxDOT positions (collectively "Key Personnel"), including the Service Provider Account Director. Key Personnel are listed and maintained in **Exhibit 2.4 Key Personnel** and include the following roles:

4. Account Director with overall contract, financial and service delivery accountability for the Agreement. This position shall have decision making authority for all aspects of the Agreement. The Account Director shall be dedicated full time to the TxDOT account and shall not be leveraged to other accounts.

5. Service Delivery Director with overall accountability for delivery of the Service Provider's requirements. The Service Delivery Director shall be dedicated full time to the TxDOT account and shall not be leveraged to other accounts.
6. Financial Director with overall accountability for all invoicing, billing disputes, pricing, and financial reporting under the Agreement.
7. Technical Director with overall accountability for technology planning, optimization, and innovation under the Agreement.
8. Transition Director with overall accountability for delivery of the Service Provider's service delivery Transition from the incumbent service provider(s) beginning upon Effective Date through successful Transition milestone completion and TxDOT Acceptance of all Transition Deliverables.
9. Security Director with overall accountability for security policies, procedures, planning, evaluation and technology under the Agreement.
10. Other, as the Service Provider deems key to the fulfillment of its contract obligations.

2.4 Evergreen Service Personnel

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

1. Enablement of TxDOT Service-related initiatives.
2. Attainment of high customer satisfaction in TxDOT stakeholder communities and by extension and importantly end-user communities.
3. Creation of a highly integrated, collaborative, and mutually supportive delivery of Services through the formation of an "integrated team" culture.
4. Incorporation of industry-leading and Service Provider 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 Service Provider's scope, those areas where the Service Provider has a reliance on TxDOT and third parties, and areas in the common interest of driving Service efficiency, quality and timeliness (e.g., value).

TxDOT and the Service Provider shall meet on a regular basis, no less frequently than annually, to review the Service Provider's performance (as a team and as individuals) in driving toward these goals. At TxDOT's request, Service Provider shall make changes to the number, nature, mix, or named Key Personnel as required to improve and enhance attainment of these goals. As a one-

time evaluation, the Service Provider and TxDOT shall review the performance of the Service Provider Personnel and implement any changes requested by TxDOT such that the Service is launched with the best possible Service Provider team as possible.

Should, for whatever reason, TxDOT determine based on documented or observed performance that a member (or members) of the Service Provider's Key Personnel is operating in a manner inconsistent with these goals, TxDOT will request a meeting of the Service Provider Account Director and the TxDOT Designated Representative to address localized or endemic failures to meet these goals. Upon receiving this feedback, the Service Provider shall 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 of personnel.

Requested Service Provider Personnel changes and replacement is governed in accordance with **Article 8 Service Provider Personnel** of the Agreement.

2.5 Location of Services

The Service Provider may provide Services either Onshore or Offshore. Services shall be performed by Service Provider Personnel at TxDOT Facilities, Service Provider Facilities, or at TxDOT approved remote locations. For Service Provider Personnel providing Services at a TxDOT Facility, TxDOT will provide Service Provider, and Service Provider shall be required to use TxDOT provided endpoint computing devices. Unless approved in writing by TxDOT, Service Provider Personnel that are issued TxDOT provided endpoint computing devices are prohibited from transporting these devices and accessing and using TxDOT systems from outside the United States of America.

For Service Provider Personnel providing Services at a Service Provider Facility or remote locations, Service Provider shall provide endpoint computing devices. Service Provider endpoint computing devices shall conform to Service Provider's information security standards that are suitable for work performed hereunder and meet the requirements of the Agreement. Prior to actual use and access to TxDOT systems, Service Provider shall provide TxDOT with written attestation from the Service Provider's Chief Information Security Officer (CISO) that the Service Provider issued and managed endpoint computing devices comply with TxDOT Rules and TxDOT Standards. Service Provider issued and managed endpoint computing devices must utilize the TxDOT provided virtual desktop interface when interacting with TxDOT systems to ensure that TxDOT Data remains at all times within the United States of America.

Unless otherwise approved by TxDOT in writing, TxDOT Data may not be received, stored, processed or disposed in any way via information technology systems located Offshore. Confidential Information and TxDOT Personal Data shall not be viewed outside the United States of America without prior TxDOT written approval and with sufficient data masking and de-identification protections that align with the Agreement.

TxDOT Data and Confidential Information access and protection is identified in the Master Services Agreement and all TxDOT Data must remain at all times within the United States of America, unless approved in writing by TxDOT.

2.6 Service Commencement

Service Commencement includes the set of activities associated with the analysis, planning, and execution of the transfer of all current services, as defined in this Exhibit, from Incumbent to Service Provider. These requirements are intended to ensure a seamless transfer on the Commencement Date that is not disruptive to TxDOT. The Service Provider shall, at a minimum:

1. Assume the ownership, operation, management, and maintenance of all Managed Application Services from Incumbent Service Provider.
2. Support all existing equipment, software, and service configurations currently performed by or contracted with the Incumbent Service Provider.
3. Support all TxDOT Facilities and hours of operation currently supported by Incumbent.
4. Develop, publish or update FAQs, wikis, and other self-help documentation to guide Authorized Users.

3 Transition Requirements

3.1 General

Upon the Effective Date, the Service Provider shall transition existing services provided by the Incumbent Service Providers and provide all Services as defined within this Exhibit. Service Provider shall be responsible for executing an orderly and timely transition.

3.2 Knowledge Transfer

During the period following the Effective Date and prior to the Commencement Date, Service Provider shall use its best efforts to acquire the practical skill, knowledge and expertise from Incumbent Service Provider(s) who are providing the Services prior to the Effective Date. Service Provider shall 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, but is not limited to:

1. Copies of procedures and operations manuals;
2. Relevant system, software, and/or service information;
3. a list of third-party suppliers of goods and services which are to be transferred to TxDOT or Service Provider,
4. key support contact details for third party supplier employees, and

5. Information regarding maintenance tasks, work in progress and associated unresolved Application Requests, incidents and problems.

Service Provider shall promptly (within one (1) Business Day) notify TxDOT of any lack of cooperation or assistance on the part of any Service Component Provider, Contractor or any third party that impedes or hinders Service Provider's efforts to comply with this obligation.

3.3 Transition Management Requirements

During the Transition period, the Service Provider shall plan, prepare for, and conduct the transition of Services. The Service Provider shall:

1. Coordinate with TxDOT to schedule the installation of any required secure connectivity;
2. Implement processes and controls to prevent disruption of TxDOT's business operations, including interfaces between TxDOT and various third parties;
3. Meet with TxDOT and provide updates to the status of the work involved with Transition at a time and frequency as approved by TxDOT in the Transition Project Plan and upon request by TxDOT.
4. Ensure adequate Service Provider personnel are committed to the Transition services across workstreams, including but not limited to one or more dedicated project managers. These personnel must be sufficiently trained on the Service Provider's contractual requirements and the Service Provider's proposed solution prior to commencing Transition activities;
5. Provide sufficient staff, tools and processes to ensure all Services successfully transition from the Incumbent Service Provider(s) without service degradation.
6. Support other Service Component Providers (SCPs) successful transition to Service Provider's services by Commencement without service degradation.
7. Develop a detailed Transition Plan including the Service Provider's approach to transitioning Services from the Incumbent Service Provider(s). The Transition Plan should include, at a minimum, discovery of all systems, processes, data (e.g., Incumbent ITSM data) and reporting that is required to transition from the Incumbent Service Provider.
8. Provide project management over all Service Provider Transition services and SCP integration Transition activities;
9. Provide routine reports and communication on Transition status to TxDOT and SCPs, as directed by TxDOT.
10. Resolve issues collaboratively with TxDOT and SCPs in order to meet Transition schedule.
11. Identify all integration points of the Service Provider's solution that require existing SCPs to make changes and notifying each SCP of the required changes at least ninety (90) days prior to Commencement.

12. Train SCPs as applicable on the Service Provider's Services, systems, and SMM processes, focusing on the changes from the Incumbent Provider.
13. Create a schedule for all SCPs to complete integration changes and ensure the accuracy of those changes.
14. Test the accuracy of all integration points prior to Commencement.

4 Common Network Services

4.1 General Services

4.1.1 General Management Services

General management Services include responsibilities and activities to support infrastructure, operations, workloads, processes, and systems management for the TxDOT network environment including integration with other TxDOT Service Providers to ensure availability of IT services. The Service Provider has responsibilities for operating, supporting and maintaining the network. Service Provider shall provide managed network and telecommunications (voice) services to connect TxDOT networked resources. The Service Provider shall collaborate with TxDOT, other TxDOT SCPs, and other TxDOT Contractors.

The Service Provider shall provide a Service that includes but is not limited to the following business and support hours as defined in [Section 4.1.2 Hours of Coverage](#) of this Exhibit.

The Service Provider shall, at a minimum:

1. Act as a single point of contact for the management and administration of the Services.
2. Develop and implement approved Services strategies in support of TxDOT's business objectives and in accordance with Change Management procedures.
3. Provide Authorized Users with technical support and advice regarding the proper use and functionality of Services.
4. Analyze and propose cost-effective Services alternatives.
5. Support all telecommunication protocols approved for use by TxDOT.
6. Provide support for applicable gateway Services as approved by TxDOT.
7. Provide and maintain an interactive topology view of the business network.
8. Monitor the compliance of all third-party service providers with any service levels, or contractual commitments contained in any agreement between TxDOT and Service Provider's third-party provider.

9. Provide a comprehensive description of the technology lifecycle refresh plans and roadmaps for all services/technologies described herein.
10. All technology and tools described here-in must support the current and future Services topology to include IPv6 and SNMPv3.
11. Provide TxDOT direct read-only access to all managed devices described herein.
12. Monitor usage of consumables, as well as ordering and storing consumables for the Services environment (e.g., patch cables, cross connects, transceivers).
13. Administer all Services requirements and activities, including processing change, incident, and problem requests.
14. Document and maintain all aspects of the Services for TxDOT, including:
 - a. Design criteria and standards.
 - b. Escalation procedures.
 - c. Service acceptance procedures.
 - d. Topology documentation.
 - e. Contact information.
 - f. As built documentation.
15. Document and maintain operations procedures and services.
16. Operate a Network Operations Center (NOC) that is the first point of contact for all network and telecommunications (voice) monitoring alerts.
 - (a) NOC will attempt to remotely remediate any issues that can be remotely remediated. Service Provider shall escalate tickets requiring physical remediation through physical access to the device utilizing the device owner or appropriate designee and track the ticket to completion.
 - (b) Alert TxDOT Information Security of any event that is or suspected to be security-related or a violation of TxDOT security policies or standards.
 - (c) Service Provider shall be responsible for ensuring configuration of devices remains in compliance with TxDOT technical and security policies and standards.
 - (d) Service Provider shall be responsible for regular reporting.

17. Provide monitoring services for network devices, including, but not limited to, the following devices:
- (a) Firewalls
 - (b) Routers
 - (c) Switches
 - (d) Wireless access infrastructure
 - (e) Uninterruptible Power Supply (“UPS”)
 - (f) Cellular or radio models
18. Perform physical repairs or replacement of all in-scope devices in the event of a failure. Service Provider shall replace devices proactively at the end of its lifecycle.
19. Regular clean up and closing of aged tickets on a monthly basis to ensure closeout of tickets based on best practices and industry standards.

4.1.2 Hours of Coverage

Service Provider shall provide Services during TxDOT's regular business hours, which are Monday through Friday, between the hours of 7 a.m. and 6 p.m., Central Time, excluding national holidays as defined by Texas Government Code Section 662.003(a). Service Provider shall provide the following additional services relating to the Services 24 hours a day, 7 days a week, and 365 days per Contract Year: (i) all monitoring services, (ii) support for Priority Level 1 and 2 incidents, production changes, emergencies, and (iii) any other activities necessary to comply with the terms of the Agreement, the Service Levels as defined in **Exhibit 3.1 Service Level & Deliverables Matrix**, and the Service Management Manual. For additional clarity and for the absence of doubt, the Service Provider shall provide Services following the hours of coverage by Service description as defined in Table 1 below:

Table 1 Hours of Coverage

Service Description	TxDOT Coverage
Service Support - Monitoring	
Network Operations Center	7x24
Availability measurement	7x24
LAN / WAN / Voice network monitoring	7x24

Hardware and device monitoring	7x24
Security services	7x24
Service Support – Management and Administration	
Network Operations Center	7x24
Triage, event management, incident management, problem management, service restoration	7x24
Cross functional service integration	7x24
Request for Solution	M-F 7a – 6p
User access management	M-F 7a – 6p
Telephony provisioning	M-F 7a – 6p
Proactive capacity and performance management	M-F 7a – 6p
Design and engineering services	M-F 7a – 6p
Service management escalations	7x24
Carrier governance	7x24

4.1.3 Third Party Vendor Management and Coordination

The Service Provider shall, at a minimum:

1. Manage and coordinate the activities of all Third-Party Vendors that the Service Provider is using to deliver Services.
2. Maintain technical support relationships with Third Party Vendors to resolve Incidents and Problems with the Services and to provide answers to technical questions and requirements related to the use of its products or services.
3. Monitor Third Party Vendor service delivery and performance in regard to the Services, including:
 - a. Monitor the Third-Party Vendor's compliance with any service levels contained in any agreement between TxDOT and the Third-Party Vendor.

- b. Provide integrated compliance reporting for the monitoring and management of service levels contained in any agreement between TxDOT and the Third-Party Vendor when the Third-Party Vendor is contractually required to provide compliance reporting data in a mechanized format.
- c. Maintain consistent use of reporting standards, formats, and so forth across the Service Provider, its subcontractors, and TxDOT Third Party Vendors that the Service Provider will manage.
- d. Notify TxDOT and the Third-Party Vendor of each Third-Party Vendor failure to perform in accordance with the provisions of its agreement.
- e. Evaluate and recommend retention, modification, or termination of a Third-Party Vendor based on the performance or cost benefits to TxDOT as tracked by the Service Provider.

4.1.4 Planning and Design Services

The Service Provider shall, at a minimum:

1. Provide plans and design for the following components:
 - a. Overall services topology, including the physical and logical layout of the Services.
 - b. Addressing and naming schemes as specified by TxDOT's standards.
 - c. Security requirements.
 - d. Time Synchronization Services of Managed devices for Services.
 - e. Optimal telecommunications protocols within the Network as necessary to satisfy TxDOT's business and operational requirements as they evolve over the Term.
 - f. Services equipment.
 - g. Services software.
 - h. Transport systems.
 - i. Cabling.
 - j. Wiring.
 - k. Any existing network monitoring tool in use at Effective Date.

2. Document the criteria and assumptions used to develop plans and designs, including:
 - a. Interoperability considerations and assumptions for all Equipment and Software potentially affected by the Services plans and design, including Equipment and Software in other Service Components.
 - b. Network bandwidth and/or volume assumptions and projections.
 - c. Expected Network performance and quality of service based on designs and plans, and minimum performance and quality of service expectations.
 - d. Expected availability, based on designs and plans for redundancy, and minimum availability expectations.
3. Utilize design techniques to appropriately prevent congestion and outages, including:
 - a. Design segmentation of Equipment, Network traffic, and design features to sufficiently control and contain Network traffic levels.
 - b. Design sufficient redundancy and alternative routing to meet the Service Levels set forth in **Exhibit 3.1 Service Level and Deliverable Matrix** and TxDOT's security and IT Service Continuity Management requirements set forth in **Exhibit 2.1.1 Cross Functional Services SOW** and **Exhibit 2.3 Service Continuity**.
4. Work cooperatively with Third Party Vendors, Integrator and TxDOT to facilitate effective planning and design of the Services.

4.1.5 Service Provider Engineering Support Functions

The Service Provider shall, at a minimum:

1. Recommend enhancements to TxDOT's architecture and security standards as improvement opportunities are identified.
2. Evaluate and recommend operational enhancements within TxDOT services model in order to improve efficiency, reduce cost or otherwise improve customer satisfaction.
3. Support improvement and innovation in TxDOT's environment by proposing ideas, tools, and processes to minimize engineering services-related tickets.
4. Collaborate with TxDOT and other SCPs to analyze and recommend Network and Telecommunications (Voice) Service needs, including continuous improvement recommendations.

5. Perform functional requirement testing and support of new Services hardware and/or Software.
6. Support proof-of-concept testing for new features or functions.
7. Lead Problem resolution resulting from a Services failure.
8. Provide support for all Incidents related to the availability, performance and health of all Systems/Applications that are a part of the Services.
9. Configure all deployed Services devices to export session flow data to collectors that will consolidate, manipulate and present Application flow data to a centralized management platform, where applicable.
10. Provide engineering and design expertise and outcomes for any proposal requested by TxDOT or other TxDOT SCPs for new network and telecommunications (voice) Services, as directed by TxDOT.
11. Cooperate and collaborate with TxDOT and other SCPs or TxDOT Contractors of cloud services to engineer and deploy software defined WAN capabilities or other similar emerging technologies that integrate with the DCS private cloud and public cloud provider edge (PE) routers or ingress points.
12. Upon request, develop proposals for new or enhanced Network and Telecommunications (Voice) requirements on an ongoing basis, providing designs and plans that include all Network and Telecommunications (Voice) Services components aligning to or enhancing TxDOT's Network and Telecommunications (Voice) capabilities matrix, including at a minimum:
 - (a) Power;
 - (b) Equipment;
 - (c) Software;
 - (d) hardware;
 - (e) devices;
 - (f) transport services;
 - (g) Bandwidth and volume assumptions and projections;
 - (h) Performance and Quality of Service (QOS) to achieve requirements;

- (i) Addressing and naming schemes; and
 - (j) Cable management
13. Contribute to requirements and solutions for new technologies and architectures.
 14. Provide operations support for all Incidents related to the availability, performance and health of all Systems/Applications that are a part of these Services.
 15. Provide information and support with respect to network and telecommunications (voice) performance, providing assistance with integration with other SCPs and operations testing, debugging and remediation of network and telecommunication issues, designing appropriate test environments, performing training, and maintaining system documentation.
 16. Perform product evaluations, including hardware and software analysis and proof of concepts upon request.
 17. Support operational activities such as Priority 1 Incidents, RCA and Problem Management.
 18. Create Hardware and Software standards for product procurements.
 19. Recommend strategic decision and provide technical and industry direction on product selection.
 20. Collaboratively support TxDOT to perform product maintenance activities including firmware, service packs, patch management and release testing and distribution. Responsibilities shall include:
 21. Support TxDOT in the development and maintaining product roadmaps for all defined “Standard” technology.
 22. Assist in development and implementation of new technology and Services.
 23. Support TxDOT in the creation of product engineering artifacts for standard products including:
 - (a) Evaluation criteria and results;
 - (b) solution and Service design output;
 - (c) installation, configuration and support requirements; and

- (d) propose product status changes within lifecycle including risk, benefits and business impact.

24. Develop and maintain relationships with relevant industry partners and engage with those partners in support of TxDOT services in creation of artifacts and deliverables in use at TxDOT.

4.2 Performance Monitoring and Management Services

4.2.1 General Monitoring and Management

The Service Provider shall, at a minimum:

1. Monitor and manage continuous end-to-end performance of the Services, including:
 - a. Monitor the Services to measure and monitor end-to-end performance of the Services.
 - b. Monitor the level and quality of service of the Services for voice data and video, including monitoring compliance with Service Levels.
 - c. Monitor and manage the Services for service degradation, including detection, isolation, diagnosis, and correction of Incidents.
 - d. Monitor physical and logical connections to the network in support of the Services.
 - e. Provide all necessary monitoring, diagnostic, and maintenance systems and Software to meet Services monitoring and management requirements.
 - f. Support Services remote operations and monitoring, including remote diagnostics; remote administration; and remote incident resolution and, if necessary, travel to remote Facilities.
 - g. Identify actual and potential Network Service issues.
 - h. Perform necessary diagnostic routines as directed by TxDOT.
 - i. Employ element management system tools to monitor events that exceed Services design thresholds, as well as:
 - i. Use the tools to provide automated alarms and indication of Incidents when thresholds are exceeded. This includes but is not limited to network bandwidth capacity related events.

- ii. Integrate the tools to automatically generate an Incident within the Incident Management System, as described in **Exhibit 2.1.1 Cross Functional SOW** when Services thresholds are exceeded.
 - j. Detect other Services exceeded thresholds or component faults (e.g., system or circuit overutilization).
 - k. Define and implement reporting and corrective action procedures approved by TxDOT in the event design thresholds are exceeded.
2. Notify TxDOT of any need for an unscheduled interruption.
 3. Report to TxDOT Authorized Users on Services performance, resource shortages, utilization statistics and trends.
 4. Provide an easily accessible service to TxDOT Authorized User (enterprise and agency specific) to report the real-time operational status of the Services in accordance with the Service Management Manual. Operational status areas include:
 - a. Capacity management;
 - b. availability management; and
 - c. network performance/flow management.
 5. Provide ability to monitor, “ping,” and report on all devices in real-time (or near real-time, currently most devices are set to ping once every 5 minutes), including both IP-based and non-IP-based devices.
 6. Enable SNMP or other similar protocols so that TxDOT’s monitoring system can determine not just the up/down status of the device but all the health and environmental status information that the device is capable of sharing with a network monitoring tool.
 7. Configure monitoring to provide monitoring at the port level and detect port status changes and outages.
 8. Set up alerting thresholds based on existing standards for that device class.
 9. If device owner requests a customized alert threshold different from the existing standard, make a recommendation to TxDOT as to whether this exemption should be granted and implement it, if approved.
 10. Identify and configure “parent-child” and similar dependency relationships between devices that may not be automatically identified by the network monitoring software. (i.e., other portions of the network that are impacted by an outage).

11. Configure alerting to automatically suppress alerts from downstream devices when they are impacted by an issue with the corresponding parent or upstream device.
12. Provide the capability to discriminate between criticality levels of individual incidents.
13. Create separate dashboards for each district or division using TxDOT's monitoring system and provide role-based capabilities and access to those dashboards for different TxDOT stakeholders.
14. Configure, support, and manage dashboard viewing platforms, including, but not limited to, customizable default views based on user preferences and position (e.g., different views for business users versus technical users). Service provider must provide at least three customized dashboards for each district or division using TxDOT's monitoring system, if requested, and at least 10 for ITD. This will require configuration of TxDOT's existing monitoring systems functionality, but not custom coding.
15. Either through the dashboard itself or through other tools in TxDOT's monitoring system, provide the ability to view network topologies.
16. Either through the dashboard itself or through other tools in TxDOT's monitoring system, provide the ability to display of network bandwidth utilization and other advanced telemetry metrics
17. Provide the capability for authorized users to access the dashboard via the Internet.
18. Create dashboards to display what applications are using and consuming TxDOT's network bandwidth at enterprise level with the ability to drill down to individual Facilities. Create dashboards to display wireless access points enterprise-wide current state and status including the ability to view login user, devices on both TxDOT and public partitions.
19. Integrate TxDOT's approved monitoring system with TxDOT's ITSM ticketing system. For those devices under monitoring only, the ticket should be issued to the device owner or the responsible entity designated by the device owner, and no remediation activities will be required of the vendor. Service Provider shall be responsible for event triage if automation between these integrated systems is not performing as expected.
20. Set up authentication (e.g. RADIUS, TACACS, Active Directory, etc..) or similar software on all devices that support it to enable remote changes (e.g., add/modify/remove) to logins, passwords, and credentials on individual devices and on devices by location group and by device/make/class/group.
21. Validate that required personnel have necessary credentials to devices.

22. Ensure remote access is restricted to authorized personnel and audit logs of all changes are recorded, per compliance with TxDOT's security standards.
23. Ensure all devices that support log monitoring are recording the system logs and saving them to location directed by TxDOT. Specifically, the service must support real-time replication or integration of audit logs to the TxDOT's SIEM solution for audit reporting, alerting and management by TxDOT Information Security as set forth in **Exhibit 3.3 Reports** and in the SMM.
24. Enable automated backup of configuration settings for devices that support backups.
25. Ensure all devices and/or system logs are monitored and managed by TxDOT tools per existing policy.
26. Perform auto-discovery of all network assets and ensure all auto-discoverable devices and auto-discoverable fields are accurately populated into the CMDB.

4.2.2 Performance Optimization

The Service Provider shall, at a minimum:

1. Improve the performance and design of the Services using data gathered from performance monitoring and forecasting activities.
2. Create performance baseline on at least a quarterly basis, and prior to and following any transitions or changes.
3. Optimize cost-effectiveness and cost-efficiency, without sacrificing performance or the ability to meet the Service Levels.
4. Use modeling and other analysis tools where applicable to determine methods of improving the performance.
5. Assess and implement alternate methods and procedures to reduce Services errors and network downtime.
6. Review optimization activities and plans with TxDOT on at least a quarterly basis.

4.3 Transport Support

4.3.1 Transport Services

The Service Provider shall, at a minimum:

1. Where the Service Provider is financially responsible for transport services, as indicated in **Exhibit 4.2 Financial Responsibilities Matrix**:

- a. The Service Provider is entirely responsible for the procurement and delivery of transport services to TxDOT.
2. Where TxDOT is financially responsible for transport services, as indicated in **Exhibit 4.2 Financial Responsibilities Matrix**:
 - a. The Service Provider is responsible for providing technical support regarding specific requirements and sizing of transport services, and will support TxDOT.

4.3.2 Transport systems

The Service Provider shall, at a minimum:

1. Schedule, coordinate, and perform support activities for transport systems in accordance with schedules approved by TxDOT, including:
 - a. Coordinate and manage the installation, testing, and support activities of transport Third Party Vendors.
 - b. Perform additions, upgrades, changes, and deletions to transport systems.
2. Check that transport Third Party Vendors acknowledge orders on a timely basis.
3. Provide Level 1 Support, Level 2 Support and Level 3 Support for the transport systems.
4. Review and report on the load and latency of transport systems for managed router-enterprise and managed router-non-enterprise Facilities types.
5. Provide an acceptance report, including quality assurance information, prior to accepting billing for newly installed transport services.
6. Track and update relevant transport system information in the CMDB, as described in **Exhibit 2.1.1 Cross Functional SOW**.
7. Promptly disconnect and report the transport systems upon the termination or reduction of transport services at a Facility.
8. Remove all applicable Equipment upon the termination or reduction of transport services at a Facility.
9. Verify that neither TxDOT will be responsible for transport services payments associated after applicable transport services have been terminated or reduced.

4.4 General Operations

The Service Provider shall provide the following services in connection with the Network and Telecommunications (Voice) Services and shall be responsible for the overall network environment and administration of all TxDOT networks that includes:

1. All monitoring, classification, and triage services via the Network Operations Center (“NOC”).
 2. Support for Priority Level 1 and 2 incidents, production changes, and business critical issues.
 3. Any other activities necessary to comply with the terms of the Agreement, the Service Levels, and the Service Management Manual.
1. Complying with and enforcing all TxDOT-approved network, telecommunications and security policies and standards.
 2. Support of all routers, switches, firewalls, equipment, devices regardless of vendor or platform.
 3. Providing framework with the capability to conduct, assist, and remediate with all audits.
 4. If providing recommendations to TxDOT, Service Provider shall use appropriate research, testing, and industry best practices.
 5. Assessing, developing and recommending opportunities to reduce (or avoid) costs associated with environment support and operations, including suggestions for tools for the automation of processes.
 6. Utilize TxDOT defined Software/Hardware inventory system and inventory services; to perform asset tagging and tracking.
 7. Monitor and manage operational technologies that are maintained independently by the TxDOT and may be integrated into the TxDOT network. These include:
 - a. TxDOT’s Support Services Division (SSD) who maintains security gate call boxes, badge readers, security cameras, fire and burglary, and other equipment to ensure the safety and efficient operation of TxDOT’s office buildings and other facilities.
 - b. Border Safety Inspection Facilities – Presently there are four such facilities located at border crossing location in the El Paso, Laredo, and Pharr districts. The Service Provider will be responsible for in-scope devices at these facilities.

4.5 Services Connectivity and Operations

4.5.1 Services Control and Connectivity Services

The Service Provider shall, at a minimum be responsible for Services Equipment, Software, transport systems, and cabling in reference to the following:

1. Obtain approval from TxDOT prior to establishing or removing connectivity from the TxDOT Network to Service Provider Facilities or external networks.
2. Manage and control connectivity to service demarc and between all Facilities and external networks.
3. Manage and operate all Services Equipment and Software, Transport systems and cabling including:
 - a. Configure Services Equipment, Software, Transport systems, and maintain cabling in accordance with TxDOT's architecture and design principles.
 - b. Install Services Equipment, Software, Transport systems and maintain cabling in accordance with TxDOT's architecture and design principles.
 - c. Test Services Equipment, Software, Transport systems, and maintain cabling. Implement Services Equipment, Software, Transport systems, and maintain cabling in accordance with TxDOT's architecture and design principles.
 - d. Support and monitor Services Equipment, Software, Transport systems and maintain cabling.
 - e. De-install and remove Services Equipment, Software, Transport systems (TxDOT managed locations only) and cabling (TxDOT managed locations only) as required.
 - i. Return all Services Equipment to default configuration state after removal.
 - ii. Perform return, disposal or destruction of removed Services Equipment.
 - f. Verify connectivity of the infrastructure and all other directly connected devices.

4.5.2 Network Performance Management

The Service Provider shall, at a minimum:

1. Pro-actively monitor devices which include, routers, switches, load balancers, and firewalls and (where supported by the device) flow telemetry.
2. Provide information and reports that related to the flow of information between end users and Applications, including route paths and latency for the Services.

3. Assess and recommend changes based on the traffic flow between Application endpoints.
4. Provide and maintain descriptive tags in the capacity and performance management tools that permit easy correlation of every interface with the actual physical interface (e.g., FastEthernet0/0).
5. Provide and maintain accurate interface speeds in the performance monitoring tools that correspond to actual bandwidth available on every interface (enables valid % utilization calculation).
6. Audit interface speeds in performance monitoring tools for accuracy.
7. Provide capacity performance monitoring tools that function in the current and future state network topologies and maintain software currency
8. Provide TxDOT with access to the performance management tools for review of performance and capacity data.
9. Evaluate, identify, and recommend configurations or changes to configurations in order to enhance device/interface performance.
10. Develop improvement plans and identify tuning efforts that should be performed on network Equipment to obtain optimum performance across the network and implement upon TxDOT approval.
11. Manage network monitoring tools consistent with industry best practices, including implementing and maintaining naming conventions (Facility, device, etc..) according to TxDOT standards.

4.5.3 Other Network Operations Services

The Service Provider shall, at a minimum:

1. Develop acceptance test procedures for installation and changes to the Services, and for verifying restoration of availability following problems with the Services.
2. Provide acceptance testing results for all major upgrades and new technologies.
3. Takeover operational support for existing TxDOT network lab and expand test environment to replicates TxDOT network and maintain currency.
4. Provide and maintain mapping of the entire network footprint with drill down capabilities.

5. Work with TxDOT, TxDOT Contractors and other SCPs as required to troubleshoot connectivity (wired, wireless, internal and offsite) and/or latency issues with application solutions used by TxDOT. This includes data packet captures and analysis to help mitigate application issues and latency.
6. Manage the naming, numbering and addressing of all network components and related configuration items based on schemes approved by TxDOT, including:
 - a. Document and maintain the naming, numbering and addressing schemes and standards.
 - b. Implement, coordinate, and update new schemes, including developing associated migration plans.

4.6 Installations, Moves, Adds, Changes, and Decommissions (IMACDs)

The Service Provider shall, at a minimum:

1. Provide or oversee, as appropriate, all installations, de-installations, system access, cascades, moves, adds, upgrades, configuration changes, and changes for all MNS Equipment, Software, and related Services at designated TxDOT Facilities.
2. Coordinate, plan, and schedule IMACDs with the requestor.
3. Coordinate all internal and external functions and activities to achieve high-quality execution of the IMACDs to meet Service Levels and minimize any operational interruption or disturbance.
4. Install, maintain, and upgrade connections.
5. Use TxDOT approved system accessible to Authorized Users (e.g. Web based) to track IMACD activity and produce reports on these activities.
6. Monitor Service Levels throughout the IMACD activity.
7. With respect to authorized IMACD requests, execute the IMACD including:
 - a. Coordinate with TxDOT, TxDOT Contractors, other SCPs, and any Third-Party Vendors to achieve execution of all IMACDs.
 - b. Obtain or procure all required components and services necessary to perform IMACD Services.
 - c. Coordinate space requirements and logistics.
 - d. Coordinate pre-installation Facility surveys to confirm that the Facilities are properly surveyed and prepared to prevent delays in IMACD activities.

- e. Coordinate and install changes to the cabling and other infrastructure or Equipment for which the Service Provider is responsible.
- f. Coordinate and install changes to support extending existing demarcation locations within a TxDOT's facility as requested.
- g. Schedule and dispatch technicians to be on-site as necessary.
- h. Perform related Software installs and Upgrades.
- i. Perform backups and reloads of data and Software.
- j. Perform configuration functions.
- k. Perform on-site operational testing, and provide appropriate back-out procedures as required.
- l. Coordinate with TxDOT Authorized Users to test and verify the operation of all applications that utilize or depend on the Network resources being modified.
- m. Provide on-site support as required to resolve Incidents associated with installations or moves.
- n. Update the CMDB, as described in **Exhibit 2.1.1 Cross Functional SOW** in a timely manner when any network Equipment or Software changes are made by the Service Provider or reported by TxDOT or its designate.
- o. Set up security, file access, and other administrative procedures associated with IMACDs.
- p. Provide information to support directory updates as required.

4.6.1 IMACD Pre-Execution

The Service Provider shall, at a minimum:

1. Create and document the processes to enable IMACD execution for each Software and/or Equipment component and obtain TxDOT's approval for such processes and documentation.
2. Receive IMACD requests from Authorized Users and validate the IMACD request for correctness and proper authorization.
3. Communicate with Authorized Users if there is an issue with an IMACD request.

4. Coordinate and communicate with designated personnel at TxDOT or other Third Parties concerning scheduling and requirements to minimize the business impact on Authorized Users.
5. Conduct or confirm a Facility survey to determine the location(s) of the IMACD and any special requirements at the location(s).
6. Confirm that all Equipment, Software, parts, network, cabling, or any other services necessary to execute the IMACD will be available as of the date(s) scheduled for the IMACD.
7. Confirm the new or existing configuration of the Equipment and Software associated with performing the IMACD. Service Provider will conform to configurations approved by TxDOT.
8. Confirm the installation and/or de-installation procedures associated with performing the IMACD, including backup, contingency, and test procedures.
9. Coordinate the scheduling and dispatching of appropriate technicians, including Third Party Vendors as well as Smart Hands resources from Technical Field Services (TFS) SCP where present.

4.6.2 IMACD Execution

The Service Provider shall, at a minimum:

1. On receiving and verifying a valid IMACD request, perform all necessary pre-work before an IMACD is executed.
2. Provide the necessary technical support to complete the IMACD, including onsite support as required.
3. Support Third Party Vendors in executing IMACDs and coordinating such activities with the appropriate designated TxDOT personnel or Third-Party Vendors.
4. Perform any required backup procedures following established procedures and TxDOT data policies.
5. De-install and re-install any existing Equipment, Software, or other related services necessary to execute the IMACD.
6. Physically move Equipment, as required, related to a de-installation, an installation, a move, or a cascade.
7. Install Equipment and Software, including new Equipment and Software or upgrades. All installations and configurations will be performed according to standards and Change Management procedures.
8. Re-load data or backup files as necessary.
9. Set up security, file access, and other administrative procedures associated with the IMACD.
10. Connect Equipment to network facilities (for example, LAN and/or WAN connectivity).

11. Test the Equipment, Software, and related Services after implementing the IMACD to ensure proper function and connectivity (e.g., network access, file open and print capabilities, remote connectivity, internet/intranet access).
12. Update the CMDB promptly when any Equipment or Software changes are implemented by Service Provider or reported by TxDOT.
13. Monitor client satisfaction and closely monitor Service Levels throughout the IMACD activity and following the delivery at predetermined intervals.
14. Meet the Service Levels set forth in **Exhibit 3.1 Service Level and Deliverable Matrix**.
15. Confirm correct implementation of the IMACD with the designated TxDOT personnel as appropriate.
16. Dispose of retired assets, including those with a destruction validation certification, in accordance with TxDOT's decommissioning policies.
17. Where utilizing Third Party Vendors, or other SCP resources for on-site work, ensure work instructions are provided for execution and close out of activities.

4.6.3 Project IMACDs Additional Responsibilities

Project IMACDs are conducted within the TxDOT approved project framework. The Service Provider shall, at a minimum:

1. Perform all tasks associated with IMACDs set forth in this Exhibit, with additional responsibilities and coordination based on the scale required for activities related to project IMACDs.
2. Develop and submit to TxDOT a Project IMACD plan, in accordance with SMM and MSA Attachment E Form of Work Order.
3. Provide appropriate Service Provider project management personnel to interface with the TxDOT personnel, including facilities managers, and manage the implementation of the project IMACD.
4. Develop a comprehensive contingency plan for Project IMACDs, including back-out procedures, notification and escalation lists, work-around plans, affected resources, and risk assessments.
5. Coordinate prioritization and resource allocation with TxDOT for approved project IMACDs.
6. Record, track and manage project IMACD requests.
7. Provide project IMACD status reports as appropriate and participate in project IMACD planning meetings.
8. Provide appropriate information to TxDOT for non-recurring expenses and recurring billing related to the project IMACD.
9. As required, perform post-implementation reviews or analyses of project IMACDs (e.g., establish the degree to which the project IMACD meets acceptance criteria).

10. Provide a mechanism for expedited handling of project IMACDs that are of high business priority to TxDOT so that such project IMACDs are completed within the required timeframe.

4.6.4 IMACD Additional Responsibilities

The Service Provider shall, at a minimum:

1. Track the IMACD request from initiation to completion, using an automated system to track IMACD activity.
2. Provide a single point of contact for Authorized Users and the Service Desk for activities associated with an IMACD.
3. Perform IMACDs for Service Provider personnel without additional charge to TxDOT.

4.6.5 Refresh and Replacement

The Service Provider shall, at a minimum:

4.6.5.1 Refresh Planning

The Service Provider will work with TxDOT to ensure refresh planning is consistently done and in compliance with processes outlined in the SMM for all Service Provider supported systems, circuits and equipment. Service Provider's responsibilities include:

1. Develop a Refresh plan for all systems, circuits and equipment (also referred to as assets in this section), including:
 - a. Within one-hundred and twenty (120) days prior to TxDOT's annual planning process meetings, develop a rolling Refresh Plan based on the asset inventory of systems, circuits and equipment, historical trends, lifecycle standards of systems, circuits and equipment, industry best practices and submit to TxDOT for approval.
 - b. Provide multiple service refresh options (e.g., Three-year, Four-Year), which may vary by systems, circuits and equipment and as defined by SMM.
 - c. Service Provider and TxDOT will consider the usability of the systems, circuits and equipment and review alternatives to replace, re-lease, consolidate, or retain the assets. Based on the results of this review, Service Provider will deliver the initial recommendations regarding such assets to TxDOT within thirty (30) days after the review.
 - d. For Service Provider-owned assets, Service Provider and TxDOT will mutually determine whether Service Provider will replace an asset and the appropriate replacement date.
 - e. If Software Changes are required due to replacement of assets, Service Provider, in consultation with TxDOT, will review alternatives for making changes to such Software.
 - f. Where the Service Provider is financially responsible for Equipment and Software used, such replacement of the assets and Software will be at Service Provider'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).

- g. For TxDOT owned and leased assets, based on the planning process outcome and direction established by TxDOT, Service Provider will provide a proposal for refresh of those assets (replacement at TxDOT's expense) to TxDOT.
2. Develop recommendations for innovation and improvement of systems, circuits and equipment in the environment, generate periodic reports on improvement opportunities, and implement improvement opportunities as requested by TxDOT.

4.6.5.2 Refresh Execution

1. Perform management, support, and refresh for all in scope systems, circuits and equipment.
2. Perform on-demand out of cycle system, circuit and equipment refreshes.
3. Adhere to TxDOT's approved plan, and execute that plan utilizing established procurement processes, to initiate refresh and retirement activities.
 - a. Provide monthly reports 180 days prior to lease expiration date showing assets to be refreshed with latest data.
 - b. Notify TxDOT monthly of all open agreements related to assets that are retired or will retire within 180 days of the report date.
 - c. Track and report on the completion progress of asset Refresh.
 - d. Update and archive asset records after retirement.
4. When performing system, circuit and equipment refreshes, migrate all data, configurations, and software to leave the new systems, circuits and equipment in an equal or better state than the old systems, circuits and equipment.
5. Transfer associated licenses to new assets except where (1) TxDOT has procured licenses for a more recent version to remain N/N-1 or in support or (2) an audit shows that the application/software is not in use by the user per TxDOT policy.
6. Develop and execute procedures that ensure that no asset is outside of OEM support, except as approved by TxDOT.
7. Perform, and if possible and/or requested, remotely perform all tasks required to prepare any leased assets located within a TxDOT location for return to the leasing company, and completing any documentation required for the asset return.
8. Refresh assets to maximize the benefit for TxDOT (the oldest assets and those with the highest business impact shall have refresh priority) while minimizing the business disruption caused by the refresh.
9. Dispose of retired assets, including those with a destruction validation certification, in accordance with TxDOT's decommissioning policies.
10. Within the term of the refresh cycle, repair or replace failed, damaged, or failing components, including for example:
 - a. Batteries;

- b. Power cords / AC adapters; and
 - c. Cables (e.g., network patch cables)
11. Service Provider shall provide TxDOT a recommended refresh approach based on the desire of TxDOT to move to a rolling refresh strategy (e.g., 20% annually).
 12. Replace assets proactively at the end of its lifecycle as defined by TxDOT.
 13. Service Provider shall maintain required asset management data in TxDOT CMDB, including performing an annual inventory.

4.7 Physical Network Environment Services

4.7.1 Site Information and Documentation Services

The Service Provider shall, at a minimum:

1. Conduct Facility surveys and document the current physical environment at the Facility, including:
 - a. Transport systems, supporting network Equipment, assist in maintaining accurate documentation on cabling and wiring.
 - b. Demarcation of responsibilities and physical environment comprising the network (e.g. WAN, LAN, Voice).
 - c. Power, UPS, heat, and overall space requirements.
 - d. Dependent transport vendor point of entry.
 - e. Other relevant environmental requirements and/or attributes that are unique to a Facility for the delivery of Services.
2. Document Facility survey information and asset information in the CMDB in accordance with **Exhibit 2.1.1 Cross Functional SOW**.
3. Maintain locations lists, network diagrams, and other network documentation and information inclusive of IDF/MDF closets.

4.8 Cabling and Wiring Services

4.8.1 Low Voltage and Fiber Optic Cabling

Service Provider shall scope and price cabling efforts based on cabling type, distance, function, and size of effort (number of drops). TxDOT's expectation is that the Service Provider will present a pricing model matrix that is cost effective, sustainable, and agreed to by TxDOT.

The Service Provider shall be responsible for the operation, management, support, and installation of TxDOT's layer 1 low voltage cabling needs as requested by TxDOT for TxDOT Facilities as identified by TxDOT. This includes at the minimum:

1. Installation and certification of ethernet and coaxial cabling utilizing the correct fit-for-purpose category that is tested and fully operational and can be sustained in the TxDOT network.
2. Installation and certification of fiber optics cabling utilizing the correct fit for need (single mode or multimode) installation in the TxDOT network.
3. Cabling all inside wiring infrastructure, including network centers, analog phone lines, network connections to end-point and IoT devices.
4. Modifying existing cabling deployments with upgraded cabling to meet new standards as defined by industry best practices and with TxDOT approval.
5. Engaging with appropriate facility coordinator to coordinate the support of all inside wiring needs (i.e., backboard, conduit, etc.) and with facility coordinator and/or telecommunications carrier providers to identify all outside wiring/plant requirements (i.e., facility mounting specs, conduit, etc.) and demarcation points at TxDOT Facilities.
6. Maintaining wiring in all TxDOT Intermediate Distribution Frame (IDF) and Main Distribution Frame (MDF) environments ensuring cable management best practices are implemented for aesthetics and maintenance, ensuring TxDOT's cable color code standards are followed as defined by TxDOT standards.
7. Identification of any risks associated with wiring locations not consistent with industry best practices.

4.8.2 Project Requests, Quotes, and Work Orders

Projects requests for new cable and wire infrastructure shall be submitted by TxDOT, in accordance with procedures set out in the Service Management Manual (SMM). Separate requests that involve ten (10) drops or more, as may be further defined in the Service Management Manual, will be considered as a new Project.

The Service Provider shall, at a minimum:

1. Respond to new project requests for the cable and wire projects as submitted from TxDOT, by delivery of a project quote pursuant to **Section 4.8.2.2** below.
2. Provide quotes for the cable and wire project requests submitted from TxDOT.

- a. Unless otherwise agreed, project quotes shall be delivered by Service Provider within thirty (30) days of receipt of a project request.
 - b. Each project quote shall be accompanied by a preliminary project plan that describes in reasonable detail the specific project activities to be performed by Service Provider, including the activities, Deliverables, Charges, Project Milestones and Project Deliverable Credits proposed by Service Provider for the project.
 - c. Service Provider shall address and resolve any questions or concerns TxDOT may have as to any aspect of the proposed project plan or other aspect of the quote.
3. Promptly prepare a draft Work Order for TxDOT's approval, which shall include a detailed project plan and identify:
 - a. the project activities to be performed by Service Provider and the significant components, subcomponents and the conditions precedent associated with each such activity;
 - b. all Deliverables to be completed by Service Provider;
 - c. the date(s) by which each such activity or Deliverable is to be completed (the "Project Milestones");
 - d. the contingency or risk mitigation strategies to be employed by Service Provider in the event of disruption or delay;
 - e. the Acceptance Criteria (and, if appropriate, description of applicable testing) to be applied by TxDOT in evaluating Project Deliverables;
 - f. any responsibilities to be performed by TxDOT; and
 - g. a detailed work plan identifying the specific project activities to be performed by Service Provider.
 - h. Signoff by the site representative, or as designated in the SMM, that on-site project work is satisfactorily completed.

4.8.2.1 Performance

TxDOT reserves the right, in its sole discretion, to reasonably suspend or delay the performance of the Services.

The Service Provider shall, at a minimum:

1. Perform the Services described in the Work Order and project plan in accordance with the timetable and the Project Milestones set forth in the project plan.
2. Perform the Services in a manner that shall not disrupt the business or operations of TxDOT or degrade the Services then being received by the TxDOT, except as may be otherwise expressly provided in the project plan.
3. Prior to undertaking any activity, discuss with TxDOT all known specific material risks and shall not proceed with such activity until TxDOT is reasonably satisfied with the mitigating plans with regard to such risks (provided that neither Service Provider disclosure of any such risks to TxDOT, nor TxDOT's acquiescence in Service Provider's mitigating plans, shall operate or be construed as limiting Service Provider's responsibility under this Agreement).
4. Identify and resolve, with TxDOT's reasonable assistance, any problems that may impede or delay the timely completion of each task in the project plan that is Service Provider's responsibility and shall use all commercially reasonable efforts to assist TxDOT with the resolution of any problems that may impede or delay the timely completion of each task in the Project Plan that is TxDOT's responsibility.
5. Meet with TxDOT as requested to report on Service Provider's progress in performing its responsibilities and meeting the timetables set forth in the Project Plan.
6. Provide written reports to TxDOT as requested and shall provide oral reports more frequently if reasonably requested.
7. Promptly, but not later than one (1) business day, after receiving any information indicating that Service Provider may not perform its responsibilities, or meet any timetable in the project plan, notify TxDOT in writing of any actual or potential failures to timely perform and shall identify for TxDOT's consideration and approval specific measures to address and mitigate the risks associated therewith.
 - a. Neither the Services nor the activities and Deliverables associated with individual Project Milestones shall be deemed complete until Acceptance of such activities and Deliverables.
 - b. In addition to any Project Deliverable Credits, if Service Provider fails to meet the date specified or other Acceptance Criteria for any Project Milestone, Service Provider shall not be entitled to any further compensation for work associated with such Project Milestone after such date.

4.8.2.2 Project Delivery

The Service Provider shall, at a minimum:

1. Plan, procure, install, administer and manage the cabling and intra-floor and inter-floor Wiring as quoted and agreed by TxDOT and Service Provider.
2. Manage cable installations, repairs, and removal using a Software-based cable plant management system where applicable.
3. Interact with TxDOT real estate, landlord management, and other Authorized Users so that cabling and wiring requirements are properly communicated and managed.
4. Coordinate with transport vendor representatives for the planning, delivery, and maintenance of circuits; demarcation points; termination equipment; power and air conditioning (A/C) (if original building specification is at capacity and subject to agreed-upon funding by TxDOT); rack space; wall space; and plywood or other backboard materials needed for mounting distribution frames.
5. Comply with TxDOT Standards, including those for cable and wiring.
6. In the absence of applicable TxDOT Standards, use industry standards that meet or exceed local code or other requirements of applicable authorities as approved by TxDOT.
7. Use TxDOT-approved and certified cable and wire installers to perform cabling and wiring Services.
8. Maintain a secure, clutter-free cabling environment in all telecommunications closets and cable plant areas.
 - a. Service Provider shall not install or store products in such a way that lighting fixtures do not function as designed.
9. Document and provide up-to-date cable records in communications closets, wiring distribution rooms, and other areas where a high concentration of cabling exists.
10. Perform standards-compliant testing on installed wiring to certify wiring as required by TxDOT's design criteria. Audit and certify cable as required by TxDOT.
11. Provide documented test results of all newly installed wiring, as requested in solution.
12. Document, label, and map wiring runs in the appropriate Facility survey records.
13. Include manufacturer warranty support with all installations.

4.8.2.3 Warranty

The Service Provider shall, at a minimum:

1. Following Acceptance of each Project, provide, for no additional Charge, the post-acceptance follow-up support described in the applicable Work Order.
2. Without limiting the foregoing, Service Provider shall pass through to TxDOT all manufacturer warranties.

4.8.2.4 Additional Optional Services

1. Refresh/cleanup of existing cable infrastructure
 - a. Provide cleanup and cable management of existing cable/wire infrastructure.
 - b. Cable removal / remediation Services separate from new project requirements.
2. Pre-Assessment advisory service
 - a. Assessment of existing cable/wiring infrastructure for readiness of new technology deployments.

4.9 Software Currency and Support Services

The Service Provider shall, at a minimum:

1. Interface with other TxDOT and TxDOT Third Party Vendors to promote compatibility of Systems and manage the subcontractors that provide Software support to Services for which the Service Provider is responsible.
2. Fully test all Software revisions before their installation on the Services Systems.
3. Proactively notify TxDOT of availability of new versions of software, including analysis of impact and/or value of the new version of software (e.g., fixes and new features applicable to TxDOT technical and business environments).
4. Coordinate that production levels are fully supported by Third Party Vendors; maintain a record (for each product in production) of version history and associated availability, as well as of any announced end-of-support or end-of-availability dates.

4.10 Tower Security Services

Security operation services include installing, maintaining, and managing security software, tools, and technologies across the IT environment, including TxDOT's business network, to ensure compliance with TxDOT's security policies. The Service Provider's responsibilities include general security solutions support; security patch, update, enhancement, and delivery; security configuration management; access, and privilege management; data classification, protection, and recovery; enterprise security program services; IPS and IDS management; firewall infrastructure

and network qualification management. The Service Provider shall work in coordination with the Infrastructure IT Service Provider to complete security operations.

4.10.1 General Services

Service Provider will meet the requirements related to Information Security set forth in **Exhibit 2.1.1 Cross Functional SOW**.

The Service Provider shall, at a minimum:

1. Implement and maintain security tools, procedures, and systems required to protect the integrity, confidentiality, and availability of the TxDOT Network and data on the Network.
 - a. TxDOT will approve the selection of the security tools.
2. Comply with TxDOT's Network security policies within SMM and described in **Exhibit 2.1.1 Cross Functional SOW**, and Network architecture and standards, described in the technical architecture standards in TxDOT standards whereby the Service Provider will follow the best practices of either TxDOT or Service Provider, whichever requires greater security based on reasonable and prudent standard practices, with approval by TxDOT.
3. Perform annual assessments of risk exposure aligned to TxDOT standards, including:
 - a. Gap analyses to indicate exposure to security threats.
 - b. Action plans to address gaps.
 - c. Ratings to gauge progress against closure of gaps.
 - d. Categorize risk in compliance to **Exhibit 2.1.1 Cross Functional SOW**.
4. Provide data privacy as required by TxDOT.
5. Provide access and/or assist TxDOT's designated Third Party Vendors in performing vulnerability assessments consistent with TxDOT defined policies and standards.
6. Perform reactive security assessments and Incident and Problem determination in accordance with TxDOT network security policies.
7. Activate appropriate security monitoring tools, and back up and analyze the logs from these tools, in accordance with TxDOT security requirements.
8. Provide recommendations to remediate the gaps identified by analyzing the logs.

9. Utilize access control lists on all networking devices in accordance with TxDOT network security policies.
10. Take reasonable and appropriate action designed to prevent unauthorized access to the network, in accordance with TxDOT requirements, including the following, where appropriate:
 - a. Use TxDOT approved security protocols for access for external networks.
 - b. Shut down the Services to prevent further unauthorized access.
11. Monitor usage patterns and investigate and report significant discrepancies in those patterns no later than thirty (30) minutes after their detection.
12. Deliver input for TxDOT's controlled self-assessment process and system.
13. Provide an easily accessible online service to TxDOT Authorized Users to review the security policy and logs of the network devices.

4.10.2 Firewall Services

The Service Provider shall, at a minimum:

1. Make recommendations to enhance current firewall infrastructure design per TxDOT policies or, absent any TxDOT policy, current industry best practices, and general risk reduction.
2. Review and implement TxDOT-authorized firewall rule requests.
3. Determine firewall-related project requirements, including timing, equipment, and location.
4. Update TxDOT CMDB per firewall infrastructure and perform incremental and full back-up of configuration as changes are made.
5. Review existing firewalls and access controls.
6. Review firewall rules on a quarterly basis, recommend changes, and implement TxDOT-approved changes.
7. Collect and store firewall logs in format/frequency and for the duration of at least three (3) months online (i.e., stored locally on the firewall) and at least (1) year offline as requested by TxDOT per its records retention schedule.
8. At TxDOT's request, validate firewall port changes or network infrastructure changes to ensure that the device is effective at minimizing security risks.

9. Review network qualifications with TxDOT, TxDOT Contractors and other SCPs (e.g. Business Service Component Provider, Traffic Service Component Provider, Toll Division) to ensure adherence to processes, including reviewing network devices to ensure any unsecured protocols are not being used and there is no vulnerable iOS in the environment.
10. Review the security of networks created by TxDOT SCPs and TxDOT Contractors (e.g. Business Service Component Provider, Traffic Service Component Provider, Toll), including comprehensive, up-to-date network, data flow, and physical/logical diagrams, and share findings with TxDOT as requested.
11. Verify and validate network qualification documents created by TxDOT SCPs and TxDOT Contractors (e.g. Business Service Component Provider, Traffic Service Component Provider, Toll Division), including cable management databases and controlled access logs.

4.11 Name and Address Management Services

The Service Provider shall, at a minimum:

1. Provide name and address management (e.g., naming conventions, IP) as required by TxDOT.
2. Administer policies that support consistencies throughout the network.
3. Interface and integrate with other providers of network services (e.g., DNS and DHCP).

4.12 Carrier Governance Services

The Service Provider shall, at a minimum:

1. Coordinate with TxDOT's carriers to conduct periodic operational and performance reviews.
2. Verify and validate carrier remediation actions and resolve identified issues.
3. Develop and deliver training and reference documentation to explain Wide Area Network ("WAN") carrier's governance report, including personnel names.
4. Support TxDOT in carrier contract negotiations, carrier requests for information/requests for proposal and other sourcing activities as requested by TxDOT.
5. At TxDOT's request, validate and verify that circuit diversity is engineered to TxDOT requirements and perform checks to verify circuits remain diverse as engineered.
6. Collect and report data from in-scope carriers and develop training/reference document to explain sections of report.

4.13 Spare Pool

The Service Provider shall, at a minimum:

1. Maintain an inventory of spare units sufficient to meet TxDOT's average monthly projected requirements and as needed to deliver Services
2. Prepare and modify a TxDOT-approved sparing plan with deployment recommendations.
3. Provide input into TxDOT's capacity management plan to support forecasted growth based usage trends, and new site rollouts.
4. Maintain inventory of all mutually approved spare parts and assets for service level and capacity planning purposes.
5. Notify designated TxDOT personnel when inventory thresholds are low, or nearing end of usable life, at agreed upon levels of capacity (e.g., high, medium, low alert of capacity).

4.14 Disaster Recovery

The Service Provider shall, at a minimum:

1. Develop and maintain Disaster Recovery Plan and Business Continuity of Operations Plan for Network Services, and complete all activities to comply with plans, including testing.
2. Participate in DR enhancement / optimization planning activities with TxDOT the Statewide MSI and DCS Provider and other SCP.
3. Develop Disaster Recovery strategy and plan and maintain Disaster Recovery documentation.
4. Develop enhancements, customizations and automations to facility continual improvement in Disaster Recovery restoration times to reduce manual procedures and complexity.
5. Adhere to and perform the IT Service Continuity requirements **contained in Exhibit 2.3. IT Service Continuity Management** and as defined in the SMM, and Disaster Recovery Plan (DRP).

4.15 Capacity Management Services

The Service Provider shall, at a minimum:

1. Actively include capacity management services in the change management process to assess all changes for their impact on the capacity of the systems.
2. Plan capacity availability schedules with TxDOT and DCS to have capacity in place prior to a critical need.
3. Plan and implement Upgrades prior to SLA targets being breached or performance issues occurring.

4. Plan capacity to meet demand for the Services, including all environments, and recover excess capacity when available.
5. Verify that there is adequate capacity to meet the required SLAs.
6. Use automated thresholds, as applicable, to manage all operational services.
7. Produce and report trends of the current component utilization and estimating the future requirements, using trends and thresholds for planning Upgrades and enhancements for services and individual components within the service.
8. Report to TxDOT any issues and status related to capacity management services in a timely manner.
9. Provide a capacity management plan to TxDOT that will document the levels of resource utilization and Service performance, and forecast future requirements based on TxDOT's business strategies and plans.
10. Provide the following documents, at a minimum, for TxDOT review and approval for the Services described above:
 - a. Capacity management plan
 - b. Updates to the capacity management plan.

5 Wide Area Network (WAN) Services

The Service Provider will provide Wide Area Network Services (WAN) for the TxDOT Network in accordance with the technical architecture standards in TxDOT Standards.

5.1 WAN Services – Technical Requirements

The Service Provider shall, at a minimum:

1. Comply with TxDOT's requests to modify the connection method, parameters, etc. to conform to periodic changes in technology, networking, or security standards, and as modified during the Term in accordance with the Technology Plan.
2. Install and maintain WAN Connectivity for approved Authorized Users at all applicable Facilities, as listed in **Exhibit 4.1 Pricing Structure (Service Provider Facilities)** and provide connectivity and protection as required and in accordance with TxDOT's Information Security requirements as set forth in **Exhibit 2.1.1 Cross Functional SOW**.
3. Consolidate all Transport systems (e.g., voice, data, video) onto a common, access at locations where it is economically and technically feasible to do so.
4. Manage multiple access technologies, including but not limited to fiber, t1, ds3, ethernet, broadband, and cellular.

5. Deploy site routers, support large-scale configuration changes, and security updates, such that each edge device is not managed independently.
6. Manage active/active redundant access circuits as required, including the ability to aggregate bandwidth across multiple WAN circuits of differing types such as a MPLS and broadband.
7. Deliver Services that enable application visibility and recognition within each router that will support security, pathing, and prioritization decisions.
8. Manage network cloud-based security services (firewall, IDS/IPS, web filter) that support independent policy/rules for each virtual or logical network.
9. Implement appropriate encryption measures (e.g. Triple DES, IPSEC, AES) and according to TxDOT standards.
10. Implement and manage high availability and redundant solutions across all Services, and as required by TxDOT.
11. Manage WAN transport at the following locations:
 - a. Core WAN to Internet POP
 - b. Internet access
 - c. Data center
 - i. Circuits capacity and sizing will be managed by the Service Provider.
 - ii. Report to TxDOT prior to when average circuit utilization is sustained at 70% or more
12. Deliver Services to enable IPv4/IPv6 Dual Stack
13. Implement and manage IP multicast as required by TxDOT and in accordance with industry best practices
14. Secure deployed network devices that includes ability to see running configurations in a read only format. If it is not technically feasible to provide access to running configurations for certain devices, then Service Provider will provide copies of the configurations upon request.
15. Manage the availability of modems that provide out of band access to the Network routers, including as follows:

- a. Perform quarterly testing that modems are connected to the routers and are working as expected.
 - b. Follow TxDOT defined incident management procedures to resolve out of band modem access issues identified via this process.
16. Deploy an industry standard network device operating system version to adhere to the software currency requirements in **Exhibit 4.2 Financial Responsibility Matrix** when a new IOS or operating system version is approved and deployed.
17. Provide network diversity as required by TxDOT:
- a. TxDOT requires network diversity for common shared WAN network equipment and transport for the State of Texas such as the State of Texas DCS data centers, and as required for other network transport elements delivering the core MPLS service. Network diversity includes a physically diverse path from the right of way as well as diverse routing to avoid shared common points of failure in the physical transport infrastructure, transport media or network equipment.
 - b. Provide a customer edge WAN POP diversity service as an offering to TxDOT that includes engineering, design, service delivery and operational support. The service shall consist of a physically diverse path from the Service Provider right of way to separate and diverse Service Provider central offices and points of presence. As required, physical diversity may also be included within the TxDOT- owned facility points of Service demarcation.
 - c. Provide and support dedicated, over the air (e.g., satellite and cellular) and broadband backup solutions as required by TxDOT.

5.2 WAN Services - Intranet Services

The Service Provider shall, at a minimum:

- 1. Configure, install, test, and support WAN connectivity (both network transport and network Equipment) for approved Authorized Users at all applicable Facilities, as listed in **Exhibit 4.1 Pricing Structure (Service Provider Facilities)**.
 - a. Provide transport, cross connects, demark extension, routing, network segmentation, and network class of service as required by TxDOT.
- 2. Collect traffic data on router WAN interfaces and provide tooling necessary for reporting from this data for Service Provider, and TxDOT Authorized Users.
 - a. Provide reports on request from TxDOT.

3. Collect utilization data on WAN routers and provide tooling necessary for reporting from this data for Service Provider and TxDOT Authorized Users.
 - a. Provide monthly and ad-hoc circuit utilization reports to TxDOT.
4. Provide network security services in accordance with TxDOT's information security standards.
 - a. Provide network encryption services as required by TxDOT.
 - b. Provide network cloud based managed services including firewall, intrusion detection, and intrusion prevention.
 - c. Assist TxDOT with defining security policies and translate into appropriate technical solutions.
 - d. Proactively monitor for malicious and suspicious network activity and provide associated reports to TxDOT.
 - e. Take appropriate actions to block malicious or unwanted traffic that has been identified, and coordinate activities with TxDOT.
 - f. Keep network security device engines and files up to date so that they protect against the latest threats.
5. Participate in the application quality assurance process, which will include the following:
 - a. Conduct baseline benchmarks of application transactions over the WAN using a traffic analyzer tool, and provide a report documenting the analysis of the transactions, including describing their individual impact on WAN resources relative to pre-defined thresholds determined by TxDOT.
 - b. Perform application transaction benchmarks over the WAN on an ad hoc basis when requested by application developers to assist in the design optimization and tuning of the application's performance on the WAN.
6. Enable hybrid cloud MPLS connection for the ability to directly connect TxDOT's private WAN to the statewide DCS Service Provider networks without using the public Internet as an intermediary.

5.3 WAN Services – Internet Access Services

The Service Provider shall, at a minimum:

1. Configure, install, test, support, and maintain the network and network Equipment used to access the Internet.
2. Provide network security services in accordance with TxDOT's information security standards.
 - a. Provide network encryption services as required by TxDOT.
 - b. Provide network-cloud based managed services including firewall, intrusion detection, intrusion prevention, antivirus, data leak prevention, SSL inspection, and web filtering.
 - i. Web content filter must integrate with the State's Active Directory for policy definition and reporting and must allow portal access for TxDOT to update policy rules.
 - c. Assist TxDOT with defining security policies and translate into appropriate technical solutions.
 - d. Proactively monitor for malicious and suspicious network activity and provide associated reports to TxDOT.
 - e. Take appropriate actions to block malicious or unwanted traffic that has been identified, and coordinate activities with TxDOT.
 - f. Keep network security device engines and files up to date so that they protect against the latest threats.
 - g. Provide and support Distributed Denial of Service (DDOS) defense and mitigation services from the Internet provider's backbone network so that threats are removed prior to being sent to the State of Texas network.
 - i. Provide portal access for TxDOT Authorized Users for monitoring, reporting, and policy review.
 - ii. Participate in DDOS incident response planning activities with TxDOT designated personnel.
3. Provide and manage internet access and transport facilities.
 - a. Provide and support highly available and redundant enterprise Internet access that is that is available from the service provider's network.
 - b. Provide and support Internet access that is available at all applicable Facilities.

- i. Provide and support dedicated, over the air (e.g., satellite and cellular) and Broadband options for Internet transport
4. Manage routes and filtering as necessary.
5. Collect utilization data on Internet WAN routers and provide tooling necessary for reporting from this data for Service Provider and TxDOT Authorized Users.
 - a. Provide monthly and ad-hoc circuit utilization reports to TxDOT.
6. Provide, configure, and support a simplex Internet service offering at office locations as requested by TxDOT. The simplex Internet service will provide:
 - a. Local firewall services;
 - b. Network address translation;
 - c. Dynamic Host Configuration Protocol (DHCP) services;
 - d. LAN switch functionality;
 - e. On-board Wi-Fi capabilities; and
 - f. Internet access through optional transport technologies including broadband and cellular.

5.4 WAN Connectivity

The Service Provider shall, at a minimum:

1. Support TxDOT by ensuring that the TxDOT supplied medium is connected and operational.
2. Provide support and IMACDs for all Authorized Users over the appropriate transport medium including the fiber network between locations where there is sufficient capacity to support all traffic and the required service levels.
3. Maintain cable documentation to show all fiber runs, available strand capacity, cross connects, and where applicable what service is on what transmission medium.

5.5 Broadband Internet Site

The Service Provider shall, at a minimum:

1. Engineer, configure, install, test, support, and maintain managed router for TxDOT Facilities connected to the public Internet via broadband transport obtained separately.
2. Include router, firewall, NAT, DHCP, WI-FI within range and USB connectivity.

3. Provide professional installation. Additional site visits or technician time required due to events outside of Service Providers control or outside the scope of Broadband Internet Site professional installation will incur additional charges as specified in **Exhibit 4.1 Pricing Structure (Rate Card)**.
4. Provide timely WAN transport where Service Provider is dependent on utilization of ILEC to provide infrastructure for the last mile service address.

5.6 SOHO VPN Site

The Service Provider shall, at a minimum:

1. Engineer, configure, install, test, support, and maintain managed router to connect TxDOT Facilities to the State MPLS network via a private network connection.
2. Include router, basic firewall, NAT, DHCP, encrypted access to State MPLS network.
3. Replace devices determined to be defective prior to 3pm CST the following day.
4. Provide professional installation. Additional site visits or technician time required due to events outside of Service Providers control or outside the scope of SOHO VPN Site professional installation will incur additional charges as specified in **Exhibit 4.1 Pricing Structure (Rate Card)**.
5. Provide optional features such as WI-FI, WI-FI extension, mobile signal extension, and network management services to be provided with additional one time charges.

5.7 WAN Acceleration

The Service Provider shall, at a minimum:

1. Engineer, configure, install, test, support, and maintain WAN acceleration devices at all applicable Facilities.
2. As part of Service Provider's engineering responsibilities, evaluate and recommend a WAN optimization service to connect a TxDOT Facility to the existing WAN infrastructure.

5.8 IP Address Management Services

The Service Provider will provide IP address management services for the TxDOT Network in accordance with the technical architecture standards in TxDOT standards. The IP address management services will be in accordance with the Common Network Services.

5.8.1 IP Address Management (IPAM)

The Service Provider shall, at a minimum:

1. Provide IP address management as required by TxDOT.
2. Provide a central support model of management.
3. Manage subnets address ranges and overall IP addresses schema.
 - a. Provide address reporting and auditing.
 - b. Provide new address request management services.
 - c. Assign new and existing addresses as required.
 - d. Resolve any address conflicts.
4. Administer policies that support consistencies throughout the network.
5. Interface and integrate with other providers of network services (e.g., DNS and DHCP).
6. Provide TxDOT Authorized Users with read only access to IPAM system.

5.8.2 Domain Name System and Dynamic Host Configuration Protocol (DNS/DHCP)

The Service Provider shall, at a minimum:

1. Provide both internal and external DNS services as required by TxDOT.
2. Both internal and external DNS services will support DNSSEC as required by TxDOT.
3. External DNS services will support enhanced security features to help protect and identify attacks such as DNS cache poisoning, DNS hijacking, reflection attacks, and amplification attacks.
4. External DNS services will support all standard resource record types plus the non-standard Alias resource record type.
5. Provide DHCP services as required by TxDOT.
6. Provide a central support model of management.
7. Manage DNS and DHCP services.
 - a. Provide reporting and auditing.
 - b. Provide new request management services.
 - c. Provide DHCP proactive capacity monitoring and management.

8. Administer policies that support consistencies throughout the network.
9. Provide TxDOT Authorized Users with read only access to DNS system.

6 Managed LAN Services

The Service Provider will provide managed LAN services for TxDOT network in accordance the technical architecture standards in TxDOT Standards.

6.1 LAN Services – Technical Requirements

The Service Provider shall, at a minimum:

1. Transport all protocols where it is economically and technically feasible to do so and where there is sufficient network capacity to support all traffic and the required Service Levels.
2. Install LAN equipment and maintain LAN connectivity for approved Authorized Users at all applicable Facilities, as listed in **Exhibit 4.1 Pricing Structure (Service Provider Facilities)**. Provide TxDOT with multi-protocol LANs, including:
 - a. Manage all Layer 3 address spaces (e.g., IP v4, IP v6) as well as any and all Layer 2 addressing (e.g., ATM, MAC) used to transport the above traffic.
 - b. Manage application-specific network addressing, transport, and protocol schemes (e.g., VLANs, VRFs, VLAN trunking, link aggregation, and 802.1x where applicable).
3. Provide Service Provider transmission Services profile that complies with applicable open system standards and specifications (e.g., IETF Standard RFCs, ITU-T, ATM forum recommendations, frame-relay forum recommendations, ANSI, and IEEE).
4. Use intelligent network devices and systems to monitor LANs remotely.
5. Deploy an industry standard network device operating system version for wired and wireless devices.
 - a. When a new IOS or operating system version is approved and deployed, all installation templates will be updated to include the new version.
6. Maintain and support all cable and wiring between the areas of demarcation, including interconnects between rooms and buildings and ancillary network equipment (e.g., racks, patch panels, 66 and 110 blocks, transceivers, Amphenol connectors).

- a. LAN demarcation of IMACD and support services, is defined as from the ethernet port(s) of a router to the end user device(s) ethernet ports connecting to the LAN.
- b. TxDOT standards must be met in accordance with the State of Texas Telecommunications policies and standards.

6.2 LAN Services

The Service Provider shall, at a minimum:

1. Provide adequate on-site trained staff to support the end user community as follows:
2. Deploy all LAN solutions at these Facilities, as listed in **Exhibit 4.1 Pricing Structure (Service Provider Facilities)**, in alignment with TxDOT's Architecture Design Standards.
3. Provide support services to application Facilities, as listed in **Exhibit 4.1 Pricing Structure (Service Provider Facilities)**, as required to install, maintain and decommission equipment and software to support TxDOT and TxDOT business applications, including all wired, wireless, and third- party provided solutions.
4. Work with TxDOT to implement solutions to support Applications. This includes:
 - a. Identify and recommend potential solutions to business requirements as requested
 - b. Specify required hardware, software, ASP, security and connectivity to support the solution.
 - c. Create documentation to allow onsite personnel to implement, operate, and troubleshoot the solution.
 - d. Provide training as required to enable site personnel and third parties to support the solutions.
 - e. Work with third parties as required, including assisting with configuration and troubleshooting of Third-Party provided Equipment and solutions.
5. Monitor all equipment for configuration and security compliance.
 - a. Implement all configuration and security compliance standards for installed equipment in accordance with TxDOT Rules and TxDOT Standards.
 - b. Monitor and report all compliance status for internal and external notifications.

- c. Work with on-site personnel to address and remediate any variance from the defined standards.
6. Develop and provide transition planning and support to migrate solutions as new or enhanced solutions are approved.

6.3 Wired LAN Services

The Service Provider shall, at a minimum:

1. Provide wired systems support for TxDOT's wired LAN environment to include bridges and all associated patch cabling and related ancillary network equipment.
2. Support and update all documentation for the wired LAN environment, including as follows:
 - a. Maintain physical and logical network diagrams for audit purposes.
 - b. Maintain hardware lists for accurate asset management information regarding what equipment is currently in or out of service and documenting what date each event occurs.

6.4 Wireless LAN (WLAN) Services

The Service Provider shall, at a minimum:

1. Provide, as part of request for new wireless service, wireless Systems support for building and office connectivity to TxDOT LANs, including TxDOT Facility survey, engineering, design, procurement, programming, burn-in, installation, preventive maintenance and upgrades for access points, antennae, associated wiring, and, where applicable, wireless bridges. TxDOT Facility surveys will include:
 - a. Heat maps of wireless coverage to provide minimum of -65db signal strength.
 - b. Provide requirements for all cabling requirements to support required access point placement at desired signal strength.
 - c. Interference maps from internal and external sources at time of Facility survey.
2. Manage security systems (e.g., authentication servers) associated with wireless LAN Systems.
3. Adhere to IEEE and PCI-DSS standards as well as TxDOT's technical and security guidelines with regard to wireless LANs.
4. Provide secure, encrypted connectivity for Authorized Users to network services (e.g., Internet access, network printers) using network authentication, authorization, and

- accounting (AAA) using technologies such as authentication (e.g. RADIUS, 802.1x, and Active Directory) solutions.
5. Provide a wireless guest network environment that enhances the ability to isolate untrusted networks by bringing guest traffic in through the Internet perimeter and its security layers.
 6. Provide public use, no-fee to public, “hotspots” for open access to the Internet in applicable locations approved by TxDOT (e.g., common areas, conference rooms).
 7. Provide and manage secure connectivity between buildings without wired connectivity (i.e., wireless bridges), where appropriate or as listed in **Exhibit 4.1 Pricing Structure (Service Provider Facilities)**.
 8. Wireless devices (e.g., access points) must be on a segmented network as required by TxDOT.
 9. Monitor wireless secure networks at least monthly, or as required by TxDOT, for unauthorized access and report to TxDOT.
 10. Employ appropriate encryption measures in compliance with state policies and standards.
 11. Comply with all radio frequency regulations.
 12. Manage personal device wireless networks that provides guests with internet access from their personal Wi-Fi devices from the Facilities as listed in **Exhibit 4.1 Pricing Structure (Service Provider Facilities)** to include:
 - a. Maintain VLAN segmentation between guest Wi-Fi network and network
 - b. Manage and maintain availability of the wireless access controller
 13. Disconnect or remove WLAN Equipment and related Software and configurations to meet TxDOT’s business and Application requirements.

6.5 Managed Data Center LAN Services

The managed data center LAN services will be in addition to the LAN services.

The Service Provider shall, at a minimum:

1. Provide automation and virtualization functionality within the data center LAN environment in order to facilitate rapid server provisioning, as well as server portability, where the network profile follows server movement. This includes, but not be limited to, automation of IPAM, VLAN’s, firewall rules and DNS functions.

2. Provide central management of data center network elements versus individual device management.
3. Provide data center LAN architecture that facilitates zero downtime, or near zero downtime maintenance.

6.6 Authentication Services

The Service Provider shall, at a minimum:

1. Engineer and design, installation and configuration, maintenance, documentation, and inventory of all authentication (e.g. RADIUS) equipment including patch cabling.
2. Integrate authentication (e.g. RADIUS) equipment with wired and wireless LAN port level access control using 802.1x and Active Directory required as.
3. Configure and activate the appropriate monitoring and management agent(s).
4. Test authentication (e.g. RADIUS) equipment after implementation to include remote monitoring through agents and monitoring systems.
5. Support open network access in the event of an authentication (e.g. RADIUS) system failure.
6. Support authentication (e.g. RADIUS) equipment accounting on wireless and wired access ports.

6.7 Remote VPN (SSL single and two-factor)

The Service Provider shall, at a minimum:

1. End-to-end fully managed service from planning, procurement, installation, support, etc.
2. Support secure communication through both the MPLS network and the Internet.
3. Must be able to segregate different customers and place them on proper network VLAN.
4. Support the latest encryption technology.
5. FIPS 140-2 level 3 certified
6. Support all agency applications that are currently supported in the current SSL network.
7. Support multiple authentication methods (Username/Password, Digital Certificates, Tokens, Adaptive) via authentication (e.g. RADIUS, LDAP, Active Directory) system.

8. Leverage SSL capability of web browsers – Windows/Mac/Linux PCs and mobile devices.
9. Support multiple layers of protection (host checker, host profiling, etc.).
10. Provide licensing for existing user's capacity and for future growth as needed.
11. Include high availability and Disaster Recovery Services.

6.8 Network Load Balancers

The Service Provider shall, at a minimum:

1. Engineer, configure, install, test, support, and maintain network load balancers at all applicable Facilities.

6.9 Managed Security Services

The Service Provider will provide managed security services for the TxDOT network in accordance with the technical architecture standards in TxDOT Standards. The managed security services will be in addition to the common network services.

6.9.1 Premise Based Firewalls

The Service Provider shall, at a minimum:

1. Engineer, configure, install, test, support, and maintain the premise based firewalls at all applicable Facilities.
2. Provide an easily accessible service (e.g., Web-based) to TxDOT Authorized Users to review the security policy and logs of the firewall devices.

6.9.2 Premise Based Intrusion Detection and Prevention Service

The Service Provider shall, at a minimum:

1. Configure, install, test, support, and maintain the premise Intrusion Detection and Prevention Service at all applicable Facilities, as listed in **Exhibit 4.1 Pricing Structure (Service Provider Facilities)**.

6.9.3 Network Access Controls (NAC) Services

The Service Provider shall, at a minimum:

1. Improve LAN security by enhancing the NAC services for TxDOT, including but not limited to:
 - a. Provide support for customer-specific contexts;
 - b. enable network host discovery on demand; and

- c. enforce network access policy to determine what hosts are allowed on the TxDOT wired LANs at the VLAN level using multifactor authentication and authorization methods for network access control enforcement.
- d. The NAC enhancements will also be capable of host checking and sandboxing techniques for third-party vendors and guests that make physical network connections to TxDOT managed LANs.

7 Voice Services

The Service Provider will provide voice services for the TxDOT network in accordance with the technical architecture standards in TxDOT Standards. The voice services will be in addition to the common network services.

7.1 General Voice Services

The Service Provider shall, at a minimum:

1. Comply with the requirements for standard voice, voice switch, voice mail, auto attendant, and the voice component of conferencing services as described in the technical architecture standards in TxDOT Standards and as modified during the Term in accordance with the TxDOT Technology Plans.
2. Provide TxDOT with voice services that will make use of private, public, circuit-switched, or packet-based infrastructure as specified by the TxDOT technical architecture including Centrex and other hosted network services.
3. Consolidate all transport services (e.g., voice) onto a common access at locations where it is economically and technically feasible.
4. Interact with Authorized Users regarding the configuration and scripting of voice services (e.g., voice mail, Auto Attendant, Automatic Call Director (ACD), intelligent routing, and IP telephony).
5. Migrate voice traffic to voice over IP protocols at locations where it is economically and technically feasible with TxDOT's approval.
6. Manage voice numbering schemes and dialing plans and notify TxDOT of limitations or capacity issues.
7. Manage and maintain integration of messaging with voice services (e.g., PBX authentication, Unified Messaging notifications)
8. Provide annoyance call management.

9. Provide list of blocked ranges to include area codes, local exchanges, and security remediation requirements.
10. Coordinate with third-party telephone/ wireless service providers for the addition or deletion of area codes to the mobile broadband access tables.
11. Perform dial plan daylight savings time updates.

7.1.1 Call Accounting Services

The Service Provider shall, at a minimum:

1. Provide call accounting in support of the network, including:
 - a. Procure, configure, install, test, operate, and maintain call accounting systems (database, PC hardware, system and application software) that are compatible with existing voice equipment at all applicable Facilities, as listed in **Exhibit 4.1 Pricing Structure (Service Provider Facilities)**.
 - b. Provide all call detail reporting (CDR) records from all existing PBX and long-distance services, where available.
 - c. Provide summary and detail reports for phone usage associated with all Services.
 - d. Provide a means for TxDOT-assigned staff to obtain current detail information on a given phone set or a group of phone sets.

7.1.2 Toll Services

The Service Provider shall, at a minimum:

1. Provide and/or manage long-distance, in-bound/out-bound toll service from telecommunications carriers to support TxDOT's requirements for voice calls, which include local, intrastate, interstate, in-country, international, and inbound voice calls including mobile phone calls.
2. Review all voice transport Service Provider charges for accuracy and request credits following transport service provider procedures, as required.
3. Assign and maintain class of service, class of restriction.
4. Apply only valid toll charges to TxDOT.
5. Review and report abuse of long distance services.

6. Recommend configuration of toll fraud prevention plan to reduce and/or eliminate the usage of unauthorized calling.

7.1.3 Toll Fraud Services

The Service Provider shall, at a minimum:

1. Monitor and report toll usage and toll fraud.
2. Verify that voice switch service audits occur, at a minimum, on an annual basis or on request and answer all audit points in writing to TxDOT.
3. Investigate instances of toll fraud and propose to TxDOT appropriate action to prevent reoccurrences.
4. Investigate whenever TxDOT exceeds a threshold and coordinate activities with the transport vendor.
5. Escalate within TxDOT-based upon existing standards.

7.1.4 Technical Requirements

The Service Provider shall, at a minimum:

1. Balance all traffic across the accesses where multiple accesses are used at a location.

7.1.5 Monitoring and Operations Services

The Service Provider shall, at a minimum:

1. Provide operations support, monitoring and maintenance services (directly or via existing Third-Party providers) for all systems as follows:
 - a. PBX's,
 - b. Call accounting systems,
 - c. Voicemail systems,
 - d. Voice circuits, and
 - e. Phone sets (hard/soft).
2. Plan, install, operate, and maintain all applicable standard voice premise systems or Equipment.
3. Manage, maintain, and communicate additions, changes, and deletions to the standard voice network.

4. Perform backups on standard voice premise Equipment.
5. Perform preventive maintenance on standard voice systems at all TxDOT Facilities as follows:
 - a. Perform according to the manufacturer's specifications.
 - b. Send documentation to TxDOT to verify that preventive maintenance has been completed for each location at the time of completion.
 - c. Automate manual preventive maintenance tasks by using preventive maintenance systems.
 - d. Run maintenance routines prior to each business day.
6. Manage TxDOT-approved Third Party Vendors that monitor system alarms on TxDOT PBXs and voice mail systems and perform emergency and routine service in response to all incidents.
7. Program network-wide configuration features, such as special digits, routing, trunking, and system speed as required by TxDOT business needs, using TxDOT-approved standards.
8. Conduct traffic analyses for all phone systems at least quarterly, and as requested by TxDOT, and in compliance with the Capacity Management in **Exhibit 2.1.1 Cross Functional SOW**, to assess capacity, including recommending capacity adjustments to meet seasonal changes.
9. Perform security audits and configuration parameters reviews and make password changes on all phone systems at least quarterly.
10. Provide operational support, including as follows:
 - a. PBX Support:
 - i. Programming, installation, and repair of all phones to include digital, analog, IP hard phones, and IP soft phones, modems, and faxes.
 - ii. Repairs, troubleshooting and problem resolution.
 - iii. Hardware – Trunk Cards, T-1 Cards, CSU, Station Cards.
 - iv. Operator services.
 - v. Hunt groups.

- vi. Coverage paths.
- vii. ACD groups.
- viii. Class of service.
- ix. Class of restriction.
- x. External routing, program automatic route selection (ARS) based on type of call: local, long distance, international.
- xi. Intra-site routing between buildings.
- xii. Audio conference units.
- xiii. Conference bridges.
- xiv. Garage emergency phones.
- xv. Elevator phones.

11. Voice mail support:

- a. Voice mail support.
- b. Audit port utilization.
- c. Manage system licensing.
- d. Monitor system performance.
- e. Set up and tear down voice mailboxes with new hires and terminations.
- f. Maintain distribution lists

12. Trunking:

- a. Ordering, disconnection, and maintenance of voice circuits, including PRI's, T-1's, point to point circuits, and POTs.
- b. Extending all circuits from demarc to desktop.
- c. Traffic details.

7.2 Centrex Services

7.2.1 Planning and Design Services

The Service Provider shall, at a minimum:

1. Analyze its voice Centrex client premise cabling and wiring, Equipment, and Service needs.
2. Provide programming, engineering, and design functions, including Facility surveys as determined by the Service Provider for any proposal requested by TxDOT for new equipment, additions and upgrades to the existing Centrex systems and Centrex service.
3. Evaluate impacts on environmental controls.

7.2.2 Service Requirements

The Service Provider shall, at a minimum:

1. Coordinate or perform repair reported or discovered trouble with the sets, cabling, and network that supports the functionality of the Authorized User voice instruments as requested by TxDOT.
2. Escalate the priority of dispatch and repair of reported trouble at the request of TxDOT.

7.2.3 Network Interfaces

The Service Provider shall, at a minimum:

1. Interface, connect, and test existing ancillary telephone equipment, such as paging systems, answering machines, auxiliary bells, elevator phones, etc., with its Centrex service.
2. Facilitate Third Party Vendors of Centrex services by providing local equipment interfaces and facility modifications as required by TxDOT.

7.2.4 Software Translation

The Service Provider shall, at a minimum:

1. Provide all software translations on the Centrex service systems as required and/or requested by TxDOT during the installation and acceptance period and ongoing as required.

7.3 Voice Switch Services

7.3.1 Planning and Design Services

The Service Provider shall, at a minimum:

1. Help TxDOT to analyze its voice switch service Equipment needs.

2. Provide programming, engineering, and design functions for any proposal requested by TxDOT for new equipment or additions and upgrades to the existing voice switch service systems.

7.3.2 Maintenance and Monitoring Services

The Service Provider shall, at a minimum:

1. Provide on-site support as required.
2. Install all voice switch services and any voice telecommunications equipment as assigned by TxDOT.
3. Perform or coordinate all warranty work on all equipment.
4. Perform full system backups on voice switch services as defined in the Service Management Manual.
5. Perform incremental backups on call management systems (CMS) Equipment as defined in the Service Management Manual.
6. Perform or coordinate all maintenance on all voice switch services per the schedule defined in the Service Management Manual.
7. Perform or coordinate all high-risk maintenance that impacts users on all voice switch services per the schedule defined in the Service Management Manual.
8. Monitor and manage continuous performance of the Equipment.

7.3.3 Service Requirements

The Service Provider shall, at a minimum:

1. Maintain an inventory of sets in the field and repair reported or discovered trouble with the sets, cabling, and network that supports the functionality of the Authorized User voice instruments.
2. Escalate the priority of dispatch and repair of reported trouble at the request of TxDOT.

7.3.4 Implementation (IMACDs only)

The Service Provider shall, at a minimum:

1. Provide all supervision, labor, tools test sets, equipment, hardware, cabling materials, transportation, hauling and hoisting, and miscellaneous materials.
2. Run all cross-connect jumpers and install station equipment from the station jacks to the desktop.

3. Maintain a clean work area that is free of debris and trash.
4. Repair any damage caused to the facility as a result of Service Provider's activities. Restoration will be equal to or better than the condition of the facility prior to the project and all costs associated will be the responsibility of Service Provider.
5. Obtain prior written approval from TxDOT for any work that requires modification of the building structure or design.

7.3.5 Equipment

The Service Provider shall, at a minimum:

1. Provide new equipment of the highest manufacturer's issue and at revision levels required by TxDOT.
2. Determine that all materials are new and free of defects.
3. Provide a sparing strategy for parts critical for the operation of the equipment to meet defined Service Levels.
4. Bring all parts that are repaired up to the current revision level before returning them to the inventory of spare parts.
5. Replace defective parts for all Voice Switch Services with spare parts that are at the current revision level.

7.3.6 Network Interfaces

The Service Provider shall, at a minimum:

1. Provide, install, test, and verify the proper operation of all required interfaces to the Network and the public switch networks.
2. Interface, connect, and test existing ancillary telephone equipment such as paging systems, answering machines, auxiliary bells, elevator phones, etc., with its Voice Switch Services.

7.4 Voice Mail Services

7.4.1 General Voice Mail Services

The Service Provider shall, at a minimum:

1. Engineer, manage, plan, configure, and support voice mail systems and the associated networks.

2. Perform all administrative duties associated with activating new voice mail services and de-activating in accordance with standard time commitments in the Service Catalog or other commitments agreed to by TxDOT.
3. Provide technical and operational support to Authorized Users.
4. Support scripted voice mail programs.
5. Manage the Third Party voice mail engineering and second-level support provider or provide equal or better service.
6. Coordinate and audit voice mail systems.
7. Manage and maintain voice mail systems including:
 - a. Coordinate voice mail network attachments and detachments with Third Party Vendor.
 - b. Monitor voice mail system traffic at least monthly to maintain adequate capacity.
 - c. Perform security audits and configuration parameter reviews and make password changes on all voice mail systems at least semiannually.
8. Maintain voice mail network distribution lists as follows:
 - a. Process requests from Authorized Users to create, modify, or delete network distribution lists. The timeframe for completion of such requests will be determined on an individual case basis, depending on the volume of requests.
 - b. Coordinate with Authorized Users to audit and update network distribution lists to remove outdated lists (as a result of system limitations on the maximum number allowed).

7.4.2 Premise Based Voice Mail

The Service Provider shall, at a minimum:

1. Manage the Third-Party voice mail engineering and second-level support provider, or provide equal or better service
2. Support scripted voice mail programs.
3. Engineer, manage, plan, configure, and support voice mail systems and the associated networks.

4. Integrate with TxDOT's voice systems as required
5. Manage and maintain voice mail systems including:
 - a. Perform diagnostic checks of all voice mail disk drives to proactively identify errors (hard and soft) at least bi-monthly.
 - i. If errors are found, schedule Third Party Vendors to address the disk problem within one week of the discovery.
 - b. Determine the current utilization of all voice mail disk drives at least monthly.
 - i. If utilization has exceeded the TxDOT threshold, provide notification to TxDOT within one week of discovery.
 - ii. Provide remedial action, which may include adding disk capacity to the affected voice mail system.
 - c. Coordinate voice mail network attachments and detachments with Third Party Vendor.
 - d. Monitor voice mail system traffic at least quarterly to maintain adequate capacity.
 - e. Perform security audits and configuration parameter reviews and make password changes on all voice mail systems on at least semiannually.

7.4.3 Hosted Voice Mail

The Service Provider shall, at a minimum:

1. Enable non-toll access to solution for all Authorized Users.
2. Integrate with TxDOT's voice systems as required.
3. Manage the Third-Party voice mail engineering and second-level support provider or provide equal or better service.
4. Provide for electronic receipt of facsimile.
5. Enable receipt of messages through multiple media (e.g., web, email, phone, cell phone) as required.

7.4.4 Auto Attendant

The Service Provider shall, at a minimum:

1. Provide for automated attendant functionality which can manage the flow of incoming calls and outgoing calls, including the queuing of calls, use touch-tone or speech input, route callers to specific destinations, provide access to prerecorded information, and can take messages 24/7.
2. Provide for multiple greeting options with scheduling capability.
3. Perform all administrative duties associated with activating, creating or deactivating in a timely basis.
4. Provide programming for auto attendant applications.
5. Provide reports as required by TxDOT.
6. Provide form capability (i.e., voice responses converted to electronic forms) and dial by name and extension capability.
7. Integrate with voice systems as defined by TxDOT.
8. Provide for changing text to speech and converting to multiple languages.
9. Provide multiple local non-toll access numbers for Authorized Users.
10. Deliver calls locally to Authorized Users.

7.5 Voice over Internet Protocol (VoIP) Services Delivery

The Service Provider shall, at a minimum:

1. Monitor and manage a deployed VoIP service offering, including:
 - (a) Provide a software defined service model offering to customers.
 - (b) Provide on demand disaster recovery service.
 - (c) Provide near real-time voice provisioning.
 - (d) Provide a virtualization model in order to manage workloads from a distance by setting up and deploying pre-provisioned work groups based on workloads
 - (e) Provide enhanced web client functions on PCs, smart devices, etc.
 - (f) Offer a “per device” subscription model, including quick scalability pricing.
 - (g) Provide tier volume discounts based on projected volumes.

- (h) Provide basic device pricing with IP telephony and/or hosted business voice communications services that include all Unified Communications features and functions (Mobile, VoIP (business voice), Fax, and Secure IM (instant messaging)).
- (i) Provide free local and site-to-site calling within the State of Texas.
- (j) Provide competitive long distance calling plans for calls outside the VoIP network.
- (k) Provide enterprise-wide high definition voice service.
- (l) Provide mobility capabilities for on-the-go employees.
- (m) Provide a choice of IP phone sets (e.g., softphones or hard phones).
- (n) IP PBX or IP office key system capabilities to integrate into an existing IP capable voice system or provide a turn-key solution for voice services through the internal network and interconnects its internal network with the PSTN for telephony communication.
- (o) Provide virtual voicemail service to connect and retrieve messages from any phone and computer.

7.5.1 Assessments related to VoIP readiness of Infrastructure

The Service Provider shall, at a minimum:

1. Provide, as part of a request for VoIP service, a systems readiness survey to include support for building and office connectivity to TxDOT LANs, including TxDOT Facility survey, engineering, design, procurement, programming, burn-in, installation, preventive maintenance and upgrades for necessary supporting infrastructure equipment and associated wiring. TxDOT Facility surveys will include:
 - a. Connectivity, bandwidth utilization and capacity of existing infrastructure and any recommended modification to accommodate the new VoIP request.
 - b. Provide requirements for all cable and wiring requirements to support required new level of service anticipated.

7.6 Telephony Provisioning

The Service Provider shall, at a minimum:

1. Perform circuit provisioning necessary to support connectivity for TxDOT telecom at levels.

2. Track all telecom circuit orders to ensure on-time delivery of circuit orders.
3. Test telecom circuits.
4. Document, update, maintain, track, and report on device configuration backup requirements in TxDOT CMDB for all TxDOT-designated telephony assets.
5. At TxDOT's request, provide ongoing configuration back-ups for all TxDOT-designated telephony assets.
6. Prepare and maintain a sparing plan with deployment recommendations, modifying as needed based on incident analysis and usage.
7. Provide recommendations on TxDOT's capacity management plan to support forecasted growth based on usage trends and new Facility rollouts.
8. Manage and report on the inventory of spare parts and devices, notifying TxDOT when inventory thresholds are low.

7.7 Conferencing Services

The Service Provider shall, at a minimum:

1. Provide combined voice and web conferencing capabilities with the following functionality:
 - a. Includes range of event and collaboration features including online project collaboration, organization meetings, training, public marketing events, and executive communications.
 - b. Supports tool consolidation to statewide standards for consolidated audio conferencing and online collaboration services.
 - c. Supports both reservation-less and scheduled events.
 - d. Allows for personal meeting rooms for each user.
 - e. Allows user participation in Web meetings by telephone only.

7.7.1 Web Conferencing (Web Meeting)

The Service Provider shall, at a minimum:

1. Implement, manage, and maintain all video conferencing services (e.g. WebEx, Teams, Zoom) by the deployment models (e.g. SaaS).

2. Service Provider shall propose conferencing services for TxDOT's network. Service Provider should respond with any/all services that can meet the requirements.
3. Service Provider's audio and web conferencing service that provides combined voice, web and video conferencing capabilities with the following functionality:
 - a. Includes range of event and collaboration features including online project collaboration, organization meetings, training, public marketing events and executive communications.
 - b. Supports both reservation-less and scheduled events.
 - c. Allows for personal meeting rooms for each user.
 - d. Allows user participation in web meetings by telephone only.
 - e. Has the ability to record meetings on demand.
 - f. Includes PSTN bridging service.
 - g. Including appliances

7.7.2 Audio Conferencing

The Service Provider shall, at a minimum:

1. Implement, manage, and maintain all audio conferencing services by the deployment models.
2. Provide PSTN integration for conferencing and collaboration.
3. Provide functional modality to PSTN attendees via the PSTN integration.
 - a. Users can dial-in, mute and unmute, as well as lock or remove attendees.
4. Audio conferencing that can be provided as an independent PSTN service.
5. Provide toll free conference call hosting capability with no additional long distance or international charges.

7.7.3 Video Conferencing

7.7.4 Premise Based Video Conferencing without On-Site Support

The Service Provider shall, at a minimum:

1. Implement, manage, and maintain all video conferencing services by the deployment models.

2. Provide evidence that video rooms are functional.
3. Test video conferencing operations.
4. Provide conference bridge operation with call setup and management as required by TxDOT.
5. Interface and assist with all Authorized User requests for scheduling facilities, support, or any special needs, including:
6. Premises testing.
7. Remotely assist onsite personnel with video conferencing premise Equipment.
8. On request, schedule facilities, support or premises testing.
9. Use the centralized management system to provide real-time monitoring of high visibility video conferencing sessions and to enable prompt identification and remediation of incidents occurring during the session where capability exists and has been activated.
10. Perform video conferencing premise Equipment testing and use TxDOT-approved testing procedures to validate that individual components and the overall system are working correctly.
11. Supervise and support conferences with on-site Service Provider personnel as necessary to meet the Service Levels.
12. Manage and maintain the calling directories for all video conferencing premise Equipment.
13. Use the centralized management system to perform daily monitoring of the status of transport connection to all video conferencing premise Equipment.
14. Provide point-to-point or multipoint calling to video conferencing premise Equipment on or off the Network.
15. Provide call encryption capability for point-to-point or multipoint calling as required.
16. Perform call archiving and playback as required.
17. Immediately initiate action to pursue any Incidents.

7.7.4.1 Premise Based Video Conferencing with On-Site Support

The Service Provider shall, at a minimum:

1. Support a single audio/visual conference room.
2. Support of installation of failed hardware components and support of audio/video conferencing needs.
3. The Service Provider will also provide preventive maintenance, as set forth in **Exhibit 3.1 Service Level & Deliverables Matrix**, including:
 - a. Testing of system functionality;
 - b. clean/replace filters;
 - c. replace bulbs (if applicable);
 - d. adjust alignments;
 - e. check logs; and
 - f. train personnel

7.7.4.2 Web-Based Desktop Video Client Bridging

The Service Provider shall, at a minimum:

1. Implement, manage, and maintain all video conferencing services by the deployment models.
2. Provide unlimited multi-point conferencing.
3. Provide unlimited streaming and recording.
4. Enable bridging with H.323/H.320 endpoints.
5. Incorporates power point from the desktop or via H.239 from an endpoint.
6. Supports continuous presence (2x2, 3x3), voice activated switching, and lecture mode, AES encryption, and conference control.
7. Includes conference control features such as mute, lock conference, and disconnect participants.
8. Supports audio add-in (requires PSTN gateway).
9. Upon declaration of a Disaster, provide Disaster Recovery Service.

7.7.5 Security

The Service Provider shall, at a minimum:

1. Provide Services consistent with SMM and TxDOT defined security policies.
2. Provide encrypted data transfer and password-protected meetings.
3. Leave no content behind – client and server side.
4. Provide end-to-end SSL encryption.
5. Provide closed events, where participation is limited only to invited and authenticated users.
6. Provide real-time visual event monitoring and enable moderators to expel unwanted participants.

8 Transformation Projects

TxDOT seeks Service Provider to include details relevant to the scope, design, cost, timing, resources utilized, partners leveraged and sequencing of projects contained in this **Article 8**. TxDOT has identified some initial transformational projects to be performed, at TxDOT's option, over the duration of any agreement arising from this Exhibit. TxDOT may add transformational projects at any time.

The scope of these projects may require active participation by TxDOT and other SCPs as to affect desired outcomes. Respondents must include a complete solution inclusive of all solution execution elements (e.g. hardware, software, etc.), project timing, target implementation dates, sequencing of projects, articulate required resources and subcontractor involvement as well as representative project plans.

8.1.1 Transformation Principles

This Service Provider shall be focused on the continuous service improvement efforts to identify opportunities to make network and telecommunications processes and services better, execute against those opportunities and objectively measure the effects of said efforts over time.

The transformational principles are designed to drive transformational projects that are aligned with TxDOT's technological direction to enable an overall better service environment for TxDOT. At a minimum, these principles include:

8.1.2 Standardization and Consolidation Principles

- 8.1.2.1 Drive to a single set of TxDOT operating systems and fewer versions (the N: standard or N-1: acceptable tolerance) to significantly simplify the patch management and vulnerability profile of the TxDOT environment as decided by TxDOT governance and decision-making processes.

- 8.1.2.2 Drive higher levels of consolidation and standardization to reduce the complexity of managing the monitoring, vulnerability, and patching processes as to minimize manual labor and risk management in the TxDOT environment.
- 8.1.2.3 Drive higher levels of consolidation and standardization to reduce operational complexity of monitoring and troubleshooting a variety of OEM fit for purpose hardware platforms.
- 8.1.2.4 Eliminate shadow systems in the TxDOT environment to reduce unmanaged applications, data storage devices, and user processes that can result in loss of information or create vulnerabilities in the TxDOT environment.

8.1.3 Customer Engagement and Agility Principles

- 8.1.3.1 Evolve TxDOT to a solution orientation and a driver of positive business outcomes as measured through the eyes of TxDOT.
- 8.1.3.2 Participate in TxDOT's migration efforts that are embarking on consolidation or legacy modernization roadmaps with flexible configuration and deployment of TxDOT infrastructure.
- 8.1.3.3 Work with TxDOT and other TxDOT SCPs to help design and specify new systems that leverage standardized TxDOT infrastructure and services to drive quality projects and rapid adoption of TxDOT services.
- 8.1.3.4 Create an integrated, solution-oriented TxDOT capability that streamlines onboarding, service request, and service management processes that is expedient, transparent, and simple.
- 8.1.3.5 Streamline and simplify all elements of TxDOT that include overly manual and personal knowledge intensive processes and are information/intervention-intensive and replace them with customer self-service and customer experience enabling processes, tools, and platforms.

8.1.4 Service Management Principles

- 8.1.4.1 All TxDOT services shall be designed and operated to provide a single view of the enterprise, including production/non-production environments. From a TxDOT experience perspective, simplify operations and maintenance, and more importantly, improve cybersecurity posture and risk management processes.
- 8.1.4.2 The Service Provider shall include capabilities to ensure that all software and hardware – whether production, development, operating or security – is current, licensed, patched and supported regardless of where it is deployed.
- 8.1.4.3 The Service Provider shall recommend to TxDOT to modernize legacy and outdated infrastructure and processes so that state-of-the-art technology deployment can occur.
- 8.1.4.4 The Service Provider shall be focused on the continuous service improvement efforts to identify opportunities to make processes and services better, execute against those opportunities and objectively measure the effects of said efforts over time.

8.2 Transformation Projects

TxDOT has identified initial project opportunities to be performed, at TxDOT's option, over the term of the Agreement. TxDOT may add additional transformation projects at any time. The scope of these projects may require active participation by TxDOT and other TxDOT SCPs as to affect the required outcomes.

Service Provider must include a complete solution inclusive of all solution execution elements (e.g., hardware, software, services etc.), project timing, target implementation date, and sequencing as well as representative project plans and financial impacts. These plans must convey the sequencing, dependencies, and involvement of TxDOT, as well as other elements deemed required by the Service Provider to drive successful outcomes and high-performance results within the TxDOT environment. Service Provider may sequence or repackage these projects (into smaller initiatives or larger programs) as they see fit as to drive the highest value for TxDOT and as to illustrate their capabilities in performing the work.

8.2.1 Transformation Projects: Methodology

The Service Provider, in addition to transformation project-specific milestones, and their own project execution methodologies, shall incorporate all TxDOT minimum project standards and milestones.

8.2.1.1 Transformation projects: Minimum standards and requirements

8.2.1.1.1 Service Provider shall notify TxDOT of any emergency maintenance activities that must be performed on internal or external components. A mutually approved procedure must be established by TxDOT and Service Provider.

8.2.1.1.2 The Service Provider shall comply with project management and change management processes and requirements and must include written TxDOT approval for any change to any element that could adversely impact users of the service (public, State, or otherwise), or render a TxDOT system that utilizes the service unavailable to the system's user community (public, State or otherwise).

8.2.1.1.3 All identified or future transformation projects or major project initiatives must adhere to the project management delivery requirements unless otherwise agreed in writing with TxDOT.

8.2.1.2 Requirements confirmation and analysis requirements

8.2.1.2.1 Any transformation project requires the Service Provider to thoroughly document the business, functional, technical, operating and security requirements and recommend changes that will improve the business processes and requirements. In general, due to their size and involvement requirements of TxDOT stakeholders, TxDOT and potentially other SCPs, these projects involve a level of documentation and rigor that lend themselves to a multi-phase type of approach.

8.3 Project 1: Software Defined Network

TxDOT network assessment and migration to next generation Software Defined Network or similar emerging technology. With this project, the Service Provider shall, based on network

inventories and analysis of the current supported network, identify and document all gaps, overlaps, inconsistencies, and optimization opportunities to TxDOT. Additionally, the Service Provider shall propose a next generation software defined or similar emerging technology, network solution that enables TxDOT to better support TxDOT's mission program by aligning to transformation project principles.

Key impacts and business outcomes of this project include:

- a. Enabling customer engagement, support & business agility.
- b. Driving environment resiliency, simplification and standardization.

Reducing complexity and operating cost

- c. Reduce network complexity.
- d. Centralize management of network resources with highly automated capabilities.
- e. Improve ability to create and deliver new capabilities and services.
- f. Improve overall network security through ability to minimize targets, automate event detection and resolution and rapidly isolate problematic workloads and actors.

8.3.1 Project Requirements:

The Service Provider shall provide the following:

- a. Assessment of the current WAN core and its ability to support TxDOT's transformation principles along with a next generation network improvement roadmap to address current limitations and future demands.
- b. An engineered solution and proposal to implement and transition to the next generation TxDOT network to address the following objectives:
 - 1. Preparing the network to enable growth, capacity and improved application and service performance aligning to a cloud first mentality for IT services provided to TxDOT.
 - 2. Providing innovative software-based and platform-based solutions to address next generation network assessment items including remediation of current or potential network inhibitors (e.g., resiliency issues, security risks, auto-provisioning, flexibility to rapidly increase/decrease capacity and routes, discovery, IP addressing issues, or resolve bottlenecks, etc.).
 - 3. Enabling other TxDOT SCPs to enhance services through virtualization, standardization, automation, self-service, and resiliency improvements.
 - 4. Having the ability to adjust capacity throughout the network without requiring long term commitments.
- c. Project implementation approach and plans including, at a minimum:

1. Network engineering diagram and component listings.
2. Value and benefits of the solution.
3. Stakeholder change management and project participation plan.
4. Plan to address impacted processes and an indication as to their impacted disposition (e.g., "use existing process", "modify or extend process", "new process").
5. Implementation plan.
6. Testing, integration testing, UAT, and operational readiness plan.
7. Cutover plan.
8. Suggested milestones, deliverables, and acceptance criteria.

8.4 Project 2: IDF / MDF Cable Closet Remediation

The Service Provider will review existing Facility surveys and pictures of the TxDOT IDF/MDF networks closets at approximately 350 locations across Texas. SCP will review the Facility surveys in detail to determine closet locations at each Facility, network racks/cabinets, patch panels, patch labelling, cable types, DMARC, and confirm sufficient power, cooling, and floor space. TxDOT will provide detailed technical information as available, such as naming conventions for network equipment, cabling standards, port assignments, IP matrices and configuration software versions. Service Provider will work with TxDOT to identify if business and traffic network equipment is on-premise, co-located in the same racks or if other entities such as Department of Motor Vehicles has equipment in TxDOT IDF/MDF closets (Lubbock DO).

Service Provider will produce plan and schedule to remediate the IDF/MDF closets per TxDOT standards. Other duties include:

1. Communicate with TxDOT ITD personnel and network teams, schedule and coordinate on-site visits to minimize business disruption.
2. Coordinate with on-site facility staff members if racks should be moved or anchored.
3. Coordinate Change tickets, obtain CAB approval, obtain written approval from site for on-site visits
4. While on-site, call NOC to turn off monitoring during change window, install/relocate network racks, cables and equipment per implementation plan.
5. Trace and label all connections with color-coded and appropriate-length cables. Route cables using vertical and horizontal cable management as needed and neaten appearance using tie-wraps.
6. Perform test and validation during the installation of equipment or cables with NOC.
7. Verify network availability and all services are functioning after installation.

8. Pack up and dispose of trash, old cables, and boxes.
9. Obtain signoff from on-site personnel that the closet remediation is complete by having them validate that all network access, telecom, printing, security gates and badge readers are functioning before leaving the facility.

8.5 Project 3: Disaster Recovery Assessment

The Service Provider shall assess the TxDOT Disaster Recovery Plan and TxDOT operations in a report for TxDOT's approval. This assessment should include, but not be limited to:

1. analysis of recovery objectives;
2. examination and review of TxDOT policies;
3. review of previous DR test results;
4. identification of risks, threats and vulnerabilities affecting TxDOT infrastructure elements.

The Service provider shall produce a plan and proposal and should detail:

1. the materials used as the basis for the assessment;
2. identified risks with prioritization;
3. identified vulnerabilities with potential consequences;
4. opportunities for improvement and risk mitigation with detailed remediation plans;
5. hardware, software, staffing, and services included; and
6. documented results with pricing associated with included proposal.

8.6 Project 4: Voice over IP (VoIP)

8.6.1 Voice over Internet Protocol (VoIP) Services Delivery

The Service Provider shall, at a minimum:

1. Provide voice modernization, enhancing TxDOT's business model by moving from the TDM voice environment to a more robust cloud solution where TDM can be provisioned with VoIP.
2. Provide a software defined service model offering to customers.
3. Provide on demand disaster recovery service.

4. Provide near real-time voice provisioning.
5. Provide real time re-purposing for agencies to move from a “brick and mortar” environment due to inclement weather, etc.
6. Provide a virtualization model in order to manage workloads from a distance by setting up and deploying pre-provisioned work groups based on workloads
7. Provide enhanced web client functions on PCs, smart devices, etc.
8. Provide free local and site-to-site calling within the State of Texas.
9. Provide competitive long distance calling plans for calls outside the VoIP network.
10. Provide enterprise-wide high definition voice service.
11. Provide mobility capabilities for on-the-go employees.
12. Provide a choice of IP phone sets (e.g., softphones or hard phones).
13. IP PBX or IP office Key system capabilities to integrate into an existing IP capable voice system or provide a turn-key solution for voice services through the internal network and interconnects its internal network with the PSTN for telephony communication.
14. Provide virtual voicemail service to connect and retrieve messages from any phone and computer.
15. Not have a minimum requirement for the number of devices TxDOT is required to purchase.

8.7 Project 5: Software Defined WAN

To implement end to end security policy, consistent and automated configuration, automated traffic engineering, automated response to operational and security issues, while integrating with existing toolsets, TxDOT will be deploying Cisco's SD-WAN solution. The configured solution shall provide automated deployment, encryption of traffic in transit, auto-path selection, honor existing QOS policies, as well as provide an interface to provide performance information, reduce troubleshooting and maintenance complexity.

8.8 Project 6: SDN (SD-Access)

To implement end to end security policy, consistent and automated configuration, automated traffic engineering, automated response to operational and security issues, while integrating with existing toolsets, TxDOT will be deploying Cisco's SD-WAN solution. The configured solution shall provide automated deployment, encryption of traffic in transit, auto-path selection, honor



Texas Department of Transportation

Managed Business Network Services

Exhibit 2.1.7

Solution Document

Version 1.0

Solicitation No. 601440000032124

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1 Service Provider Guidelines

Service Provider will submit this document as part of its Request for Offer (RFO) response submission.

This **Exhibit 2.1.7 Managed Business Network Services - Solution Document** supplies specific information for the Service Provider's use when responding to the RFO. This Exhibit is intended to be updated in stages throughout the procurement process. This Exhibit contains an outline of key topic areas that the Service Provider is required to address as part of its response. The response will include a thorough description of Service Provider proposed organizational structure, services solution, technical solution proposed to meet the requirements defined in **Exhibit 2.1.1 Cross Functional Services SOW**, and overall approach to implementing the Services and successfully transitioning responsibility from the Incumbent Service Provider. Detailed Transition response will be completed in **RFO Attachment 5: Transition Plan Response** per the instructions provided in the RFO.

1.1 Service Provider Instructions

1. Service Provider will modify the electronic version of this Exhibit (as provided with the RFO) to respond to the requirements herein by completing all sections while refraining from modifying section titles or removing sections.
2. Throughout the Solution response, Service Provider shall ensure compliance with **Exhibit 2.1.1 Cross Functional Services** as well as interoperability, interfaces and relationships they will establish with other Service Providers and the Service Integrator to ensure a seamless delivery to TxDOT.
 - a. Service Provider need not demonstrate its understanding of ITIL functional areas, but instead shall focus on how Service Provider will perform the Services and integrate transparently in the operating model.
3. Although some sections are related, the Service Provider should minimize repeated responses (copy/paste) in subsequent sections, ensuring the response for each section is specific to the requirements therein.
4. Service Provider may remove the TxDOT-provided guidance (i.e. the italicized text) within each section.
5. Service Provider should not restate the requirements, volumetrics or solution assumptions from **Exhibit 2.1.6 Managed Business Network Services Statement of Work**. Rather, Service Provider should articulate how its unique solution will deliver the required services. Assumptions must be documented as instructed in the RFO Instructions Section 3.7 within the defined structure of Exhibit 4.1 Pricing Structure.

6. The Service Provider will refrain from providing “marketing materials” and background information already provided to TxDOT or otherwise available in the public domain.
7. The Service Provider will return the completed file as part of its overall response to the RFO package, in accordance with the RFO Response Instructions Section 3.7.

2 Managed Network Services - Business Network Proposed Organization Overview

*This section should begin with an overall view of the proposed organizational chart for the service relationship. The Service Provider will provide a narrative description of the benefits their proposed organization brings to TxDOT and describe lines of authority, escalation and accountability. Additionally, the Service Provider shall complete **Table 1** below to provide a list of subcontractors who will provide goods or services under the Agreement specifically accounting for lines of authority, escalation and accountability in this distributed organization model.*

Service Provider shall describe its experience, if any, with integrating with a common services delivery model in a multi-sourcing services environment such as TxDOT's and identify how it will integrate with the TxDOT services ecosystem.

Service Provider will describe its proposed organization overview in the space below.

Table 1: Subcontractors

Name of Subcontractor (Company/Individual)	Subcontractor Scope of Work	Location where Subcontractor will Perform Work	Anticipated Duration of Subcontracting Engagement

3 Managed Network Services - Business Network Solution Overview

*The functional areas below reference sections of **Exhibit 2.1.6 Managed Business Network Services - Statement of Work**. The Service Provider should review the SOW requirements prior to responding to each functional area section below. Capitalized terms in this document may refer to section headings in the Statement of Work.*

3.1 Solution Overview

*The first section of the document will be a solution overview. In this space below, the Service Provider will describe the overall view of the solution, including solution components that drive improved efficiencies, and operational approach to meeting the overall objectives of and requirements contained in **Exhibit 2.1.6 Managed Business Network Services - Statement of Work**. The Service Provider will articulate how it will perform the services, with specific attention drawn to the focus areas of each section.*

Describe your solution in detail, including:

- Relevant experience and expertise
- Included scope
- Operational approach
- Partnering and governance overview
- Included tools and how these tools will be used within Service delivery
- Methods and process for gathering and reporting on SLA Performance data

3.2 Service Level Compliance

In the space below, Service Provider will describe how its solution, approach and methodology for providing Performance Management will meet the requirements in Exhibit 3.0 Performance Model.

Describe your solution in detail, including:

- Acknowledgement of compliance with the Service Levels as defined in Exhibit 3.1 Service Level Deliverable Matrix and Exhibit 3.2 Service Level Definitions
- Detail which tools you have included, or will be leveraged from TxDOT and how these will be used to gather, store, and report on Service Levels
- Additional information pertinent to this section

3.3 Operating Agreements

In the space below, Service Provider will describe how its solution, approach and methodology for providing Common Services will meet the requirements in Section 2.1.

Describe your solution in detail, including:

- Acknowledgement of compliance with the Services as defined in this section
- Experience operating in a multi-supplier model

3.4 Service Evolution and Optimization Services

In the space below, Service Provider will describe how its solution, approach and methodology for providing Common Services will meet the requirements in Section 2.2.

Describe your solution in detail, including:

- Acknowledgement of compliance with the Services as defined in this section
- Relevant experiences and ways in which your solution provides value to TxDOT in Product lifecycle and Engineering activities
- Additional information pertinent to this section

3.5 Key Personnel

*Service provider will complete Exhibit 2.4 Key Personnel per the instructions provided in the RFO and aligned with roles defined in Section 2.3 of **Exhibit 2.1.6 Managed Business Network Services - Statement of Work**.*

3.6 Evergreen Service Personnel

In the space below, Service Provider will describe how its solution, approach and methodology for providing Common Services will meet the requirements in Section 2.4.

Describe your solution in detail, including:

- Acknowledgement of compliance with the Services as defined in this section
- Relevant experiences that emphasize a Customer-centric approach to delivery of Services
- How will TxDOT specific technology be incorporated into staffing, hiring, and education development
- How this program is measured and managed to ensure continual improvements and proper alignment of customer focus, technical skills and industry experience
- Relevant experiences, defined programs and industry recognition for education learning management, ongoing development of skills and how this is incorporated in the solution to ensure TxDOT achieves value and customer satisfaction
- Additional information pertinent to this section

3.7 Work Location

In the space below, Service Provider will describe how its solution, approach and methodology for providing the Managed Network Services will meet the requirements in Section 2.5.

Describe your solution and location of services in detail, provide specific details and technical solution to articulate how requirements of this section have been met, including:

- Work locations

- Solution design and architecture
- Procedures that will be implemented to ensure protection of TxDOT assets and data
- Additional information pertinent to this section

3.8 Transition

*Service provider will complete detailed Transition response in **RFO Attachment 5: Transition Plan Response** per the instructions provided in the RFO and consistent with Article 3 of **Exhibit 2.1.6 Managed Business Network Services - Statement of Work**.*

3.9 General Services

In the space below, Service Provider will describe how its solution, approach and methodology for providing General Management, general Operations and Third-Party Management Services to will meet the requirements in Sections 4.1.1, 4.1.3 and 4.4.

Describe your solution in detail, including:

- Acknowledgement of compliance with the Services as defined in this section
- Relevant service experience
- Staffing plan and approach
- Approach to management of coordination of third-party vendors
- Approach to management of service quality and consistency
- Additional information pertinent to this section

3.10 Planning and Design

In the space below, Service Provider will describe how its solution, approach and methodology for providing Planning and Design and Engineering Services to will meet the requirements in Sections 4.1.4, and 4.1.5.

Describe your solution in detail, including:

- Acknowledgement of compliance with the Services as defined in this section
- Relevant service experience
- Staffing plan and approach
- Operational approach and demonstrated understanding of the working relationship with TxDOT as the accountable party for Engineering services
- Approach to management of service quality and consistency
- Additional information pertinent to this section

3.11 Performance Monitoring and Management

In the space below, Service Provider will describe how its solution, approach and methodology for providing Performance Monitoring and Management Services to will meet the requirements in Section 4.2.

Describe your solution in detail, including:

- Acknowledgement of compliance with the Services as defined it this section
- Relevant service experience and industry recognition
- Staffing plan and approach
- Approach to management of service quality and consistency
- Additional information pertinent to this section

3.12 Transport Support

In the space below, Service Provider will describe how its solution, approach and methodology for providing Transport Support Services to will meet the requirements in Section 4.3.

Describe your solution in detail, including:

- Acknowledgement of compliance with the Services as defined it this section
- Relevant service experience
- Staffing plan and approach
- Approach to management of service quality and consistency
- Additional information pertinent to this section

3.13 Services Connectivity and Operations

In the space below, Service Provider will describe how its solution, approach and methodology for providing Services Connectivity Services to will meet the requirements in Section 4.5.

Describe your solution in detail, including:

- Acknowledgement of compliance with the Services as defined it this section
- Relevant service experience
- Understanding of the ownership of TxDOT for circuits
- Staffing plan and approach
- Approach to management of service quality and consistency

- Additional information pertinent to this section

3.14 IMACD

In the space below, Service Provider will describe how its solution, approach and methodology for providing IMACD services will meet the requirements in Sections 4.6.

Describe your solution in detail, including:

- Staffing plan and approach
- Acknowledgement of compliance with the Services as defined in these sections
- Understanding of usage of TxDOT defined tooling
- Relevant experiences that emphasize a Customer-centric approach to delivery of Services
- Entitlement and operational handling for IMACD requests across Monitor only and Fully Managed devices
- Additional information pertinent to this section

3.15 Physical Network Environment Services

In the space below, Service Provider will describe how its solution, approach and methodology for providing Physical Network Services will meet the requirements in Section 4.5.

Describe your solution in detail, including:

- Acknowledgement of compliance with the Services as defined in this section
- Relevant service experience
- Staffing plan and approach
- Approach to management of service quality and consistency
- Additional information pertinent to this section

3.16 Cabling and Wiring Services

In the space below, Service Provider will describe how its solution, approach and methodology for providing Cabling and Wiring Services will meet the requirements in Section 4.8.

Describe your solution in detail, including:

- Acknowledgement of compliance with the Services as defined in this section
- Relevant service experience

- Staffing plan and approach
- Approach to management of service quality and consistency
- Additional information pertinent to this section

3.17 Hours of Coverage

In the space below, Service Provider will describe how its solution, approach and methodology for Hours of Coverage will meet the requirements in Section 4.1.2.

Describe your solution in detail, including:

- Staffing plan and approach
- Acknowledgement of compliance with the Services as defined in this section
- Additional information pertinent to this section

3.18 Planning and Design Services

In the space below, Service Provider will describe how its solution, approach and methodology for providing Planning and Design Services will meet the requirements in Section 4.8.

Describe your solution in detail, including:

- Acknowledgement of compliance with the Services as defined in this section
- Staffing plan and approach
- Relevant experience and expertise
- Operational approach
- Additional information pertinent to this section

3.19 General Operations

In the space below, Service Provider will describe how its solution, approach and methodology for providing General Operations Services, Performance Management, Services Connectivity and Operations, and IMACD will meet the requirements in Sections 4.2, 4.3, 4.4, and 4.5.

Describe your solution in detail, including:

- Staffing plan and approach
- Acknowledgement of compliance with the Services as defined in these sections
- Understanding of usage of TxDOT defined tooling

- Relevant experiences that emphasize a Customer-centric approach to delivery of Services
- Entitlement and operational handling for IMACD requests across Monitor only and Fully Managed devices
- Additional information pertinent to this section

3.20 Software Currency Services

In the space below, Service Provider will describe how its solution, approach and methodology for Software Currency will meet the requirements in Section 4.9.

Describe your solution in detail, including:

- Staffing plan and approach
- Acknowledgement of compliance with the Services as defined in this section
- Understanding of multi-supplier nature and requirements to interact across multiple suppliers for Technical currency alignment
- Additional information pertinent to this section

3.21 Tower Security Services

In the space below, Service Provider will describe how its solution, approach and methodology for Tower Security Requirements will meet the requirements in Section 4.10.

Describe your solution in detail, including:

- Staffing plan and approach, including but not limited to:
 1. Patch management
 2. Configuration management
- Acknowledgement of compliance with the Services as defined in this section
- Approach to device compliance operations and reporting
- Understanding of multi-supplier nature and requirements to interact across multiple suppliers for Security
 1. Security Incident Support Services
 2. Security Incident Response management
 3. Escalation Process
 4. TxDOT Notification
- Additional information pertinent to this section

3.22 Name and Address Management Services

In the space below, Service Provider will describe how its solution, approach and methodology for Name and Address Management will meet the requirements in Section 4.11.

Describe your solution in detail, including:

- Acknowledgement of compliance with the Services as defined in this section

3.23 Carrier Governance

In the space below, Service Provider will describe how its solution, approach and methodology for Carrier Governance will meet the requirements in Section 4.12.

Describe your solution in detail, including:

- Staffing plan and approach
- Acknowledgement of compliance with the Services as defined in this section
- Understanding of multi-supplier nature and requirements to interact across multiple suppliers for Carrier Governance
- Additional information pertinent to this section

3.24 Spare Pool

In the space below, Service Provider will describe how its solution, approach and methodology for Spare Pools will meet the requirements in Section 4.13.

Describe your solution in detail, including:

- Staffing plan and approach
- Acknowledgement of compliance with the Services as defined in this section
- Understanding of multi-supplier nature and requirements to interact across multiple suppliers for Spare pools management, including Capacity, Inventory
- Additional information pertinent to this section

3.25 Disaster Recovery

In the space below, Service Provider will describe how its solution, approach and methodology for Disaster Recovery will meet the requirements in Section 4.14.

Describe your solution in detail, including:

- Staffing plan and approach
- Acknowledgement of compliance with the Services as defined in this section

- Understanding of multi-supplier nature and requirements to interact across multiple suppliers for DR planning, testing and documentation
- Additional information pertinent to this section

3.26 Capacity Management Services

In the space below, Service Provider will describe how its solution, approach and methodology for Infrastructure and Operations Services will meet the requirements in 4.15.

Describe your solution in detail, including:

- Acknowledgement of compliance with the Services as defined in this section
- Additional information pertinent to this section

3.27 WAN Services

In the space below, Service Provider will describe how its solution, approach and methodology for Management services will meet the requirements in Article 5.

Describe your solution in detail, including:

- Relevant Business service experience and industry recognition
- Staffing plan and approach
- Approach to management of service quality and consistency
- Solution specifics relating to Internet, Intranet, VPN, Acceleration and IPAM
- Approach to working with TxDOT Service Governance and Service Desk to ensure Event Management responsibilities are executed consistently with TxDOT defined standards
- Additional information pertinent to this section

3.28 Managed LAN Services

In the space below, Service Provider will describe how its solution, approach and methodology for Management services will meet the requirements in Article 6.

Describe your solution in detail, including:

- Relevant Business service experience and industry recognition
- Staffing plan and approach
- Approach to management of service quality and consistency
- Solution specifics relating to LAN, WLAN, VPN, Firewall

- Approach to working with TxDOT Service Governance and Service Desk to ensure Event Management responsibilities are executed consistently with TxDOT defined standards
- Additional information pertinent to this section

3.29 Voice Services

In the space below, Service Provider will describe how its solution, approach and methodology for Management services will meet the requirements in Article 7.

Describe your solution in detail, including:

- Relevant Business service experience and industry recognition
- Staffing plan and approach
- Approach to management of service quality and consistency
- Solution specifics relating to VoIP, Conferencing, Provisioning, Voice Mail, and Centrex
- Approach to working with TxDOT Service Governance and Service Desk to ensure Event Management responsibilities are executed consistently with TxDOT defined standards
- Additional information pertinent to this section

3.30 Transformation Project – Software Defined Network (SDN)

In the space below, Service Provider will describe how its solution, approach and methodology for Transformation Project – SDN will meet the requirements in Section 8.3.

Describe your solution, including:

- Solution summary
- Relevant services experience and industry recognition
- Partnership approach and subcontracting relationships leveraged
- Staffing plan and approach
- Acknowledgement of compliance with the Services as defined in this section
- Delivery locations
- Approach to management of service and staffing quality
- How your solution is particularly enabled to quickly staff requests
- Recommended deliverables with dates
- Key dependencies and identified risks

- Risk mitigation strategy
- TxDOT required work efforts defined
- Earliest start date
- Solution Assumptions
- Solution components, including
 1. Hardware
 - a. Make / model / configuration
 2. Software
 - a. Name / manufacturer
 - b. Version and Release
 - c. Commercial / Open Source
 3. Services

3.31 Transformation Project – IDF / MDF Cable Closet Remediation

In the space below, Service Provider will describe how its solution, approach and methodology for Transformation Project – IDF / MDF Cable Closet Remediation will meet the requirements in Section 8.4.

Describe your solution, including:

- Solution summary
- Relevant services experience and industry recognition
- Partnership approach and subcontracting relationships leveraged
- Staffing plan and approach
- Acknowledgement of compliance with the Services as defined in this section
- Delivery locations
- Approach to management of service and staffing quality
- How your solution is particularly enabled to quickly staff requests
- Recommended deliverables with dates
- Key dependencies and identified risks
- Risk mitigation strategy
- TxDOT required work efforts defined
- Earliest start date
- Solution Assumptions

- Solution components, including
 1. Hardware
 - a. Make / model / configuration
 2. Software
 - a. Name / manufacturer
 - b. Version and Release
 - c. Commercial / Open Source
 3. Services

3.32 Transformation Project – Disaster Recovery Assistance

In the space below, Service Provider will describe how its solution, approach and methodology for Transformation Project – Disaster Recovery Assistance will meet the requirements in Section 8.5.

Describe your solution, including:

- Solution summary
- Relevant services experience and industry recognition
- Partnership approach and subcontracting relationships leveraged
- Staffing plan and approach
- Acknowledgement of compliance with the Services as defined in this section
- Delivery locations
- Approach to management of service and staffing quality
- How your solution is particularly enabled to quickly staff requests
- Recommended deliverables with dates
- Key dependencies and identified risks
- Risk mitigation strategy
- TxDOT required work efforts defined
- Earliest start date
- Solution Assumptions
- Solution components, including
 4. Hardware
 - a. Make / model / configuration
 5. Software

- a. Name / manufacturer
- b. Version and Release
- c. Commercial / Open Source

6. Services

3.33 Transformation Project – Voice over IP

In the space below, Service Provider will describe how its solution, approach and methodology for Transformation Project – VoIP will meet the requirements in Section 8.6.

Describe your solution, including:

- Solution summary
- Relevant services experience and industry recognition
- Partnership approach and subcontracting relationships leveraged
- Staffing plan and approach
- Acknowledgement of compliance with the Services as defined in this section
- Delivery locations
- Approach to management of service and staffing quality
- How your solution is particularly enabled to quickly staff requests
- Recommended deliverables with dates
- Key dependencies and identified risks
- Risk mitigation strategy
- TxDOT required work efforts defined
- Earliest start date
- Solution Assumptions
- Solution components, including
 1. Hardware
 - a. Make / model / configuration
 2. Software
 - a. Name / manufacturer
 - b. Version and Release
 - c. Commercial / Open Source
 3. Services

3.34 Transformation Project – Software Defined WAN

In the space below, Service Provider will describe how its solution, approach and methodology for Transformation Project – Software Defined WAN will meet the requirements in Section 8.7.

Describe your solution, including:

- Solution summary
- Relevant services experience and industry recognition
- Partnership approach and subcontracting relationships leveraged
- Staffing plan and approach
- Acknowledgement of compliance with the Services as defined in this section
- Delivery locations
- Approach to management of service and staffing quality
- How your solution is particularly enabled to quickly staff requests
- Recommended deliverables with dates
- Key dependencies and identified risks
- Risk mitigation strategy
- TxDOT required work efforts defined
- Earliest start date
- Solution Assumptions
- Solution components, including
 1. Hardware
 - a. Make / model / configuration
 2. Software
 - d. Name / manufacturer
 - e. Version and Release
 - f. Commercial / Open Source
 3. Services

3.35 Transformation Project – SDN (SD Access)

In the space below, Service Provider will describe how its solution, approach and methodology for Transformation Project – SDN (SD Access) will meet the requirements in Section 8.8.

Describe your solution, including:

- Solution summary
- Relevant services experience and industry recognition
- Partnership approach and subcontracting relationships leveraged
- Staffing plan and approach
- Acknowledgement of compliance with the Services as defined in this section
- Delivery locations
- Approach to management of service and staffing quality
- How your solution is particularly enabled to quickly staff requests
- Recommended deliverables with dates
- Key dependencies and identified risks
- Risk mitigation strategy
- TxDOT required work efforts defined
- Earliest start date
- Solution Assumptions
- Solution components, including
 1. Hardware
 - a. Make / model / configuration
 2. Software
 - g. Name / manufacturer
 - h. Version and Release
 - i. Commercial / Open Source
 3. Services

3.36 Transformation Project – Network Segmentation

In the space below, Service Provider will describe how its solution, approach and methodology for Transformation Project–Network Segmentation will meet the requirements in Section 8.9.

Describe your solution, including:

- Solution summary
- Relevant services experience and industry recognition
- Partnership approach and subcontracting relationships leveraged

- Staffing plan and approach
- Acknowledgement of compliance with the Services as defined in this section
- Delivery locations
- Approach to management of service and staffing quality
- How your solution is particularly enabled to quickly staff requests
- Recommended deliverables with dates
- Key dependencies and identified risks
- Risk mitigation strategy
- TxDOT required work efforts defined
- Earliest start date
- Solution Assumptions
- Solution components, including
 1. Hardware
 - a. Make / model / configuration
 2. Software
 - j. Name / manufacturer
 - k. Version and Release
 - l. Commercial / Open Source
 3. Services



Texas Department of Transportation

Managed Traffic Network Services

Exhibit 2.1.8

Statement of Work

Version 1.0

Solicitation No. 601440000032124

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1 Introduction

This **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work (SOW)** sets forth the Services that Service Provider will provide as of the Commencement Date unless otherwise specified. Further, this **Exhibit 2.1.8 Managed Network Services Traffic SOW** sets forth the processes and systems that the Service Provider will provide and, in conjunction with **Exhibit 2.1.1 Cross-Functional SOW**, describes the Service Provider's obligations to work with other TxDOT Service Providers to deliver integrated end-to-end Services. The Service Provider shall work in coordination with TxDOT, TxDOT Service Component Providers, and TxDOT Contractors to effectively provide the Services.

The Service Provider confirms that unless otherwise explicitly stated, it will provide a solution that supports all of the business processes described in this **Exhibit 2.1.8 Managed Network Services Traffic SOW** and its Exhibits and that all Services are included within the Charges described in **Exhibit 4.0 Business Model**. Accordingly, the Service Provider also confirms that TxDOT will not incur any other charges for the requirements described in this **Exhibit 2.1.8 Managed Network Services Traffic SOW**.

The Service Provider will deliver the Services in the best interests of TxDOT. Service Provider will be responsive to the current and future requirements of TxDOT by proactively anticipating needs and adjusting Services accordingly within the Charges.

Additionally, the Service Provider shall:

- a. Integrate with TxDOT in an automated service delivery environment.
- b. Provide all Equipment and Services for transition, steady state, and service evolution consistent with **Exhibit 4.2 Financial Responsibilities Matrix**.
- c. Assume in scope services responsibility for existing services provided by all Incumbent Service Providers as defined in this Exhibit.
- d. Document the Services environment and resolve or mitigate identified issues and risks.
- e. Implement and maintain TxDOT information security standards and practices as defined in the SMM.
- f. Evolve the current environment to improve performance and efficiencies and take advantage of next-generation technologies to decrease costs to TxDOT.

The Service Provider shall be responsible for all activities necessary to ensure TxDOT's Services are performing in accordance with all standards and processes contained in the Agreement, the Service Levels in **Exhibit 3.1 Service Level & Deliverables Matrix**, and the Service Management Manual.

Service Provider will integrate and fully cooperate with TxDOT and all other SCPs as required for smooth and efficient operation during the development, implementation, and execution of its

Service Management processes to ensure consistency and integration across all Service Providers. Service Provider will work together with TxDOT and other SCPs to deliver integrated Services and share Service Level responsibilities as defined in **Exhibit 3.1 Service Level & Deliverables Matrix**.

1.1 Operating Model

Exhibit 2.1.1 Cross Functional SOW contains specific cross functional requirements that all Service Component Providers (SCPs) must meet in order to perform the requested Services and responsibilities defined in **Exhibit 2.0 Service Model**.

TxDOT contracts with multiple SCPs to deliver services to TxDOT Authorized Users. Those services are integrated into a common service delivery model by TxDOT's ITD Service Governance (ITD SG) function. The ITD SG provides the systems, process leadership and service delivery oversight necessary to ensure consistent, quality service delivery. Figure 1 below depicts the relationships between SCPs and ITD SG, ITD Sourcing Management, and TxDOT ITD Governance.

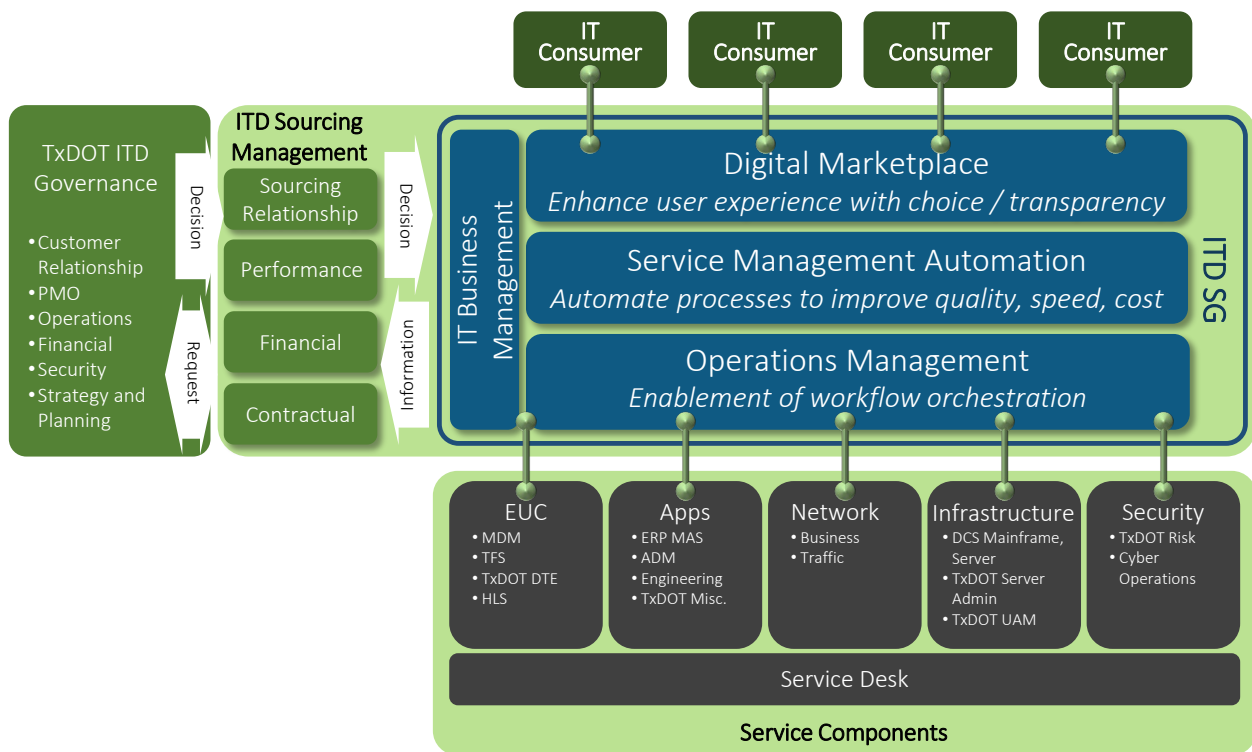


Figure 1 – TxDOT ITD Operating Model

TxDOT ITD Governance and ITD Sourcing Management

As the overall service owner, TxDOT ITD operates overall governance functions that provide customer relationship leadership, PMO, operations, financial, security and planning roles. The ITD Sourcing Management function works closely with the SCPs to ensure the provided services

individually adhere to the required Service Providers requirements, and collectively meet TxDOT's desired outcomes.

2 Common Services

Common Services apply to all sections of this Statement of Work. The Service Provider shall, at a minimum:

1. Provide interoperability with industry best practice service desk services and existing and future TxDOT infrastructure
2. Respond and complete requests for TxDOT executives (e.g., VIPs) and their designees per TxDOT approved prioritization procedures as defined in SMM.
3. Implement services to ensure confidentiality, integrity, privacy, and authenticity of TxDOT Data and TxDOT Personal Data in accordance with the Agreement.

2.1 Operating Agreements with Other SCPs

TxDOT holds other contracts for additional or related work for the platforms and customer specific projects and services. The Service Provider must fully cooperate with the ITD SG and all other SCPs as may be required for the smooth and efficient operation of all related or additional work arising from this Exhibit. All Service Provider Personnel must perform in a manner that supports the smooth and efficient operation of all related or additional work arising under the Agreement, and may not act in any way that may unreasonably interfere with the work of any other participant or TxDOT employees.

The Service Provider is required to enter into Operating Agreements (OAs), in the form of **Exhibit 3.4 Operating Agreements**, with the other SCPs including but not limited to Business Network SCP, ERP Managed Services, ADM Services, Service Desk, Hardware Lifecycle Services, and other SCPs.

2.2 Service Evolution and Optimization Services

The Service Provider will support TxDOT in the administration, implementation, optimization, and support of the use of the Service and service elements inclusive of all hardware, products, services, devices, tools, operational processes and emerging standards as to support TxDOT's position with respect to high performance, high quality, and high availability (to the extent contained and as applicable to the work in this Exhibit) Service infrastructure provided by the Service Provider in the performance of the Services and pursuant to **Section 9.10 Technology Evolution** of the Agreement.

2.2.1 Technology Planning and Optimization Roadmap

The Service Provider will support TxDOT in written annual review of a multi-year Service roadmap inclusive of all projects, optimization and transformation initiatives. This review will highlight related TxDOT change initiatives and identified opportunities to support of TxDOT.

1. The Technology Plan and Roadmap is an annual Deliverable and will require quarterly updates.
2. The Service Provider will implement the optimization and technology improvements identified in the plan and approved by TxDOT.

2.2.2 Technology Planning Process

The Service Provider shall adhere to the TxDOT process and ongoing program management for the establishment, currency, tracking, and publishing of a Technology Plan that incorporates input from TxDOT and SCPs and aligns with the governance processes. The content of the plan and frequency of the Deliverable is included in **Exhibit 3.1 Service Level and Deliverables Matrix**.

2.2.3 Technology Adoption and Alignment

The Service Provider will provide information in the format required by TxDOT to:

1. Develop and structure the plan as to coordinate the aggregation of technical planning information from TxDOT and SCPs as directed by TxDOT and include an implementation roadmap, consistent with TxDOT's business roadmap with estimated timing, in alignment with the Technology Plan; and
2. Provide linkage with technology currency requirements that align with technology refresh plans (e.g., software version migrations) and include input from TxDOT to identify candidates and requirements for the deployment of new technology or the automation of tasks associated with the Services and/or TxDOT's business processes.

2.2.4 Technology Standards

The Service Provider will research and recommend standard products to TxDOT for adoption into the program.

1. Publish and make available the description of services and offerings by Service Provider that are in use on a quarterly basis;
2. Publish and make available the description of standard products to Authorized Users as requested by TxDOT;
3. Provide standards for supporting open source software;
4. Make the description of approved services and offerings available on the service portal;
5. Align the approved services and offerings list with TxDOT's strategic direction, and technical architecture; and

6. Provide mechanisms and processes to capture feedback and business needs from TxDOT as to potential changes required in approved services and offerings.

2.2.5 Annual Review of Service Roadmap

In conjunction with regularly scheduled operational meetings with TxDOT and in driving Technology Evolution requirements of the Agreement, the Service Provider, at least annually, shall sponsor a meeting to review recent or anticipated industry trends, emerging technologies, technology advancements, alternative processing approaches, new tools, methodologies or business processes (collectively “best practices”) that, at TxDOT’s choosing, could optimize the cost, efficiency, compute, storage and networking capacity, or otherwise drive efficiencies for both TxDOT and the Service Provider. Throughout the Term, Service Provider shall:

1. Identify and apply best practice techniques, methods, and technologies in the performance of the Services;
2. Train Service Provider Personnel in the use of new techniques, methods, and technologies that are in general use within Service Provider’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 **Exhibit 4.2 Financial Responsibility Matrix**.

2.3 Key Personnel Positions

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 TxDOT, the Parties will jointly review certain Key Service Provider management and TxDOT positions (collectively “Key Personnel”), including the Service Provider Account Director. Key Personnel are listed and maintained in **Exhibit 2.4 Key Personnel** and will include the following roles:

1. Account Director with overall contract, financial and service delivery accountability for the Agreement. This position shall have decision making authority for all aspects of the Agreement. The Account Director shall be dedicated full time to the TxDOT account and shall not be leveraged to other accounts.
2. Service Delivery Director with overall accountability for delivery of the Service Provider’s requirements. The Service Delivery Director shall be dedicated full time to the TxDOT account and shall not be leveraged to other accounts.
3. Financial Director with overall accountability for all invoicing, billing disputes, pricing, and financial reporting under the Agreement.

4. Traffic Technology Lead with overall accountability for Traffic Network expertise, planning and design, technology planning, optimization, and innovation under the Agreement.
5. Transition Director with overall accountability for delivery of the Service Provider's service delivery Transition from the incumbent service provider(s) beginning upon Effective Date through successful Transition milestone completion and TxDOT Acceptance of all Transition Deliverables.

2.4 Evergreen Service Personnel

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

1. Enablement of TxDOT Service-related initiatives.
2. Attainment of high customer satisfaction in TxDOT stakeholder communities and by extension and importantly end-user communities.
3. Creation of a highly integrated, collaborative, and mutually supportive delivery of Services through the formation of an "integrated team" culture.
4. Incorporation of industry-leading and Service Provider 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 Service Provider's scope, those areas where the Service Provider has a reliance on TxDOT and third parties, and areas in the common interest of driving Service efficiency, quality and timeliness (e.g., value).

TxDOT and the Service Provider shall meet on a regular basis, no less frequently than annually, to review the Service Provider's performance (as a team and as individuals) in driving toward these goals. At TxDOT's request, Service Provider shall make changes to the number, nature, mix, or named Key Personnel as required to improve and enhance attainment of these goals. As a one-time evaluation, the Service Provider and TxDOT shall review the performance of the Service Provider Personnel and implement any changes requested by TxDOT such that the Service is launched with the best possible Service Provider team as possible.

Should, for whatever reason, TxDOT determine based on documented or observed performance that a member (or members) of the Service Provider's Key Personnel is operating in a manner inconsistent with these goals, TxDOT will request a meeting of the Service Provider Account Director and the TxDOT Designated Representative to address localized or endemic failures to meet these goals. Upon receiving this feedback, the Service Provider shall 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 of personnel.

Requested Service Provider Personnel changes and replacement is governed in accordance with **Article 8 Service Provider Personnel** of the Agreement.

2.5 Location of Services

The Service Provider may provide Services either Onshore or Offshore. Services shall be performed by Service Provider Personnel at TxDOT Facilities, Service Provider Facilities, or at TxDOT approved remote locations. For Service Provider Personnel providing Services at a TxDOT Facility, TxDOT will provide Service Provider, and Service Provider shall be required to use TxDOT provided endpoint computing devices. Unless approved in writing by TxDOT, Service Provider Personnel that are issued TxDOT provided endpoint computing devices are prohibited from transporting these devices and accessing and using TxDOT systems from outside the United States of America.

For Service Provider Personnel providing Services at a Service Provider Facility or remote locations, Service Provider shall provide endpoint computing devices. Service Provider endpoint computing devices shall conform to Service Provider's information security standards that are suitable for work performed hereunder and meet the requirements of the Agreement. Prior to actual use and access to TxDOT systems, Service Provider shall provide TxDOT with written attestation from the Service Provider's Chief Information Security Officer (CISO) that the Service Provider issued and managed endpoint computing devices comply with TxDOT Rules and TxDOT Standards. Service Provider issued and managed endpoint computing devices must utilize the TxDOT provided virtual desktop interface when interacting with TxDOT systems to ensure that TxDOT Data remains at all times within the United States of America.

Unless otherwise approved by TxDOT in writing, TxDOT Data may not be received, stored, processed or disposed in any way via information technology systems located Offshore. Confidential Information and TxDOT Personal Data shall not be viewed outside the United States of America without prior TxDOT written approval and with sufficient data masking and de-identification protections that align with the Agreement.

TxDOT Data and Confidential Information access and protection is identified in the Master Services Agreement and all TxDOT Data must remain at all times within the United States of America, unless approved in writing by TxDOT.

2.6 Service Commencement

Service Commencement includes the set of activities associated with the analysis, planning, and execution of the transfer of all current services, as defined in this Exhibit, from Incumbent to Service Provider. These requirements are intended to ensure a seamless transfer on the Commencement Date that is not disruptive to TxDOT. The Service Provider shall, at a minimum:

1. Assume the ownership, operation, management, and maintenance of all Managed Application Services from Incumbent Service Provider.
2. Support all existing equipment, software, and service configurations currently performed by or contracted with the Incumbent Service Provider.

3. Support all TxDOT Facilities and hours of operation currently supported by Incumbent.
4. Develop, publish or update FAQs, wikis, and other self-help documentation to guide Authorized Users.

3 Transition Requirements

3.1 General

Upon the Effective Date, the Service Provider shall transition existing services provided by the Incumbent Service Providers and provide all Services as defined within this Exhibit. Service Provider shall be responsible for executing an orderly and timely transition.

3.2 Knowledge Transfer

During the period following the Effective Date and prior to the Commencement Date, Service Provider shall use its best efforts to acquire the practical skill, knowledge and expertise from Incumbent Service Provider(s) who are providing the Services prior to the Effective Date. Service Provider shall 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, but is not limited to:

1. Copies of procedures and operations manuals;
2. Relevant system, software, and/or service information;
3. a list of third-party suppliers of goods and services which are to be transferred to TxDOT or Service Provider,
4. key support contact details for third party supplier employees, and
5. Information regarding maintenance tasks, work in progress and associated unresolved Application Requests, incidents and problems.

Service Provider shall promptly (within one (1) Business Day) notify TxDOT of any lack of cooperation or assistance on the part of any Service Component Provider, Contractor or any third party that impedes or hinders Service Provider's efforts to comply with this obligation.

3.3 Transition Management Requirements

During the Transition period, the Service Provider shall plan, prepare for, and conduct the transition of Services. The Service Provider shall:

1. Coordinate with TxDOT to schedule the installation of any required secure connectivity;
2. Implement processes and controls to prevent disruption of TxDOT's business operations, including interfaces between TxDOT and various third parties;

3. Meet with TxDOT and provide updates to the status of the work involved with Transition at a time and frequency as approved by TxDOT in the Transition Project Plan and upon request by TxDOT.
4. Ensure adequate Service Provider personnel are committed to the Transition services across workstreams, including but not limited to one or more dedicated project managers. These personnel must be sufficiently trained on the Service Provider's contractual requirements and the Service Provider's proposed solution prior to commencing Transition activities;
5. Provide sufficient staff, tools and processes to ensure all Services successfully transition from the Incumbent Service Provider(s) without service degradation.
6. Support other Service Component Providers (SCPs) successful transition to Service Provider's services by Commencement without service degradation.
7. Develop a detailed Transition Plan including the Service Provider's approach to transitioning Services from the Incumbent Service Provider(s). The Transition Plan should include, at a minimum, discovery of all systems, processes, data (e.g., Incumbent ITSM data) and reporting that is required to transition from the Incumbent Service Provider.
8. Provide project management over all Service Provider Transition services and SCP integration Transition activities;
9. Provide routine reports and communication on Transition status to TxDOT and SCPs, as directed by TxDOT.
10. Resolve issues collaboratively with TxDOT and SCPs in order to meet Transition schedule.
11. Identify all integration points of the Service Provider's solution that require existing SCPs to make changes and notifying each SCP of the required changes at least ninety (90) days prior to Commencement.
12. Train SCPs as applicable on the Service Provider's Services, systems, and SMM processes, focusing on the changes from the Incumbent Provider.
13. Create a schedule for all SCPs to complete integration changes and ensure the accuracy of those changes.
14. Test the accuracy of all integration points prior to Commencement.

4 Common Network Services

4.1 General Services

The steady state Services of TxDOT include responsibilities and activities to support in-scope infrastructure, operations, workloads, processes, and systems management for the TxDOT traffic network environment including integration with other TxDOT Service Providers to ensure availability of all IT services. The Service Provider has responsibilities for operating, supporting and maintaining the traffic network devices.

4.1.1 Traffic Device Type Service Matrix

The Service Provider must offer the following service categories (e.g. Traffic Network Device Monitoring vs Management) to TxDOT. The following table summarizes the required tier structure, and scope of Services for each device type and the responsibility of Service Provider according to the eligible service category. The Service Provider shall deliver these differing services as defined for each service category below identified as SCP responsibility as described in the technical response and detailed in the SMM. For avoidance of doubt, for a Monitor only device, the SCP will have only those responsibilities as defined by this table (e.g. Monitor devices and escalate to TxDOT or defined SCP for Incident management and resolution), along with those Services needed to meet required service levels. The Service Provider shall provide Services as defined in this Exhibit and this Section shall be considered instructive and as a defined eligibility table for Services contained within this SOW and includes but is not limited to the business and support hours as defined in [Section 4.1.5 Hours of Coverage](#).

Table 1 Traffic Network Device Monitoring

Service	Router, Switch,	Encoder / Decoder, ITS Radio	Traffic DMS	RWIS	Traffic CCTV	Signals	Traffic Sensors	Connected Autonomous Vehicle (CAV) equipment	Simple Traffic Devices
Service Category: Traffic Network Device Monitoring									
IP based Event Monitoring	SCP	SCP	SCP	SCP	SCP	SCP	SCP	SCP	SCP
Non-IP based Event Monitoring	SCP	SCP	SCP	SCP	SCP	SCP	SCP	SCP	SCP
Device Compliance Management	SCP	SCP	SCP	SCP	SCP	SCP	SCP	SCP	SCP
Incident Response	District	District	District	District	District	District	District	District	District
Incident Management	District	District	District	District	District	District	District	District	District
Problem Management	District	District	District	District	District	District	District	District	District
Configuration Management	District	District	District	District	District	District	District	District	District
Patch Compliance	District	District	District	District	District	District	District	District	District

Service Evolution	District	District	District	District	District	District	District	District	District
Technology Planning	District	District	District	District	District	District	District	District	District
Refresh Planning	District	District	District	District	District	District	District	District	District
Security Management	District	District	District	District	District	District	District	District	District
Project Execution upon Request	SCP	SCP	SCP	SCP	SCP	SCP	SCP	SCP	SCP
All On-site Resolution and Updates	District	District	District	District	District	District	District	District	District

Table 2 Traffic Network Device Management

Service	Router, Switch,	Encoder / Decoder, ITS Radio	Traffic DMS	RWIS	Traffic CCTV	Signals	Traffic Sensors	Connected Autonomous Vehicle (CAV) equipment	Simple Traffic Devices
Service Category: Traffic Network Device Management									
IP based Event Monitoring	SCP	SCP	SCP	SCP	SCP	SCP	SCP	SCP	SCP
Non-IP based Event Monitoring	SCP	SCP	SCP	SCP	SCP	SCP	SCP	SCP	SCP
Device Compliance Management	SCP	SCP	SCP	SCP	SCP	SCP	SCP	SCP	SCP
Incident Response	SCP	SCP	SCP	SCP	SCP	SCP	SCP	SCP	District
Incident Management	SCP	SCP	SCP	SCP	SCP	SCP	SCP	SCP	District
Problem Management	SCP	SCP	SCP	SCP	SCP	SCP	SCP	SCP	District
Configuration Management	SCP	SCP	SCP	SCP	SCP	SCP	SCP	SCP	District
Patch Compliance	SCP	SCP	SCP	SCP	SCP	SCP	SCP	SCP	District

Service Evolution	SCP	SCP	SCP	SCP	SCP	SCP	SCP	SCP	District
Technology Planning	SCP	SCP	SCP	SCP	SCP	SCP	SCP	SCP	District
Refresh Planning	SCP Assist	SCP Assist	SCP Assist	SCP Assist	SCP Assist	SCP Assist	SCP Assist	SCP Assist	District
Security Management	SCP	SCP	SCP	SCP	SCP	SCP	SCP	SCP	District
Project Execution upon Request	SCP	SCP	SCP	SCP	SCP	SCP	SCP	SCP	SCP
All On-site Resolution and Updates	District	District	District	District	District	District	District	District	District

4.1.2 Non-Managed Traffic Signals

Within the TxDOT Traffic network, there are device types that are unmanaged and typically not connected directly to the TxDOT network. These devices include, but are not limited to traffic signals and flashers. The large majority of these traffic signals are unmanaged and not in scope for monitoring or management by the Service provider. Getting those devices in the CMDB assists TxDOT in its larger goal of getting all traffic devices connected and under monitoring and/or remote management. The Service Provider will be responsible for adding these devices into the Asset and CMDB systems based on TxDOT provided data as defined and approved by TxDOT. These devices may become part of the Monitor only or Managed devices at some point in time during this term of this contract but are currently in scope for asset tracking and CMDB updates only. District staff, as the device owners, retain the primary responsibility for the accuracy and completeness of the CMDB.

4.1.3 Non-Traffic Device Types

The Service Provider will be responsible for delivery of Services within the Traffic network environment. There are other device types within the Traffic environment which will be delivered by other Service Component Providers, Third Party Vendors as well as TxDOT districts and divisions. For avoidance of doubt, these device types defined within the CMDB, to be considered out of scope, include:

1. Border Safety Inspection Facility field devices;
2. Border Safety Inspection Facility information technology devices;
3. Support services division devices including

- a. Badge Readers,
 - b. CCTV, and
 - c. Security cameras;
- 4. Traffic counters; and
 - 5. Speed sensors.

4.1.4 Develop, Maintain, and Managed Processes Specific to Traffic Network

The Service Provider shall, at a minimum:

- 1. Develop and maintaining a set of processes aligned with the TxDOT approved framework and the overall SMM that are specific to needs and workflow on the traffic network: This must include at minimum:
 - a. Incident management,
 - b. Problem management,
 - c. Change management,
 - d. Configuration management,
 - e. Security management,
 - f. Asset management, and
 - g. Continual service improvement.
- 2. Propose other traffic specific processes where needed to clarify responsibilities between Service Provider, TxDOT, and other SCPs, provided those are aligned with the ITIL framework and SMM.
- 3. Deliver Services related to Incident, Problem, Change, and asset management, and continual service improvement regardless of how many devices are under monitoring or management.
- 4. Service Provider shall implement a standardized Change Management process that includes:

- a. Plan, schedule, manage, and perform Install, Move, Add, Change and Decommission (IMACD) services, as described in [Section 4.5 Installations, Moves, Adds, Changes, and Decommissions \(IMACDs\)](#) of this Exhibit, as requested and approved by TxDOT other Service Providers, TxDOT Authorized Users, and by the Service Provider as preventative measures.
 - b. Receive, validate and track all IMAC orders from Authorized Users using the TxDOT provided ITSM systems.
 - c. Managed a traffic network specific CAB process for issues that only impact the traffic network.
 - d. For issues brought before the CAB that impact the Service Provider shall provide risk analysis, and recommend strategies to mitigate any risks to the traffic network.
 - e. Correlating all change events on Network Equipment with approved TxDOT Change Management Process/CAB.
5. Support the Asset Management function. Districts, or other device owners have the primary responsibilities for accuracy and completeness data in the Configuration Management Database (CMDB), Service Provider will provide support and assistance by performing the following:
- a. Enter and remove devices in the when requested by TxDOT.
 - b. Perform limited validation on data provided by device owners to remove any obvious errors (e.g. duplicates, missing required information, devices not compliant with naming conventions, etc.).
 - c. Report to TxDOT device owners and assist in resolution of discrepancies.
 - d. Run reports on devices and tickets in ServiceNow as requested.

4.1.5 Hours of Coverage

The hours of coverage will vary with the type of service required of the provider TxDOT's regular business hours are defined as Monday through Friday, between the hours of 7:00 a.m. and 6 p.m., Central Time, excluding national holidays as defined by Texas Government Code Section 662.003(a). Some traffic services are required to be provided during extended business hours – 5:30 am – 8 p.m, Central Time, Monday through Friday (e.g. inclusive of morning and evening rush hour periods). Many services are required to be provided 24 hours a day, 7 days a week, and 365 days per Contract Year. Table 3 Hours of Coverage below clarifies which services require which hours of coverage: (i) all monitoring services, (ii) support for Priority Level 1 and 2 incidents, production changes, emergencies, and (iii) any other activities necessary to comply with the terms of the Agreement, the Service Levels as defined in [Exhibit 3.1 Service Level & Deliverables Matrix](#), and the Service Management Manual. For additional clarity and for the avoidance of doubt, the Service Provider shall provide Services following the hours of coverage by Service description as defined in Table 1 below:

Table 3 Hours of Coverage

Service Description	Coverage Hours
Service Support - Monitoring	
Network operations center	7x24
Hardware and device monitoring	7x24
Security services	7x24
Service Support – Management and Administration	
Event management, Incident response, Incident management and P1 service restoration	7x24
Event management, Incident response, Incident management and P2/P3/P4 service restoration	M- F 7am – 6 pm
Cross functional service integration	7x24
Proactive capacity and performance management	M- F 7am – 6 pm
Design and engineering services	M- F 7am – 6 pm
Service management escalations	7x24

4.1.6 Planning and Design Services

TxDOT retains governance and overall accountability for planning, design, developing standards for new areas, and evaluating new technologies. However, TxDOT is requesting the Service Provider to provide technical resources to support in these areas, the Service Provider shall, at a minimum:

1. Support TxDOT in development of naming schemes as specified by TxDOT's Standards.
2. Assist TxDOT in IP Addressing standards development.
3. Where TxDOT Standards do not exist or are not applicable, Service provider shall, upon request, create recommendations and submit to TxDOT for approval.

4. Identify areas of opportunity and remediation steps for improved information security management.
5. Manage Time Synchronization Services of Managed devices for Services.
6. Optimize telecommunications protocols within the Network as necessary to satisfy TxDOT's business and operational requirements as they evolve.
7. Provide management and continual improvement to existing network monitoring tools in use at Effective Date.
8. Document the criteria and assumptions used to develop plans and designs, including:
 - a. Interoperability considerations and assumptions for all Equipment and Software potentially affected by the Services plans and design, including Equipment and Software managed by TxDOT or other SCPs.
 - b. Network bandwidth and/or volume assumptions and projections.
 - c. Expected network performance and quality of service based on designs and plans, and minimum performance and quality of service expectations.
 - d. Expected availability, based on designs and plans for redundancy, and minimum availability expectations.
9. Contribute and support TxDOT in development of design techniques to appropriately prevent congestion and outages, including:
 - a. Design segmentation of Equipment, network traffic, and design features to sufficiently control and contain network traffic levels.
 - b. Design sufficient redundancy and alternative routing to meet the Service Levels and TxDOT's security and IT Service Continuity Management requirements.
10. Work cooperatively with other SCPs, Third Party Vendors, and TxDOT to facilitate effective planning and design of the Services.

4.1.7 Service Provider Engineering Support Functions

The Service Provider shall, at a minimum:

1. Recommend enhancements to TxDOT's architecture and security standards as improvement opportunities are identified.

2. Support TxDOT in development of information security standards and policy development.
3. Evaluate and recommend operational enhancements within TxDOT services model to improve efficiency, reduce cost or otherwise improve customer satisfaction.
4. Support improvement and innovation in TxDOT's environment by proposing ideas, tools, and processes to minimize engineering services-related tickets.
5. Collaborate with TxDOT and other SCPs to analyze and recommend Service needs, including continuous improvement recommendations.
6. Perform functional requirement testing and support of new Services hardware and/or Software.
7. Provide engineering and design expertise and outcomes for any proposal requested by TxDOT or other SCPs for new network services, as directed by TxDOT.
8. Upon request, develop proposals for new or enhanced network requirements on an ongoing basis, providing designs and plans that include all Managed Traffic Network Services components aligning to or enhancing TxDOT's network capabilities.
9. Contribute to requirements and solutions for new technologies and architectures.
10. Upon request, perform product evaluations, including hardware and software analysis and proof of concepts.
11. Support operational activities such as Priority 1 Incidents, RCA and problem Management.
12. Assist TxDOT in the creation of hardware and software standards for product procurements.
13. Recommend strategic decision and provide technical and industry direction on product selection.
14. Support TxDOT in the development and maintaining product roadmaps for all defined standard technology and base Software as defined by TxDOT.
15. Assist in development and implementation of new technology and Services.

16. Assist TxDOT in the creation of product engineering artifacts for standard products including:
 - (a) Evaluation criteria and results;
 - (b) Solution and service design output;
 - (c) Installation, configuration and support requirements; and
 - (d) Propose product status changes within lifecycle including risk, benefits and business impact.
17. Develop and maintain relationships with relevant industry partners and engage with those partners in support of TxDOT services in creation of artifacts and deliverables in use at TxDOT.

4.2 Performance Monitoring and Management Services

4.2.1 General Monitoring and Management

The Service Provider shall, at a minimum:

1. Monitor and manage continuous performance of the Services, including:
 - a. Monitor the Services to measure and monitor end-to-end performance of the Services.
 - b. Monitor and manage the Services for service degradation, including detection, isolation, diagnosis, and correction of Incidents.
 - c. Monitor physical and logical connections to the network in support of the Services.
 - d. Deliver all necessary monitoring, diagnostic, and maintenance systems and Software to meet Services monitoring and management requirements.
 - e. Perform necessary diagnostic routines as directed by TxDOT.
 - f. Utilize element management system tools to monitor events that exceed Services design thresholds, as well as:
 - i. Use the tools to provide automated alarms and indication of Services Incidents when thresholds are exceeded. This includes but is not limited to network bandwidth capacity related events.

- ii. Integrate the tools to automatically generate an Incident within the TxDOT Incident Management System, as described in **Exhibit 2.1.1 Cross Functional SOW** when Services thresholds are exceeded.
 - g. Detect other Services exceeded thresholds or component faults (e.g., system or circuit overutilization).
 - h. Define and implement reporting and corrective action procedures approved by TxDOT in the event design thresholds are exceeded.
- 2. Identify and configure “parent-child” and similar dependency relationships between devices that may not be automatically identified by the network monitoring software. (i.e., other portions of the network that are impacted by an outage).
- 3. Configure alerting to automatically suppress alerts from downstream devices when they are impacted by an issue with the corresponding parent or upstream device.
- 4. Notify TxDOT of any need for an unscheduled interruption.
- 5. Report to TxDOT Authorized Users on Services performance, resource shortages, utilization statistics and trends.
- 6. Provide an easily accessible service to TxDOT Authorized User to report the real time operational status of the Services in accordance with the Service Management Manual. Operational status areas include:
 - a. Availability management and
 - b. Network performance/flow management.
- 7. Provide ability to monitor, “ping,” and report on all devices in real-time (or near real-time, currently most devices are set to ping once every 5 minutes), including both IP-based and non-IP-based devices.
- 8. Configure monitoring to provide monitoring at the port level and detect port status changes and outages.
- 9. Set up alerting thresholds based on existing standards for that device class.
- 10. Provide the capability to discriminate between criticality levels of individual incidents.

11. Create separate dashboards for each district or division using TxDOT's monitoring system and provide role-based capabilities and access to those dashboards for different TxDOT stakeholders.
12. Configure, support, and manage dashboard viewing platforms, including, customizable default views based on user preferences and position (e.g., different views for business users versus technical users).
 - a. Service provider must provide at least three customized dashboards for each district or division using TxDOT's monitoring system, if requested, and at least 10 for ITD. This will require configuration of TxDOT's existing monitoring systems functionality, but not custom coding.
13. Either through the dashboard itself or through other tools in TxDOT's monitoring system, provide the ability to view the devices across multiple network topologies.
14. Either through the dashboard itself or through other tools in TxDOT's monitoring system, provide the ability to display of network bandwidth utilization and other advanced telemetry metrics
15. Provide the capability for authorized users to access the dashboard via the Internet.
16. Create dashboards to display what applications are using and consuming TxDOT's network bandwidth at enterprise level with the ability to drill down to individual Facilities. Create dashboards to display wireless access points enterprise-wide current state and status including the ability to view login user, devices on both TxDOT and public partitions.

4.2.2 Performance Optimization

The Service Provider shall, at a minimum:

1. Improve the performance and design of the Services using data gathered from performance monitoring and forecasting activities.
2. Create performance baseline on at least a quarterly basis, and prior to and following any transitions or changes.
3. Optimize cost-effectiveness and cost-efficiency, without sacrificing performance or the ability to meet the Service Levels.
4. Use modeling and other analysis tools where applicable to determine methods of improving the performance.

5. Assess and implement alternate methods and procedures to reduce Services errors and network downtime.
6. Review optimization activities and plans with TxDOT on at least a quarterly basis.

4.3 General Operations

The Service Provider shall provide the following services in connection with the Traffic Network and Services and shall be responsible for the overall network environment and administration of TxDOT traffic networks that includes:

1. Act as a single point of contact for the management and administration of the Services.
2. Develop and implement approved Services strategies in support of TxDOT's business objectives and in accordance with Change Management procedures.
3. Analyze and propose cost-effective Services alternatives.
4. Operate a 24/7 Network Operations Center that is the first point of contact for all alerts.
5. Support all communication protocols approved for use by TxDOT.
6. Provide TxDOT direct read-only access to all managed devices described herein.
7. All monitoring, classification, and triage services via the Network Operations Center ("NOC")
8. Support for Priority Level 1-4 incidents, production changes, and business critical issues.
9. Any other activities necessary to comply with the terms of the Contract, the Service Levels, and the Service Management Manual.
10. Complying with and enforcing all TxDOT-approved network, telecommunications and security policies and standards.
11. Support of routers, switches, equipment, devices regardless of vendor or platform.
12. Providing framework with the capability to conduct, assist, and remediate with all audits.

13. Use appropriate research, testing, and industry best practices when providing recommendations to TxDOT.
14. Assessing, developing and recommending opportunities to reduce (or avoid) costs associated with environment support and operations, including suggestions for tools for the automation of processes.
15. Regular clean up and closing of aged tickets to ensure closeout of tickets based on best practices, industry standards, and SMM.
16. Actively include capacity management services in the change management process to assess all changes for their impact on the capacity of the systems.
17. Produce and report trends of the current component utilization and estimating the future requirements, using trends and thresholds for planning Upgrades and enhancements for services and individual components within the service.
18. Report to TxDOT any issues and status related to capacity management services in a timely manner.
19. Provide a capacity management plan to TxDOT that will document the levels of resource utilization and Service performance, and forecast future requirements based on TxDOT's business strategies and plans.
20. Provide the following documents, at a minimum, for TxDOT review and approval for the Services described above:
 - a. Capacity management plan and
 - b. Updates to the capacity management plan.

4.4 Services Connectivity and Operations

4.4.1 Services Control and Connectivity Services

The Service Provider shall, at a minimum be responsible for Services Equipment, and Software, regarding the following:

2. Obtain approval from TxDOT prior to modifying connectivity from the TxDOT network to Service Provider Facilities or external networks.
3. Manage and operate all Services Equipment and Software including:
 - a. Configure Services Equipment, and Software in accordance with TxDOT's architecture and design principles.
 - b. Support and monitor Services Equipment, and Software.

- c. Verify connectivity of the infrastructure and all other directly connected devices.

4.4.2 Network Performance Management

The Service Provider shall, at a minimum:

1. Provide TxDOT with access to the performance management tools for review of performance and capacity data.
2. Evaluate, identify, and recommend configurations or changes to configurations to enhance device/interface performance.
3. Develop improvement plans and identify tuning efforts that should be performed on network Equipment to obtain optimum performance across the network and implement upon TxDOT Approval.
4. Manage network monitoring tools consistent with industry best practices, including implementing and maintaining naming conventions (site, device, etc..) according to TxDOT Standards.

4.4.3 Other Network Operations Services

The Service Provider shall, at a minimum:

1. Develop acceptance test procedures for installation and changes to the Services, and for verifying restoration of availability following problems with the Services.
2. Provide acceptance testing results for all major upgrades and new technologies.
3. Provide and maintain mapping of the entire network footprint with drill down capabilities.
4. Work with other TxDOT Service Providers and TxDOT as required to troubleshoot connectivity (wired, wireless, internal and offsite) and/or latency issues with application solutions used by TxDOT.
5. Manage the naming, numbering and addressing of all network components and related configuration items based on schemes approved by TxDOT, including:
 - a. Document and maintain the naming, numbering and addressing schemes and standards.
 - b. Implement, coordinate, and update new schemes, including developing associated migration plans.

4.5 Installations, Moves, Adds, Changes, and Decommissions (IMACDs)

All IMACD activity shall be governed by Network device type as described in [Section 4.1.1 Traffic Device Type Service Matrix](#) of this Exhibit. The Service Provider shall, at a minimum:

1. Provide or oversee, as appropriate, all installations, de-installations, system access, cascades, moves, adds, upgrades, configuration changes, and changes for Equipment, Software, and related Services at designated TxDOT Facilities.
2. Coordinate, plan, and schedule IMACDs with the requestor.
3. Coordinate all internal and external functions and activities to achieve high-quality execution of the IMACDs to meet Service Levels and minimize any operational interruption or disturbance.
4. Use TxDOT defined system to track IMACD activity and produce reports on these activities.
5. Monitor client satisfaction and closely monitor Service Levels throughout the IMACD activity.
6. With respect to authorized IMACD requests, execute the IMACD including:
 - a. Coordinate with other SCPs, TxDOT, and any Third Party Vendors to achieve execution of IMACDs.
 - b. Coordinate pre-installation Facilities surveys to confirm that the Facilities are properly surveyed and prepared to prevent delays in IMACD activities.
 - c. Coordinate and install changes to the infrastructure or Equipment for which the Service Provider is responsible.
 - d. Schedule and create work orders for technicians, including working with TxDOT and other SCPs to be on-site as necessary.
 - e. Perform related Software installs and Upgrades for eligible devices.
 - f. Perform backups and reloads of data and Software for eligible devices.
 - g. Perform configuration functions for eligible devices.
 - h. Coordinate with TxDOT Authorized Users to test and verify the operation of all applications that utilize or depend on the network resources being modified.
 - i. Coordinate on-site support as required to resolve Incidents associated with installations or moves.
 - j. Update the Asset Inventory and Management System, as described in [Exhibit 2.1.1 Cross Functional SOW](#) when any network Equipment or

Software changes are made by the Service Provider or reported by TxDOT or its designate.

- k. Set up security, file access, and other administrative procedures associated with IMACDs.

4.5.1 IMACD Pre-Execution

The Service Provider shall, at a minimum:

1. Create and document the processes to enable IMACD execution for each Software and/or Equipment component and obtain TxDOT's approval for such processes and documentation.
2. Receive IMACD requests from Authorized Users and validate the IMACD request for correctness and proper authorization.
3. Communicate with Authorized Users if there is an issue with an IMACD request.
4. Coordinate and communicate with designated TxDOT, Third Party Vendor or other SCP personnel concerning scheduling and requirements to minimize the business impact on Authorized Users.
5. Confirm that all Equipment, Software, parts, network, cabling, or any other services necessary to execute the IMACD will be available as of the date(s) scheduled for the IMACD.
6. Confirm the new or existing configuration of the Equipment and Software associated with performing the IMACD. Service Provider will conform to configurations approved by TxDOT.
7. Confirm the installation and/or de-installation procedures associated with performing the IMACD, including backup, contingency, and test procedures.
8. Coordinate the scheduling and dispatching of appropriate technicians, including Third Party Vendors as well as TxDOT and/or Technical Field Services SCP resources where needed.

4.5.2 IMACD Execution

The Service Provider shall, at a minimum:

1. On receiving and verifying a valid IMACD request, perform all necessary pre-work before an IMACD is executed.
2. Provide the necessary technical support to complete the IMACD, including onsite support as required.
3. Support Third Party Vendors in executing IMACDs and coordinating such activities with the appropriate designated TxDOT personnel or Third Party Vendors.
4. Perform any required backup procedures following established procedures and TxDOT data policies.

5. De-install and re-install any existing Equipment, Software, or other related services necessary to execute the IMACD.
6. Install Equipment and Software, including new Equipment and Software or upgrades. All installations and configurations will be performed according to standards and Change Management procedures.
7. Re-load data or backup files as necessary.
8. Set up security, file access, and other administrative procedures associated with the IMACD.
9. Test the Equipment, Software, and related Services after implementing the IMACD to ensure proper function and connectivity (e.g., network access, file open and print capabilities, remote connectivity, internet/intranet access).
10. Update the CMDB promptly when any Equipment or Software changes are implemented by Service Provider or reported by TxDOT.
11. Monitor customer satisfaction and closely monitor Service Levels throughout the IMACD activity and following the delivery at predetermined intervals.
12. Meet the IMACD-related Service Levels outlined in **Exhibit 3.1 Service Level and Deliverable Matrix**.
13. Confirm correct implementation of the IMACD with the designated TxDOT personnel as appropriate.
14. Where utilizing Third Party Vendors, TxDOT or other SCP resources, ensure work instructions are provided for execution and close out of activities.

4.5.3 Project IMACDs Additional Responsibilities

Project IMACDs are conducted within the project framework governed by TxDOT. The Service Provider shall, at a minimum:

1. Perform all tasks associated with IMACDs described in this Exhibit, with additional responsibilities and coordination based on the scale required for activities related to Project IMACDs.
2. Develop and submit to TxDOT a written Project IMACD plan, including a timeline and milestones, to complete the Project IMACD within the project scope schedule.
3. Provide appropriate Service Provider project management personnel to interface with the TxDOT personnel, including facilities managers, and manage the implementation of the Project IMACD.
4. Develop a comprehensive contingency plan for Project IMACDs, including back-out procedures, notification and escalation lists, work-around plans, affected resources, and risk assessments.
5. Coordinate prioritization and resource allocation with TxDOT for approved Project IMACDs.
6. Record, track and manage Project IMACD requests.

7. Provide Project IMACD status reports as appropriate and participate in Project IMACD planning meetings.
8. Provide appropriate information to TxDOT for non-recurring expenses and recurring billing related to the Project IMACD.
9. As required, perform post-implementation reviews or analyses of Project IMACDs (e.g., establish the degree to which the Project IMACD meets acceptance criteria).
10. Provide a mechanism for expedited handling of Project IMACDs that are of high business priority to TxDOT so that such Project IMACDs are completed within the required timeframe.

4.5.4 IMACD Additional Responsibilities

The Service Provider shall, at a minimum:

1. Track the IMACD request from initiation to completion, using an automated system to track IMACD activity.
2. Provide a single point of contact for Authorized Users and the Service Desk for activities associated with an IMACD.
3. Perform IMACDs for Service Provider personnel without additional charge to TxDOT.

4.5.4.1 Performance

TxDOT reserves the right, in its sole discretion, to reasonably suspend or delay the performance of the Services.

The Service Provider shall, at a minimum:

1. Perform the Services described in the Project Work Order and project plan in accordance with the timetable and the Project milestones set forth in the project plan.
2. Perform the Services in a manner that shall not disrupt the business or operations of TxDOT or degrade the Services then being received by the TxDOT, except as may be otherwise expressly provided in the project plan.
3. Prior to undertaking any activity, discuss with TxDOT all known specific material risks and shall not proceed with such activity until TxDOT is reasonably satisfied with the mitigating plans with regard to such risks (provided that neither Service Provider disclosure of any such risks to TxDOT, nor TxDOT's acquiescence in Service Provider's mitigating plans, shall operate or be construed as limiting Service Provider's responsibility under this Agreement).
4. Identify and resolve, with TxDOT's reasonable assistance, any problems that may impede or delay the timely completion of each task in the project plan that is Service Provider's responsibility and shall use all commercially reasonable

efforts to assist TxDOT with the resolution of any problems that may impede or delay the timely completion of each task in the project plan that is TxDOT's responsibility.

5. Meet with TxDOT as requested to report on Service Provider's progress in performing its responsibilities and meeting the timetables set forth in the project plan.
6. Provide written reports to TxDOT as requested and shall provide oral reports more frequently if reasonably requested.
7. Promptly, but not later than one (1) business day, after receiving any information indicating that Service Provider may not perform its responsibilities, or meet any timetable in the project plan, notify TxDOT in writing of any actual or potential failures to timely perform and shall identify for TxDOT's consideration and approval specific measures to address and mitigate the risks associated therewith.
 - a. Neither the Services nor the activities and Deliverables associated with individual project milestones shall be deemed complete until Acceptance of such activities and Deliverables.
 - b. In addition to any Deliverable Credits, if Service Provider fails to meet the date specified for any project milestone, Service Provider shall not be entitled to any further compensation for work associated with such project milestone after such date.

4.5.4.2 Project Delivery

The Service Provider shall, at a minimum:

1. Plan, procure, install, administer and manage the defined work as quoted and agreed by TxDOT and Service Provider.
2. Interact with TxDOT real estate, landlord management, and other Authorized Users so that requirements are properly communicated and managed.
3. Comply with TxDOT Standards.
4. In the absence of applicable TxDOT Standards, use industry standards that meet or exceed local code or other requirements of applicable authorities as approved by TxDOT.
5. Include manufacturer warranty support with all installations.

4.5.4.3 Warranty

The Service Provider shall, at a minimum:

1. Following Acceptance of each Project, provide, for no additional Charge, the post-Acceptance follow-up support described in the applicable Project Work Order.
2. Without limiting the foregoing, Service Provider shall pass through to TxDOT all manufacturer warranties.

4.5.5 Refresh and Replacement

The Service Provider shall, at a minimum:

4.5.5.1 Refresh Planning

The Service Provider will support TxDOT to ensure refresh planning is consistently done and in compliance with processes outlined in the SMM for all Service Provider supported systems, circuits and equipment. Service Provider's responsibilities include:

1. Support TxDOT in the development of a Refresh plan for all systems, circuits and equipment (also referred to as assets in this section), including:
 - a. Within one-hundred and twenty (120) days prior to TxDOT's annual planning process meetings, work with TxDOT to recommend a rolling Refresh Plan based on the asset inventory of systems, circuits and equipment, historical trends, lifecycle standards of systems, circuits and equipment, and industry best practices.
 - b. Develop and recommend multiple service refresh options (e.g., three-year, four-Year), which may vary by systems, circuits and equipment and as defined by SMM.
 - c. Service Provider and TxDOT will consider the usability of the systems, circuits and equipment and review alternatives to replace, re-lease, consolidate, or retain the assets.
 - d. For Service Provider-owned assets, Service Provider and TxDOT will mutually determine whether Service Provider will replace an asset and the appropriate replacement date.
 - e. If Software Changes are required due to replacement of assets, Service Provider, in consultation with TxDOT, will review alternatives for making changes to such Software.
 - f. For TxDOT owned and leased assets, based on the planning process outcome and direction established by TxDOT, Service Provider will support TxDOT in the refresh schedule of those assets (replacement at TxDOT's expense).

2. Contribute recommendations for innovation and improvement of systems, circuits and equipment in the environment, generate periodic reports on improvement opportunities, and implement improvement opportunities as requested by TxDOT.

4.5.5.2 Refresh Execution

1. Support TxDOT with the refresh for all in scope systems, circuits and equipment.
2. Support TxDOT during on-demand out of cycle system, circuit and equipment refreshes.
3. Support TxDOT with the disposal retired assets, including those with a destruction validation certification, in accordance with TxDOT's decommissioning policies.
4. As needed, support TxDOT within the term of the refresh cycle, repair or replace failed, damaged, or failing components, including for example:
 - a. Batteries;
 - b. Power cords / AC adapters; and
 - c. Cables (e.g., network patch cables)
5. Service Provider shall maintain required asset management data in TxDOT CMDB, including performing an annual inventory via electronic methods.

4.6 Software Currency and Support Services

The Service Provider shall, at a minimum:

1. Interface with TxDOT and TxDOT Third Party Vendors to promote compatibility of Services Systems and manage the subcontractors that provide Software support to Services for which the Service Provider is responsible.
2. Fully test all Software revisions before their installation on the Services Systems.
3. Proactively notify TxDOT of availability of new versions of software, including analysis of impact and/or value of the new version of software (e.g., fixes and new features applicable to TxDOT technical and business environments).
4. Coordinate that production levels are fully supported by Third Party Vendors; maintain a record (for each product in production) of version history and associated availability, as well as of any announced end-of-support or end-of-availability dates.

4.7 Security Services

4.7.1 General Services

Service Provider will meet the requirements related to physical and logical security set forth in **Exhibit 2.1.1 Cross Functional SOW**.

The Service Provider shall, at a minimum:

1. Maintain security tools, procedures, and systems required to protect the integrity, confidentiality, and availability of the TxDOT network and data on the network.
 - a. TxDOT will approve the selection of the security tools.
2. Comply with TxDOT's information security policies described in **Exhibit 2.1.1 Cross Functional SOW**, and network architecture and standards, described in the technical architecture standards in TxDOT Standards whereby the Service Provider will follow the best practices of either TxDOT or Service Provider, whichever requires greater security based on reasonable and prudent standard practices, with approval by TxDOT.
3. Utilize Access Control Lists (ACLs) on all networking devices in accordance with TxDOT network security policies.
4. Monitor usage patterns and investigate and report significant discrepancies in those patterns no later than thirty (30) minutes after their detection.
5. Provide an easily accessible online service to TxDOT Authorized Users to review the security policy and logs of the network devices.

4.7.2 Security

The Service Provider shall, at a minimum:

1. Provide encrypted data transfer and password-protected meetings.
2. Leave no content behind – client and server side.
3. Provide zero footprint browser-based Asynchronous JavaScript client.
4. Provide end-to-end SSL encryption.
5. Provide closed events, where participation is limited only to invited and authenticated users.
6. Provide real-time visual event monitoring and enable moderators to expel unwanted participants.

4.7.3 Device Compliance Management

The Service Provider shall, at a minimum:

1. Manage access to in scope devices.
2. Validate remote access is restricted to authorized personnel and audit logs of all changes are recorded, per compliance with TxDOT's security standards.
3. Service Provider shall be responsible for ensuring configuration of devices remains in compliance with TxDOT technical and security policies and standards, including:
 - (a) Compliance with TxDOT password policy;
 - (b) Validate field devices are connected over secured connections;
 - (c) Report on device patch compliance against known vulnerabilities;
 - (d) Lock unused ports; and
 - (e) Where possible, validate configuration are backed up in monitoring software.
4. Validate and maintain "compliant" devices within CMDB and asset repository against deployed devices.
5. Report on device compliance monthly.
6. Where there are risks associated with devices that do not comply with this section, notify TxDOT in writing and include overall risks.

4.8 Name and Address Management Services

The Service Provider shall, at a minimum:

1. Provide name and address management (e.g., naming conventions, IP) as required by TxDOT.
2. Administer policies that support consistencies throughout the network.
3. Interface and integrate with other providers of network services (e.g., DNS and DHCP).

4.9 Disaster Recovery

4.9.1 Disaster Recovery Overview

The Service Provider shall, at a minimum:

1. Develop and maintain Disaster Recovery Plan and Business Continuity of Operations Plan for Managed Traffic Network Services, and complete all activities to comply with plans, including testing.
2. Participate in DR enhancement / optimization planning activities with TxDOT, the Statewide MSI and DCS Provider, and other SCPs.
3. Develop disaster recovery strategy and plan and maintain Disaster Recovery Plan and documentation
4. Develop enhancements, customizations and automations to facility continual improvement in disaster recovery restoration times to reduce manual procedures and complexity
5. Adhere to and perform the IT Service Continuity requirements contained in **Exhibit 2.3. IT Service Continuity Management** and as defined in the SMM, and Disaster Recovery Plan (DRP).

4.10 Traffic network and end-use device monitoring

Traffic network and end-use device monitoring services include providing monitoring services via the NOC, including tracking, analyzing, and real-time reporting on the traffic network and end-use devices. The Service Provider's responsibilities include configuring, managing, and supporting automated monitoring, and configuring, managing, and supporting alerts and notifications, and configuring, managing, and supporting dashboard viewing platforms. The Service Provider shall, at a minimum:

1. Operate a Network Operations Center (NOC) that is the first point of contact for all network monitoring alerts.
 - (a) Alert TxDOT Information Security of any event that is or suspected to be security-related or a violation of TxDOT security policies or standards; and
 - (b) provide regular reporting.
2. Provide monitoring services for network devices, including, but not limited to, the following devices:
 - (a) Firewalls,
 - (b) Routers,
 - (c) Switches,
 - (d) Cameras,

- (e) Encoders,
 - (f) Decoders,
 - (g) ITS Radios,
 - (h) Dynamic Message Signs (“DMS”),
 - (i) Uninterruptible Power Supply (“UPS”),
 - (j) Speed sensors, such as Bluetooth, radar or loop detectors,
 - (k) Road and Weather Information System (“RWIS”) weather sensors,
 - (l) Traffic detection devices,
 - (m) Signals, and
 - (n) Simple traffic devices (e.g. illumination devices, school zone flashers).
3. When onboarding a device, proactively identify and document downstream impact of any outages (i.e., other portions of the network that are impacted by an outage).
 4. Identify and configure parent-child relationships and similar dependency relationships with other devices that may not be automatically identified by the Software.
 5. Configure alerting to automatically suppress alerts from downstream devices when they are impacted by an issue with the corresponding parent or upstream device.
 6. Configure all deployed Services devices to export session flow data to collectors that will consolidate, manipulate and present application flow data to a centralized management platform, where applicable.
 7. Provide monitoring at the port level and detect port status changes/outages.
 8. Produce reports on device configuration changes upon request.
 9. Utilize TxDOT defined standard monitoring tools to monitor, “ping,” and report on all Traffic network devices in real-time, including both IP- and non-IP-based devices (e.g., encoders, DMS, roadside detectors, closed-circuit televisions (“CCTVs”), signals) on TxDOT’s traffic network, using methods such as:
 - (a) Directly “pinging” for IP-based devices;

- (b) “Pinging” encoders to obtain information on non-IP devices; and
 - (c) Leveraging monitoring tools for health of non-IP devices.
10. Monitor and report on the health of in scope Traffic devices.
 11. Review results and reports of network monitoring and, as needed, update the network monitoring processes and documentation.
 12. Provide automated alerts and report on items such as outages, port status changes, device configuration/settings changes, via multiple channels based on severity.
 13. Set alert thresholds based on TxDOT Standards.
 14. Enable SNMP or other similar protocols so that TxDOT’s monitoring system can determine not just the up/down status of the device but all the health and environmental status information that the device is capable of sharing with a network monitoring tool.
 15. For non-IP based traffic devices, verify the integration with TxDOT’s monitoring system and TxDOT’s traffic management system is working correctly to enable reading and reporting on the health and performance of these devices.
 16. Configure, manage and support dashboard viewing platforms, including, but not limited to, customizable default views based on user preferences and position (e.g., different views for business users versus technical users).
 17. Maintain TxDOT’s monitoring system with TxDOT’s ITSM ticketing system. For those devices under monitoring only, the ticket should be issued to the device owner or the responsible entity designated by the device owner, and no remediation activities will be required of the Service Provider. Service Provider shall be responsible for event triage if automation between these integrated systems is not performing as expected.
 18. Set up RADIUS, TACACS, Active Directory, or similar software on all devices that support it to enable remote changes (e.g., add/modify/remove) to logins, passwords, and credentials on individual devices and on devices by location group and by device/make/class/group.
 19. Validate that required personnel have necessary credentials to devices.
 20. Ensure all devices that support log monitoring are recording the system logs and saving them to location directed by TxDOT. Specifically, the service must

support real-time replication or integration of audit logs to the TxDOT's SIEM solution for audit reporting, alerting and management by TxDOT Information Security.

21. Enable automated backup of configuration settings for devices that support backups.
22. Ensure all devices and/or system logs are monitored by TxDOT's vulnerability management tools per existing policy.
23. Perform auto-discovery of all network assets and ensure all auto-discoverable devices and auto-discoverable fields are accurately populated into the CMDB.
24. If device owner requests a customized alert threshold different from the existing standard, make a recommendation on ITD whether this exemption should be granted and implement it, if approved.
25. Develop and coordinate event and Incident escalation process with TxDOT and Service Component Providers, escalating as defined in documented procedures, including:
 - (d) Routing of Incident tickets to appropriate SCP or resolver group;
 - (e) Resolve misclassified tickets;
 - (f) Document alert threshold as defined on prioritization matrix as defined by TxDOT; and
 - (g) Escalate as defined by approved escalation matrix and by device type.
26. Configure a separate dashboard for each district and manage customizable role-based capabilities and access to those dashboards for different TxDOT stakeholders, including but not limited to:
 - (h) District staff, leadership, and management;
 - (i) Intelligent Traffic System ("ITS") analysts; and
 - (j) Traffic Management Center ("TMC") operators.
27. Enable dashboards to have capabilities including, but not limited to, the following:
 - (k) Drill downs through double-clicks;
 - (l) Display the status of all devices monitored;

- (m) Display the status of all devices grouped or aggregated by device type or location;
- (n) Display all open/current alerts;
- (o) Detailed data (e.g., device type, location) on outages/issues;
- (p) Historical views to assist in troubleshooting;
- (q) Display view of traffic network topology;
- (r) Capability to sort and filter network devices (e.g., by type, name, location);
- (s) Capability to access the dashboard via the internet; and
- (t) Display of network bandwidth utilization and other advanced metrics.

4.11 Traffic network and end-use device Management

Traffic network and device management services include all in-scope IP and non-IP enabled devices TxDOT's traffic network, including operating, managing, and supporting devices across all dimensions and providing end-to-end resolution for Incidents, service requests, and tickets. The Service Provider's responsibilities include, but are not limited to, traffic and network device management, fault management, configuration management. The Service Provider shall, at a minimum:

1. Enforce TxDOT traffic network policies.
2. Monitor and manage traffic network devices including but is not limited to, the IP- and non-IP-enabled devices listed below.
 - (a) Firewalls,
 - (b) Routers,
 - (c) Switches,
 - (d) Cameras,
 - (e) Encoders,
 - (f) Decoders,
 - (g) ITS Radios,
 - (h) Dynamic Message Signs ("DMS"),

- (i) Uninterruptible Power Supply (“UPS”),
 - (j) Speed sensors, such as Bluetooth, radar or loop detectors,
 - (k) Road and Weather Information System (“RWIS”) weather sensors,
 - (l) Traffic detection devices,
 - (m) Signals, and
 - (n) Simple traffic devices (e.g. illumination devices, school zone flashers).
3. Maintain integration of Service Provider’s monitoring occurring via NOC with TxDOT service management platform to enable capabilities including, but not limited to:
 - (a) Sending auto-generated tickets directly to the NOC as the first step;
 - (b) Checking off auto-remediation steps as completed;
 - (c) Following up on open tickets; and
 - (d) Delivering pre-built templates for recurring remediation issues and track faults and network outages.
 4. Coordinate with TxDOT and any defined Third Party Vendors as needed to support and operate network monitoring and management software.
 5. Attempt to remotely remediate any issues that can be remotely remediated. Service Provider shall escalate tickets requiring physical remediation through physical access to the device utilizing the device owner or appropriate designee and track the ticket to completion.
 6. Alert TxDOT Information Security of any event that is or suspected to be security-related or a violation of TxDOT security policies or standards.
 7. Utilize the TxDOT defined network monitoring tool to detect and identify a network outage, identify a device fault (e.g., a camera going down), identify the upstream and downstream impact of outages and recommend a resolution path and timeframe.
 8. Run regular diagnostics on individual devices, on all devices where the capability exists, by certain make or class and across all areas:
 - (a) Deliver ability to automate isolation and identification of the root cause of faults.

9. Resolve incidents associated with failure or degradation of the performance of traffic network hardware and software, and provide break-fix support, advice, and assistance in accordance with manufacturer warranty and in collaboration with other SCPs and TxDOT.
10. Develop and coordinate alert and Incident escalation process with TxDOT and Service Component Providers, escalating as defined in documented procedures and approved by TxDOT.
11. Receive and resolve tickets regarding traffic network. The resolution process should include, at a minimum:
 - (a) Ongoing diagnosis and resolution of tickets;
 - (b) Escalation of tickets as needed;
 - (c) Tracking and logging ticket information;
 - (d) Ongoing evaluation and closure of tickets;
 - (e) Root Cause Analysis, as defined by TxDOT procedures, with identification of root cause, an action plan, and an estimated time to completion for remediation;
 - (f) Documentation and reporting across ticket resolution process; and
 - (g) Providing incident management.
12. Conduct a Root Cause Analysis on Priority 1 Incidents, and other Incidents at TxDOT's request, disseminate results and recommendations, and implement incident management strategies as defined in the SMM.

4.11.1 Configuration Management

1. Maintain responsibility for configuration and patch management across traffic network devices, including implementation of all patches and software updates.
 - (a) Bring all patch management activity to TxDOT for approvals, prior to any implementation.
 - (b) Provide recommendations for patches and software updates that should be brought TxDOT District approval, and any action plans.
 - (c) When onsite work is required, Service Provider will coordinate with TxDOT, other Third Party, or assigned SCP to execute required patching and updates.

2. Test and assess the risks involved in proposed patches, software and firmware updates, and configuration changes before seeking approval to implement these changes, including, but not limited to, within TxDOT-owned or Service Provider-owned and TxDOT-approved environments.
3. Push manually-inputted configuration and setting changes to devices individually, by location group, and by device/make class group.
4. Maintain storage of configurations for devices either locally or on a TxDOT approved management system.
5. Maintain storage of configurations by geographic location.
6. Auto-retrieve and push configuration changes to any traffic network device, device/make class group or geographic location.
7. Submit changes to TxDOT for approval as appropriate, as outlined in TxDOT's processes and procedures, obtaining approval prior to making any changes, including emergency situations as defined by TxDOT.
8. Manage and coordinate the TxDOT District approval process for all Traffic network changes required to undergo review, including but not limited to:
 - (a) Scheduling;
 - (b) agenda-setting; and
 - (c) Preparing materials in advance to facilitate a decision.
9. Deliver capability to interface with the TxDOT automated traffic management system for all devices, groups of devices by device/make class and by location.

5 Transformation Projects

TxDOT seeks Service Provider to include details relevant to the scope, design, cost, timing, resources utilized, partners leveraged and sequencing of projects contained in this **Article 9**. TxDOT has identified some initial transformational projects to be performed, at TxDOT's option, over the duration of any agreement arising from this Agreement. TxDOT may add transformational projects at any time.

The scope of these projects may require active participation by TxDOT and other SCPs as to affect desired outcomes. Respondents must include a complete solution inclusive of all applicable solution execution elements (e.g. hardware, software, etc..), project timing, target implementation dates, sequencing of projects, articulate required resources and subcontractor involvement as well as representative project plans.

5.1.1 Transformation Principles

This Service Provider shall be focused on the continuous service improvement efforts to identify opportunities to make processes and services better, execute against those opportunities and objectively measure the effects of said efforts over time.

The transformational principles are designed to drive transformational projects that are aligned with TxDOT's technological direction to enable an overall better service environment for TxDOT. At a minimum, these principles include:

5.1.2 Standardization and Consolidation Principles

- 5.1.2.1** Drive to a single set of TxDOT operating systems and fewer versions (the N: standard or N-1: acceptable tolerance) to significantly simplify the patch management and vulnerability profile of the TxDOT environment as decided by TxDOT governance and decision-making processes.
- 5.1.2.2** Drive higher levels of consolidation and standardization to reduce the complexity of managing the monitoring, vulnerability, and patching processes as to minimize manual labor and risk management in the TxDOT environment.
- 5.1.2.3** Drive higher levels of consolidation and standardization to reduce operational complexity of monitoring and troubleshooting a variety of OEM fit for purpose hardware platforms.
- 5.1.2.4** Eliminate shadow systems in the TxDOT environment to reduce unmanaged applications, data storage devices, and user processes that can result in loss of information or create vulnerabilities in the TxDOT environment.

5.1.3 Customer Engagement and Agility Principles

- 5.1.3.1** Evolve TxDOT to a solution orientation and a driver of positive business outcomes as measured through the eyes of TxDOT.
- 5.1.3.2** Participate in TxDOT's migration efforts that are embarking on consolidation or legacy modernization roadmaps with flexible configuration and deployment of TxDOT infrastructure.
- 5.1.3.3** Work with TxDOT and other SCPs to help design and specify new systems that leverage standardized TxDOT infrastructure and services to drive quality projects and rapid adoption of TxDOT services.
- 5.1.3.4** Create an integrated, solution-oriented TxDOT capability that streamlines onboarding, service request, and service management processes that is expedient, transparent, and simple.
- 5.1.3.5** Streamline and simplify all elements of TxDOT that include overly manual and personal knowledge intensive processes and are information/intervention-intensive and replace them with customer self-service and customer experience enabling processes, tools, and platforms.

5.1.4 Service Management Principles

- 5.1.4.1** All TxDOT services shall be designed and operated to provide a single view of the enterprise, including production/non-production environments. From a TxDOT experience perspective, simplify operations and maintenance, and more importantly, improve cybersecurity posture and risk management processes.
- 5.1.4.2** The Service Provider shall include capabilities to ensure that all software and hardware – whether production, development, operating or security – is current, licensed, patched and supported regardless of where it is deployed.
- 5.1.4.3** The Service Provider shall recommend to TxDOT to modernize legacy and outdated infrastructure and processes so that state-of-the-art technology deployment can occur.
- 5.1.4.4** The Service Provider shall be focused on the continuous service improvement efforts to identify opportunities to make processes and services better, execute against those opportunities and objectively measure the effects of said efforts over time.

5.2 Transformation Projects

TxDOT has identified project opportunities to be performed, at TxDOT's option, over the term of the Contract. TxDOT may add additional transformation projects at any time. The scope of these projects may require active participation by TxDOT and other TxDOT SCPs as to affect the required outcomes.

Service Provider must include a complete solution inclusive of all solution execution elements (e.g., hardware, software, services etc.), project timing, target implementation date, and sequencing as well as representative project plans and financial impacts. These plans must convey the sequencing, dependencies, and involvement of TxDOT, as well as other elements deemed required by the Service Provider to drive successful outcomes and high-performance results within the TxDOT environment. Service Provider may sequence or repackage these projects (into smaller initiatives or larger programs) as they see fit as to drive the highest value for TxDOT and as to illustrate their capabilities in performing the work.

5.2.1 Transformation Projects: Methodology

The Service Provider, in addition to transformation project-specific milestones, and their own project execution methodologies, shall incorporate all TxDOT minimum project standards and milestones.

5.2.1.1 Transformation projects: Minimum standards and requirements

5.2.1.1.1 Service Provider shall notify TxDOT of any emergency maintenance activities that must be performed on internal or external components. A mutually approved procedure must be established by TxDOT and Service Provider.

5.2.1.1.2 The Service Provider shall comply with project management and change management processes and requirements and must include written TxDOT approval for any change to any element that could adversely impact users of the service (public, State, or otherwise), or render a TxDOT system that utilizes the service unavailable to the system's user community (public, State or otherwise).

5.2.1.1.3 All identified or future transformation projects or major project initiatives must adhere to the project management delivery requirements unless otherwise agreed in writing with TxDOT.

5.2.1.2 Requirements confirmation and analysis requirements

5.2.1.2.1 Any transformation project requires the Service Provider to thoroughly document the business, functional, technical, operating and security requirements and recommend changes that will improve the business processes and requirements. In general, due to their size and involvement requirements of TxDOT stakeholders, TxDOT and potentially other SCPs, these projects may involve a level of documentation and rigor that lend themselves to a multi-phase type of approach.

5.3 Project 1: Disaster Recovery Assistance and Preparedness

The core responsibilities of this Agreement require the Service Provider to keep the traffic network operational and respond to a wide range of incidents. In the event of a major disaster recovery or business continuity event, extraordinary measures may be needed to restore TxDOT to an operational state. If such an event occurs, TxDOT may exercise this project to direct the Service Provider to take whatever steps may be necessary to restore normal operations. When those steps are outside of the Service Provider's responsibilities, this project will enable the Service Provider to perform whatever tasks are needed and for TxDOT to pay for these services on a time and materials basis. This may include, but is not limited to:

- Deployment of new temporary networks, temporary equipment, or other and work around solutions;
- Assistance re-connecting third party connections (media, transportation partners); and
- Helping districts re-constitute Traffic Management Center capabilities from alternative locations. including enabling remote access, re-routing telephone systems off site, training staff on new hardware and software tools, and developing solutions to access specialized tools remotely.

Service Provider may also be asked to assist TxDOT with preparedness activities including but not limited to:

- Assisting districts to develop a disaster recovery plan that would enable them to maintain all critical functions from an off site location.
- Assisting in the development of a statewide or regional disaster recovery plan that would enable mutual assistance between districts.
- Implement new capabilities to execute disaster recovery or preparedness plans.

5.4 Project 2: Traffic Network Segmentation

Currently, the TxDOT business network and traffic networks are mostly segmented, but the Traffic network relies on the business network for several key functions, including:

- Transport between district traffic networks and between the traffic network and the internet,
- End user support – the workstations used by traffic personnel are part of the business network and the software and software support for normal office applications are provided the same way as any other workstation on the business network.
- All servers and software hosting are maintained as part of the business networks
- Active Directory needed to authenticate into most TxDOT applications is maintained as part of the central architecture.

Because of these dependencies, the traffic network is not able to operate independently if it lost access to the business network. The overall goal of network segmentation is to improve security and resiliency of our networks by enable parts of the network to be walled off so that a security breach or operational issue impacting one part of the network could be contained without impacting other parts of the network.

The business network SCP will have the responsibility for executing the overall network segmentation project. More detail on the scope of this project is provided in the business network SOW, but the project will split TxDOT's overall network infrastructure into at least three segments, one for business network, one for traffic, and one for facilities. This likely will be a logical separation managed over a common infrastructure. Concurrent with this effort, the Service Provider will execute a separate but integrated project to manage the traffic network specific components of this segmented network, to ensure that all critical traffic functions are able to be maintained even in the event of a complete failure of the business network, and enable further segmentation of the traffic network, as needed.

As part of the Traffic Network Segmentation project, the Service Provider shall::

1. Liase with the Traffic Safety Division (TRF), traffic personnel in the Districts, ITD, and the Business Network SCP to ensure traffic operational needs are clearly articulated and recommend solutions to related to shared infrastructure that will meet traffic needs (e.g.

whether a separate hosting environment for traffic applications should be stood up on the traffic side, or whether all software would continue to be managed centrally and accessible to all segmented networks). TxDOT will make the final architecture decisions. The Service Provider will make recommendations and articulate the advantages, disadvantages and risks of various options as they related to meeting the needs of traffic operations.

2. The Business Network SCP will be responsible for standing up any centrally managed architecture. The Service Provider will be responsible for ensuring any centrally managed infrastructure is accessible to the traffic network without creating significant risks that undermine the benefits of segmented networks. If TxDOT decides a separate infrastructure should be stood up on the Traffic Network, the Service Provider will be responsible for setting up this infrastructure (or migrating it from its current location) and supporting this over the long term.
3. The Business Network SCP will stand up the overall infrastructure for segmentation. The Service Provider will be responsible for setting up any counterpart infrastructure on the traffic network to ensure traffic personnel are able to take full advantage of the segmented network.
4. Prior to Commencement, TxDOT expect to have approximately 3,000 – 4,000 traffic devices connected by cellular router. At present, all cellular connections run through the business network. The Service Provider will be responsible for building a separate cellular architecture on the traffic network and migrating these devices to that network. As part of this infrastructure Service Provider should make recommendations for redundancy and resiliency, including incorporating carriers' priority access for first responders (e.g. AT&T's FirstNet and Verizon's Frontline). At present approximately 60% of TxDOT's traffic devices on cellular use Verizon and 40% use AT&T.
5. In 2019 & 2020, TxDOT piloted a system to enable sharing of real-time video from traffic cameras via a web-based interface through a vendor-hosted platform. TxDOT is currently in a competitive procurement to expand a similar video sharing capability statewide in 2021. At present the video sharing system relies on the business network to backhaul compressed video from the traffic cameras to the vendor-hosted platform. As part of the Traffic Network Segmentation project, Service Provider shall be responsible for migrating the infrastructure needed to support the video sharing system to the traffic network. The video vendor will be the primary vendor defining the requirements to support the video sharing system on a separate traffic network. This vendor will need to work with the video vendor and the business network vendor in the design phase and to make the necessary changes on the traffic network to migrate support for video sharing system.

5.5 Project 3: Cybersecurity

TxDOT's Information Security Team conducts periodic vulnerabilities assessments of all traffic hardware, software, and systems. In the event that these assessments indicate a finding of non-compliance with one or more security standards, they will generally recommend a set of

remediation measures to improve security and bring the identified issue in line with current standards.

This project may be used, either to address a specific finding or to improve security of the traffic networks on a proactive basis. This may include, but is not limited to:

- Implementing additional segmentation measures to separate high-risk systems or applications.
- Implementing additional encryption, multi-factor authentication or similar technical or procedural improvements.
- Significant reconfiguration / re-engineering, or re-architecting: Generally it is the Service Provider's responsibility to maintain configurations and security of all traffic network hardware and software in line with current TxDOT Standards.

5.6 Project 4: Fiber Mapping and Support

At present, one of TxDOT's current vendors is inventorying all TxDOT owned fiber optic cable and recording the data in a Fiber Optic Network Management software made by OSP Insight. TxDOT may need a vendor to expand this system, which may include but not be limited to the following:

- Using a combination of remote scanning, document review, limited field investigation, and any other methodology the Service Provider proposes to identify the specific location of the fiber, at a degree of accuracy that TxDOT can inform construction contractors or other parties that may dig nearby the location of TxDOT fiber in order to prevent fiber cuts.
- Using a combination of remote scanning, document review, limited field investigation, and any other methodology the Service Provider proposes, record the specific conditions of the fiber (e.g. Number of strands, how many times it has been spliced, any losses).
- Conduct analyses and make recommendation on how TxDOT can use existing or new fiber more strategically across our network and fill gaps to improve performance and redundancy.
- Assist TxDOT in applying for grant funding or similar opportunities to support fiber buildout, rural broadband, or similar initiatives.



Texas Department of Transportation

Managed Traffic Network Services

Exhibit 2.1.9

Solution Document

Version 1.0

Solicitation No. 601440000032124

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1 Service Provider Guidelines

Service Provider will submit this document as part of its Request for Offer (RFO) response submission.

This **Exhibit 2.1.9 Managed Traffic Network Services - Solution Document** supplies specific information for the Service Provider's use when responding to the RFO. This Exhibit is intended to be updated in stages throughout the procurement process. This Exhibit contains an outline of key topic areas that the Service Provider is required to address as part of its response. The response will include a thorough description of Service Provider proposed organizational structure, services solution, technical solution proposed to meet the requirements defined in **Exhibit 2.1.1 Cross Functional Services SOW**, and overall approach to implementing the Services and successfully transitioning responsibility from the Incumbent Service Provider. Detailed Transition response will be completed in **RFO Attachment 5: Transition Plan Response** per the instructions provided in the RFO.

1.1 Service Provider Instructions

1. Service Provider will modify the electronic version of this Exhibit (as provided with the RFO) to respond to the requirements herein by completing all sections while refraining from modifying section titles or removing sections.
2. Throughout the Solution response, Service Provider shall ensure compliance with **Exhibit 2.1.1 Cross Functional Services SOW** as well as interoperability, interfaces and relationships they will establish with other Service Providers and the Service Integrator to ensure a seamless delivery to TxDOT.
 - a. Service Provider need not demonstrate its understanding of ITIL functional areas, but instead shall focus on how Service Provider will perform the Services and integrate transparently in the operating model.
3. Although some sections are related, the Service Provider should minimize repeated responses (copy/paste) in subsequent sections, ensuring the response for each section is specific to the requirements therein.
4. Service Provider may remove the TxDOT-provided guidance (i.e. the italicized text) within each section.
5. Service Provider should not restate the requirements, volumetrics or solution assumptions from **Exhibit 2.1.8 Managed Traffic Network Services - Statement of Work**. Rather, Service Provider should articulate how its unique solution will deliver the required services. Assumptions must be documented as instructed in the RFO Instructions Section 3.7 within the defined structure of Exhibit 4.1 Pricing Structure.

6. The Service Provider will refrain from providing “marketing materials” and background information already provided to TxDOT or otherwise available in the public domain.
7. The Service Provider will return the completed file as part of its overall response to the RFO package, in accordance with the RFO Response Instructions Section 3.7.

2 Managed Network Services - Traffic Network Proposed Organization Overview

*This section should begin with an overall view of the proposed organizational chart for the service relationship. The Service Provider will provide a narrative description of the benefits their proposed organization brings to TxDOT and describe lines of authority, escalation and accountability. Additionally, the Service Provider shall complete **Table 1** below to provide a list of subcontractors who will provide goods or services under the Agreement specifically accounting for lines of authority, escalation and accountability in this distributed organization model.*

Service Provider shall describe its experience, if any, with integrating with a common services delivery model in a multi-sourcing services environment such as TxDOT’s and identify how it will integrate with the TxDOT services ecosystem.

Service Provider will describe its proposed organization overview in the space below.

Table 1: Subcontractors

Name of Subcontractor (Company/Individual)	Subcontractor Scope of Work	Location where Subcontractor will Perform Work	Anticipated Duration of Subcontracting Engagement

3 Managed Network Services - Traffic Network Solution Overview

*The functional areas below reference sections of **Exhibit 2.1.8 Managed Traffic Network Services - Statement of Work**. The Service Provider should review the SOW requirements prior to responding to each functional area section below. Capitalized terms in this document may refer to section headings in the Statement of Work.*

3.1 Solution Overview

The first section of the document will be a solution overview. In this space below, the Service Provider will describe the overall view of the solution, including solution components that drive improved efficiencies, and operational approach to meeting the

*overall objectives of and requirements contained in **Exhibit 2.1.8 Managed Traffic Network Services - Statement of Work**. The Service Provider will articulate how it will perform the services, with specific attention drawn to the focus areas of each section.*

Describe your solution in detail, including:

- Relevant experience and expertise
- Included scope
- Operational approach
- Partnering and governance overview
- Included tools and how these tools will be used within Service delivery
- Methods and process for gathering and reporting on SLA Performance data

3.2 Service Level Compliance

In the space below, Service Provider will describe how its solution, approach and methodology for providing Performance Management will meet the requirements in Exhibit 3.0 Performance Model.

Describe your solution in detail, including:

- Acknowledgement of compliance with the Service Levels as defined in Exhibit 3.1 Service Level Deliverable Matrix and Exhibit 3.2 Service Level Definitions
- Detail which tools you have included, or will be leveraged from TxDOT and how these will be used to gather, store, and report on Service Levels
- Additional information pertinent to this section

3.3 Operating Agreements

In the space below, Service Provider will describe how its solution, approach and methodology for providing Common Services will meet the requirements in Section 2.1.

Describe your solution in detail, including:

- Acknowledgement of compliance with the Services as defined in this section
- Experience operating in a multi-supplier model

3.4 Service Evolution and Optimization Services

In the space below, Service Provider will describe how its solution, approach and methodology for providing Common Services will meet the requirements in Section 2.2.

Describe your solution in detail, including:

- Acknowledgement of compliance with the Services as defined in this section
- Relevant experiences and ways in which your solution provides value to TxDOT in Product lifecycle and Engineering activities
- Additional information pertinent to this section

3.5 Key Personnel

*Service Provider will complete **Exhibit 2.4 Key Personnel** per the instructions provided in the RFO and aligned with roles defined in Section 2.3 of Exhibit 2.1.8 Managed Network Services - Traffic Network Statement of Work.*

3.6 Evergreen Service Personnel

In the space below, Service Provider will describe how its solution, approach and methodology for providing Common Services will meet the requirements in Section 2.4.

Describe your solution in detail, including:

- Acknowledgement of compliance with the Services as defined in this section
- Relevant experiences that emphasize a Customer-centric approach to delivery of Services
- How will TxDOT specific technology be incorporated into staffing, hiring, and education development
- How this program is measured and managed to ensure continual improvements and proper alignment of customer focus, technical skills and industry experience
- Relevant experiences, defined programs and industry recognition for education learning management, ongoing development of skills and how this is incorporated in the solution to ensure TxDOT achieves value and customer satisfaction
- Additional information pertinent to this section

3.7 Work Location

In the space below, Service Provider will describe how its solution, approach and methodology for providing the Managed Traffic Network Service will meet the requirements in Section 2.5.

Describe your solution and location of services in detail, provide specific details and technical solution to articulate how requirement of this section have been met, including:

- Work locations
- Connectivity solution design and architecture
- Procedures that will be implemented to ensure protection of TxDOT assets and data
- Additional information pertinent to this section

3.8 Transition

*Service provider will complete detailed Transition response in **RFO Attachment 5: Transition Plan Response** per the instructions provided in the RFO and consistent with Article 3 of **Exhibit 2.1.8 Managed Traffic Network Services - Statement of Work**.*

3.9 Traffic Device Type Service Matrix

In the space below, Service Provider will describe how its solution, approach and methodology for entitling service categories in Section 4.1.1.

Describe your solution in detail, including:

- Acknowledgement of compliance with the Services as defined in this section
- Articulating the understanding of the need for entitlement of devices, from a services perspective, to ensure operational resources understand the service distinction between Monitor only vs Fully Managed devices, and how this entitlement will be operationalized
- Additional information pertinent to this section

3.10 Non-Managed Traffic Signals

In the space below, Service Provider will describe how its solution, approach and methodology for providing Non-Managed Traffic Signals services will meet requirements in Section 4.1.2.

Describe your solution in detail, including:

- Acknowledgement of compliance with the Services as defined in this section and understanding that some Traffic signals may be monitored, managed or be out of scope initially, or remain out of scope during the Agreement

3.11 Non-Traffic Device Types

In the space below, Service Provider will describe how its solution, approach and methodology for providing Non-Traffic device types services will meet requirements in Section 4.1.3.

Describe your solution in detail, including:

- Acknowledgement of compliance with the Services as defined in this section and understanding that some Service Provider may interact and have visibility to devices that are out of scope
- How Service provider will handle situations where out of scope devices are encountered, and how Service provider will validate the appropriate handoff has occurred

3.12 Develop, Maintain and Manage Processes and Documentation

In the space below, Service Provider will describe how its solution, approach and methodology for providing Develop, Maintain, and Manage Process and Documentation Specific to Traffic Network will meet the requirements in Section 4.1.4.

Describe your solution in detail, including:

- Acknowledgement of compliance with the Services as defined in this section
- Understanding of the usage of TxDOT approved systems for IT Service management, including Service Management Manuals and approach for developing, enhancing and maintaining required documentation
- Relevant service experience
- Staffing plan and approach
- Approach to management of service quality and consistency
- Approach to assessment and development of defined work instructions in which these may currently be inconsistently developed for traffic network, and will require interactions with TxDOT Service Governance and Customer
- Service Provider may propose for TxDOT's consideration
 1. any concerns it may have related to where documentation will be stored
 2. options for documentation storage that allows TxDOT and Service Provider access to all documentation within a single location.
- Additional information pertinent to this section

3.13 Hours of Coverage

In the space below, Service Provider will describe how its solution, approach and methodology for Hours of Coverage will meet the requirements in Section 4.1.5.

Describe your solution in detail, including:

- Staffing plan and approach

- Acknowledgement of compliance with the Services as defined in this section
- Additional information pertinent to this section

3.14 Planning and Design Services

In the space below, Service Provider will describe how its solution, approach and methodology for providing Planning and Design Services will meet the requirements in Section 4.8.

Describe your solution in detail, including:

- Acknowledgement of compliance with the Services as defined in this section
- Staffing plan and approach
- Relevant experience and expertise
- Traffic Network specific use cases
- Operational approach and demonstrated understanding of the working relationship with TxDOT as the accountable party for Engineering services
- Additional information pertinent to this section

3.15 General Operations

In the space below, Service Provider will describe how its solution, approach and methodology for providing General Operations Services, Performance Management, Services Connectivity and Operations, and IMACD will meet the requirements in Sections 4.2, 4.3, 4.4, and 4.5.

Describe your solution in detail, including:

- Staffing plan and approach
- Acknowledgement of compliance with the Services as defined in these sections
- Understanding of usage of TxDOT defined tooling
- Relevant experiences that emphasize a Customer-centric approach to delivery of Services
- Entitlement and operational handling for IMACD requests across Monitor only and Fully Managed devices
- Additional information pertinent to this section

3.16 Software Currency Services

In the space below, Service Provider will describe how its solution, approach and methodology for Software Currency will meet the requirements in Section 4.6.

Describe your solution in detail, including:

- Staffing plan and approach
- Acknowledgement of compliance with the Services as defined in this section
- Understanding of multi-supplier nature and requirements to interact across multiple suppliers for Technical currency alignment
- Additional information pertinent to this section

3.17 Tower Security Services

In the space below, Service Provider will describe how its solution, approach and methodology for Tower Security Requirements will meet the requirements in Section 4.7.

Describe your solution in detail, including:

- Staffing plan and approach
- Acknowledgement of compliance with the Services as defined in this section
- Approach to device compliance operations and reporting
- Understanding of multi-supplier nature and requirements to interact across multiple suppliers for Security
 1. Security Incident Support Services
 2. Security Incident Response management
 3. Escalation Process
 4. TxDOT Notification
- Additional information pertinent to this section

3.18 Name and Address Management Services

In the space below, Service Provider will describe how its solution, approach and methodology for Name and Address Management will meet the requirements in Section 4.8.

Describe your solution in detail, including:

- Acknowledgement of compliance with the Services as defined in this section

3.19 Disaster Recovery

In the space below, Service Provider will describe how its solution, approach and methodology for Disaster Recovery will meet the requirements in Section 4.9.

Describe your solution in detail, including:

- Staffing plan and approach
- Acknowledgement of compliance with the Services as defined in this section
- Understanding of multi-supplier nature and requirements to interact across multiple suppliers for DR planning, testing and documentation
- Additional information pertinent to this section

3.20 Traffic Network and End Use Device Monitoring

In the space below, Service Provider will describe how its solution, approach and methodology for Monitoring services will meet the requirements in Section 4.10.

Describe your solution in detail, including:

- Acknowledgement of compliance with the Services as defined in this section
- Relevant service experience
- Staffing plan and approach
- Approach to management of service quality and consistency
- Approach to working with TxDOT Service Governance and Service Desk to ensure Event Management responsibilities are executed consistently with TxDOT defined standards
- Approach to working with TxDOT Districts and Divisions to ensure appropriate handoff
- Additional information pertinent to this section

3.21 Traffic Network and End Use Device Management

In the space below, Service Provider will describe how its solution, approach and methodology for Management services will meet the requirements in Section 4.11.

Describe your solution in detail, including:

- Acknowledgement of compliance with the Services as defined in this section
- Relevant Traffic service experience and industry recognition
- Staffing plan and approach
- Traffic Network specific use cases
- Approach to remote resolution of Incidents

- Approach to management of service quality and consistency
- Approach to working with TxDOT Service Governance and Service Desk to ensure Event Management responsibilities are executed consistently with TxDOT defined standards
- Approach to working with TxDOT Districts and Divisions to ensure appropriate handoff
- Additional information pertinent to this section

3.22 Transformation Project – Disaster Recovery Assistance

In the space below, Service Provider will describe how its solution, approach and methodology for Transformation Project – Disaster Recovery Assistance will meet the requirements in Section 5.3.

Describe your solution, including:

- Solution summary
- Relevant services experience and industry recognition
- Partnership approach and subcontracting relationships leveraged
- Staffing plan and approach
- Acknowledgement of compliance with the Services as defined in this section
- Delivery locations
- Approach to management of service and staffing quality
- How your solution is particularly enabled to quickly staff requests
- Recommended deliverables with dates
- Key dependencies and identified risks
- Risk mitigation strategy
- TxDOT required work efforts defined
- Earliest start date
- Solution Assumptions
- Solution components, including
 1. Hardware
 - a. Make / model / configuration
 2. Software
 - a. Name / manufacturer
 - b. Version and Release

c. Commercial / Open Source

3. Services

3.23 Transformation Project – Traffic Network Segmentation

In the space below, Service Provider will describe how its solution, approach and methodology for Transformation Project – Traffic Network Segmentation will meet the requirements in Section 5.4.

Describe your solution, including:

- Solution summary
- Relevant services experience and industry recognition
- Partnership approach and subcontracting relationships leveraged
- Staffing plan and approach
- Acknowledgement of compliance with the Services as defined in this section
- Delivery locations
- Approach to management of service and staffing quality
- How your solution is particularly enabled to quickly staff requests
- Recommended deliverables with dates
- Key dependencies and identified risks
- Risk mitigation strategy
- TxDOT required work efforts defined
- Earliest start date
- Solution Assumptions
- Solution components, including
 1. Hardware
 - a. Make / model / configuration
 2. Software
 - a. Name / manufacturer
 - b. Version and Release
 - c. Commercial / Open Source
 3. Services

3.24 Transformation Project – Cybersecurity

In the space below, Service Provider will describe how its solution, approach and methodology for Transformation Project – Cybersecurity will meet the requirements in Section 5.5.

Describe your solution, including:

- Solution summary
- Relevant services experience and industry recognition
- Partnership approach and subcontracting relationships leveraged
- Staffing plan and approach
- Acknowledgement of compliance with the Services as defined in this section
- Delivery locations
- Approach to management of service and staffing quality
- How your solution is particularly enabled to quickly staff requests
- Recommended deliverables with dates
- Key dependencies and identified risks
- Risk mitigation strategy
- TxDOT required work efforts defined
- Earliest start date
- Solution Assumptions
- Solution components, including
 1. Hardware
 - a. Make / model / configuration
 2. Software
 - d. Name / manufacturer
 - e. Version and Release
 - f. Commercial / Open Source
 3. Services

3.25 Transformation Project – Fiber Mapping and Support

In the space below, Service Provider will describe how its solution, approach and methodology for Transformation Project – Fiber Mapping and Support will meet the requirements in Section 5.6.

Describe your solution, including:

- Solution summary
- Relevant services experience and industry recognition
- Partnership approach and subcontracting relationships leveraged
- Staffing plan and approach
- Acknowledgement of compliance with the Services as defined in this section
- Delivery locations
- Approach to management of service and staffing quality
- How your solution is particularly enabled to quickly staff requests
- Recommended deliverables with dates
- Key dependencies and identified risks
- Risk mitigation strategy
- TxDOT required work efforts defined
- Earliest start date
- Solution Assumptions
- Solution components, including
 1. Hardware
 - a. Make / model / configuration
 2. Software
 - g. Name / manufacturer
 - h. Version and Release
 - i. Commercial / Open Source
 3. Services



Texas Department of Transportation

Managed Network Services

Exhibit 2.2

Termination Assistance Services

Version 1.0

Solicitation No. 601440000032124

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1 GENERAL

Upon TxDOT's request, the Service Provider shall perform the Termination Assistance Services set forth in this Exhibit, as well as those set forth in **Section 4.3 Termination of Assistance** of the Master Services Agreement ("MSA" or "Agreement").

2 RISK IDENTIFICATION

The Service Provider shall notify TxDOT of significant risk factors relating to the Termination Assistance Services and, at TxDOT's request, shall design plans and contingencies to mitigate such risk.

3 SPECIFIC TERMINATION ASSISTANCE SERVICES

3.1 Knowledge Transfer

As requested by TxDOT, the Service Provider shall provide for a transfer of knowledge regarding the Services, TxDOT requirements and related topics so as to facilitate the provision of the Services by TxDOT or their designee(s).

3.1.1 The Service Provider shall, at a minimum:

- 3.1.1.1 Provide reasonable training (in a manner mutually agreed to by the Parties) to personnel designated by TxDOT; training shall include the performance of the Services that are to be transferred.
- 3.1.1.2 Provide to TxDOT and/or their designee(s) information regarding the Services as reasonably necessary to implement the termination assistance plan developed by Service Provider pursuant to **Section 4.3** of the Agreement.
- 3.1.1.3 Provide to TxDOT and/or their designee(s) information regarding the Services as reasonably necessary for TxDOT or their designee(s) to assume responsibility for continued performance of Services in an orderly manner so as to minimize disruption in the operations of TxDOT, including (i) relevant documentation, and (ii) key support contacts (names, business phone numbers, email addresses and business postal addresses) of Service Provider Personnel during the transition from the Service Provider to TxDOT or their designee(s).
- 3.1.1.4 Supply information concerning Systems, Equipment, Software, types and skills of Service Provider Personnel and other resources used by Service Provider to provide Services under the Agreement, as reasonably necessary for TxDOT or their designee(s) to assume responsibility for the Services.
- 3.1.1.5 Supply information, code, and configurations required to compile all transferrable Software and Applications, including (i) Application source code, (ii) Application build parameters, (iii) Application source code control library specifications, (iv) Application source code build processes and steps, and (v) Application executables.

- 3.1.1.6 Explain the processes and procedures (e.g., Incident Management, Change Management, etc.), in the Service Management Manual (SMM), Reports, and other standards and procedures to the operations staff of TxDOT or their designee(s).
- 3.1.1.7 Provide reasonable access, including in person and by telephone, to Service Provider Personnel during and following the period for performance of Termination Assistance Services.
- 3.1.1.8 Explain the extent and nature of the impact of legal and regulatory requirements compliance, if any, on the Services.
- 3.1.1.9 Provide TxDOT or their designee(s) reasonable access to Systems, Equipment, Software, and other resources used by Service Provider to provide the Services, and provide TxDOT or their designee(s) information concerning such items, all as reasonably necessary for transition of the Services to TxDOT or their designee(s).

3.2 Transfer of Resources

The Service Provider shall provide all reasonable assistance required for the transfer to TxDOT or their designee(s) of the Systems, Equipment, Software and other resources that are implicated by the relevant Assistance Event.

3.2.1 The Service Provider shall, at a minimum:

- 3.2.1.1 Identify any third-party services that are required by TxDOT or their designee(s) to perform the Services, and to which TxDOT or their designee(s) are entitled under **Section 4.4 Use of Third Parties** of the Agreement.
- 3.2.1.2 Provide asset listings for Systems, Equipment, and Software owned or licensed by Service Provider, its Subcontractors, TxDOT including those which are required by TxDOT or their designee(s) to perform the Services and to which TxDOT or their designee(s) are entitled under **Section 4.4** of the Agreement.
- 3.2.1.3 Work with TxDOT or their designee(s) to minimize or eliminate any potential transfer, re-licensing or termination charges, taxes and other costs or expenses that might be incurred by TxDOT or their designee(s) as a result of any transfers.
- 3.2.1.4 Perform administrative functions required to enable the assignment of Systems, Equipment, Software, and Third Party Contracts that are required by TxDOT or their designee(s) to perform the Services, and to which TxDOT or their designee(s) are entitled under **Section 4.4** of the Agreement, including executing legal documents and performing other necessary functions.

3.3 Operational Transfer

The Service Provider shall perform all activities requested by TxDOT pursuant to **Section 4.3 Termination of Assistance** of the Agreement to enable a smooth transfer of operational responsibility for the Services to TxDOT or their designee(s).

3.3.1 This shall include:

- 3.3.1.1 Identifying, recording and providing release levels for TxDOT Software and updating such records of release levels prior to and during transition of the Services.
- 3.3.1.2 If and to the extent requested by TxDOT, halting any enhancements to, development or testing of any Software.
- 3.3.1.3 Providing any Systems configurations and data extracts in appropriate electronic formats (e.g., Excel, databases) as necessary for TxDOT or their designee(s) to assume responsibility for the Services.
- 3.3.1.4 Providing machine readable and printed listings and associated documentation for source code for Software owned by TxDOT and source code to which TxDOT is entitled under the Agreement, including all Software details required to compile all transferrable Software including (i) Software source code and (ii) Software build parameters and (iii) Software source code control library specifications and (iii) Software source code build processes and steps and (iv) Software executables.
- 3.3.1.5 To the extent required by TxDOT and applicable to the Services implicated by the relevant Assistance Event, delivering support profiles, enhancement logs, problem tracking, resolution documentation, and status reports associated with the Services.
- 3.3.1.6 Providing any trouble logs that TxDOT does not already have, reporting at least twelve (12) months prior to the effective date of the relevant Assistance Event, and returning any other Authorized User information collected or maintained as part of the Services implicated by the relevant Assistance Event.
- 3.3.1.7 Providing for the orderly hand-off of ongoing Requests, Work Orders or Projects, including a listing of current and planned Requests, Work Orders or Projects, as well as all Systems, Software, and Equipment ordered or in process. With respect to each Request, Work Order or Project, document the status, ensure the activity is stabilized for continuity during transfer, and provide reasonable training to achieve transfer of responsibility without loss of momentum.
- 3.3.1.8 Ensure that all documentation used by Service Provider to provide the Services, including but not limited to technical, operations procedures, program management procedures and report documentation, is stored in the Service Management Manual (SMM) and provided in electronic media.
- 3.3.1.9 Documenting and delivering databases and all application data specific to the Services as well as TxDOT Data.
- 3.3.1.10 Transferring physical and logical security processes and tools (to the extent required under the Agreement), including cataloging and tendering all badges and keys for TxDOT Facilities, documenting ownership and access levels for all passwords, and instructing TxDOT or their designee(s) in the use and operation of security controls.

- 3.3.1.11 Providing and coordinating assistance to TxDOT or their designee(s) in notifying relevant third parties of the procedures to be followed prior to, during, and after the transition.
- 3.3.1.12 Returning to TxDOT or their designee(s) any remaining property of TxDOT in Service Provider's possession or under Service Provider's control, including any remaining Reports, TxDOT Data, TxDOT Owned Materials, Third Party Materials and TxDOT Confidential Information.
- 3.3.1.13 Cooperating with TxDOT or their designee(s), test plans, back out procedures, and contingency plans as part of the transition of Services to TxDOT or their designee(s).
- 3.3.1.14 In conjunction with TxDOT or their designee(s), conducting rehearsals of the transition prior to cutover, as requested by TxDOT.
- 3.3.1.15 After the transition, providing additional assistance as reasonably requested by TxDOT to assure continuity of operations.
- 3.3.1.16 Freezing all system changes unless otherwise requested by TxDOT, except maintenance necessary to continue performing the Services.
- 3.3.1.17 Providing interim copies of TxDOT Data, as reasonably requested by TxDOT.
- 3.3.1.18 Unloading all TxDOT Data and TxDOT Confidential Information from Service Provider Owned Materials and Third Party Materials and returning all TxDOT Data and TxDOT Confidential Information in accordance with **Article 13 TxDOT Data and Other Confidential Information** of the Agreement.
- 3.3.1.19 Transferring responsibility for off-site storage of tape, backups and documents.
- 3.3.1.20 Making available data files and other TxDOT Data and TxDOT Confidential Information stored on Systems and Equipment for which Service Provider is responsible, including backups.
- 3.3.1.21 Securely erasing, wiping clean, or otherwise destroying any remaining copies of TxDOT Owned Materials, Third Party Materials, TxDOT Data and TxDOT Confidential Information.

3.4 Human Resources Transfer

Service Provider shall provide reasonable assistance required in hiring Service Provider Personnel in accordance with **Section 4.3** of the Agreement or substitute personnel resources to perform the Services.

3.4.1 This shall include:

- 3.4.1.1 Providing a current account organizational chart, identifying the individual Service Provider Personnel assigned to perform the Services;

- 3.4.1.2 Providing a listing of the Service Provider Personnel positions and the amount of time the Service Provider Personnel in such positions spent to provide the Services;
- 3.4.1.3 Assessing the skills mix of the Service Provider Personnel providing the implicated Services;
- 3.4.1.4 Identifying any then-current or anticipated personnel resource requirements and identifying the overlap of such requirements with the skill set of the Service Provider Personnel then-assigned to perform the Services; and
- 3.4.1.5 Providing a listing of the Service Provider Personnel used to provide the Services in sufficient detail to determine their applicability to the transition process and on-going operation and support of TxDOT environments.

4 REMOVAL OF PROPERTY

Prior to removing any documents, Systems, Equipment, Software or other Materials from TxDOT Facilities, the Service Provider shall provide appropriate notice to TxDOT identifying the property it intends to remove. Such identification shall be in sufficient detail to apprise TxDOT of the nature and ownership of such property. The Service Provider shall not remove property owned by TxDOT from TxDOT Facilities without the prior written consent of TxDOT. The Service Provider shall comply with the removal procedures reasonably established by TxDOT for removal of property from TxDOT Facilities.



Texas Department of Transportation

Managed Network Services

Exhibit 2.3

IT Service Continuity Management

Version 1.0

Solicitation No. 601440000032124

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1 INTRODUCTION

Upon the occurrence of a disaster, the Service Provider shall promptly provide Disaster Recovery (DR) Services, in accordance with the applicable Disaster Recovery Plans (DRPs), including as described in, and in accordance with, the requirements of this Exhibit. In addition, this Exhibit sets forth certain requirements that the Service Provider shall comply with in developing, maintaining, and implementing DRPs.

2 DISASTER RECOVERY

2.1 Initial Disaster Recovery

At Commencement, Service Provider will take over the current Disaster Recovery plan and testing as is and support that architecture, plan and testing until the Disaster Recovery strategy as defined in **Exhibit 3.1 Service Level Deliverable Matrix** is implemented.

The Service Provider, at a minimum, shall:

- 2.1.1 Leveraging the existing Disaster Recovery capabilities, work with TxDOT to establish declaration procedures and document those procedures in the Service Management Manual (SMM). TxDOT shall have the authority to declare a disaster.
- 2.1.2 As required in **Exhibit 3.1 Service Level Deliverable Matrix Disaster Recovery Plan One-Time Deliverable**, for all Equipment, Network, Software, and Applications, by Commencement, the Service Provider will create or update all Disaster Recovery Plans to reflect Service Provider changes where appropriate to maintain a viable Disaster Recovery Plan for Service Provider Services upon Commencement.
- 2.1.3 Support testing of all Third-Party Disaster Recovery contracts in existence and continue to support such contracts until such time that a successful test has been achieved for alternative Disaster Recovery strategy and TxDOT requests the cancellation of the Third-Party Disaster Recovery contracts.

2.2 Disaster Recovery Strategy

The Service Provider, at a minimum, shall:

- 2.2.1 Identify and review applicable input to TxDOT's existing disaster recovery and business continuity and emergency preparedness plans such as the TxDOT Data Center Services ("DCS") Disaster Recovery Plan, DCS - Annual Disaster Recovery Test Plan and Schedule document, TxDOT IT Continuity of Operations Plan ("COOP"), TxDOT Emergency Preparedness Plan, TxDOT IT Mission Control Emergency Preparedness Plan, and other related disaster recovery and business continuity plans, processes, and procedures as defined in the Service Management Manual or otherwise communicated to Service Provider by TxDOT.
- 2.2.2 Review all Third Party disaster recovery contracts and test activities.
- 2.2.3 Conduct review of the planning, response and recovery activities consistent with the technical recovery guides, Recovery Point Objectives ("RPOs") and Recovery Time Objectives ("RTOs") as defined in the Service Management Manual and TxDOT's Standards identified in the "Agency-Level General Recovery Priorities and Processes" document.
- 2.2.4 Develop the Disaster Recovery Strategy critical deliverable in **Exhibit 3.1 Service Level Deliverable Matrix**, design new disaster recovery architectures, DRPs, TRGs, and update the SMM as required to migrate all Applications to the TxDOT approved Disaster Recovery model using the TxDOT-approved disaster recovery levels.
- 2.2.5 In accordance with the Disaster Recovery Strategy critical deliverable in **Exhibit 3.1 Service Level Deliverable Matrix**, implement new disaster recovery architectures, technology, and modifications as required to migrate to the TxDOT-approved Disaster Recovery Strategy using the TxDOT-approved disaster recovery levels.

- 2.2.6 Propose declaration procedures to TXDOT and document TXDOT-approved procedures in the Service Management Manual (SMM).
- 2.2.7 Use the Disaster Recovery Plan (DRP) and Technology Recovery Guide (TRG) templates as defined in the SMM.

2.3 Disaster Recovery Plan (DRP)

The Service Provider, at a minimum, shall:

- 2.3.1 As applicable, leverage and maintain DRPs where they currently exist in support of Services and in relation to any TxDOT specific DRPs, in each case subject to TxDOT's and the TxDOT prior review and approval.
- 2.3.2 Create, define and maintain DRPs where they do not exist in support of TxDOT Shared Services provided to TxDOT and in relation to any TxDOT specific DRPs, in each case subject to TxDOT prior review and approval.
- 2.3.3 Utilize the TxDOT specific plan and the associated TRGs.
- 2.3.4 Within sixty (60) days after the Commencement Date, update all existing Services DRPs to reflect all changes implemented during the performance of Transition Services.
- 2.3.5 Update DRPs annually to reflect all changes implemented over the course of Service Provider's performance of the Services. TRGs shall be updated whenever a change is made to the environment or Application.
- 2.3.6 Updated DRPs and TRGs shall be sent for the applicable TxDOT review and must document and demonstrate Service Provider's plan and capability to restore services within their applicable RTOs.
- 2.3.7 Adjust the applicable DRPs and TRGs whenever TxDOT needs and use of the Services change.

- 2.3.8 Develop and maintain all DRPs that are developed by Service Provider and verify they comply with all TxDOT Standards, including the National Institute of Standards and Technology Special Publication 800-34 and 800-66 Section 4.7, and shall be tested in accordance with applicable Laws and this **Exhibit 2.3 IT Service Continuity Management**.

2.4 Disaster Recovery Testing

The Service Provider, at a minimum, shall:

- 2.4.1 Assume the DR test schedules in existence at the Commencement Date, and work with TxDOT to ensure that the annual test schedules continue without disruption.
- 2.4.2 In cooperation with TxDOT, SCPs, and DIR DCS, establish and schedule reasonable windows to accomplish all DR testing for Applications as documented in the Service Provider's annual DR test plan and schedule, in accordance with the Disaster Recovery Test Schedule critical deliverable in **Exhibit 3.1 Service Level Deliverable Matrix**.
- 2.4.3 Assist TxDOT and the appropriate governance committee in prioritizing the test schedule, as specified in **Exhibit 1.2 Governance Model**.
- 2.4.4 Propose test objectives for TxDOT's approval and coordinate with related SCP test objectives.
- 2.4.5 Support TxDOT, DIR DCS and other SCPs in planning and preparation for annual test activities, including setting the objectives of the test. Each such test shall address the specific needs of each Application. The Service Provider's test execution must demonstrate, at a minimum, the Service Provider's and SCP(s)' ability to meet or exceed the designated RTOs for those Applications in the event of a disaster.
- 2.4.6 Conduct all testing activities in a manner designed to minimize impacts to active production, test, and development environments. If an active environment is required to execute the test, the Service Provider will, prior to the test, communicate the use of the environment to and obtain approval from TxDOT.
- 2.4.7 Notify TxDOT of any anticipated DR risks, in accordance with the IT Service Continuity Management processes in the SMM, where TxDOT may choose not to participate in testing.
- 2.4.8 Evaluate the results of the test and identify and log potential corrective actions.
- 2.4.9 Provide initial test results to TxDOT, as applicable, and incorporate their feedback into the final test results report.
- 2.4.10 Facilitate test result review sessions with the TxDOT to gain consensus on the success level of the test (e.g., successful, successful with issues, unsuccessful, etc.) and to identify corrective actions.
- 2.4.11 Resolve corrective actions and report status to the TxDOT as defined in the SMM.

3 RECOVERY TARGETS

At a minimum, Service Provider shall:

- 3.1.1 Perform DR Services to meet or exceed the applicable RTO for each Application, as indicated in the relevant TxDOT DRP and tracked in the CMDB.
- 3.1.2 Perform a technical assessment of the Application's capability to meet the minimum requirements of the requested RTO, identifying any changes needed to meet the minimum requirements, and propose a solution, as needed, which implements those changes.
- 3.1.3 Have a DR Plan with a designated Recovery Time Objective (RTO) and Recovery Point Objective (RPO). Service Provider and TXDOT will agree on the RTO and RPO targets for each Application, system, and process.
- 3.1.4 Establish RTO and RPO targets and maintain them in the Service Providers Configuration Management Database (CMDB).
- 3.1.5 Perform DR Services to meet or exceed the applicable RTO for each Service, as indicated in the relevant TXDOT DRP and tracked in the CMDB.
- 3.1.6 Design and maintain the Network and supporting environment to adhere to the RTO and RPO targets as agreed in the SMM.
- 3.1.7 On an ongoing basis, as required in **Exhibit 3.3 Reports** within Report Category Disaster Recovery, Service Provider shall report to TXDOT the RTO, RPO, DR Test Schedule and DR Test Results.

4 DISASTER RECOVERY PLAN (DRP) AND TECHNICAL RECOVERY PLAN (TRG) CONTENTS

TxDOT expects the DRP and TRGs to provide sufficient level of detail for the Service Provider to successfully recover within the RTO.

4.1 DRP Contents

DRPs will be developed and maintained by Service Provider for all Services.

At a minimum, Service Provider shall:

- 4.1.1
- 4.1.2 Ensure all DRPs that are developed by Service Provider shall adhere to the Disaster Recovery Plan format and contents as defined in the SMM as approved by the TxDOT and address the following topics unless otherwise directed by TxDOT: Background, Scope, Declaration Criteria, Call-Out Procedure, Contingency Model Resource Plan, Key Documents and Procedures, Notification and Reporting, Technical Recovery Guide Activities for various system types.

4.2 TRG Contents

At a minimum, Service Provider shall:

- 4.2.1 Develop and maintain TRGs for all Services with applications, systems, equipment or devices located at an TxDOT or Service Provider location.
- 4.2.2 Ensure TRGs include all technical recovery documentation for all application, system, equipment or device configurations.
- 4.2.3 Ensure TRGs are developed and maintained by Service Provider and will adhere to the TRG format and content as proposed by the Service Provider and agreed by TxDOT and defined in the SMM by the Service Provider.
- 4.2.4 Server and application environment dependencies will be identified, documented, and maintained ensuring technical recovery steps are known and can be sequenced appropriately to ensure Service Provider Services can be restored including:
 - a. OS dependencies required to support applications and databases;
 - b. Directories and file system;
 - c. Inter-server environment relationships and dependencies;
 - d. Security dependencies;
 - e. Interface dependencies;
 - f. Application and/or database specific dependencies; and
 - g. Operations dependencies associated to the server or application.
- 4.2.5 Ensure TRGs are maintained, reviewed, and approved. This includes processes of quality control performed by the Service Provider and review and concurrence by TxDOT.
- 4.2.6 Ensure the process of maintaining currency of the TRGs is documented and repeatable.
- 4.2.7 Ensure TRGs capture operational elements of the environments including:
 - a. System operational requirements which need to be re-enabled as required to support the business purpose of the environment;
 - b. Post boot instructions required;
 - c. Integration instructions required for cross team support in restoring the overall business purpose of the environment.

- 4.2.8 Utilize technical recovery approaches based on sequenced recovery events and restoration of associated dependencies for each environment. This sequenced order of recovery events will be documented for every environment and be relevant to end-to-end recovery requirements.
- 4.2.9 Ensure focus of technical recovery will be on restoration of business service, ensuring all related recovery dependencies are addressed.
- 4.2.10 Ensure backup and recovery technical requirements and related processes in the context of recovering specific environments are described as part of the technical recovery procedures to enable end-to-end technical recovery of the business purpose for each environment. This includes specifics associated to each environment including distinction of:
 - a. Hardware/OS recovery
 - b. Application software and related OS configuration recovery
 - c. Non-database data recovery
 - d. Database recovery



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Exhibit 2.4

Key Personnel

Version 1.0

Solicitation No. 601440000032124

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2 SERVICE PROVIDER KEY PERSONNEL 4

3 SERVICE PROVIDER KEY PERSONNEL RESUMES 4

1 Service Provider Organizational Chart

Service Provider will insert its proposed organization structure in the space below, defining the legend of personnel by category.

Figure 1 – Key and Support Personnel Organizational Chart

Legend:

- Leadership =
- Key Personnel* =
- Support Personnel =
- Sub-contracors =

2 Service Provider Key Personnel

Name	Name and Description of Position	Location	Committed Period	% Allocated
	Account Director	Austin, TX	m/dd/yyyy – m/dd/yyyy	100% (full term)
	Service Delivery Director			
	Financial Director			
	Technical Director			
	Traffic Technology Lead			
	Security Director			
	Transition Director			
	Others			

3 Service Provider Key Personnel Resumes

{Note this section is transitory during the Procurement and will be removed before contract execution in final contract scrub process, only Sections 1 and 2 will remain in the contract document}.

Respondent must include in its Response the resumes and qualifications of all proposed Respondent Key Personnel, including their specific experience working on related projects. Resumes should specifically detail experience working on projects and services of similar scale and complexity as the Services sought through this RFO, including work on projects used as references. Resumes shall be no more than two (2) pages in length.

The Account Organization in Section 1 and 2 above must include actual names of Key Personnel initially assigned to the account and their resumes, not simply generic resumes with the types of skills sought.

The Respondent must provide these resumes in the space below:



Texas Department of Transportation

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Exhibit 3.0

Performance Model

Version 1.0

Solicitation No. 601440000032124

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1 GENERAL

The methodology set out in this **Exhibit 3.0 Performance Model** will support the Performance Management cycle of monitoring, reporting and improving the delivery of the Services to TxDOT.

As of the Commencement Date (or as otherwise specified in this Exhibit and the Attachments to this Exhibit), the Service Provider will perform the Services to which Service Levels apply so that the Service Level performance will, in each month of the Term, meet or exceed, the Service Levels.

Critical Service Levels, Key Service Levels, One Time Critical Deliverables, and Recurring Critical Deliverables may be added or substituted by TxDOT as specified in this Exhibit 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.

The achievement of the Service Levels by the Service Provider requires the coordinated, collaborative effort of the Service Provider with Third Parties, including other Service Component Providers (SCPs) and the TxDOT ITD Service Governance function (ITD SG).

2 RELATED AND UNIQUE SERVICE LEVELS AND TYPES

To clarify how specific Service Levels are intended to be tracked and calculated, individual Service Levels may be generally categorized as one of two types, representing the way individual SCPs and the Service Provider are either individually or jointly responsible for the specific Service Level's performance. Service Level Credits assessed against Service Provider will be calculated based on the Service Provider's Service Level Invoice Amount, At-Risk Amount, and Allocation of Pool Percentage.

- **Type R (related):** Type R Service Levels are related measures shared between the Service Provider, TxDOT and other SCP(s). Type R Service Levels for the Service Provider are measured in the aggregate, counting events for both the Service Provider, TxDOT, and/or other the SCP(s). 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 Expected Service Level and Minimum Service Level remain identical in the related agreements for both the Service Provider and the applicable SCP(s) during the Term, unless otherwise documented as an exclusion in **Exhibit 3.2 Service Level Definitions** in accordance with **Section 17 EXCLUSIONS** below.
- **Type U (unique):** Type U Service Levels are intended to measure Services that are specific to one (1) SCP's or the Service Provider's performance, and therefore are not shared.

The groupings described above are intended to clarify Service Level types for tracking purposes; none of the Service Provider's obligations as fully described in the Agreement are limited by these groupings.

3 SERVICE LEVEL AND DELIVERABLE REPORTING

Unless otherwise specified in this **Exhibit 3.0**, each Critical Service Level, Key Service Level, Recurring Critical Deliverable, and One-Time Critical Deliverable shall be measured and reported

by Service Component (DT HLS, MNS, ERP MAS, ADM, MSS, etc.) monthly. The Service Provider shall provide reports and data to the ITD SG function. The Service Provider shall comply with the tools, processes, and reporting formats as defined in **Exhibit 3.2 Service Level Definitions**. The format, layout, and content of any reports shall be agreed between TxDOT and the Service Provider, and published by the ITD SG function. The ITD SG function will publish the Service Provider's monthly performance reports in accordance with SMM such that TxDOT is able to verify the SCPs' performance and compliance with the Critical Service Levels, Key Service Levels, Recurring Critical Deliverables, and One-Time Critical Deliverables (for purposes of clarity, with respect to One-Time Critical Deliverables, such reporting is only required until all One-Time Critical Deliverables are received and approved by TxDOT). The monthly performance reports must be updated daily throughout the month and available for review by TxDOT. The monthly reports shall describe any failure to meet Critical Service Levels and Key Service Levels for the month.

In addition to the reports described above, the Service Provider shall also provide detailed supporting information for each report to TxDOT in machine-readable form suitable for use on a personal computer. The data and detailed supporting information shall include sufficient detail such that TxDOT can reproduce the calculations made by the Service Provider and validate the results reported in the monthly Service Level performance reports. All detailed supporting information shall be TxDOT Confidential Information, and TxDOT may access such information online and in real-time, where feasible, at any time during the Term. In addition, the Service Provider shall provide TxDOT with direct, unaltered access to review and audit all raw data collection related to Service Levels.

The Service Provider will create and maintain detailed procedure documentation of its Service Level Agreement (SLA) measurement process used to collect SLA data and calculate SLA attainment. The process documentation must include quality assurance reviews and verification procedures. The measurement 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 TxDOT for validation and approval. The Service Provider must ensure it tests and validates the accuracy and currency of the documentation and measurement process on a quarterly basis.

4 NOTICE REQUIREMENTS FOR ADDITIONS, DELETIONS, & MODIFICATIONS

TxDOT will send notice to the Service Provider at least ninety (90) calendar days prior to the date 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, provided that TxDOT 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.

The Service Provider is required to implement into its SLA performance management system or support TxDOT implementation where TxDOT administers the Service Level all additions, deletions and modifications TxDOT makes to SCP Service Levels.

5 SERVICE LEVEL DEFAULT

A Service Level Default occurs when:

1. Performance for a particular Critical Service Level fails to meet the applicable Minimum Service Level, or
2. Performance for a particular Critical Service Level fails to meet the applicable Expected Service Level (but does not fail to meet the applicable Minimum Service Level), and has failed to meet such Expected Service Level for four (4) or more occurrences in any rolling twelve (12) month period.

Service Level Credits shall not apply to Key Service Levels.

In the event of a Service Level Default, the Service Provider shall provide TxDOT credits as defined below:

1. **Exhibit 3.1 Service Level and Deliverable Matrix** sets forth the information required to calculate the Service Level Credit in the event of a Service Level Default. For each Service Level Default, the Service Provider shall pay to TxDOT, subject to [Section 6 EARNBACK](#) below, a Service Level Credit that will be computed in accordance with the following formula:

$$\text{Service Level Credit} = A \times B \times C$$

Where:

- A** = The Allocation of the Pool Percentage specified for the Performance Category in which the Service Level Default occurred as shown in **Exhibit 3.1 Service Level and Deliverable Matrix**.
- B** = The Service Level Credit Allocation Percentage for which the Service Level Default occurred as shown in **Exhibit 3.1 Service Level and Deliverable Matrix**.
- C** = The At-Risk Amount

For example, assume that the Service Provider fails to meet the Service Level for a Critical Service Level, the Service Provider'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 15% of these charges.

Additionally, assume that Allocation of Pool Percentage for the Performance Category of such Critical Service Level is 50% and that its Service Level Credit Allocation Percentage is 40%.

The Service Level Credit due to TxDOT for such Service Level Default would be computed as follows:

- 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 Service Provider's corresponding Service Level Invoice Amount)

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

2. Subject to Item 3, 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 TxDOT.
3. In no event shall the amount of Service Level Credits credited to TxDOT with respect to all Service Level Defaults occurring in a single month exceed, in total, the At-Risk Amount.
4. The Service Provider shall notify TxDOT in writing if TxDOT becomes entitled to a Service Level Credit, which notice shall be included in the standard monthly reporting for Critical Service Levels and Key Service Levels as described in [Section 3 SERVICE LEVEL AND DELIVERABLE REPORTING](#) above.
5. The total amount of Service Level Credits that the Service Provider will be obligated to pay to TxDOT, with respect to Service Level Defaults occurring each month, shall be credited on the invoice for the month following the month during which the Service Level Default(s) giving rise to such credit(s) occurred. For example, the amount of Service Level Credits payable with respect to Service Level Defaults occurring in August shall be set forth in the Monthly Invoice for September issued in October.
6. The Service Provider acknowledges and agrees that the Service Level Credits 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 TxDOT has hereunder or under the Agreement.

6 EARNBACK

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

1. The Service Provider shall earn back a Service Level Credit for a given Service Level Default when Service Level Performance meets or exceeds the Expected Service Level Target for each of the four (4) Measurement Windows immediately following the Measurement Window in which the Service Level Default occurred.
2. Whenever the Service Provider is entitled to an Earnback, the Service Provider shall include such Earnback as a charge to TxDOT (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 Service Provider's monthly performance reports as described in [Section 3 SERVICE LEVEL AND DELIVERABLE REPORTING](#) of this [Exhibit 3.0 Performance Model](#).
3. Upon termination or expiration of the Agreement, Service Level Credits issued by the Service Provider are no longer subject to Earnback.

7 ADDITIONS, MODIFICATIONS, AND DELETIONS OF SERVICE LEVELS

TxDOT may add, modify or delete Critical Service Levels, and Key Service Levels as described below by sending written notice in accordance with [Section 4 NOTICE REQUIREMENTS FOR ADDITIONS, DELETIONS, & MODIFICATIONS](#) above.

7.1 Additions

TxDOT may add Service Levels in accordance with this **Section 7.1** and by providing written notice in accordance with **[Section 4 NOTICE REQUIREMENTS FOR ADDITIONS, DELETIONS, & MODIFICATIONS](#)**. Service Level commitments associated with added Service Levels will be determined as follows:

1. 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, Yankee Group, etc.),
2. 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 Service Provider and TxDOT will review the actual Service Level Performance during this validation period. If the Service Level Performance does not generally meet the Expected Service Level Target, the Service Provider will create a corrective action plan subject to TxDOT'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 Service Provider will implement the corrective action plan and report on progress to TxDOT during the extended validation period. This process may be repeated if requested by the Service Provider and approved by TxDOT in writing. If the Parties eventually agree that the Services must be changed (e.g., staffing or Restoration time targets) or the Expected Service Level Target or Minimum Service Level Target must be revised, the Parties will enact such agreed changes through the Change Control Procedures.

7.2 Modifications

TxDOT may modify Service Level commitments or measurement methodology in accordance with this **Section 7.2** and by providing written notice in accordance with **[Section 4 NOTICE REQUIREMENTS FOR ADDITIONS, DELETIONS, & MODIFICATIONS](#)**.

The Service Provider may propose modifications to Service Level measurement methodology for TxDOT approval. Service Level measurement methodology may be modified by updating **[Exhibit 3.2 Service Level Definitions](#)**.

For any Service Level commitments associated with modified service levels, the Parties shall attempt in good faith to agree on a modification to current Service Level commitments using industry standard measures or third party advisory services. In the event the Parties cannot agree on proposed modifications, **[Article 19 Dispute Resolution](#)** of the Agreement applies.

7.3 Deletions

TxDOT may delete Critical Service Levels or Key Service Levels by sending written notice in accordance with **[Section 4 NOTICE REQUIREMENTS FOR ADDITIONS, DELETIONS, & MODIFICATIONS](#)** herein.

7.4 Impact of Additions and Deletions of Critical Service Levels on Service Level Credit Allocation Percentages

When adding or deleting a Critical Service Level, TxDOT 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 as defined in **Exhibit 3.1 Service Levels Matrix**.

If TxDOT adds a Critical Service Level in accordance with **Section 7.1 Additions** above, but does not modify the Service Level Credit Allocation Percentages for the Critical Service Levels under this **Section 7.4**, then, until TxDOT so modifies such Service Level Credit Allocation Percentages, the Service Level Credit Allocation Percentage for such added Critical Service Level shall be zero (0).

7.5 Modifications of Service Level Credit Allocation Percentages for Critical Service Levels

TxDOT may modify the Service Level Credit Allocation Percentages for any Critical Service Levels by sending written notice in accordance with **Section 4 NOTICE REQUIREMENTS FOR ADDITIONS, DELETIONS, & MODIFICATIONS**. TxDOT shall modify the Service Level Credit Allocation Percentages for two 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 as defined in **Exhibit 3.1 Service Level and Deliverable Matrix**.

8 SERVICE DELIVERY FAILURE, CORRECTIVE ACTION PLAN FAILURE EVENT

1. If three (3) Service Level Defaults for the same Critical Service Level occur in any rolling six (6) month period, then upon such third occurrence, this shall be deemed a "Service Delivery Failure." Within thirty (30) days of the occurrence of a Service Delivery Failure, the Service Provider will provide TxDOT with a written plan (the "Service Delivery Corrective Action Plan") for improving the Service Provider's performance to address the Service Delivery Failure, which plan will include a specific implementation timetable and measurable success criteria. Within thirty (30) days of plan submission, or such other timeframe agreed to by TxDOT, the Service Provider 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 Service Provider will demonstrate to TxDOT's reasonable satisfaction that the changes implemented by it have been made in normal operational processes to sustain compliant performance results in the future.
2. Upon the occurrence of (i) a Service Delivery Failure, or (ii) if the Service Provider 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, then the Service Provider 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 Service Provider has demonstrated effective Service delivery, as evidenced by either (i) no reoccurrence of the Service Level Defaults which triggered the applicable Service Delivery Failure or (ii) in TxDOT's reasonable judgment, the Service Provider has remedied the failure which caused such Service Delivery Failure.

3. The CAP Failure Credit will not be subject to Earnback. The Service Provider 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 TxDOT 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 TxDOT with respect to all Service Level Defaults occurring in a single month exceed, in total, the At-Risk Amount.

9 RECURRING CRITICAL DELIVERABLES

Certain of the Service Provider's obligations under the Agreement are periodic obligations to deliver key Recurring Critical Deliverables. **Exhibit 3.1 Service Level and Deliverable Matrix** sets forth the amounts that shall be payable, and frequency the credit applies, by the Service Provider to TxDOT in the event the Service Provider fails to deliver any of the Recurring Critical Deliverables in accordance with defined Acceptance Criteria which includes the required time specified in **Exhibit 3.1 Service Level and Deliverable Matrix** (the "Recurring Critical Deliverables Credit"). 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 Service Provider will be obligated to pay to TxDOT 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 TxDOT's exercise of any other rights hereunder be construed as TxDOT's sole or exclusive remedy for any failures described hereunder.

TxDOT may add, modify, or retire Recurring Critical Deliverables by sending written notice in accordance with **Section 4 NOTICE REQUIREMENTS FOR ADDITIONS, DELETIONS, & MODIFICATIONS**.

10 ONE-TIME CRITICAL DELIVERABLES – AFTER EFFECTIVE DATE

Certain of the Service Provider's obligations under the Agreement are one-time or periodic obligations to deliver One-Time Critical Deliverables. **Exhibit 3.1 Service Level and Deliverable Matrix** sets forth the Deliverable Credits that shall be payable, and the frequency the credit applies, by the Service Provider to TxDOT in the event the Service Provider fails to deliver any of the One-Time Critical Deliverables within the required time specified in **Exhibit 3.1 Service Levels Matrix**. 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 Service Provider will be obligated to pay to TxDOT 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 issued in October).

11 COMMENCEMENT OF OBLIGATIONS

The Service Provider will be responsible for providing measurement data in support of the Critical Service Levels and Key Service Levels on the Commencement Date. Other obligations set forth herein will commence on the Commencement Date or as otherwise specified in **Exhibit 3.1 Service Level and Deliverable Matrix** referencing the column "Comm +mos**" (the "Service Level Credit Start Date") reflect when the Service Provider will be responsible for Service Level Credits for any failures to attain the Critical 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.

12 IMPROVEMENT PLAN FOR KEY SERVICE LEVELS

If the Service Provider fails to meet the Minimum Service Level for the same Key Service Level for three (3) months in any rolling six (6) month period, the Service Provider shall provide TxDOT with a written plan for improving its performance to satisfy the Key Service Level within thirty (30) days of the third (3rd) failure to meet the Service Level for the Key Service Level. At the Service Provider's sole cost and expense, it shall promptly implement such plan. If the Service Provider fails to implement the plan in the specified timetable, or if after ninety (90) days after any such implementation of the plan, the Key Service Level has not consistently improved, then TxDOT may at its option declare that such failure will constitute a Service Delivery Failure and the Service Provider will comply with the requirements of **Section 8 SERVICE DELIVERY FAILURE, CORRECTIVE ACTION PLAN FAILURE EVENT** above.

13 IMPROVEMENT PLAN FOR CRITICAL SERVICE LEVELS

If the Service Provider fails to meet the Minimum Service Level for a Critical Service Level, the Service Provider shall follow the TxDOT performance management process to provide TxDOT with a written Service Level Improvement Plan for improving the Service Provider's performance to satisfy the Critical Service Level within fifteen (15) Business Days of the failure to meet the Service Level. The Service Provider will track its progress in implementing the improvement plan, and it will report the status of such plan as defined **Exhibit 1.2 Governance** the status of such plan.

The TxDOT ITD SG function shall initiate a Service Level Improvement Plan (SLIP) via the standard Problem Management Process when a Service Level underperforms. The Service Provider shall comply with the Service Level Improvement Plan. All Service Level Improvement Plans must contain information about the root cause of the Service Level miss and corrective actions. 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 approved SLIP corrective actions shall be measured in the RCA Implementation SLA results.

14 MEASURING TOOLS

As of the Effective Date, the measuring tools and methodologies set forth in **Exhibit 3.2 Service Level Definitions** represent acceptable measuring tools and methodologies for the Critical Service Levels and Key Service Levels designated.

If there are any Critical Service Levels for which the measuring tools and methodologies have not been agreed upon by TxDOT and the Service Provider, and for which measuring tools are not included in **Exhibit 3.2 Service Level Definitions**, and the Service Provider fails to propose a measuring tool for such Critical Service Level that is acceptable to TxDOT prior to the date upon which the Service Provider shall be responsible for Service Level performance and Service Level Credits due for Service Level Default, such failure shall be deemed a Service Level Default for the Critical Service Level until the Service Provider proposes and implements such acceptable measuring tool. TxDOT will not unreasonably withhold approval for the Service Provider's recommendation for an alternate tool.

Tools for new Critical Service Levels will be implemented according to the Change Control Procedures. Upon TxDOT's written notice approving a proposed alternate or new measurement tool, such tool shall be deemed automatically incorporated into **Exhibit 3.2 Service Level Definitions** as of the date for completion of implementation set forth in TxDOT's notification further documented as a standard contract change in accordance with the SMM.

If, after the Effective Date or the implementation of tools for new Critical Service Levels, the Service Provider desires to use a different measuring tool for a Critical Service Level, the Service Provider shall provide written notice to TxDOT requesting approval of such change including business justification. If TxDOT approves the requested tool change, 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 Service Provider will continue to use the measuring tool that had been initially agreed to by the Parties.

It is not anticipated that changes in the measuring 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 Service Provider will configure all measuring 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 measuring tools must include functionality enabling such creation of an auditable record for all accesses to the tool.

15 SINGLE INCIDENT/MULTIPLE DEFAULTS

If a single incident ticket results in the failure of the Service Provider to meet more than one (1) Service Level, TxDOT shall have the right to select any one of such multiple Service Level Defaults for which it will be entitled to receive a Service Level Credit and must respond to the Service Provider's reporting of the multiple Service Level Default and request for selection by notifying the Service Provider of the selection within five (5) TxDOT Business days. TxDOT shall not be entitled to a Service Level Credit for each of such Service Level Defaults.

16 EXCEPTIONS

The Service Provider 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 Service Provider's performance in accordance with **Section 10.2 Savings Clause** of the Agreement.

17 EXCLUSIONS

Any incidents or requests opened prior to Commencement Date by TxDOT are excluded from SLA measurements and will be tracked separately.

Additional exclusions are indicated in **Exhibit 3.2 Service Level Definitions**.

18 SERVICE LEVEL ESCALATION EVENT

A Service Level Escalation Event occurs, if:

(a) the Service Provider 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 with whom it shares such Type R Service Level to perform obligations specified in the Service Provider's agreement with TxDOT, including its SOWs and the Service Management Manual, and

(b) the Service Provider has performed its own obligations as set forth in the Agreement, including the SOWs and Service Management Manual, which actions shall include:

- (i) immediately notifying SCP(s) or TxDOT that such failure may result in a Service Level Default;
- (ii) providing the SCP or TxDOT with reasonable opportunity to correct such failure to perform and thereby avoid the SCP non-performance;
- (iii) documenting that it has performed its obligations under the Agreement notwithstanding another SCP's failure to perform; and
- (iv) notifying TxDOT that a corrective action has commenced.

Upon the occurrence of a Service Level Escalation Event, the Service Provider may escalate the SCP or TxDOT failure through the appropriate governance structure for resolution in accordance with **Exhibit 1.2 Governance Model**. If the applicable governance committee has determined that the Service Provider has satisfied each of the requirements and obligations set forth above, such resolution shall include excusing the Service Provider's performance related to such failure and may include other actions as reasonably determined by TxDOT including appropriate changes to the Service Management Manual.

19 PERCENTAGE OBJECTIVES

Both Parties understand that 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.

20 CONTINUOUS IMPROVEMENT – SERVICE LEVELS

The Parties agree to the concept of continuous improvement and that the Critical Service Levels and Key Service Levels, unless otherwise noted as an exception in **Exhibit 3.1 Service Level and Deliverable Matrix**, should be modified during this Agreement in accordance with **Section 4 NOTICE REQUIREMENTS FOR ADDITIONS, DELETIONS, & MODIFICATIONS** to reflect this concept. To accomplish this, Critical Service Levels and Key Service Levels will be modified each twelve (12) month period following the commencement of obligations date specific to each Critical Service Level and Key Service Level as described below:

1. Each Expected Service Level will be reset to the average of the four highest reported actual results (for example, 99.60% is higher than 99.40%) at or above the Expected Service Levels achieved during the previous year; provided that, if fewer than four reported actual results exceeded the Expected Service Level, the Expected Service Level will be reset by taking the four (4) highest monthly actual results, replacing each such actual result that is below the Expected Service Level with the Expected Service Level, and dividing the sum of the resulting four (4) numbers by four (4).

For example, if the Expected Service Level being adjusted were 99.6%, and there were three actual results that were higher and none equal (e.g. 99.90%, 99.80%, and 99.70%), the calculation would be $((99.90\% + 99.80\% + 99.70\% + 99.60\%) / 4) = 99.75\%$ with the subsequent reset governed by Item 2 of this **Section 20**.

2. Notwithstanding Item 1 of this **Section 20** above, in no event shall any single increase in an Expected Service Level pursuant to Item 1 of this **Section 20** above exceed ten percent (10%) of the difference between one hundred percent (100%) and the then-current Expected Service Level.

For example, if the Expected Service Level being adjusted were 99.60%, the maximum increase for that reset would be 0.04% (i.e. from 99.60% to 99.64%).

3. Each Minimum Service Level will be reset by adding to the Minimum Service Level being adjusted a sum equal to five percent (5%) of the difference between one-hundred percent (100%) and the then-current Minimum Service Level.

For example, if the Minimum Service Level being adjusted were 99.40%, the increase would be 0.03% (i.e., from 99.40% to 99.43%).

4. For ease of administration, year one results will utilize 10 months of data to calculate annual results by the first anniversary of Commencement date. Thereafter beginning with the second anniversary of the Commencement Date and continuing with every anniversary of the Commencement Date thereafter, the process described in this **Section 20** will be performed as of the anniversary of the Commencement Date, utilizing the previous twelve (12) months' data, replacing the Critical Service Level or Key Service Level unique dates that were based upon the commencement of obligations dates specific to each Critical Service Level.

21 PRIORITY LEVELS

There may be different Service Levels associated with the Resolution of an Incident or Problem based on the assigned Priority.

21.1 Priority 1

A Priority 1 event is an event that:

1. impacts, or if not promptly addressed, would likely impact: · (i) the security of data and information systems; · (ii) a critical system, application, or service affecting operations of TxDOT;
2. causes, or if not promptly addressed, would likely cause, an error or outage that: · (i) affects either multiple departments or results in a loss of functionality for user(s) performing critical functions for TxDOT; or · (ii) negatively impacts compliance with applicable regulations, or jeopardizes privacy of information or could lead to the imposition of penalties, fines, or other financial impacts on TxDOT or one of its customers; or
3. is designated by TxDOT and agreed to by both Parties

21.2 Priority 2

A Priority 2 event is an event that:

1. impacts or, if not addressed would likely impact: · (i) an entire department, multiple users, or users that are geographically dispersed, · (ii) a key business function, · (iii) a VIP customer; (iv) as a child ticket of a larger event, or
2. leads or, if not addressed would imminently lead, to performance severely degraded; or
3. is reasonably designated by TxDOT

21.3 Priority 3

A Priority 3 event is an event that:

1. that impacts, or if not addressed would impact, a single user's productivity, or is a child ticket of a larger event. Workaround may exist for the problem or the problem is for a non-business critical task.

21.4 Priority 4

A Priority 4 event is an event that:

1. The event is defined as an event that may require an extended Resolution time, but the individual or group has a reasonable workaround while waiting for the Resolution.
2. The event does not have an adverse impact on the business operations of TxDOT because (i) of either the nature of the fault or the small extent of the fault and (ii) an acceptable work around is already in place.

3. The effect of the event is such that it does not require immediate resolution.

22 LOW VOLUME

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 Service Provider must successfully complete to achieve the Service Level concerned (Minimum Compliant Items), notwithstanding the percentage expressed in **Exhibit 3.1 Service Level and Deliverable Matrix** as the target.

1. The number of items occurring during such Measurement Window shall be multiplied by the Expected Service Level; and
2. If the product of that multiplication is not a whole number, then such product shall be truncated to a whole number.
3. For example, assume that a Service Level states that the Service Provider must complete ninety-five percent (95%) of incidents within four (4) hours to achieve this Service Level.
4. For example, 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:
 - 4.1. If the number of incidents is 100, the Minimum Compliant Items is 95 incidents (100 incidents x 95 percent = 95 incidents).
 - 4.2. 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).
 - 4.3. 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 8).

Target	Expected 95%
Number of Items	Minimum Compliant Items
100	95
90	85
80	76
70	66
60	57

50	47
40	38
30	28
20	19
10	9



Texas Department of Transportation

Managed Network Services

Exhibit 3.2

Service Level Definitions

Version 1.0

Solicitation No. 601440000032124

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A.0 CRITICAL SERVICE LEVELS

This Section sets forth qualitative descriptions of the Critical Service Levels. The numerical Minimum Service Levels, Expected Service Levels and commencement of obligations associated with such Critical Service Levels are set forth in **Exhibit 3.1 Service Level and Deliverable Matrix**.

A.1 Voice Services Availability

SERVICE LEVEL NAME		
Voice Services Availability		
SERVICE LEVEL TYPE	Critical Service Level	
CURRENTLY MEASURED	Yes	
SHARE TYPE and APPLICABLE SERVICE COMPONENTS	U	Managed Business Network Services
METRIC DESCRIPTION	The Service Level for “Service Availability - Voice” measures the percentage of time the Critical Voice Systems are Available during the applicable Measurement Window.	
METRIC INCLUSIONS and DATA SOURCES	The Critical Voice Systems will be identified in a document compiled by the STP, and will include PBXs, VOIP systems, Key systems, Voicemail Systems, and other Equipment used to support the Voice environment. The Critical Uptime will include all minutes that each Critical Voice System is required to be Available during the Measurement Window. When an Outage occurs, if a centralized device or Connectivity failure is causing other devices (such as multiple PBXs at various facilities) to experience Downtime, then all such affected Critical Voice Systems will be considered unavailable during the Outage.	
METRIC EXCLUSIONS		
HOURS OF MEASUREMENT	24 (except as otherwise indicated by Critical Voice Systems maintained in the SMM)	
DAYS OF MEASUREMENT	365(366)	
MINIMUM SERVICE LEVEL	99.90%	
EXPECTED SERVICE LEVEL	99.50%	
ALGORITHM	The Service Level calculation for “Service Availability - Voice” is the sum of actual uptime minutes for all Critical Voice Systems divided by the sum of Critical Uptime minutes for all Critical Voice Systems, with the result expressed as a percentage. Available minutes = the total number of minutes in a month (60 minutes x 24 hours x number of days in the month) for the service.	

COLLECTION PROCESS	Collected data will be sourced by the Service Level Reporting system for purposes of aggregating, calculating, measuring and reporting SLA results. Manual input will be considered for purposes of supplementing collected data where necessary.
REPORTING TOOLS	As described in the process above, the following tools will be utilized: • SCP event monitoring system • Service Level Management Reporting system • Service Management Manual
RAW DATA STORAGE (ARCHIVES)	Data used to calculate the Service Level result for reporting will be stored in the Service Level Management Reporting system database, which will be accessible to authorized users via inherent report drill-down functionality for a rolling 13 months.
PERFORMANCE CATEGORY	Availability
METRIC REPORTING	☒ Monthly ☐ Quarterly ☐ Semi Annual

A.2 Network Element Availability - LAN

SERVICE LEVEL NAME		
Network Element Availability - LAN		
SERVICE LEVEL TYPE	Critical Service Level	
CURRENTLY MEASURED	No	
SHARE TYPE and APPLICABLE SERVICE COMPONENTS	U	Managed Business Network Services
METRIC DESCRIPTION	The Service Level for “Network Element Availability - LAN” measures the percentage of time the Critical Network Elements are Available during the applicable Measurement Window.	
METRIC INCLUSIONS and DATA SOURCES	The Critical Network Elements will be identified in the CMDB, and will include LAN switches, security devices, and other Equipment used to support the LAN environment. The Critical Uptime will include all minutes that each Critical Network Element is required to be Available during the Measurement Window. When an Outage occurs, if a core switch or other centralized device is causing other devices (such as branch switches) to experience Downtime, then all such affected Critical Network Elements will be considered unavailable during the Outage.	

METRIC EXCLUSIONS	
HOURS OF MEASUREMENT	24 (except as otherwise indicated by Critical Network Elements maintained in the CMDB)
DAYS OF MEASUREMENT	365(366)
MINIMUM SERVICE LEVEL	99.95%
EXPECTED SERVICE LEVEL	99.50%
ALGORITHM	The Service Level calculation for “Network Element Availability - LAN” is the sum of actual uptime minutes for all Critical Network Elements divided by the sum of Critical Uptime minutes for all Critical Network Elements, with the result expressed as a percentage. Available minutes = the total number of minutes in a month (60 minutes x 24 hours x number of days in the month) for the service.
COLLECTION PROCESS	Collected data will be sourced by the Service Level Reporting system for purposes of aggregating, calculating, measuring and reporting SLA results. Manual input will be considered for purposes of supplementing collected data where necessary.
REPORTING TOOLS	As described in the process above, the following tools will be utilized: • SCP monitoring system • Service Level Management Reporting system • Service Management Manual
RAW DATA STORAGE (ARCHIVES)	Data used to calculate the Service Level result for reporting will be stored in the Service Level Management Reporting system database, which will be accessible to users via report drill-down functionality for a rolling 13 months.
PERFORMANCE CATEGORY	Availability
METRIC REPORTING	☒ Monthly ☐ Quarterly ☐ Semi Annual

A.3 Facility Availability - WAN

SERVICE LEVEL NAME		
Facility Availability - WAN		
SERVICE LEVEL TYPE	Critical Service Level	
CURRENTLY MEASURED	No	
SHARE TYPE and APPLICABLE SERVICE COMPONENTS	U	Managed Business Network Services

METRIC DESCRIPTION	The Service Level for “WAN – Facility Availability” measures the percentage of time the Facilities are Available during the applicable Measurement Window, taking into account the Critical Uptime for each Facility. A Facility is considered unavailable if an Outage occurs such that a user or an application experiences an Outage. For clarity, if redundant or backup connectivity and equipment are still Available, then an individual component failure will not be deemed an Outage, provided that such redundancy or backup is operating as originally specified in <u>Exhibit 2.1.6 Managed Business Network SOW</u>.
METRIC INCLUSIONS and DATA SOURCES	If a centralized device or backbone failure impacts multiple Facilities, then the Outage minutes will be applicable to each router connecting the impacted WAN Facility. Critical Uptime will include all minutes that each router connecting a WAN Facility is required to be Available during the Measurement Window.
METRIC EXCLUSIONS	
HOURS OF MEASUREMENT	24 (except as otherwise indicated by Facility, mapped to routers, maintained in the CMDB)
DAYS OF MEASUREMENT	365(366)
MINIMUM SERVICE LEVEL	99.9%
EXPECTED SERVICE LEVEL	99.50%
ALGORITHM	The Service Level calculation for “WAN – Facility Availability” is the sum of actual uptime (based on WAN router minutes) for all Facilities during the Measurement Window, divided by the total Critical Uptime (based on WAN router minutes) of all Facilities during the Measurement Window, expressed as a percentage. Available minutes = the total number of minutes in a month (60 minutes x 24 hours x number of days in the month) for the service.
COLLECTION PROCESS	Collected data will be sourced by the Service Level Reporting system for purposes of aggregating, calculating, measuring and reporting SLA results. Manual input will be considered for purposes of supplementing collected data where necessary.
REPORTING TOOLS	As described in the process above, the following tools will be utilized: • SCP monitoring system • Service Level Management Reporting system • Service Management Manual
RAW DATA STORAGE (ARCHIVES)	Data used to calculate the Service Level result for reporting will be stored in the Service Level Management Reporting system database, which will be accessible to users via report drill-down functionality for a rolling 13 months.

PERFORMANCE CATEGORY	Availability
METRIC REPORTING	☒ Monthly ☐ Quarterly ☐ Semi Annual

A.4 Business Network Utilization

SERVICE LEVEL NAME		
Business Network Utilization		
SERVICE LEVEL TYPE	Critical Service Level	
CURRENTLY MEASURED	Yes	
SHARE TYPE and APPLICABLE SERVICE COMPONENTS	U	Managed Business Network Services
METRIC DESCRIPTION	The Service Level for “Business Network Utilization” measures the bandwidth performance in the 95 th percentile at each facility.	
METRIC INCLUSIONS and DATA SOURCES	The number of Area, Maintenance and Remote Facilities above 90% of the bandwidth in the 95 th percentile, and the number of District Office facilities above 95% of the bandwidth in the 95 th percentile.	
METRIC EXCLUSIONS	Sites that are below the appropriate utilization level fewer than 3 times in the reporting month. The count is not a rolling count but instead only applies to the reporting month.	
HOURS OF MEASUREMENT	7:00 AM – 6:00 PM	
DAYS OF MEASUREMENT	Business Days	
MINIMUM SERVICE LEVEL	≤ 7	
EXPECTED SERVICE LEVEL	≤ 3	
ALGORITHM	The Service Level calculation for “Business Network Utilization” is the number of Area, Maintenance, and Remote facilities in which the Network Utilization has entered the “danger zone” of less than 90% of the bandwidth in the 95 th percentile, and the number of District Office facilities above 95% of the bandwidth in the 95 th percentile. A weekly snapshot of the Transmit (Tx) and Receive (Rx) rates are captured for Area, Maintenance, Remote, or District offices. At least four reporting snapshots must occur. If a facility falls below these thresholds three or more times in a reporting period, it is counted as not being in compliance.	

COLLECTION PROCESS	Four weekly snapshots are captured from the Service Provider monitoring system containing the Transmit (Tx) and Receive (Rx) rates for Area, Maintenance, Remote, and District offices, with additional data fields identified in the SMM. If a facility is above the defined thresholds for Rx and Tx three or more times in the month, the facility is not in compliance, and is considered a breach for the month.
REPORTING TOOLS	As described in the process above, the following tools will be utilized: • SCP monitoring system
RAW DATA STORAGE (ARCHIVES)	Data used to calculate the Service Level result for reporting will be stored in the Service Level Management Reporting system database, which will be accessible to users via report drill-down functionality for a rolling 13 months.
PERFORMANCE CATEGORY	Availability
METRIC REPORTING	☒ Monthly ☐ Quarterly ☐ Semi Annual

A.5 Packet Delivery - WAN

SERVICE LEVEL NAME		
Packet Delivery - WAN		
SERVICE LEVEL TYPE	Critical Service Level	
CURRENTLY MEASURED	No	
SHARE TYPE and APPLICABLE SERVICE COMPONENTS	U	Managed Business Network Services
METRIC DESCRIPTION	The Service Level “WAN Packet Delivery” is a performance measurement for delivery of packets over the WAN.	
METRIC INCLUSIONS and DATA SOURCES		
METRIC EXCLUSIONS		
HOURS OF MEASUREMENT	24	
DAYS OF MEASUREMENT	365(366)	
MINIMUM SERVICE LEVEL	99.80%	
EXPECTED SERVICE LEVEL	99.90%	
ALGORITHM	The total number of test packets delivered during the Measurement Window divided by the total number of test packets offered during the Measurement Window, expressed as a percentage.	

COLLECTION PROCESS	Collected data will be sourced by the Service Level Reporting system for purposes of aggregating, calculating, measuring and reporting SLA results. Manual input will be considered for purposes of supplementing collected data where necessary.
REPORTING TOOLS	As described in the process above, the following tools will be utilized: • SCP network monitoring system • Service Level Management Reporting system • Service Management Manual
RAW DATA STORAGE (ARCHIVES)	Data used to calculate the Service Level result for reporting will be stored in the Service Level Management Reporting system database, which will be accessible to users via report drill-down functionality for a rolling 13 months.
PERFORMANCE CATEGORY	Availability
METRIC REPORTING	☒ Monthly ☐ Quarterly ☐ Semi Annual

A.6 Incident Resolution Time – Level 2 & Level 3 (Priority 1)

SERVICE LEVEL NAME		
Incident Resolution Time – Level 2 & Level 3 (Priority 1)		
SERVICE LEVEL TYPE	Critical Service Level	
CURRENTLY MEASURED	Yes	
SHARE TYPE and APPLICABLE SERVICE COMPONENTS	R	Managed Business Network Services, Managed Traffic Network Services, ERP Managed Application Services, ADM Services, Service Desk, Technical Field Services, Hardware Lifecycle Services, TBD
METRIC DESCRIPTION	The Service Level for “Incident Resolution Time – Level 2 & 3 (Priority 1)” measures the percentage of time Service Provider Resolves Level 2 and Level 3 (Priority Level 1) Incidents assigned by the Service Desk within the applicable timeframes.	
METRIC INCLUSIONS and DATA SOURCES	Includes all Priority 1 Service Component Incidents. The applicable resolution timeframes are listed below. <u>Priority 1 Incidents: ≤ 2 hours</u>	
METRIC EXCLUSIONS	Events determined to be outside the control of the Service Provider. Security Incidents will follow the Security Incident Management process as defined in the SMM and may be eligible for an SLA exception or as otherwise mutually agreed upon.	
HOURS OF MEASUREMENT	24 hours	

DAYS OF MEASUREMENT	365(366)
MINIMUM SERVICE LEVEL	95.00%
EXPECTED SERVICE LEVEL	99.00%
ALGORITHM	The Service Level calculation for “Incident Resolution Time – Level 1 & 2 (Priority 1)” is the total number of Level 2 Support and Level 3 Support (Priority 1) Incidents assigned by the Service Desk for which the Resolution Time is less than or equal to the relevant resolution timeframe, divided by the total number of Resolved Priority 1 Incidents plus the total number of open Priority 1 Incidents that have exceeded the relevant resolution timeframe, with the result expressed as a percentage. For purposes of clarity, note the following: if an Incident is opened within the current Measurement Window, but its relevant resolution timeframe extends beyond the end of the current Measurement Window, then it is excluded from the current Measurement Window’s calculation (unless such Incident is actually Resolved in the current Measurement Window, in which case it is included in the current Measurement Window’s calculation)
COLLECTION PROCESS	Incident tickets will be logged in the TxDOTNow Service Management system. Incidents will be categorized and assigned to resolver teams who will work to resolve the incident and progress the ticket through the incident management lifecycle. Incident data will be loaded to Service Level Management Reporting system on a daily basis, where the Service Level result will be calculated and reported based on appropriate measurement criteria.
REPORTING TOOLS	TxDOTNow Service Management system Service Level Management Reporting system
RAW DATA STORAGE (ARCHIVES)	Data used to calculate the Service Level result for reporting will be stored in the Service Level Management Reporting system database, which will be accessible to users via report drill-down functionality for a rolling 13 months.
PERFORMANCE CATEGORY	Incident, Problem, and Request
METRIC REPORTING	☒ Monthly ☐ Quarterly ☐ Semi Annual

A.7 Incident Resolution Time – Level 2 & Level 3 (Priority 2)

SERVICE LEVEL NAME	
Incident Resolution Time – Level 2 & Level 3 (Priority 2)	
SERVICE LEVEL TYPE	Critical Service Level

CURRENTLY MEASURED	Yes	
SHARE TYPE and APPLICABLE SERVICE COMPONENTS	R	Managed Business Network Services, Managed Traffic Network Services, ERP Managed Application Services, ADM Services, Service Desk, Technical Field Services, Hardware Lifecycle Services, TBD
METRIC DESCRIPTION	The Service Level for “Incident Resolution Time – Level 2 & 3 (Priority 2)” measures the percentage of time Service Provider Resolves Level 2 and Level 3 (Priority Level 2) Incidents assigned by the Service Desk within the applicable timeframes.	
METRIC INCLUSIONS and DATA SOURCES	Includes all Priority 2 Service Component Incidents. The applicable resolution timeframes are listed below. <u>Priority 2 Incidents</u> : ≤ 4 hours	
METRIC EXCLUSIONS	Events determined to be outside the control of the Service Provider. Security Incidents will follow the Security Incident Management process as defined in the SMM and may be eligible for an SLA exception or as otherwise mutually agreed upon.	
HOURS OF MEASUREMENT	24 hours	
DAYS OF MEASUREMENT	365(366)	
MINIMUM SERVICE LEVEL	95.00%	
EXPECTED SERVICE LEVEL	99.00%	
ALGORITHM	The Service Level calculation for “Incident Resolution Time – Level 1 & 2 (Priority 2)” is the total number of Level 2 Support and Level 3 Support (Priority 2) Incidents assigned by the Service Desk for which the Resolution Time is less than or equal to the relevant resolution timeframe, divided by the total number of Resolved Priority 2 Incidents plus the total number of open Priority 2 Incidents that have exceeded the relevant resolution timeframe, with the result expressed as a percentage. For purposes of clarity, note the following: if an Incident is opened within the current Measurement Window, but its relevant resolution timeframe extends beyond the end of the current Measurement Window, then it is excluded from the current Measurement Window’s calculation (unless such Incident is actually Resolved in the current Measurement Window, in which case it is included in the current Measurement Window’s calculation)	
COLLECTION PROCESS	Incident tickets will be logged in the TxDOTNow Service Management system. Incidents will be categorized and assigned to resolver teams who will work to resolve the incident and progress the ticket through the incident management lifecycle. Incident data will be loaded to Service Level Management Reporting system on a daily basis, where the Service Level result will be calculated and reported based on appropriate measurement criteria.	

REPORTING TOOLS	TxDOTNow Service Management system Service Level Management Reporting system
RAW DATA STORAGE (ARCHIVES)	Data used to calculate the Service Level result for reporting will be stored in the Service Level Management Reporting system database, which will be accessible to users via report drill-down functionality for a rolling 13 months.
PERFORMANCE CATEGORY	Incident, Problem, and Request
METRIC REPORTING	☒ Monthly ☐ Quarterly ☐ Semi Annual

A.8 Root Cause Analysis Delivery

SERVICE LEVEL NAME		
Root Cause Analysis Delivery		
SERVICE LEVEL TYPE	Critical Service Level	
CURRENTLY MEASURED	No	
SHARE TYPE and APPLICABLE SERVICE COMPONENTS	R	Managed Business Network Services, Managed Traffic Network Services, ERP Managed Application Services, ADM Services, Service Desk, Technical Field Services, Hardware Lifecycle Services, TBD
METRIC DESCRIPTION	The Service Level “Root Cause Analysis Delivery” measures the percentage of time Service Component Provider delivers to TxDOT, a Root Cause Analysis (RCA) within (i) ten (10) Business Days from service restoration (for Priority 1), (ii) ten (10) Business Days from request, or (iii) ten (10) Business Days from Service Level Improvement Plan initiation, or (iv) otherwise as agreed upon by TxDOT.	
METRIC INCLUSIONS and DATA SOURCES	The RCA is documented and tracked within the Problem Management process, and upon completion, is submitted by the Service Provider to the TxDOT for review and approval. Service Provider will provide Root Cause Analyses on the most business-critical events, as maintained in the SMM, and as requested by TxDOT for all other Incidents.	
METRIC EXCLUSIONS	N/A	
HOURS OF MEASUREMENT	7:00 AM – 6:00 PM	
DAYS OF MEASUREMENT	10 Business Days (110 Business Hours)	
MINIMUM SERVICE LEVEL	96.00%	
EXPECTED SERVICE LEVEL	98.00%	

ALGORITHM	The Service Level calculation for “Root Cause Analysis Delivery – Enterprise” is the total number of Root Cause Analyses that are delivered to TxDOT within the required timeframe, divided by the total number of Root Cause Analyses delivered to TxDOT during the applicable Measurement Window, with the result expressed as a percentage.
COLLECTION PROCESS	Problem investigations for Root Cause Analyses will be logged and tracked in the TxDOTNow Service Management system. Problems will be categorized and assigned to teams who will analyze the Problem, perform and document the root cause analysis. The Problem record will be completed and progressed through the Problem Management lifecycle. Problem data will be loaded to Service Level Management Reporting system on a daily basis, where the Service Level result will be calculated and reported based on appropriate measurement criteria.
REPORTING TOOLS	TxDOTNow Service Management system Service Level Management Reporting system
RAW DATA STORAGE (ARCHIVES)	Data used to calculate the Service Level result for reporting will be stored in the Service Level Management Reporting system database, which will be accessible to users via report drill-down functionality for a rolling 13 months.
PERFORMANCE CATEGORY	Incident, Problem, and Request
METRIC REPORTING	☒ Monthly ☐ Quarterly ☐ Semi Annual

A.9 Service Request Fulfillment

SERVICE LEVEL NAME		
Service Request Fulfillment		
SERVICE LEVEL TYPE	Critical Service Level	
CURRENTLY MEASURED	Yes	
SHARE TYPE and APPLICABLE SERVICE COMPONENTS	R	Managed Business Network Services, Managed Traffic Network Services, ERP Managed Application Services, ADM Services, Service Desk, Technical Field Services, Hardware Lifecycle Services, TBD
METRIC DESCRIPTION	The Service Level “Service Request Fulfillment” measures the percentage of time Service Provider successfully completes Service Requests on schedule. Service Requests, which are defined as requests that do not require solution proposal development, include such requests as provisioning ID access, password resets, Service Catalog requests, etc. Specific target timeframes are maintained in the SMM.	

METRIC INCLUSIONS and DATA SOURCES	Service Requests shall be an agreed upon set of service requests as specified in the SMM.
METRIC EXCLUSIONS	N/A
HOURS OF MEASUREMENT	As maintained in SMM.
DAYS OF MEASUREMENT	As maintained in SMM.
MINIMUM SERVICE LEVEL	94.00%
EXPECTED SERVICE LEVEL	96.00%
ALGORITHM	The Service Level for “Service Request Fulfillment” is, for a given Measurement Period, the total number of Service Requests that are completed within the committed timeframes, divided by the total number of Service Requests scheduled for completion during such Measurement Period as well as all uncompleted Service Requests scheduled to be completed in a prior Measurement Period, with the result expressed as a percentage. For purposes of clarity, note the following: if a Service Request is opened within the current Measurement Window, but its relevant committed timeframe extends beyond the end of the current Measurement Window, then it is excluded from the current Measurement Window’s calculation (unless such Service Request is actually resolved in the current Measurement Window, in which case it is included in the current Measurement Window’s calculation)
COLLECTION PROCESS	Service Requests that do not require solution proposal development will be logged and tracked in the TxDOTNow Service Management System. Service Requests will be categorized and assigned to resolver teams who will work to fulfill the Service Request and progress the ticket through the service request management lifecycle. Service Request data will be uploaded to Service Level Management Reporting system on a daily basis; this tool will filter service request tickets based on appropriate measurement criteria.
REPORTING TOOLS	TxDOTNow Service Management system Service Level Management Reporting system
RAW DATA STORAGE (ARCHIVES)	Data used to calculate the SLA results for reporting will be stored in the Service Level Management Reporting system database, which will be accessible to authorized users via inherent report drill-down functionality for a rolling 13 months.
PERFORMANCE CATEGORY	Incident, Problem, and Request
METRIC REPORTING	☒ Monthly ☐ Quarterly ☐ Semi Annual

A.10 Solution Proposal Delivery

SERVICE LEVEL NAME		
Solution Proposal Delivery		
SERVICE LEVEL TYPE	Critical Service Level	
CURRENTLY MEASURED	No	
SHARE TYPE and APPLICABLE SERVICE COMPONENTS	U	Managed Business Network Services, Managed Traffic Network Services
METRIC DESCRIPTION	The Service Level for “Solution Proposal Delivery” measures the percentage of time Service Provider delivers a viable proposal to TxDOT within the committed timeframes, in response to a solution request. Following validation of requirements by Service Provider, the Service Provider shall deliver a proposal for each request within the process and timeframes as listed defined in the SMM. When a proposal is delivered, it must include a committed timeframe for project implementation specified as Business Days from the time the project is assigned to the project bench to the implementation completion. This committed number of Business Days will be used in the “Solution Implementation” Service Level. Specific sizing criteria and guidelines shall be maintained in the SMM.	
METRIC INCLUSIONS and DATA SOURCES	Each proposal submitted to TxDOT will be counted as a measurable event. If there are multiple proposals for one request due to requirements changes then subsequent iterations will be counted as another event. Each will count as an event and an opportunity to succeed or fail.	
METRIC EXCLUSIONS	N/A	
HOURS OF MEASUREMENT	7:00 AM – 6:00 PM	
DAYS OF MEASUREMENT	Business Days	
MINIMUM SERVICE LEVEL	95.00%	
EXPECTED SERVICE LEVEL	97.00%	

ALGORITHM	The Service Level calculation for “Solution Proposal Delivery” is the total number of solution proposals that are delivered within the committed timeframes, divided by the total number of delivered proposals plus the total number of open proposals that have exceeded the committed timeframes, with the result expressed as a percentage. For purposes of clarity, note the following: if a solution proposal request is opened within the current Measurement Window, but its relevant committed timeframe extends beyond the end of the current Measurement Window, then it is excluded from the current Measurement Window’s calculation (unless such request is actually delivered in the current Measurement Window, in which case it is included in the current Measurement Window’s calculation)
COLLECTION PROCESS	Solution proposal requests will be logged and tracked in the TxDOTNow Service Management system as a Service Request. Solution proposal requests will be categorized and assigned to teams who will work to deliver a proposal and progress the ticket through the service Request Management lifecycle. Solution proposal data will be uploaded to Service Level Management Reporting system on a daily basis, where the Service Level result will be calculated and reported based on appropriate measurement criteria.
REPORTING TOOLS	TxDOTNow Service Management system Service Level Management Reporting system
RAW DATA STORAGE (ARCHIVES)	Data used to calculate the Service Level result for reporting will be stored in the Service Level Management Reporting system database, which will be accessible to authorized users via inherent report drill-down functionality for a rolling 13 months.
PERFORMANCE CATEGORY	Solutions and Projects
METRIC REPORTING	☒ Monthly ☐ Quarterly ☐ Semi Annual

A.11 Solution Implementation

SERVICE LEVEL NAME		
Solution Implementation		
SERVICE LEVEL TYPE	Critical Service Level	
CURRENTLY MEASURED	No	
SHARE TYPE and APPLICABLE SERVICE COMPONENTS	U	Managed Business Network Services, Managed Traffic Network Services

METRIC DESCRIPTION	The Service Level for “Solution Implementation” measures the percentage of time Service Provider successfully implements a Solution Request within the committed timeframe. All phases of the Solution implementation process are included in this measure.
METRIC INCLUSIONS and DATA SOURCES	The committed timeframe is the timeframe specified in the proposal (as further described in the “Solution Proposal Delivery” Service Level) or otherwise as agreed by the requestor in accordance with the SMM.
METRIC EXCLUSIONS	Service Requests
HOURS OF MEASUREMENT	24
DAYS OF MEASUREMENT	365 (366)
MINIMUM SERVICE LEVEL	95.00%
EXPECTED SERVICE LEVEL	97.00%
ALGORITHM	The Service Level calculation for “Solution Implementation” is the total number of projects that are successfully implemented within the committed timeframes, divided by the total number of projects implemented plus the total number of projects that have passed the committed timeframe, with the result expressed as a percentage. Projects will be reported in the Measurement Window in which the associated Change ticket is closed. For purposes of clarity, note the following: if a project is assigned within the current Measurement Window, but its relevant committed timeframe extends beyond the end of the current Measurement Window, then it is excluded from the current Measurement Window’s calculation (unless such project is actually implemented in the current Measurement Window, in which case it is included in the current Measurement Window’s calculation)
COLLECTION PROCESS	When the solution proposal is approved, a Change record will be created. Final sign-off approvals will be tracked in the TxDOTNow Service Management system in accordance with the SMM. Solution implementation data will be loaded to Service Level Management Reporting system on a daily basis, where the Service Level result will be calculated and reported based on appropriate measurement criteria.
REPORTING TOOLS	TxDOTNow Service Management system Service Level Management Reporting system
RAW DATA STORAGE (ARCHIVES)	Data used to calculate the Service Level result for reporting will be stored in the Service Level Management Reporting system database, which will be accessible to users via report drill-down functionality for a rolling 13 months.
PERFORMANCE CATEGORY	Solutions and Projects

METRIC REPORTING	☒ Monthly ☐ Quarterly ☐ Semi Annual

A.12 Traffic Network Device Availability

SERVICE LEVEL NAME		
Traffic Network Device Availability		
SERVICE LEVEL TYPE	Critical Service Level	
CURRENTLY MEASURED	Yes	
SHARE TYPE and APPLICABLE SERVICE COMPONENTS	U	Managed Traffic Network Services
METRIC DESCRIPTION	The Service Level for “Traffic Network Device Availability” measures the percentage of time the Critical Traffic Network Devices are Available during the applicable Measurement Window.	
METRIC INCLUSIONS and DATA SOURCES	The Critical Traffic Network Devices will be identified in the CMDB, and will include switches, signals, CCTV, and other Equipment used to support the Traffic Network environment. The Critical Uptime will include all minutes that each Critical Network Element is required to be Available during the Measurement Window. When an Outage occurs, if a core switch or other centralized device is causing other devices (such as branch switches) to experience Downtime, then all such affected Critical Traffic Network Devices will be considered unavailable during the Outage.	
METRIC EXCLUSIONS	Devices under management of a construction contractor (caused due to scheduled construction activity)	
HOURS OF MEASUREMENT	24 (except as otherwise indicated by Critical Traffic Network Devices maintained in the CMDB and or approved data source)	
DAYS OF MEASUREMENT	365(366)	
MINIMUM SERVICE LEVEL	88.00%	
EXPECTED SERVICE LEVEL	93.00%	

ALGORITHM	The Service Level calculation for “Traffic Network Device Availability” is the sum of actual uptime minutes for all Critical Traffic Network Devices divided by the sum of Critical Uptime minutes for all Critical Traffic Network Devices, with the result expressed as a percentage. Available minutes = the total number of minutes in a month (60 minutes x 24 hours x number of days in the month) for the service.
COLLECTION PROCESS	Collected data will be sourced by the Service Level Reporting system for purposes of aggregating, calculating, measuring and reporting SLA results. Manual input will be considered for purposes of supplementing collected data where necessary.
REPORTING TOOLS	As described in the process above, the following tools will be utilized: • SCP network monitoring system • Service Level Management Reporting system • Service Management Manual
RAW DATA STORAGE (ARCHIVES)	Data used to calculate the Service Level result for reporting will be stored in the Service Level Management Reporting system database, which will be accessible to users via report drill-down functionality for a rolling 13 months.
PERFORMANCE CATEGORY	Availability
METRIC REPORTING	☒ Monthly ☐ Quarterly ☐ Semi Annual

A.13 Remote Incident Resolution– Level 2 & Level 3 (Priority 1 - 4)

SERVICE LEVEL NAME		
Remote Incident Resolution– Level 2 & Level 3 (Priority 1 - 4)		
SERVICE LEVEL TYPE	Critical Service Level	
CURRENTLY MEASURED	Yes	
SHARE TYPE and APPLICABLE SERVICE COMPONENTS	U	Managed Traffic Network Services
METRIC DESCRIPTION	The Service Level for “Remote Incident Resolution– Level 2 & 3 (Priority 1-4)” measures the percentage of time Service Provider Resolves Level 2 and Level 3 (Priority Level 1-4) Incidents assigned through remote tools and processes.	
METRIC INCLUSIONS and DATA SOURCES	Includes all Priority 1 - 4 Service Component Incidents pertaining to devices able to be remotely remediated, as defined by TxDOT.	

METRIC EXCLUSIONS	Service Provider Incidents not able to be remotely remediated, Child tickets, and Incidents involving hardware failures are excluded. Events determined to be outside the control of the Service Provider. Security Incidents will follow the Security Incident Management process as defined in the SMM and may be eligible for an SLA exception or as otherwise mutually agreed upon.
HOURS OF MEASUREMENT	24 hours
DAYS OF MEASUREMENT	365(366)
MINIMUM SERVICE LEVEL	70.00%
EXPECTED SERVICE LEVEL	75.00%
ALGORITHM	The Service Level calculation for “Remote Incident Resolution– Level 1 & 2 (Priority 1-4)” is the total number of Level 2 and Level 3 (Priority 1-4) Incidents assigned by the Service Desk for which the incident Resolution was executed remotely, divided by the total number of Resolved Incidents able to be remotely remediated, with the result expressed as a percentage.
COLLECTION PROCESS	Incident tickets will be logged in the TxDOTNow Service Management system. Incidents will be categorized and assigned to resolver teams who will work to resolve the incident and progress the ticket through the incident management lifecycle. Incident data will be loaded to Service Level Management Reporting system on a daily basis, where the Service Level result will be calculated and reported based on appropriate measurement criteria.
REPORTING TOOLS	TxDOTNow Service Management system Service Level Management Reporting system
RAW DATA STORAGE (ARCHIVES)	Data used to calculate the Service Level result for reporting will be stored in the Service Level Management Reporting system database, which will be accessible to users via report drill-down functionality for a rolling 13 months.
PERFORMANCE CATEGORY	Incident, Problem, and Request
METRIC REPORTING	☒ Monthly ☐ Quarterly ☐ Semi Annual

A.14 Traffic Network Device Compliance

SERVICE LEVEL NAME	
Traffic Network Device Compliance	
SERVICE LEVEL TYPE	Critical Service Level
CURRENTLY MEASURED	Yes

SHARE TYPE and APPLICABLE SERVICE COMPONENTS	U	Managed Traffic Network Services
METRIC DESCRIPTION	For devices that are capable of being “compliant,” as designated within the CMDB and approved by TxDOT, a device is “compliant” if it meets the criteria specified by TxDOT, which includes: 1. Compliance with TxDOT password policy 2. No field devices that are connected over unsecured connections (web or cellular without encryption) 3. Devices patched against all known CVEs 4. Unused ports locked by default 5. Configurations backed up in monitoring software.	
METRIC INCLUSIONS and DATA SOURCES	Only those devices Monitored and Managed by the Service Provider	
METRIC EXCLUSIONS	Non Cisco devices and devices not monitored and managed by the Service Provider	
HOURS OF MEASUREMENT	24 hours	
DAYS OF MEASUREMENT	365(366)	
MINIMUM SERVICE LEVEL	99.99%	
EXPECTED SERVICE LEVEL	99.95%	
ALGORITHM	The Service Level calculation for “Traffic Network Device Compliance” is the total number of devices that report as compliant, divided by the total number of devices capable of being compliant, with the result expressed as a percentage.	
COLLECTION PROCESS	Data will be collected from the Service Provider monitoring system to measure compliance. Devices will be expected to be in compliance in all defined areas.	
REPORTING TOOLS	• SCP network monitoring system • TxDOTNow Service Management system • Service Level Management Reporting system	
RAW DATA STORAGE (ARCHIVES)	Data used to calculate the Service Level result for reporting will be stored in the Service Level Management Reporting system database, which will be accessible to users via report drill-down functionality for a rolling 13 months.	
PERFORMANCE CATEGORY	Operations Management	
METRIC REPORTING	☒ Monthly ☐ Quarterly ☐ Semi Annual	

B.0 KEY SERVICE LEVELS

This Section sets forth qualitative descriptions of the Key Service Levels. The numerical Minimum Service Levels, Expected Service Levels and commencement of obligations associated with such Key Service Levels are set forth in **Exhibit 3.1 Service Level and Deliverable Matrix**.

B.1 Average Latency - WAN

SERVICE LEVEL NAME		
Average Latency – WAN		
SERVICE LEVEL TYPE	Key Service Level	
CURRENTLY MEASURED	No	
SHARE TYPE and APPLICABLE SERVICE COMPONENTS	U	Managed Business Network Services
METRIC DESCRIPTION	The Service Level “WAN Average Latency” is the monthly average round-trip Latency taken throughout the month from the TxDOT edge router to a central core router.	
METRIC INCLUSIONS and DATA SOURCES	N/A	
METRIC EXCLUSIONS	N/A	
HOURS OF MEASUREMENT	24	
DAYS OF MEASUREMENT	365 (366)	
MINIMUM SERVICE LEVEL	≤ 45 ms	
EXPECTED SERVICE LEVEL	≤ 45 ms	
ALGORITHM	The Service Level is determined by measuring the average latency for each router and then taking the average of all routers for WAN Average Latency.	
COLLECTION PROCESS		
REPORTING TOOLS	SCP Monitoring Tools TxDOTNow Service Management system Service Level Management Reporting system	
RAW DATA STORAGE (ARCHIVES)	Data used to calculate the Service Level result for reporting will be stored in the Service Level Management Reporting system database, which will be accessible to users via report drill-down functionality for a rolling 13 months.	
PERFORMANCE CATEGORY	Service Management	
METRIC REPORTING	☒ Monthly ☐ Quarterly ☐ Semi Annual	

B.2 Change Management Effectiveness

SERVICE LEVEL NAME		
Change Management Effectiveness		
SERVICE LEVEL TYPE	Key Service Level	
CURRENTLY MEASURED	No	
SHARE TYPE and APPLICABLE SERVICE COMPONENTS	R	Managed Business Network Services, Managed Traffic Network Services, ERP Managed Application Services, ADM Services, Service Desk, Technical Field Services, Hardware Lifecycle Services, TBD
METRIC DESCRIPTION	The Service Level for “Change Management Effectiveness” measures the percentage of time Service Provider successfully implements Changes to Services.	
METRIC INCLUSIONS and DATA SOURCES	Includes all Service Provider Service Component Changes. Changes are not successfully implemented if they: (i) do not comply with the Change Management procedures (including the Change Control Process), the SMM and, except as specified in clause (iii) to this sentence, any associated project plan, (ii) cause either a Priority 1 Incident or Priority 2 Incident, (iii) exceeded the change window, (iv) are backed out, or (v) partial success of change is backed out or unsuccessful.	
METRIC EXCLUSIONS	N/A	
HOURS OF MEASUREMENT	24	
DAYS OF MEASUREMENT	365 (366)	
MINIMUM SERVICE LEVEL	96.00%	
EXPECTED SERVICE LEVEL	98.00%	
ALGORITHM	The Service Level calculation for “Change Management Effectiveness” is the number of changes that are successfully implemented by Service Provider divided by the number of changes implemented by Service Provider, with the result expressed as a percentage. Changes will be reported in the Measurement Window that the Change ticket is closed.	
COLLECTION PROCESS	Changes will be logged and tracked in the TxDOTNow Service Management system. Changes will be documented, categorized, and assigned to implementer teams who will work to plan, review, obtain approvals, and progress the change through the Change Management lifecycle. Change data will be loaded to Service Level Management Reporting system on a daily basis, where the Service Level result will be calculated and reported based on appropriate measurement criteria.	
REPORTING TOOLS	TxDOTNow Service Management system Service Level Management Reporting system	

RAW DATA STORAGE (ARCHIVES)	Data used to calculate the Service Level result for reporting will be stored in the Service Level Management Reporting system database, which will be accessible to users via report drill-down functionality for a rolling 13 months.
PERFORMANCE CATEGORY	Service Management
METRIC REPORTING	☒ Monthly ☐ Quarterly ☐ Semi Annual

B.3 Invoice Dispute Resolution

SERVICE LEVEL NAME		
Invoice Dispute Resolution		
SERVICE LEVEL TYPE	Key Service Level	
CURRENTLY MEASURED	No	
SHARE TYPE and APPLICABLE SERVICE COMPONENTS	U	Managed Business Network Services, Managed Traffic Network Services
METRIC DESCRIPTION	The Service Level for “Invoice Dispute Resolution” measures the percentage of invoice disputes that are resolved within twenty (20) Business Days.	
METRIC INCLUSIONS and DATA SOURCES	N/A	
METRIC EXCLUSIONS	N/A	
HOURS OF MEASUREMENT	7:00 AM – 6:00 PM	
DAYS OF MEASUREMENT	Business Days	
MINIMUM SERVICE LEVEL	95.00%	
EXPECTED SERVICE LEVEL	97.00%	
ALGORITHM	The Service Level calculation for “Invoice Dispute Resolution” is the total number of invoice disputes that are resolved within twenty (20) Business Days of submission, divided by the total number of resolved invoice disputes plus the total number of open invoice disputes that have exceeded twenty (20) Business Days, with the result expressed as a percentage. For purposes of clarity, note the following: if an invoice dispute is initiated within the current Measurement Window, but the twenty Business Days extends beyond the end of the current Measurement Window, then it is excluded from the current Measurement Window’s calculation (unless such dispute is actually resolved in the current Measurement Window, in which case it is included in the current Measurement Window’s calculation)	

COLLECTION PROCESS	Invoice Disputes will be logged and tracked in the TxDOTNow Service Management system as a Service Request. Invoice Dispute requests will be categorized and assigned to teams who will work to research and resolve the dispute, and progress the request through the Request Management lifecycle. Invoice Dispute data will be loaded to Service Level Management Reporting system on a daily basis, where the Service Level result will be calculated and reported based on appropriate measurement criteria.
REPORTING TOOLS	TxDOTNow Service Management system Service Level Management Reporting system
RAW DATA STORAGE (ARCHIVES)	Data used to calculate the Service Level result for reporting will be stored in the Service Level Management Reporting system database, which will be accessible to users via report drill-down functionality for a rolling 13 months.
PERFORMANCE CATEGORY	Service Management
METRIC OWNER	
METRIC REPORTING	☒ Monthly ☐ Quarterly ☐ Semi Annual

B.4 License and Maintenance Renewal Timeliness

SERVICE LEVEL NAME		
License and Maintenance Renewal Timeliness		
SERVICE LEVEL TYPE	Key Service Level	
CURRENTLY MEASURED	No	
SHARE TYPE and APPLICABLE SERVICE COMPONENTS	U	Managed Business Network Services, Managed Traffic Network Services
METRIC DESCRIPTION	The Service Level for “License and Maintenance Renewal Timeliness” measures the timeliness of all software license and hardware maintenance renewals and installs as appropriate managed by Service Provider. Expirations for software license and hardware maintenance are maintained in the TxDOTNow Service Management system.	
METRIC INCLUSIONS and DATA SOURCES		
METRIC EXCLUSIONS	N/A	
HOURS OF MEASUREMENT	24	

DAYS OF MEASUREMENT	365 (366)
MINIMUM SERVICE LEVEL	98.00%
EXPECTED SERVICE LEVEL	99.50%
ALGORITHM	The Service Level calculation for “License and Maintenance Renewal Timeliness” is the total number of license or maintenance renewals processed and installed as appropriate prior to their expiration divided by the total number of license or maintenance agreements scheduled to expire within the Measurement Window. For months in which the total volume of license renewals is low, such that missing three (3) renewals would result in a miss of a Minimum Service Level target or missing two (2) renewals would result in a miss of an Expected Service Level target, the following will apply: 1. If the Service Provider misses three (3) renewals, then the performance for this Service Level shall be deemed to equal the Minimum Service Level target (e.g., reported as 98%). 2. If the Service Provider misses two (2) or less renewals, then the performance for this Service Level shall be deemed to equal the Expected Service Level target (e.g., reported as 99%). 3. If the Service Provider misses four (4) or more renewals, then the standard calculation applies.
COLLECTION PROCESS	Service Provider will provide current proof of entitlements, license renewal dates, and maintenance renewal dates to TxDOT. Data will be maintained in the approved TxDOT contract management tool. A License and Maintenance Renewal Report will compare renewals that are due in the Measurement Window against those that met or failed the target renewal date. Software and hardware renewals and software installations as appropriate will be logged and tracked in the TxDOTNow ITSM system. Service Provider will receive a Service Request to renew from the TxDOT ITSM system. When appropriate a Change Request will be issued to install software. Software renewal installations will be categorized and assigned to resolver teams who will work to fulfill the request. Software and hardware renewal data will be uploaded to the Service Level Management Reporting system on a daily basis, where the Service Level result will be calculated and reported based on appropriate measurement criteria.

REPORTING TOOLS	TxDOT contract management tool TxDOTNow Service Management system Service Level Management Reporting system
RAW DATA STORAGE (ARCHIVES)	Data used to calculate the Service Level result for reporting will be stored in the Digital Service Level Management Reporting system database, which will be accessible to users via report drill-down functionality for a rolling 13 months.
PERFORMANCE CATEGORY	Service Management
METRIC REPORTING	☒ Monthly ☐ Quarterly ☐ Semi Annual

B.5 Incident Resolution Time – Level 2 & Level 3 (Priority 3)

SERVICE LEVEL NAME		
Incident Resolution Time – Level 2 & Level 3 (Priority 3)		
SERVICE LEVEL TYPE	Key Service Level	
CURRENTLY MEASURED	Yes	
SHARE TYPE and APPLICABLE SERVICE COMPONENTS	R	Managed Business Network Services, Managed Traffic Network Services, ERP Managed Application Services, ADM Services, Service Desk, Technical Field Services, Hardware Lifecycle Services, TBD
METRIC DESCRIPTION	The Service Level for “Incident Resolution Time – Level 2 & 3 (Priority 3)” measures the percentage of time Service Provider Resolves Level 2 and Level 3 (Priority Level 3) Incidents assigned by the Service Desk within the applicable timeframes.	
METRIC INCLUSIONS and DATA SOURCES	Includes all Priority 3 Service Component Incidents. The applicable resolution timeframes are listed below. Priority 3 Incidents: The Incident shall be Resolved within 1320 minutes (i.e. 22 Business Hours) where such minutes shall be measured only between 7:00 AM and 6:00 PM inclusive on Business Days.	
METRIC EXCLUSIONS	Events determined to be outside the control of the Service Provider. Security Incidents will follow the Security Incident Management process as defined in the SMM and may be eligible for an SLA exception or as otherwise mutually agreed upon.	
HOURS OF MEASUREMENT	24 hours	
DAYS OF MEASUREMENT	365(366)	

MINIMUM SERVICE LEVEL	95.00%
EXPECTED SERVICE LEVEL	99.00%
ALGORITHM	The Service Level calculation for “Incident Resolution Time – Level 1 & 2 (Priority 3)” is the total number of Level 2 Support and Level 3 Support (Priority 3) Incidents assigned by the Service Desk for which the Resolution Time is less than or equal to the relevant resolution timeframe, divided by the total number of Resolved Priority 3 Incidents plus the total number of open Priority 3 Incidents that have exceeded the relevant resolution timeframe, with the result expressed as a percentage. For purposes of clarity, note the following: if an Incident is opened within the current Measurement Window, but its relevant resolution timeframe extends beyond the end of the current Measurement Window, then it is excluded from the current Measurement Window’s calculation (unless such Incident is actually Resolved in the current Measurement Window, in which case it is included in the current Measurement Window’s calculation)
COLLECTION PROCESS	Incident tickets will be logged in the TxDOTNow Service Management system. Incidents will be categorized and assigned to resolver teams who will work to resolve the incident and progress the ticket through the incident management lifecycle. Incident data will be loaded to Service Level Management Reporting system on a daily basis, where the Service Level result will be calculated and reported based on appropriate measurement criteria.
REPORTING TOOLS	TxDOTNow Service Management system Service Level Management Reporting system
RAW DATA STORAGE (ARCHIVES)	Data used to calculate the Service Level result for reporting will be stored in the Service Level Management Reporting system database, which will be accessible to users via report drill-down functionality for a rolling 13 months.
PERFORMANCE CATEGORY	Incident, Problem, and Request
METRIC REPORTING	☒ Monthly ☐ Quarterly ☐ Semi Annual

B.6 Incident Resolution Time – Level 2 & Level 3 (Priority 4)

SERVICE LEVEL NAME	
Incident Resolution Time – Level 2 & Level 3 (Priority 4)	
SERVICE LEVEL TYPE	Key Service Level
CURRENTLY MEASURED	Yes

SHARE TYPE and APPLICABLE SERVICE COMPONENTS	R	Managed Business Network Services, Managed Traffic Network Services, ERP Managed Application Services, ADM Services, Service Desk, Technical Field Services, Hardware Lifecycle Services, TBD
METRIC DESCRIPTION	The Service Level for “Incident Resolution Time – Level 2 & 3 (Priority 4)” measures the percentage of time Service Provider Resolves Level 2 and Level 3 (Priority Level 4) Incidents assigned by the Service Desk within the applicable timeframes.	
METRIC INCLUSIONS and DATA SOURCES	Includes all Priority 4 Service Component Incidents. The applicable resolution timeframes are listed below. Priority 4 Incidents: The Incident shall be Resolved within 3300 minutes (i.e. 55 Business Hours) where such minutes shall be measured only between 7:00 AM and 6:00 PM inclusive on Business Days.	
METRIC EXCLUSIONS	Events determined to be outside the control of the Service Provider. Security Incidents will follow the Security Incident Management process as defined in the SMM and may be eligible for an SLA exception or as otherwise mutually agreed upon.	
HOURS OF MEASUREMENT	24 hours	
DAYS OF MEASUREMENT	365(366)	
MINIMUM SERVICE LEVEL	95.00%	
EXPECTED SERVICE LEVEL	99.00%	
ALGORITHM	The Service Level calculation for “Incident Resolution Time – Level 1 & 2 (Priority 4)” is the total number of Level 2 Support and Level 3 Support (Priority 4) Incidents assigned by the Service Desk for which the Resolution Time is less than or equal to the relevant resolution timeframe, divided by the total number of Resolved Priority 4 Incidents plus the total number of open Priority 4 Incidents that have exceeded the relevant resolution timeframe, with the result expressed as a percentage. For purposes of clarity, note the following: if an Incident is opened within the current Measurement Window, but its relevant resolution timeframe extends beyond the end of the current Measurement Window, then it is excluded from the current Measurement Window’s calculation (unless such Incident is actually Resolved in the current Measurement Window, in which case it is included in the current Measurement Window’s calculation)	

COLLECTION PROCESS	Incident tickets will be logged in the TxDOTNow Service Management system. Incidents will be categorized and assigned to resolver teams who will work to resolve the incident and progress the ticket through the incident management lifecycle. Incident data will be loaded to Service Level Management Reporting system on a daily basis, where the Service Level result will be calculated and reported based on appropriate measurement criteria.
REPORTING TOOLS	TxDOTNow Service Management system Service Level Management Reporting system
RAW DATA STORAGE (ARCHIVES)	Data used to calculate the Service Level result for reporting will be stored in the Service Level Management Reporting system database, which will be accessible to users via report drill-down functionality for a rolling 13 months.
PERFORMANCE CATEGORY	Incident, Problem, and Request
METRIC REPORTING	☒ Monthly ☐ Quarterly ☐ Semi Annual

B.7 RCA Implementation

SERVICE LEVEL NAME		
RCA Implementation		
SERVICE LEVEL TYPE	Key Service Level	
CURRENTLY MEASURED	No	
SHARE TYPE and APPLICABLE SERVICE COMPONENTS	R	Managed Business Network Services, Managed Traffic Network Services, ERP Managed Application Services, ADM Services, Service Desk, Technical Field Services, Hardware Lifecycle Services, TBD
METRIC DESCRIPTION	The Service Level “RCA Implementation” measures the percentage of time Service Provider completes RCA implementation activities within the committed timeframes.	
METRIC INCLUSIONS and DATA SOURCES	RCA Implementation activities associated with all Service Component Provider Problem Tickets.	
METRIC EXCLUSIONS	RCA Implementation activities internal to Service Provider other than those for Service Level Improvement Plans. RCA Implementation activities solely owned by Third Parties, not the Service Provider	
HOURS OF MEASUREMENT	24	
DAYS OF MEASUREMENT	365 (366)	
MINIMUM SERVICE LEVEL	90.00%	

EXPECTED SERVICE LEVEL	95.00%
ALGORITHM	The Service Level calculation for “RCA Implementation” is the total number of RCA implementation activities that are completed within the required timeframe, divided by the total number of RCA implementation activities completed plus the total number of RCA implementation activities that have passed the committed timeframe, with the result expressed as a percentage. For purposes of clarity, note the following: if a RCA implementation activity is opened within the current Measurement Window, but its relevant committed timeframe extends beyond the end of the current Measurement Window, then it is excluded from the current Measurement Window’s calculation (unless such RCA implementation activity is actually closed in the current Measurement Window, in which case it is included in the current Measurement Window’s calculation).
COLLECTION PROCESS	RCA implementation activities will be logged and tracked in the TxDOTNow Service Management system. RCA implementation activities will be assigned to teams who will implement the RCA implementation activities. The RCA implementation activities will be progressed through the Problem Management lifecycle. Problem data will be loaded to Service Level Management Reporting system on a daily basis, where the Service Level result will be calculated and reported based on appropriate measurement criteria.
REPORTING TOOLS	TxDOTNow Service Management system Service Level Management Reporting system
RAW DATA STORAGE (ARCHIVES)	Data used to calculate the Service Level result for reporting will be stored in the Service Level Management Reporting system database, which will be accessible to users via report drill-down functionality for a rolling 13 months.
PERFORMANCE CATEGORY	Incident, Problem and Request
METRIC REPORTING	☒ Monthly ☐ Quarterly ☐ Semi Annual

B.8 Data Quality

SERVICE LEVEL NAME	
Data Quality	
SERVICE LEVEL TYPE	Key Service Level
CURRENTLY MEASURED	No

SHARE TYPE and CORRESPONDING METRIC(S)	R	Managed Business Network Services, Managed Traffic Network Services, ERP Managed Application Services, ADM Services, Service Desk, Technical Field Services, Hardware Lifecycle Services, TBD
METRIC DESCRIPTION	The Service Level for “Data Quality” measures the percentage of critical attributes for key processes that meet the data quality standard. The key processes, associated critical attributes and business rules will be maintained in the SMM.	
METRIC INCLUSIONS and DATA SOURCES	Metrics to include: Device Name, Install Date, Purchase Date, Warranty Status, Device Class, Config Number, iOS Version, Patch Number, Manufacturer, Make / Model, Asset Tag, RFID, Serial Number, Location, MAC address, IP Address, Definitions for purposes of this Service Level: “Key processes” mean those processes that are foundational to the delivery of services (e.g., Major Incident Management, Refresh), as defined in the SMM. “Critical attributes” mean the attributes associated with the Configuration Items for which quality data is necessary to successfully operate the key processes (e.g. operating system, operating system version), as defined in the SMM. “Business rules” mean the set of checks that will be performed to on an attribute to determine quality, as defined in the SMM.	
METRIC EXCLUSIONS	N/A	
HOURS OF MEASUREMENT	N/A	
DAYS OF MEASUREMENT	N/A	
MINIMUM SERVICE LEVEL	95.50%	
EXPECTED SERVICE LEVEL	98.50%	
ALGORITHM	The Service Level calculation for “Data Quality” is the total number of fields completely filled in for the applications configuration item records, with dependency maps, measured on the last Business Day of the Measurement Window, divided by the total number of fields across all application configuration item records as measured on the last Business Day of the Measurement Window.	

COLLECTION PROCESS	The initial set of key process areas included in the measurement are: Software License Compliance, Software License Renewal, Technology Refresh, Information Security Management, and Financial Management. Key processes will be confirmed at the beginning of transition. Critical attributes and applicable business rules used to measure data quality will be assessed and agreed on during transition. Data quality business rules will be run against the selected attributes on a regular basis within the Measurement Window. Data quality output will be loaded into the Service Level Reporting system on a regular basis within the Measurement Window, where the Service Level result will be calculated and reported based on appropriate measurement criteria as defined in the SMM.
REPORTING TOOLS	CMDB Service Level Management Reporting system
RAW DATA STORAGE (ARCHIVES)	Data used to calculate the Service Level result for reporting will be stored in the Service Level Management Reporting system database, which will be accessible to users via report drill-down functionality for a rolling 13 months.
PERFORMANCE CATEGORY	Operations Management
METRIC REPORTING	☒ Monthly ☐ Quarterly ☐ Semi Annual

B.9 Devices with Over-Utilized or Under-Utilized Bandwidth

SERVICE LEVEL NAME		
Devices with Over-Utilized or Under-Utilized Bandwidth		
SERVICE LEVEL TYPE	Key Service Level	
CURRENTLY MEASURED	No	
SHARE TYPE and APPLICABLE SERVICE COMPONENTS	U	Managed Traffic Network Services
METRIC DESCRIPTION	The Service Level “Devices with Over-Utilized or Under-Utilized Bandwidth” measures the ability of the service component provider to fix over-utilization of the network to prevent outages or fall in performance.	
METRIC INCLUSIONS and DATA SOURCES	Only those devices Monitored and Managed by the Service Provider.	
METRIC EXCLUSIONS	Devices not monitored or managed by the Service Provider.	
HOURS OF MEASUREMENT	24	

DAYS OF MEASUREMENT	365 (366)
MINIMUM SERVICE LEVEL	<80%; 95.00%
EXPECTED SERVICE LEVEL	<80%; 99.00%
ALGORITHM	Number of devices within the target bandwidth range during the Measurement Window / Divided by the total number of devices during the Measurement Window
COLLECTION PROCESS	The total average percent utilization for each monitored device will be collected on a monthly basis via the monitoring tool.
REPORTING TOOLS	TxDOTNow Service Management system Service Level Management Reporting system
RAW DATA STORAGE (ARCHIVES)	Data used to calculate the Service Level result for reporting will be stored in the Service Level Management Reporting system database, which will be accessible to users via report drill-down functionality for a rolling 13 months.
PERFORMANCE CATEGORY	Operations Management
METRIC REPORTING	☒ Monthly ☐ Quarterly ☐ Semi Annual

B.10 Patch Compliance

SERVICE LEVEL NAME		
Patch Compliance		
SERVICE LEVEL TYPE	Key Service Level	
CURRENTLY MEASURED	No	
SHARE TYPE and CORRESPONDING METRIC(S)	R	Managed Business Network Services, Managed Traffic Network Services, ERP Managed Application Services, ADM Services, DCS, TBD
METRIC DESCRIPTION	The Service Level for “Patch Compliance” measures the percentage of patches (both Security and Software) initiated timely and applied successfully as documented in the Change Request ticket. Timeliness requirements to initiate a patch are defined in the Patch Management SMM.	

METRIC INCLUSIONS and DATA SOURCES	Timeliness measurement is based on the time the patches are received from the vendor to the time the change request ticket to the TxDOT is created. Scheduled hours of operations and maintenance windows for each infrastructure element will be maintained in the SMM. Changes are not successfully implemented if they: (i) do not comply with the Change Management procedures (including the Change Control Process) and the SMM; (ii) cause either a Priority 1 Incident or Priority 2 Incident; (iii) exceed the change window; (iv) are backed out; or (v) partial success of change is backed out or unsuccessful. Patches not approved by TxDOT for implementation are excluded from this SLA.
METRIC EXCLUSIONS	N/A
HOURS OF MEASUREMENT	N/A
DAYS OF MEASUREMENT	N/A
MINIMUM SERVICE LEVEL	95.00%
EXPECTED SERVICE LEVEL	97.00%
ALGORITHM	The Service Level calculation for “Patch Compliance” is the total number of patch Change Requests initiated within the required timeframes and applied successfully, divided by the total number of patches that were released from the vendor and approved by TxDOT for application in the environment.
COLLECTION PROCESS	Changes will be logged and tracked in the TxDOTNow Service Management system. Changes will be documented, categorized, and assigned to implementer teams who will work to plan, review, obtain approvals, and progress the change through the Change Management lifecycle. Change data will be loaded to Service Level Management Reporting system on a daily basis, where the Service Level result will be calculated and reported based on appropriate measurement criteria
REPORTING TOOLS	TxDOTNow Service Management system Service Level Management Reporting system
RAW DATA STORAGE (ARCHIVES)	Data used to calculate the Service Level result for reporting will be stored in the Service Level Management Reporting system database, which will be accessible to users via report drill-down functionality for a rolling 13 months.
PERFORMANCE CATEGORY	Operations Management

METRIC REPORTING	☒ Monthly ☐ Quarterly ☐ Semi Annual



Texas Department of Transportation

Managed Network Services

Exhibit 3.4

Operating Agreements

Version 1.0

Solicitation No. 601440000032124

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To ensure the integrated and seamless delivery of the Services, pursuant to **Section 9.12** of the Master Services Agreement ("Agreement"), the Service Provider is required to enter an Operating Agreement ("OA") with the Service Component Providers (SCPs), including, but not limited to, other SCPs supporting Service Desk, Technical Field Services, ERP Managed Application Services, Application Development and Maintenance Services, Managed Business Network Services, Managed Traffic Network Services, and Hardware Lifecycle Services, collectively ("SCPs").

1 GENERAL

The Service Provider acknowledges and agrees that the delivery of the Services to TxDOT requires significant integration, cooperation, and coordination of processes and procedures with TxDOT and the SCPs, and the Service Management Manual (SMM) will document the obligations between the Service Provider, TxDOT and the SCPs to ensure seamless delivery of the Services to TxDOT. The OA will address the joint operation, issue resolution, and governance of the delivery of the Services. The Service Provider and the SCPs will acknowledge and agree in the OA that the Service Provider will assist and coordinate the delivery of Services to TxDOT. In addition, the Service Provider 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.

2 OPERATING AGREEMENT ISSUE ESCALATION AND RESOLUTION

Within the Operating Agreement (OA), the Service Provider shall establish written procedures under which the Service Provider and SCPs shall resolve any problems or complaints regarding the delivery of the Services or another SCP's performance thereof (the "OA Issue Escalation and Resolution Procedures"). Such procedures shall address: (1) the specific individuals whom each SCP and Service Provider shall notify of any issue with respect to the delivery of the Services to TxDOT, (2) the timeframe within which such issues will be addressed, (3) the steps that each SCP and Service Provider will take to ensure that problems with the Services can be identified and addressed at all times. Upon completing an initial draft of the OA issue escalation and resolution procedures, the Service Provider and SCPs will provide a copy of such procedures to TxDOT for TxDOT's review.

3 OPERATING AGREEMENT PROCESSES, PROTOCOLS AND COMMUNICATIONS

The Service Provider 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:

1. Joint operation, issue resolution, and governance of the delivery of Services;
2. Customer support functions for multi-service provider solution requests;

3. Incident resolution and project management for multi-service provider escalations;
4. Operations management;
5. Security matters including active or persistent threats and multi-service provider response/remediation functions;
6. Defined and agreed standards of accountability for all involved;
7. 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;
8. Service terms, conditions, operating hours, response times and escalations;
9. Documented interdependencies for Related SLAs;
10. minimize, and to the greatest extent possible, eliminate, process, and communication gaps or overlaps in Service Request management, ITIL Incident, Problem, and Change processes and Service Delivery processes as to drive a cohesive and well-run Service to TxDOT; and
11. provide a holistic Service to TxDOT inclusive of all work, process, communication, and data/report sharing requirements contained herein.

4 REGULAR MEETING AND UPDATE

The project team leaders from the Service Provider 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.

5 TERMINATION

The OA(s) executed by the Service Provider shall terminate upon termination of the Agreement; except that the OA's between the Service Provider and the SCPs shall terminate upon termination of Agreement between TxDOT and the SCP, unless another termination date is determined by TxDOT.

6 OA REVIEW

Within sixty (60) days of the latter of (i) the Effective Date, or (ii) the Effective Date of the Master Services Agreement entered between TxDOT and the Service Provider or the SCPs who are a counter-party to the OA, the Service Provider will submit a draft OA to TxDOT for its review and comment. The Service Provider will address and resolve any questions or concerns TxDOT may have with respect to the OA. The Service Provider will revise and resubmit the OA. If, after fifteen (15) days from TxDOT's receipt of the OA, TxDOT has not provided comments to the OA or otherwise requested an extension of the period for review, the Service Provider may proceed with the proposed OA.

7 AMENDMENT AND MODIFICATION

The OA will include various interface descriptions and specifications, and interdependencies specified by the Service Provider and SCPs. The Service Provider acknowledges and agrees that over the term of the OA, to ensure that the Services continue to be delivered in an integrated and seamless manner to TxDOT, certain changes and amendments to the OA may need to be made. Accordingly, the Service Provider may from time to time amend the OA; however, changes to interdependency commitments may be made by agreement of the applicable SCPs without a formal amendment if interdependency commitments are designated as such in the OA. Prior to any proposed amendment of the OA or change in an interdependency commitment, the Service Provider will provide a copy of the proposed amendment or change to TxDOT for TxDOT's review. If, after fifteen (15) days from receipt of the proposed amendment or change, TxDOT has not provided comments to or otherwise requested an extension of the period for review, the Service Provider may amend the OA or proceed with the change as proposed. In addition, the Service Provider covenants and agrees to update the OA as reasonably necessary so that it remains aligned and consistent with the SMM.

8 HIERARCHY OF DOCUMENTS

To the extent that there is a conflict between the provisions of this Agreement and the OA(s), the conflict will be resolved in accordance with **Section 2 Contract Documents and Order of Precedence** of the Agreement. The Service Provider acknowledges and agrees that the terms of the OA will not be used for determining any SCP's obligations under this Agreement.

9 EXHAUSTION OF REMEDIES; NON-INTERFERENCE WITH THE SERVICES

The Service Provider shall attempt in good faith to timely resolve all disputes, controversies or claims arising out of, relating to, or in connection with OAs in such a manner that shall not adversely affect or materially disrupt the performance or operations of the Services or which may otherwise result in a material adverse impact to TxDOT. If the Service Provider is unable to timely resolve any such dispute, controversy, or claim, the Service Provider may escalate the issue to TxDOT for resolution. If TxDOT is unable to resolve any such issue, the Service Provider may, with the consent of TxDOT, escalate the dispute in accordance with **Exhibit 1.2 Governance Model**.

10 SERVICE COMPONENT PROVIDER SUBSTITUTION

The Service Provider acknowledges and agrees that TxDOT may from time to time substitute or change one or all of the SCPs delivering all or part of the Services (each a "Service Provider Substitution"). In the event of a Service Provider Substitution, the Service Provider will enter into an OA with each such substituted Service Provider(s) that complies with the terms of this Exhibit.



Texas Department of Transportation

Managed Network Services

Exhibit 4.0

Business Model

Version 1.0

Solicitation No. 601440000032124

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INTRODUCTION

The following documents comprise the entire Business Model for the Managed Network Services Request for Offer (RFO):

1. Exhibit 4.0 – Business Model
2. Exhibit 4.1 – Pricing Structure
3. Exhibit 4.2 – Financial Responsibility Matrix
4. Exhibit 4.3 – Form of Invoice and Data Feed
5. Exhibit 4.4 – In-Flight Projects
6. Exhibit 4.5 – Skill Set Descriptions
7. Exhibit 4.6 – Personnel Projection Matrix

This Exhibit contains the methodology and requirements for calculating the Charges for all Services, unless otherwise expressly provided in the Master Services Agreement (“MSA” or “Agreement”).

The Respondent shall follow the instructions contained within these and all other RFO and Agreement documents, including all Exhibits.

All capitalized terms in this **Exhibit 4.0 Business Model** shall have the same meanings given them in **Exhibit 1.1 Definitions**. All **Exhibit 4.0 Business Model** documents hereto are incorporated by reference herein.

The Service Provider shall be responsible for the accuracy and completeness of the operational and financial assumptions underlying its pricing. All pricing assumptions should be included in **Exhibit 4.1 Pricing Structure (Assumptions)** tab. If no assumptions are specified, then the Texas Department of Transportation (TxDOT) will assume there are none. TxDOT requires that all assumptions be eliminated prior to contract execution. TxDOT’s contractual arrangements with a Service Provider shall not be subject to assumption verification or post-closing diligence. Accordingly, Service Provider shall minimize their assumptions and seek to eliminate all assumptions during the proposal and due diligence period. Service Provider shall not be entitled to adjust its pricing or any other terms of the Agreement due to incorrect, incomplete, unresolved, or undocumented assumptions on the part of the Service Provider.

All Charges calculated in accordance with **Exhibit 4.0 Business Model** shall be invoiced to TxDOT by the Service Provider in accordance with the applicable invoice and payment provisions set forth in **Section 12 Invoicing and Payment** of the Agreement. The Service Provider shall not impose any fixed or monthly required minimum fees or support level pricing for any Service or at the total contract level; in no event will TxDOT be required to pay Service Provider for Services not consumed or utilized by TxDOT.

All Charges are expressed and shall be paid in U.S. dollars.

1 FINANCIAL PROVISIONS

1.1 Showback

The TxDOT ITD Service Governance (ITD SG) function is responsible for developing, managing, and maintaining the showback system as well as developing and coordinating the associated processes for all Service Component Providers (SCPs), as described in **Exhibit 2.1.1 Cross-Functional SOW**. SCPs are responsible for data collection, data integrity, and providing data feeds to ITD SG for showing back those fees to TxDOT customers (e.g., business units, divisions, districts). Where applicable, ITD SG manages the showback unit rate development process, by establishing the methodology, developing the calculations, and maintaining the process, which may include the allocation of some or all of the SCP's Charges into another SCP's Charges for showback purposes.

ITD SG is the financial intermediary between the SCPs and TxDOT. In this role, the ITD SG provides the Services to provision and manage the showback and utilization tracking system, showback and utilization reporting, showback statement consolidation, and management of the invoice dispute process. A component of the showback statement consolidation responsibility is the reconciliation of the cumulative total of all SCPs' Monthly Invoices with the cumulative total of the customers' showback statements. ITD SG provides the supporting detail necessary to facilitate TxDOT's payment of the Monthly Invoice to each SCP.

For all Charges, Service Provider shall provide data to ITD SG to support the Charges by TxDOT customer and TxDOT customer account identifier that conforms with the requirements of **Section 12.1 Invoicing and Payment** of the Agreement. ITD SG shall make available to TxDOT customers the monthly showback volumes, rates, and extended charge per Service per TxDOT customer and TxDOT customer account identifiers. ITD SG shall allocate SCP service level credits to TxDOT customers based on the nature of the credit and the impacted TxDOT customers in accordance with the SMM. Service Level Credits are only allocated to TxDOT customers once the right of Earnback has been lost or has expired. Showback detail for each customer should be made available in the showback system in a format that aligns with the form(s) of invoice described in **Exhibit 4.3 Form of Invoice and Data Feed**.

At a minimum, TxDOT requires the Service Provider to provide detailed billing data by TxDOT customer, TxDOT customer account identifier, by service type, and by such factors as requested by TxDOT, including the ability to track usage by major Application and Authorized User. TxDOT is responsible for providing Service Provider with the factors to track, as well as the methodology to be used to indicate usage among such factors. ITD SG provides detailed billing information available online in a database that lends itself to searching, ad hoc reporting, and the ability to export data. This detailed billing information, provided by ITD SG, must include the current Contract Year and the previous two (2) Contract Years' data. Billing detail beyond this time period is archived and available upon request.

For most billable Services, the showback methodology may distribute charges to the benefiting programs based upon proportionate usage. This approach requires appropriate utilization data to be captured for each Service and used to distribute charges to the benefiting programs identified by each business unit or reporting element specified by TxDOT.

For certain billable Charges, such as Transition Charges, it may not be possible to determine utilization attributable to specific TxDOT customers. In this case, the Charges associated with

each milestone are distributed to the TxDOT customers in the following manner, as directed by TxDOT.

1. Charges directly attributable to a TxDOT customer should be allocated to that TxDOT customer.
2. Charges which cannot be attributable solely to a TxDOT customer should be allocated based on each TxDOT customer's total costs as a proportion of the total costs for all Customers.

1.2 Financial Planning and Forecasting

The Service Provider shall provide the MSI function with a semi-annual forecast of Charges and usage trends by Service (aligned with the State's fiscal year). The forecast must be inclusive of all volumes and Charges, including Projects, New Services, and forecasted TxDOT volume and Charge changes required to support their budgeting process. The forecast must include all known and expected changes captured as part of the Technology Plan and Capacity Management processes. As described in the SMM, such forecasts shall be delivered by Service Provider to TxDOT on the following schedule:

- In even-numbered years, the financial forecast will be delivered on **February 1** and **October 1**. The February 1 financial forecast will include updated forecasts for the current biennium and projections for the next biennium.
- In odd-numbered years, the financial forecast will be delivered on **April 1** and **October 1**.

The Service Provider shall provide TxDOT with a historical view of actual billed Services per month as set forth in a standard report delivered through the Portal – the form and substance of which shall be approved by TxDOT within sixty (60) days after the Effective Date. This report shall provide an eighteen (18) month rolling view of billed Services for the eighteen (18) months immediately prior to the month in which such report is provided.

1.3 Volume Discount

The volume discount excludes all consideration of transition services.

Service Provider shall apply the volume-based discounts in **Exhibit 4.1 Pricing Structure** for the total work delivered to TxDOT. The discounts apply on an aggregate incremental tiers basis and not applied unilaterally to the entire sum of Charges. For example, if the Monthly Charges for service types equals \$2.2M, the first \$1M will be discounted by the first-tier percent and the second \$1.2M will be discounted by the second-tier percent and so on.

1.4 Contract Performance Incentives

The Service Provider shall have the option throughout the term of this Agreement to propose initiatives to TxDOT that create value in areas that are not already identified and required in the

Agreement. These Contract Performance Incentives (CPIs) are intended to incent Service Provider performance beyond the requirements of the Agreement. CPIs are outcomes-based performance incentives that are designed to reward innovation investments that create value that is shared between the Service Provider and TxDOT. As an example, the Service Provider may consider investing in a consumption management program designed to optimize TxDOT spend that creates value beyond the cost of the initiative.

TxDOT may identify a business objective and solicit the Service Provider for a CPI initiative proposal or the Service Provider may independently approach TxDOT with a proposed CPI initiative. In either scenario, the Service Provider shall develop a CPI proposal that includes the following:

1. Objective and quantified outcome;
2. Acceptance criteria defining measure of success;
3. Detailed description of initiative and solution;
4. Business model, including:
 - a. Service Provider investment amount and description;
 - b. Total value created and proposed sharing of value between MSI and TxDOT; and
5. Assumption and dependencies.

TxDOT has the option to accept, propose changes to, or reject the proposed CPI initiative. TxDOT does not anticipate funding the CPI initiative but rather sharing the value that is created with the Service Provider. This value sharing may take the form of monetary compensation or contract term extension, depending on the nature and size of the value created. All approved CPI initiatives will be documented with a Work Order that describes the business model terms and acceptance criteria in detail.

2 CHARGES

2.1 Categories

- a. The Annual Charges for Service Provider Services for each Contract Year are set forth in **Exhibit 4.1 Pricing Structure** and reflect the resources required to provide Service Provider Services. There are four (4) Service Provider Services Charge categories that fully compensate Service Provider for providing Services, each designed to bundle Services with similar economic profiles:
 1. **Resource Unit (RU) Charges** are for steady state run services. There are two types of Resource Unit Charges:
 - i. **Fixed Charges** encompass Services with static cost structures, even during times of growth or recession. These Charges are not subject to change based on volume of service consumption.

- ii. **Variable Charges** represent Services whose cost structure to deliver the Services is highly dependent on the underlying volumes of Service. These Charges are calculated by multiplying the applicable unit rate from **Exhibit 4.1 Pricing Structure** for the related contract month by the quantity of corresponding RUs actually consumed by TxDOT during the applicable Billing Month.
 2. **Deliverable Charges** are fixed charges for Services paid upon delivery and TxDOT's Acceptance of the applicable Deliverables. There are two (2) types of Deliverable Charges:
 - i. **Transition Charges** are for Transition Service Deliverables completed and accepted. TxDOT will pay Transition Charges for Deliverables completed prior to Commencement Date as part of the first Monthly Invoice to TxDOT after Commencement.
 - ii. **Request for Solution (RFS) Project Payment Based Deliverables** are for future Projects not currently anticipated that must be agreed between TxDOT and the Service Provider and require an approved solution proposal priced using the Rate Card rates set forth in **Exhibit 4.1 Pricing Structure**. RFS Project Payment Based Deliverable Charges will be billed on a fixed milestone basis.
 3. **Rate Card Charges** compensate Service Provider for staff augmentation services using the Rate Card Rates set forth in **Exhibit 4.1 Pricing Structure**.
 4. **Pass-Through Expenses** are for Service Provider expenses that TxDOT has agreed to pay directly to a Third Party or reimburse to Service Provider.
- b. **Exhibit 4.0 Business Model** is not intended to fully describe each Service in detail but rather how the Services are charged, with **Exhibit 2.1.1 Cross-functional SOW**, **Exhibit 2.1.6 Managed Network Services Business SOW**, **Exhibit 2.1.7 Managed Network Services Business Solution Response**, **Exhibit 2.1.8 Managed Network Services Traffic SOW**, **Exhibit 2.1.9 Managed Network Services Traffic Solution Response**, **Exhibit 2.2 Termination Assistance Services**, and **Exhibit 2.3 IT Service Management Continuity** providing a description of the Services, **Exhibit 3.0 Performance Model** providing a description of the expected performance, and the Service Provider solution document providing a description of how Service Provider intends to deliver the Services, including the required people, processes, and tools included in the Charges. **Exhibit 4.2 Financial Responsibility Matrix** provides guidance with respect to the financial responsibilities of the Service Provider and TxDOT.
 - c. The Service Provider shall invoice TxDOT on a monthly basis in accordance with **Section 12.1 Invoicing and Payment** of the Agreement for a pro rata portion of the annual fixed Charge, which shall be calculated by dividing the annual fixed Charge specified in **Exhibit 4.1 Pricing Structure** for the applicable Contract Year by the corresponding twelve (12) months. Variable Charges may change on a monthly basis based on the methodology for

calculating Charges. The Service Provider shall invoice TxDOT for Deliverable Charges upon completion of Deliverables but no sooner than the first month following the Commencement Date.

- d. Charges may be revised from time to time by agreement of the Parties based on the usage, demand, and business requirements of TxDOT. Charges may only be modified over time in accordance with the Agreement, including this Exhibit. Service Provider acknowledges and agrees that the Charges (RU, Deliverable, Rate Card, and Pass-Through), as adjusted pursuant to this Exhibit, fully compensate Service Provider for providing the Services.

2.2 Changes to Charges

TxDOT may from time to time (e.g., based on information provided by Service Provider in response to a TxDOT request for analysis for savings opportunities pursuant to **Section 9.5(c) Change Control, TxDOT Approval** of the Agreement) propose to add, remove, or modify the methodology for charging Services and may also from time to time, by giving at least thirty (30) days' notice to Service Provider (or such shorter period as may be required by applicable Laws), move Charges from one (1) Charge category to another Charge category, in each case for purposes of re-allocating the pricing under the Agreement without changes in scope; provided that, in any such event, the aggregate Monthly Charges for all Charge categories shall not be increased or decreased as a result of such re-allocation. Notwithstanding the foregoing, in connection with changes to Charge categories, TxDOT may also propose appropriate adjustments to reduce the existing or new Charges, as applicable, to reflect advancements or changes in technology and related changes in functionality and relative performance, where applicable. If TxDOT proposes to add or remove a Charge category or move Charges from one Charge category to another, the Parties shall agree on the Charges components applicable thereto and on corresponding adjustments to the Charges components for the remaining other Charge categories. Notwithstanding the foregoing, to the extent any of the foregoing changes are required by federal funding requirements or applicable Laws, MSI will implement such changes in a timely manner upon notice from TxDOT, and if such changes require the addition or removal of a Charge category, then the Charges components applicable thereto and the corresponding adjustments to the Charges components for the remaining other Charge categories shall be equitably adjusted by the Parties.

2.3 Billing Month

The monthly billing period ("Billing Month") is from the first day of the calendar month through the last day of the same calendar month. If the Commencement Date of Service or any New Service occurs on a day later than the first day of a calendar month, then the first Billing Month shall be the period from the Commencement Date through the last day of such calendar month, and in that case, any amounts payable on a monthly basis shall be prorated for such month based upon the actual number of days from the Commencement Date to the end of such month. In the event of termination, if the termination date occurs on a day prior to the last day of a calendar month, then the last Billing Month shall be the period from the first calendar day of the month of termination through the termination date. Any amounts payable on a monthly basis shall be prorated for such month based upon the actual number of days from the first calendar day of the month of termination to the termination date.

2.4 Resource Unit Charges

2.4.1 General

Resource Unit Charges consist of variable and fixed Charges. The variable Charges pricing methodology utilizes Resource Units defined in [Section 3 RESOURCE UNIT DEFINITIONS](#) with Charges calculated from the unit rates provided in [Exhibit 4.1 Pricing Structure](#). The monthly variable Charges shall be calculated by multiplying the applicable unit rate for the applicable Contract Year by the quantity of corresponding Resource Units actually consumed during the applicable Billing Month. Fixed Charges are static and billed on a monthly basis as documented in [Exhibit 4.1 Pricing Structure](#).

2.4.2 Resource Unit Measurement Methodology

- a. In managing the provision of Services, the Service Provider shall maintain the flexibility to respond to changes in TxDOT demand for the Services on a day-to-day and month-to-month basis, particularly as to those portions of the Services where TxDOT experiences significant variations in demand. Unless otherwise provided in the Agreement, if the provision of the Services requires increased dedicated support, additional resources, or extended hours of service, the Service Provider shall provide such support, resources, or extended hours of service at no additional charge to TxDOT.
- b. Resource Unit usage is measured on a monthly basis to determine TxDOT actual consumption for calculation of Charges. Starting on the Commencement Date and monthly thereafter, Service Provider shall measure, track, and report usage of Resource Units. Unless otherwise expressly stated herein with respect to an RU, Service Provider shall measure and determine as of the last day of each calendar month the RU volume used in determining Resource Unit Charges for such month. Upon Commencement, Service Provider shall compute monthly Charges on a prorated daily basis.
- c. The Service Provider shall develop, with TxDOT approval, billing triggers to determine the criteria to initiate or stop billing a Resource Unit volume. These billing triggers will be documented in the Service Management Manual and, at a minimum, summarize all information related to calculation of Charges for each Resource Unit category, including billing start trigger, billing stop trigger, system of record, CMDB billing query, and exclusions.
- d. Prior to the Commencement Date, TxDOT and the Service Provider will review the measurement tools and processes for RU measurement, as well as resulting data, to validate that such tools and processes are appropriate, accurate, producing consistent data, and reaching all devices that are to be measured. Any automated system used by the Service Provider to perform invoicing and billing responsibility will be configured to track and record all user entries, reports, modifications, and all other actions taken in relation to the billing source data. Subject to [Section 9.8 Audit Rights](#) of the Agreement, TxDOT or its designee may, at any time, perform an audit. In coordination with the MSI, the Service Provider shall document in the SMM the tools, methodologies and processes used to measure, track and report RU usage. This documentation shall be completed prior to

Commencement Date and subsequently maintained as necessary when changes occur. The method and tools for measuring, tracking, and reporting Resource Units is subject to TxDOT written approval.

- e. Service Provider shall record all billable RU consumption amounts and feed the information through the MSI ITFM platform. The MSI applies the contractual rates and pricing for final billing to TxDOT in accordance with [Section 1.1 Showback](#).
- f. The Resource Unit Charges shall fully compensate the Service Provider for providing the applicable Services at the actual usage levels for each Resource Unit in a given month. In no event will TxDOT be required to pay Service Provider for volumes not consumed by TxDOT.

2.5 Deliverable Charges

2.5.1 General

Deliverable Charges consist of Transition Charges and Project Charges. Deliverable Charges shall only be chargeable to TxDOT upon TxDOT's acceptance in writing of the applicable Deliverable. Deliverable Charges shall be itemized on the applicable Monthly Invoice feed to the MSI in a level of detail approved by TxDOT.

2.5.2 Transition Charges

TxDOT will pay Transition Deliverables completed and accepted prior to Commencement Date as part of the first Monthly Invoice to TxDOT after Commencement. Transition Charges shall be itemized on the applicable Monthly Invoice to TxDOT in sufficient detail to delineate the specific nature of the Charges. The invoice shall clearly identify each Transition Charge (i.e., the relevant Transition Deliverable with which it is associated). Unless otherwise agreed, TxDOT shall not incur any charges, fees, or expenses payable to Service Provider or any third party engaged by the Service Provider in connection with the Transition Services, other than those charges, fees and expenses specified in [Exhibit 4.1 Pricing Structure](#).

2.5.3 Request for Solution (RFS) Project Payment Based Deliverables

- a. Payment Based Deliverable Charges apply to certain projects that may arise from a TxDOT Request for Solution (RFS) as described in [Exhibit 2.1.1 Cross Functional SOW](#). RFS Project Based Deliverables are to be used on discrete units of work that do not recur on a regular or periodic basis and has each of the following characteristics:
 - 1. A defined start and end date
 - 2. Requested and approved by TxDOT
 - 3. Not an inherent, necessary, or customary part of the day-to-day (i.e., regular, not daily) Services
 - 4. Not required by Service Provider to meet the existing Service Levels

5. Not otherwise part of the Services to be provided within the monthly Charges, and
 6. Requires more than eighty (80) hours of effort (excluding hours for Project management of the work)
- b. Service Provider and TxDOT shall agree to the RFS Project Payment Based Deliverables as part of the Form of Work Order. The Form of Work Order must be agreed between TxDOT and the Service Provider and require an approved solution proposal leveraging the Rate Card rates set forth in **Exhibit 4.1 Pricing Structure**. The Payment Based Milestones shall be associated with defined Deliverables that align with completion of specified RFS project phases or interim Deliverables that are measurable and acceptable to TxDOT.
 - c. If Service Provider fails to successfully complete any Payment Based Deliverable by the date specified in the Service Proposal, TxDOT shall not be required to pay any portion of the Charges associated with the Payment Based Deliverable unless, and until, the successful completion of that Payment Based Deliverable is approved by TxDOT. The Service Provider and TxDOT agree the Deliverable Amount shall reflect the accrued, but not yet invoiced Service Provider Charges incurred in performing the RFS project related to the Payment Based Deliverable.
 - d. After any given Payment Based Deliverable has been successfully completed by Service Provider, and approved by TxDOT, Service Provider may invoice TxDOT for the Payment Based Deliverable amount. Service Provider shall not invoice TxDOT for any amounts other than the Payment Based Deliverable amount.
 - e. Transformation Project pricing for projects described in **Exhibit 2.1.6 Managed Network Services Business SOW**, Article 8 and **Exhibit 2.1.8 Managed Network Services Traffic SOW**, Article 5 is billed as RFS Project Payment Based Milestones. The pricing for these projects provided in **Exhibit 4.1 Pricing Structure** is effective in Contract Year 1 only. If TxDOT elects to start the Service after Contract Year 1 through a Request for Service, pricing is subject to change based on scope and timing changes.

2.6 Rate Card Services

TxDOT may, at their sole discretion, request Rate Card Services delivered utilizing the **Exhibit 4.1 Pricing Structure** Rate Card rates and the labor categories and skill sets. Rate Card Services are billable on a Monthly Productive Hours Worked basis under the following guidelines:

- a. For each Rate Card resource that performs Monthly Productive Hours Worked in a given month, Service Provider shall invoice TxDOT at the applicable rate in **Exhibit 4.1 Pricing Structure**, which is inclusive of all travel expenses.
- b. Service Provider shall not invoice TxDOT in any given month for more than the maximum number of Monthly Productive Hours Worked which will be calculated by multiplying the number of Business Days in the month by eight (8) hours, unless overtime is approved by TxDOT, which is to be paid at the same rate as Monthly Productive Hours Worked.

- c. Service Provider shall not invoice TxDOT for Rate Card resource overtime, unless agreed to in advance, in writing and on an exception basis by TxDOT.
- d. TxDOT shall not incur any Rate Card Charges for the following activities:
 - 1. Services performed by Service Provider Personnel that have not been approved, in advance, by TxDOT per established approval processes;
 - 2. Services performed by Service Provider Personnel providing non-Rate Card Services;
 - 3. Project scoping, solutioning, and proposal activities;
 - 4. Time expended by Service Provider Personnel to remedy Service Provider performance failure;
 - 5. Nonproductive time (whether or not conducted on TxDOT Sites), such as holidays, vacation time, sick leave, time spent consuming meals, or other personal time; and
 - 6. Time used for education, training, mentoring, travel, administrative, or management (e.g., Service Provider internal meetings, internal reporting, process implementation work, time and expense accounting, performance reviews, knowledge transfer).
- e. The Charges for the Service Provider Personnel performing Rate Card Services shall be calculated as the product of:
 - 1. Rates set forth in **Exhibit 4.1 Pricing Structure**; and
 - 2. the number of Productive Hours the Service Provider's Personnel devoted to providing such approved Services during such month.

2.7 Pass-Through Expenses

Upon TxDOT's request, Service Provider shall procure products and services on TxDOT's behalf by (1) purchasing the products and services on behalf of TxDOT, (2) leasing, or arranging for a third party to lease, such products to TxDOT, or (3) licensing, or arrange for a third party to license, such products to TxDOT. TxDOT shall pay directly to Service Provider, the supplier, third party lessor, or third party licensor, as agreed by the Parties, the purchase, lease, or license fees, as applicable, in respect of products and services procured on behalf of TxDOT on a Pass-Through Expense basis in accordance with **Section 11.2 Pass-Through Expenses** of the Agreement and pursuant to the applicable procedures in the Service Management Manual (SMM). Unless otherwise expressly set forth in the Agreement, Service Provider shall not add any mark-up or margin to the costs of such items procured on TxDOT's behalf. Except as otherwise agreed by the Parties or as otherwise provided in this Agreement, (i) all rights in and title to any products purchased by Service Provider on behalf of TxDOT shall belong to TxDOT, as applicable, and (ii) all products shall be new. Service Provider shall adhere to the applicable product and services standards specified by TxDOT or set forth in the Service Management

Manual and shall not deviate from such standards without TxDOT's prior approval. To the extent an authorized TxDOT representative specifies the third party vendor, pricing and/or other terms and conditions for procuring products or services on behalf of TxDOT, Service Provider shall not deviate from such instructions without TxDOT's prior approval. The foregoing notwithstanding, the Service Provider shall comply with the terms and conditions of **Section 11.2** of the Agreement with respect to the procurement and pricing of any goods or services that are designated for procurement on a Pass-Through Expense basis.

2.8 Equipment

The Service Provider is responsible for all equipment used in or for the provision of the Services, including the support, maintenance, purchase or lease costs of the assets, and refresh of that equipment. Depending on the type of Equipment, the financial treatment of these costs will be categorized into two major equipment types, non-billable and billable Equipment.

2.9 New Services Charges

If, and to the extent that TxDOT requests Service Provider to perform any New Services in accordance with the terms of the Agreement, the Charges shall be adjusted in accordance with the corresponding proposal submitted by Service Provider and approved by TxDOT in accordance with **Section 11.5 New Services** of the Agreement; provided, however, that to the extent that any New Services are FTE-based, the Charges for such New Services shall be subject to the terms of **Section 2.6 Rate Card Services**, unless the Parties otherwise agree in writing.

3 RESOURCE UNIT DEFINITIONS

3.1 Wide Area Network (WAN) Services

3.1.1 Managed Router

- a. **RU Definition:** A monthly recurring charge for the full management of WAN Services, which are active and authorized for use by TxDOT, excluding all Transport related costs associated with the WAN Sites listed.
- b. **Metric:** per Device
- c. **Costs Included:**
 - i. Labor and maintenance required to manage, maintain, and enhance the service.
 - ii. Service Provider management tools.
 - iii. Installation, move, add, change and discontinuance services.

3.1.2 Network Based Firewall

- a. **RU Definition:** A monthly recurring charge for the management of the firewall services for the TxDOT network.

- b. **Metric:** per Device
- c. **Costs Included:**
 - i. Labor and maintenance required to manage, maintain, and enhance the service.
 - ii. Service Provider management tools.
 - iii. Installation, move, add, change and discontinuance services.

3.2 Local Area Network (LAN) Services

3.2.1 LAN Device

- a. **RU Definition:** A monthly recurring charge for the full management of LAN Services on Switches and Hubs. A LAN Port is considered active when it has ports connected via wiring to equipment or a physical wall jack and authorized for use by TxDOT.
- b. **Metric:** per Device
- c. **Costs Included:**
 - i. Labor and maintenance required to manage, maintain, and enhance the service, including uninterruptible power supply (UPS)
 - ii. Service Provider management tools.
 - iii. Installation, move, add, change and discontinuance services.

3.2.2 Wireless Access Point (WAP)

- a. **RU Definition:** A monthly recurring charge for the management of a WAP. A WAP is considered active when it is installed for use and authorized by TxDOT. A WAP Resource Unit will include access points, controllers, LAN Port connection, and security or authentication systems.
- b. **Metric:** per WAP
- c. **Costs Included:**
 - i. Labor and maintenance required to manage, maintain, and enhance the service.
 - ii. Service Provider management tools.
 - iii. Installation, move, add, change and discontinuance services.

3.2.3 Appliances

- a. **RU Definition:** A monthly recurring charge for the management of the physical and virtual appliances, excluding DHCP/DNS appliances defined in Section [3.2.4 DHCP/DNS Appliance](#).
- b. **Metric:** per Device
- c. **Costs Included:**
 - i. Labor and maintenance required to manage, maintain, and enhance the service.
 - ii. Service Provider management tools.
 - iii. Installation, move, add, change and discontinuance services.

3.2.4 DHCP/DNS Appliance

- a. **RU Definition:** A monthly recurring charge for the devices and equipment used in the delivery of naming and configuration services for IP Address management.
- b. **Metric:** per Device
- c. **Costs Included:**
 - i. Labor and maintenance required to manage, maintain, and enhance the service.
 - ii. Service Provider management tools.
 - iii. Installation, move, add, change and discontinuance services.

3.2.5 Load Balancer

- a. **RU Definition:** A monthly recurring charge for the management of distribution of network or application traffic across a number of applications.
- b. **Metric:** per Device
- c. **Costs Included:**
 - i. Labor and maintenance required to manage, maintain, and enhance the service.
 - ii. Service Provider management tools.
 - iii. Installation, move, add, change and discontinuance services.

3.2.6 Remote Virtual Private Network (VPN)

- a. **RU Definition:** A monthly recurring charge for the management of secure access to TxDOT's network for Authorized Users.

- b. **Metric:** per Active Subscriber
- c. **Costs Included:**
 - i. Labor and maintenance required to manage, maintain, and enhance the service.
 - ii. Service Provider management tools.
 - iii. Installation, move, add, change and discontinuance services.

3.3 Voice Services

3.3.1 Voice over Internet Protocol (VoIP)

- a. **RU Definition:** A monthly recurring charge for use of Service Provider's hosted voice services platform.
- b. **Metric:** per Device
- c. **Costs Included:**
 - i. Labor and maintenance required to manage, maintain, and enhance the service.
 - ii. Service Provider management tools.
 - iii. Installation, move, add, change and discontinuance services.

3.3.2 Video Conferencing

- a. **RU Definition:** A monthly recurring charge for conference rooms with video conferencing capabilities.
- b. **Metric:** per Room
- c. **Costs Included:**
 - i. Labor and maintenance required to manage, maintain, and enhance the service.
 - ii. Service Provider management tools.
 - iii. Installation, move, add, change and discontinuance services.

3.3.3 Teleconferencing

- a. **RU Definition:** A monthly recurring charge for the management of audio and web conferencing services.
- b. **Metric:** per Device
- c. **Costs Included:**

- i. Labor and maintenance required to manage, maintain, and enhance the service.
- ii. Service Provider management tools.
- iii. Installation, move, add, change and discontinuance services.

3.4 Traffic Services

3.4.1 Router/Switch

- a. **RU Definition:** A monthly recurring charge for the monitoring or full management of the devices as described in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, with Services defined in Article 4, and all other documents necessary to adhere to the agreed upon service levels. With in-scope Service instructed by **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, Section 4.1.1, there are two (2) types of Router/Switch Resource Units:
 - i. Router/Switch – Monitor only (with Service further clarified in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, Section 4.10)
 - ii. Router/Switch – Fully Managed (with Service further clarified in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, Section 4.11)
- b. **Metric:** per Device
- c. **Costs Included:**
 - i. Labor and maintenance required to manage, maintain, and enhance the service.
 - ii. Service Provider management tools.
 - iii. Installation, move, add, change and discontinuance services.

3.4.2 Encoder/Decoder, Intelligent Traffic System (ITS) Radio

- a. **RU Definition:** A monthly recurring charge for the monitoring or full management of the devices as described in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, with Services defined in Article 4, and all other documents necessary to adhere to the agreed upon service levels. With in-scope Service instructed by **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, Section 4.1.1, there are two (2) types of Encoder / Decoder, Intelligent Traffic System (ITS) Radio Units:
 - i. Encoder / Decoder, Intelligent Traffic System (ITS) Radio – Monitor only (with Service further clarified in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, Section 4.10)

- ii. Encoder / Decoder, Intelligent Traffic System (ITS) Radio– Fully Managed (with Service further clarified in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, Section 4.11)

b. **Metric:** per Device

c. **Costs Included:**

- i. Labor and maintenance required to manage, maintain, and enhance the service.
- ii. Service Provider management tools.
- iii. Installation, move, add, change and discontinuance services.

3.4.3 Traffic Dynamic Message Signs (DMS)

- a. **RU Definition:** A monthly recurring charge for the monitoring or full management of the devices as described in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, with Services defined in Article 4, and all other documents necessary to adhere to the agreed upon service levels. With in-scope Service instructed by **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, Section 4.1.1, there are two (2) types of Traffic Dynamic Message (DMS) Sign Resource Units:

- iii. DMS – Monitor only (with Service further clarified in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, Section 4.10)
- iv. DMS - Fully Managed (with Service further clarified in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, Section 4.11)

b. **Metric:** per Device

c. **Costs Included:**

- i. Labor and maintenance required to manage, maintain, and enhance the service.
- ii. Service Provider management tools.
- iii. Installation, move, add, change and discontinuance services.

3.4.4 Road and Weather Information System (RWIS)

- a. **RU Definition:** A monthly recurring charge for the monitoring or full management of the devices as described in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, with Services defined in Article 4, and all other documents necessary to adhere to the agreed upon service levels. With in-scope Service instructed by **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, Section 4.1.1, there are two (2) types of Road Weather Information Systems (RWIS) Units:

- i. RWIS – Monitor only (with Service further clarified in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, Section 4.10)
 - ii. RWIS - Fully Managed (with Service further clarified in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, Section 4.11)
- b. **Metric:** per Device
- c. **Costs Included:**
 - i. Labor and maintenance required to manage, maintain, and enhance the service.
 - ii. Service Provider management tools.
 - iii. Installation, move, add, change and discontinuance services.

3.4.5 Traffic Closed Circuit Televisions (CCTV)

- a. **RU Definition:** A monthly recurring charge for the monitoring or full management of the devices as described in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, with Services defined in Article 4, and all other documents necessary to adhere to the agreed upon service levels. With in-scope Service instructed by **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, Section 4.1.1, there are two (2) types of Traffic CCTV Resource Units:
 - i. CCTV – Monitor only (with Service further clarified in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, Section 4.10)
 - ii. CCTV - Fully Managed (with Service further clarified in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, Section 4.11)
- b. **Metric:** per Device
- c. **Costs Included:**
 - i. Labor and maintenance required to manage, maintain, and enhance the service.
 - ii. Service Provider management tools.
 - iii. Installation, move, add, change and discontinuance services.

3.4.6 Signal

- a. **RU Definition:** A monthly recurring charge for the monitoring or full management of the devices as described in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, with Services defined in Article 4, and all other documents necessary to adhere to the agreed upon service levels. With in-scope Service instructed by **Exhibit 2.1.8 Managed**

Network Services Traffic Statement of Work, Section 4.1.1, there are two (2) types of Signal Resource Units:

- i. Signal – Monitor only (with Service further clarified in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, Section 4.10)
- ii. Signal - Fully Managed (with Service further clarified in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, Section 4.11)

b. **Metric:** per Device

c. **Costs Included:**

- i. Labor and maintenance required to manage, maintain, and enhance the service.
- ii. Service Provider management tools.
- iii. Installation, move, add, change and discontinuance services.

3.4.7 Traffic Sensors

a. **RU Definition:** A monthly recurring charge for the monitoring or full management of the devices as described in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, with Services defined in Article 4, and all other documents necessary to adhere to the agreed upon service levels. With in-scope Service instructed by **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, Section 4.1.1, there are two (2) types of Traffic Sensor Resource Units:

- i. Traffic Sensor – Monitor only (with Service further clarified in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, Section 4.10)
- ii. Traffic Sensor - Fully Managed (with Service further clarified in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, Section 4.11)

b. **Metric:** per Device

c. **Costs Included:**

- i. Labor and maintenance required to manage, maintain, and enhance the service.
- ii. Service Provider management tools.
- iii. Installation, move, add, change and discontinuance services.

3.4.8 Simple Traffic Device

- a. **RU Definition:** A monthly recurring charge for the monitoring or full management of the devices (e.g. School zone flashers, Illumination device) as described in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, with Services defined in Article 4, and all other documents necessary to adhere to the agreed upon service levels. With in-scope Service instructed by **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, Section 4.1.1, there are two (2) types of Simple Traffic Device Resource Units:
 - i. Simple Traffic Device – Monitor only (with Service further clarified in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, Section 4.10)
 - ii. Simple Traffic Device - Fully Managed (with Service further clarified in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, Section 4.11)
- b. **Metric:** per Device
- c. **Costs Included:**
 - i. Labor and maintenance required to manage, maintain, and enhance the service.
 - ii. Service Provider management tools.
 - iii. Installation, move, add, change and discontinuance services.

3.4.9 Connected Autonomous Vehicle (CAV)

- d. **RU Definition:** A monthly recurring charge for the monitoring or full management of the devices as described in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, with Services defined in Article 4, and all other documents necessary to adhere to the agreed upon service levels. With in-scope Service instructed by **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, Section 4.1.1, there are two (2) types of Connected Autonomous Vehicle (CAV) Resource Units:
 - i. CAV – Monitor only (with Service further clarified in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, Section 4.10)
 - ii. CAV - Fully Managed (with Service further clarified in **Exhibit 2.1.8 Managed Network Services Traffic Statement of Work**, Section 4.11)
- e. **Metric:** per Device
- f. **Costs Included:**
 - iv. Labor and maintenance required to manage, maintain, and enhance the service.

- v. Service Provider management tools.
- vi. Installation, move, add, change and discontinuance services.



Texas Department of Transportation

Managed Network Services

Exhibit 4.4

In-Flight Projects

Version 1.0

Solicitation No. 601440000032124

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EXHIBIT 4.4
IN-FLIGHT PROJECTS

The following update methodologies and attachments are incorporated as part of this **Exhibit 4.4**:

Title	Methodology for updating associated Exhibit Attachments
<u>Exhibit 4.4</u> In-Flight Projects	<u>Exhibit 4.4</u> may only be modified by formal amendment, in accordance with <u>Section 21.7</u> of the Agreement.
<u>Attachment 4.4-A</u> In-Flight Projects	<u>Attachment 4.4-A</u> is a point of reference at contract execution with updates prior to Commencement made in accordance with the request and project management processes.

1. IN-FLIGHT PROJECTS OVERVIEW

This document describes selection criteria and project information for the projects anticipated to be in-flight as of Commencement Date. The actual project list is **Attachment 4.4-A** and includes planned projects to be completed by Service Provider after the Commencement Date.

1.1 Project-Selection Criteria

This section describes the criteria used to select the current and planned projects on **Attachment 4.4-A**.

The projects listed in **Attachment 4.4-A** are extracted from the TxDOT ITSM system and/or TXDOT tools and direction based on previously defined work efforts. These projects require activity/effort on the part of the Service Provider. Projects that are specific to an SCP or SCPs, but do not require MSI involvement outside of steady state Cross-functional services were not included in this list.

The projects listed in **Attachment 4.4-A** are a point in time reference and may be modified by TXDOT based on needs of the Shared Services program prior to Commencement Date with notification to the Service Provider as appropriate.

1.2 Document Structure

The structure of **Attachment 4.4-A** is represented below.

Field Name	Description
REQ ID	ServiceNow number for the Solution Request (REQ or WO#) where known
Project Description	Summary description of the project
Requestor	The source of the Solution Request.
Submit Date	Date and time ticket was entered into the ServiceNow system (system timestamp).
Status	<u>Pending</u> = waiting for TXDOT; <u>Planning in Progress</u> = evaluating request for complete requirements and obtaining TXDOT representative approval; <u>Implementation in Progress</u> = actively working the request
Request By Date	Date this ticket needs to be completed by. Entered into the ticket when submitted by the Requestor.

Field Name	Description
Stage Gate	Stage Gate descriptions are included in the project management SMM.



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Managed Network Services

Exhibit 4.5

Skill Set Descriptions

Version 1.0

Solicitation No. 601440000032124

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	U. Project Manager II / Test Manager	29
	V. Business Process Engineer.....	30
	W. Web Master	32
	X. Web Security Administrator	33
	Y. Web Software Developer	33
	Z. Senior Business Systems Analyst	34
	AA. Infrastructure Architect	35
	BB. Database Administrator	37

CC.	Project Manager III/Test Program Manager	38
DD.	Senior Business Process Engineer	39
EE.	Data Analyst.....	40
FF.	Application Architect.....	41
GG.	Senior Manager	42
HH.	Senior Web Architect.....	44
II.	Data Engineer.....	44
JJ.	Senior Application Architect	45
KK.	Creative Director.....	47
LL.	Data Scientist	47
MM.	Business Consultant.....	48
NN.	Business Intelligence Analyst	49
OO.	Senior Business Consultant.....	50

1 INTRODUCTION

The following document comprise the entire Business Model for Application Services:

1. Exhibit 4.0 – Business Model
2. Exhibit 4.1 – Pricing Structure
3. Exhibit 4.2 – Financial Responsibility Matrix
4. Exhibit 4.3 – Form of Invoice and Data Feed
5. Exhibit 4.4 – In-Flight Projects
6. Exhibit 4.5 – Skill Set Descriptions
7. Exhibit 4.6 – Personnel Projection Matrix

This Exhibit sets forth the skill set descriptions that are applicable in defining the Application Services labor categories as set out in the Rate Card provided in **Exhibit 4.1 Pricing Structure**.

The content of this Exhibit is to be used as a guideline and is not intended to be a checklist of skills, experience and education. These qualification guidelines represent the skills, experience and education typically possessed by the individuals that are grouped in these categories, but every individual may not possess every attribute. UNDER NO CIRCUMSTANCES SHOULD YEARS OF EXPERIENCE BE USED AS THE SOLE CRITERIA.

Except as otherwise specified in this Attachment or as mutually agreed by the Parties, all skill set descriptions pertaining to the Labor Category (LC) are defined within this Exhibit.

The Service Provider shall follow the instructions contained within these and all other RFO and Agreement documents, including all Exhibits.

All capitalized terms in this **Exhibit 4.5 Skill Set Descriptions** shall have the same meanings given them in **Exhibit 1.1 Definitions**. All **Exhibit 4.0 Business Model** documents hereto are incorporated by reference herein.

2 SKILL SETS BY LABOR CATEGORY

The following table shows the skill set descriptions and their corresponding labor category that is used for detailed pricing in the applicable pricing templates document by the Service Provider:

	Job Title	Labor Category
A	Operations	1
B	Technical Specialist	1
C	Junior Test Analyst	1
D	Training Specialist	1
E	Technical Specialist Programming	1
F	Associate Systems Engineer	2
G	Documentation Specialist	2
H	Test Analyst	2

	Job Title	Labor Category
I	Associate Business Systems Analyst	2
J	Systems Engineer	3
K	Data/Math Modeler	3
L	Performance / Automation Test Analyst	3
M	Programmer Associate	3
N	Advanced Systems Engineer	4
O	Business Systems Analyst	4
P	Associate Business Process Engineer	4
Q	Project Manager I / Test Leads	4
R	Database Analyst	4
S	Programmer	4
T	Senior Systems Engineer	5
U	Project Manager II / Test Managers	5
V	Business Process Engineer	5
W	Web Master	5
X	Web Security Administrator	5
Y	Web Software Developer	5
Z	Senior Business Systems Analyst	6
AA	Infrastructure Architect	6
BB	Database Administrator	6
CC	Project Manager III/ Test Program Manager	7
DD	Senior Business Process Engineer	7
EE	Data Analyst	7
FF	Application Architect	8
FF	Senior Manager	8
HH	Senior Web Architect	8
II	Data Engineer	8
JJ	Senior Application Architect	9
KK	Creative Director	9
LL	Data Scientist	9
MM	Business Consultant	10
NN	Business Intelligence Analyst	10
OO	Senior Business Consultant	11

3 SKILL SET DESCRIPTIONS

A. Operations

Major Duties and Responsibilities

- 3.A.1.1 Gathers and interprets complex data
- 3.A.1.2 Prepares presentations
- 3.A.1.3 Communicates statistical or technical data within the organization
- 3.A.1.4 Moderate contact with others outside the organization
- 3.A.1.5 Develops and maintains data
- 3.A.1.6 Administers policies/procedures
- 3.A.1.7 Assumes operational assignments

Specific Services Performed

- 3.A.1.8 Asset Management
 - 3.A.1.8.1 Conducts physical inventories of equipment
 - 3.A.1.8.2 Conducts and participates in audits to determine the accuracy of inventories and records
 - 3.A.1.8.3 Special billing reports
- 3.A.1.9 Business Office
 - 3.A.1.9.1 Performs asset management for hardware and software
 - 3.A.1.9.2 Process orders for Change/Add/Move requests
 - 3.A.1.9.3 Procure hardware and software
 - 3.A.1.9.4 Research and provide price quotes for hardware and software
- 3.A.1.10 Communications Technology
 - 3.A.1.10.1 Oversee and/or perform complex or sensitive service orders
 - 3.A.1.10.2 Serve as second level escalation for major, sensitive or recurring voice troubles
 - 3.A.1.10.3 Provide billing issue resolution and adjustments
 - 3.A.1.10.4 Assists project leader with administrative tasks involving planning alterations, openings, relocations, consolidations and/or removal of communications systems

- 3.A.1.10.5 Schedules installation and testing with Third Parties and Authorized Users prior to cutovers
- 3.A.1.10.6 Assists the focal point with operational and support groups for project implementation
- 3.A.1.10.7 Participates in feasibility studies, costing and proposal preparation
- 3.A.1.10.8 Provides training and assistance on new technology / telecom applications, systems, features and communication charges

3.A.1.11 Service Desk - Level 1

- 3.A.1.11.1 Provides Customer assistance with routine inquiries and problems such as software, hardware and network operations
- 3.A.1.11.2 Respond to Customer inquiries and concerns, both with written correspondence and telephone contact
- 3.A.1.11.3 Investigate, evaluate and resolve Customer issues, concerns or complaints that cannot be resolved during the initial Customer contact
- 3.A.1.11.4 Provide feedback regarding case status to the Customer
- 3.A.1.11.5 Problem ticket follow-up/tracking (Status, Customer Satisfaction Calls, Requests or Queries)
- 3.A.1.11.6 Enters information into problem tracking system for purposes of tracking each Customer issue
- 3.A.1.11.7 Logs and tracks inquiries and compiles Customer service statistics
- 3.A.1.11.8 Monitors Customer questions and complaints to ensure adherence to established Customer and Service Provider procedures

3.A.1.12 Site Coordination

- 3.A.1.12.1 Represents/manages multi-tenant sites
- 3.A.1.12.2 Facilitates end user communication
- 3.A.1.12.3 Monitors and provides support for most hardware resources.
- 3.A.1.12.4 Prepares business cases and appropriations requests.
- 3.A.1.12.5 Monitors and reports on operations/financial metrics.
- 3.A.1.12.6 Interfaces closely with process staffs to help them achieve their strategic plans and deployment initiatives.

3.A.1.13 Security/Disaster Recovery

- 3.A.1.13.1 Assist in providing security consulting
- 3.A.1.13.2 Act as a focal point for gathering audit comments and follow-up documentation
- 3.A.1.13.3 Assist in providing vital records support

3.A.1.13.4 Upon request, works with appropriate groups to acquire various security reports for to detect security violations

3.A.1.13.5 Assist in providing disaster recovery support

3.A.1.14 Facilities Management

3.A.1.14.1 Assists in planning, scheduling, monitoring and reporting activities for facility projects

3.A.1.14.2 Determines, monitors and reviews costs, operational budgets, schedules and staffing requirements for facility teams

3.A.1.15 Provides assistance in facilitating status review meetings among team members and Customer

3.A.1.16 Production Management

3.A.1.17 Change Management - central deployment of system changes

3.A.1.18 Problem Management – responding to inquiries for routine system issues

3.A.1.19 Cycle Management – responding to routine mainframe batch issues

3.A.1.20 Schedule Management – Assist in central deployment of changes to distributed cycle and mainframe batch cycle

3.A.1.21 Management Reporting – Assist in statistical reporting of metric and operational performance data

3.A.1.22 Maintenance Management – Assist in general deployment of maintenance services

Examples of Operations Job Types

3.A.1.23 Asset Manager

3.A.1.24 Service Desk Level I Operator

3.A.1.25 Data Entry

3.A.1.26 Print Distribution

3.A.1.27 Inventory Specialist

3.A.1.28 Communications Assistant

3.A.1.29 Computer Operator

3.A.1.30 Business Analyst

3.A.1.31 Technical Analyst

3.A.1.32 Technical Support Coordinator

Education and/or Training

3.A.1.33 College graduate or equivalent experience in business or associated field

B. Technical Specialist

Job Description

- 3.B.1.1 Under general supervision, performs analytical, technical, and administrative work in the planning, design, development and implementation of new and existing personal computer systems
- 3.B.1.2 Works on moderately complex applications
- 3.B.1.3 Confers with end users to determine the types of hardware and software required
- 3.B.1.4 Writes programs to fulfill requirements or selects appropriate off-the-shelf software and modifies, if necessary, to suit the requirements
- 3.B.1.5 Trains end users in the use of the equipment and software
- 3.B.1.6 Identifies data, analysis method and report format required to present and explain an issue, phenomenon or potential solution.
- 3.B.1.7 Plans, schedules and facilitates technical reviews as necessary
- 3.B.1.8 Documents technical discussions, action plans and assignments
- 3.B.1.9 Determines and report status of projects and assignments
- 3.B.1.10 Collates, analyzes and publishes metrics.
- 3.B.1.11 Coordinates, allocates, tracks and refreshes IT assets, such as phones, cell phones or PCs
- 3.B.1.12 Gathers/determines Customer requirements and requests IT assets/services using appropriate processes

Job Qualifications

- 3.B.1.13 Must have an extensive knowledge of the product's practical and/or business use
- 3.B.1.14 Must have advanced knowledge of the primary features, a solid understanding of the operating system(s) that the software runs on, as well as the ability to install, configure, set-up and migrate software
- 3.B.1.15 Must have advanced knowledge of Customer's desktops, laptops, keyboards, printer plotters, modems and associated connections
- 3.B.1.16 May have certification in production or technology
- 3.B.1.17 Must have good oral and writing communication skills
- 3.B.1.18 Ability to create and manipulate electronic databases
- 3.B.1.19 Ability to take general direction and develop a work plan, including identification and retrieval of necessary information, data, required analysis method or technique and effective report format
- 3.B.1.20 High level of interpersonal skills to work effectively in a team environment
- 3.B.1.21 Effective communication and presentation skills
- 3.B.1.22 Ability to create high-level presentations using the Microsoft suite of software
- 3.B.1.23 Relatively high level of analytical ability where problems are complex
- 3.B.1.24 Ability to organize, plan and document tasks

3.B.1.25 Knowledge of technology in areas to which assigned

3.B.1.26 Understanding of IT and technical jargon related to Customer

Skills and Abilities

3.B.1.27 Analytical ability where problems are somewhat complex

3.B.1.28 Interpersonal skills to work with others

3.B.1.29 Oral and written communication skills

3.B.1.30 Knowledge of basic technology in area to which assigned

3.B.1.31 Basic understanding of data processing concepts

3.B.1.32 Ability to organize, plan and document tasks

3.B.1.33 Self starter; needs no or little supervision

Education and Experience

3.B.1.34 Associate degree and three (3) plus years of experience or equivalent

C. Junior Test Analyst

Job Description

3.C.1.1 Contribute to creation of test plans, test cases and prepare test environments

3.C.1.2 Performing functional, application, and regression testing

3.C.1.3 Creating and executing manual testing procedures

3.C.1.4 Identifying, analyzing and reporting defects

Job Qualifications

3.C.1.5 Familiar with standard concepts, practices and procedures within the testing field

3.C.1.6 Understanding of the software development life cycle and software development methodologies

3.C.1.7 Acquires and applies skills and knowledge through training and/or documentation

3.C.1.8 Accepts changes in the Customer environment, organizational structure, direction or priorities

3.C.1.9 Acquires knowledge of Customer's business in assigned area

3.C.1.10 Acquires knowledge of Customer's industry

3.C.1.11 Strong teamwork and interpersonal skills

3.C.1.12 Strong written and oral communication skills

3.C.1.13 Strong analytical skills

3.C.1.14 Able to interpret requirement documents and able to update test documents accordingly

Education and Experience

3.C.1.15 Bachelor's degree and up to three (3) years of experience or equivalent

D. Training Specialist

Job Description

- 3.D.1.1 Plans, develops, and executes user training with Customer's Authorized User community, based on needs.
- 3.D.1.2 Schedules, delivers, and follows up on Customer training needs regarding specific products.
- 3.D.1.3 May serve as a subject matter expert to the Customer's Authorized User community
- 3.D.1.4 Acts as the corporate training interface
- 3.D.1.5 Maintains training database and documentation

Job Qualifications

- 3.D.1.6 In-depth knowledge of products and/or services being delivered
- 3.D.1.7 Ability to deliver material, to a broad range of users with a variety of skill sets, excellent communication skills and, knowledge of adult learning principles
- 3.D.1.8 Utilizes productivity management principles to, facilitate client training needs,
- 3.D.1.9 Familiar with the analysis, design, development and implementation of instructional courseware using instructional design standards

Education and Experience

- 3.D.1.10 Bachelor's degree and two (2) plus years of experience or equivalent

E. Technical Specialist Programming

Job Description

- 3.E.1.1 Analyzes conventional methods employed by the user for which computerization is recommended
- 3.E.1.2 Develops problem definition and method/specifications for solution
- 3.E.1.3 Locates system problems and recommends and implements solutions
- 3.E.1.4 Develops detailed design and flow of system
- 3.E.1.5 Codes, tests, debugs, implements and documents new programs
- 3.E.1.6 Maintains, revises and documents changes to existing programs
- 3.E.1.7 Keeps supervision and users advised of progress
- 3.E.1.8 Frequent contact with others outside the work group
- 3.E.1.9 Adheres to local security procedures

Job Qualifications

- 3.E.1.10 Oral and written communications skills
- 3.E.1.11 High level of sound logic and analytical ability where problems are unusual and difficult
- 3.E.1.12 Attentiveness to detail and precision

- 3.E.1.13 Good interpersonal skills to work effectively with others
- 3.E.1.14 Strong knowledge of HTML, Web Development, Java Script, etc. and good Internet Explorer capabilities
- 3.E.1.15 Strong knowledge of relational data bases with programming capability; able to create/modify queries, reports and visual basic modules to meet Customer requirements
- 3.E.1.16 Ability to instruct Customer in database maintenance

Education and Experience

- 3.E.1.17 Associate degree and three (3) plus years of experience or equivalent

F. Associate Systems Engineer

General Purpose of Position

- 3.F.1.1 Possesses the technical skills necessary to participate in business systems development and maintenance processes using a systems methodology
- 3.F.1.2 Identifies problems or business opportunities, defines the scope of the assigned task, and develops a plan to accomplish that task
- 3.F.1.3 Utilizes technical skills, creativity and communication skills, with assistance from team members, to design and document a system that fulfills Customer requirements
- 3.F.1.4 Meets team standards, and provides the flexibility to meet future Customer needs
- 3.F.1.5 Interprets and modifies programs
- 3.F.1.6 Develops test plans that address system design requirements, user test data, and issues concerning size and scope
- 3.F.1.7 Addresses production support issues and providing feedback to the Customer

Major Duties and Responsibilities

- 3.F.1.8 Provides application programming/systems development and support for systems of low complexity
- 3.F.1.9 Identifies data elements and processes using modeling and documentation techniques
- 3.F.1.10 Documents controls, audit trails, security requirements, plans and decisions
- 3.F.1.11 Estimates activities required to complete assignments for a specific task
- 3.F.1.12 Follows a systems methodology when developing or supporting an application
- 3.F.1.13 Participates in design walk-throughs
- 3.F.1.14 Implements test plans, including the creation of test data and the verification of the test environment
- 3.F.1.15 Maintains hardware and software in the production environment for assigned areas
- 3.F.1.16 Executes assigned implementation and conversion plans
- 3.F.1.17 Schedules and monitors the processing of production cycles
- 3.F.1.18 Addresses production problems and makes changes to system functionality

3.F.1.19 Captures metrics

Skills and Abilities

3.F.1.20 Is proficient in at least one programming language

3.F.1.21 Acquires and applies skills and knowledge through training and/or documentation

3.F.1.22 Uses prototyping skills when appropriate

3.F.1.23 Accepts changes in the Customer environment, organizational structure, direction or priorities

3.F.1.24 Acquires knowledge of the Customer's business in assigned area

3.F.1.25 Acquires knowledge of the Customer's industry

3.F.1.26 Assists in the cost/benefit analysis of alternative technical solutions

3.F.1.27 Organizes, develops and delivers presentations

3.F.1.28 Uses written communication to improve exchanges of information and relationships

3.F.1.29 Maintains knowledge of current technology through available training and individual study

Education and Experience

3.F.1.30 AS, BA, BS related degrees or equivalent experience

Experience

3.F.1.31 A minimum of one (1) to two (2) years.

G. Documentation Specialist

Job Description

3.G.1.1 Develops, produces, and maintains a variety of complex technical and user documentation

3.G.1.2 Plans and executes writing projects that need attention to complex technical content

3.G.1.3 Provides effective and useful presentation of that content, and timely reporting of progress in meeting schedule milestones

3.G.1.4 Complex knowledge and utilization of one (1) or more word processing tools

Job Qualifications

3.G.1.5 Ability to determine project requirements, perform complex writing, copy editing, technical editing and documentation design activities.

3.G.1.6 Ability to create document structure and graphics at project level

3.G.1.7 Must have good writing skills

3.G.1.8 The ability to write consistent and clear documentation with the goal of explaining complex information simply and accurately

Education and Experience

3.G.1.9 Bachelor's Degree and two (2) years of experience or equivalent.

H. Test Analyst

Job Description

- 3.H.1.1 Creating test plans, test cases and prepare test environments
- 3.H.1.2 Performing moderately complex functional, application, and regression testing
- 3.H.1.3 Planning and scheduling tasks to ensure that developed products meet business requirements and design specifications
- 3.H.1.4 Creating and executing manual testing procedures
- 3.H.1.5 Identifying, analyzing and reporting defects

Job Qualifications

- 3.H.1.6 Ability to collaborate the client organization and 3rd party vendors
- 3.H.1.7 Familiar with standard concepts, practices and procedures within the testing field
- 3.H.1.8 Understanding of the software development life cycle and software development methodologies
- 3.H.1.9 Acquires and applies skills and knowledge through training and/or documentation
- 3.H.1.10 Accepts changes in the Customer environment, organizational structure, direction or priorities
- 3.H.1.11 Acquires knowledge of the Customer's business in assigned area
- 3.H.1.12 Acquires knowledge of the Customer's industry
- 3.H.1.13 Strong teamwork and interpersonal skills
- 3.H.1.14 Strong written and oral communication skills
- 3.H.1.15 Strong analytical skills
- 3.H.1.16 Proven problem solving ability
- 3.H.1.17 Able to work with Customer as needed during test cycle.
- 3.H.1.18 Able to interpret requirement documents and able to update test documents accordingly

Education and Experience

- 3.H.1.19 Bachelor's degree and up to five (5) years of experience or equivalent

I. Associate Business Systems Analyst

Job Description

- 3.I.1.1 Assists in planning and implementing computer systems
- 3.I.1.2 Assists in coordinating of upgrades/enhancements to engineering business systems
- 3.I.1.3 Assists in coordinating information activities as necessary with other departments and/or divisions

- 3.I.1.4 Assists in coordinating projects and activities with Service Provider and Third Parties
- 3.I.1.5 Uses and administers company technology practices, standards and procedures
- 3.I.1.6 Assists in the assessment and documentation of business opportunities, benefits, risks, and success factors of potential applications
- 3.I.1.7 Assists in eliciting and clearly defining and documenting, Customer needs and associated requirements
- 3.I.1.8 Analyzes a variety of work processes and associated document and information flow
- 3.I.1.9 Analyzes and documents logical relationships among the data, process or events
- 3.I.1.10 Assists in implementing, new or enhanced applications into a production environment
- 3.I.1.11 Assists in delivering new or enhanced applications utilizing a variety of formal methodologies and disciplines

Job Qualifications

- 3.I.1.12 High level of sound logic and analytical ability where problems are unusual and difficult
- 3.I.1.13 Highly developed oral and written communications skills
- 3.I.1.14 High level of interpersonal skills to work effectively with others
- 3.I.1.15 Experience with networked data management systems
- 3.I.1.16 Knowledge and understanding of Information Technology industry trends, directions and market experience; ability to relate them to own organization
- 3.I.1.17 Knowledge of emerging technologies (new to company systems as well as those that are new to the information systems industry)
- 3.I.1.18 Knowledge of tools, techniques and good practices for protecting the integrity of corporate data and associated processing, company technology practices, standards and procedures.
- 3.I.1.19 Familiarity with company's information architecture and information management methodologies
- 3.I.1.20 Familiarity with the existing and planned software technology and the global, regional and local software architecture and infrastructure components

Education and Experience

- 3.I.1.21 Technical undergraduate degree in math, computer science, engineering, or related discipline with an information technology focus
- 3.I.1.22 Training in college level computer systems

J. Systems Engineer

Job Description

- 3.J.1.1 Has the experience and technical skills necessary to participate in the development and maintenance of business systems using a systems methodology
- 3.J.1.2 Identifies problems or business opportunities

- 3.J.1.3 Controls the scope of the systems development tasks, and supports the high-level project plan
- 3.J.1.4 Generates and maintains estimates
- 3.J.1.5 Converts Customer requirements and models from analysis, specifications and business needs, into technical specifications
- 3.J.1.6 Uses the knowledge and experience from past technical environments and communication skills to design and document a system that will meet Customer requirements, team standards, and ensure the flexibility of future Customer needs
- 3.J.1.7 Creates reusable code
- 3.J.1.8 Documents and implements test plans that address system design requirements, user test data, and cases of appropriate size and scope
- 3.J.1.9 Proactively addressing production support issues and providing recommendations for improvement
- 3.J.1.10 Provides application programming/systems development and support for systems of medium complexity
- 3.J.1.11 Develops and evaluates alternative system solutions to meet Customer requirements
- 3.J.1.12 Competent in the use of modeling and documentation techniques
- 3.J.1.13 Analyzes the Customer environment and new business requirements to define solutions that meet Customer needs and have the flexibility to accommodate future changes
- 3.J.1.14 Recommends business system improvements
- 3.J.1.15 Suggests and implements documents controls, audit trails, security requirements, plans and decisions
- 3.J.1.16 Establishes target dates and goals
- 3.J.1.17 Utilizes a systems methodology when developing or supporting systems development
- 3.J.1.18 Participates in technical designs and walk-throughs
- 3.J.1.19 Determines the impact of change on the Customer and system, and makes recommendations
- 3.J.1.20 Modifies program logic involving multiple systems and subsystems
- 3.J.1.21 Develops and implements test plans
- 3.J.1.22 Identifies the impact of system software and hardware upgrades on the application and creates a test strategy
- 3.J.1.23 Participates in implementation and conversion planning
- 3.J.1.24 Applies knowledge and procedures to assist others in scheduling, production support and problem resolution
- 3.J.1.25 Uses metrics to increase productivity

Job Qualifications

- 3.J.1.26 Is proficient in one or more programming languages
- 3.J.1.27 Understands and applies prototyping tools and processes
- 3.J.1.28 Gains understanding of the Customer's business in assigned area
- 3.J.1.29 Possesses knowledge of the Customer's industry
- 3.J.1.30 Uses knowledge and experience to improve performance
- 3.J.1.31 Participates in the cost/benefit analysis of alternative technical solutions
- 3.J.1.32 Organizes, develops and delivers presentations for multiple levels of Customer
- 3.J.1.33 Conducts training sessions for peers and Customer
- 3.J.1.34 Controls and monitors team assignments
- 3.J.1.35 Shares knowledge of current technology and methods with team and Customer

Education and/or Experience

- 3.J.1.36 BA, BS related degrees or equivalent experience
- 3.J.1.37 Bachelor's degree plus three (3) years of experience or at least one (1) year consulting experience with specialty in a highly complex system

K. Data/Math Modeler

Job Description

- 3.K.1.1 Developing, testing, implementing and supporting data and math-based models which run in an inter-active environment.

Job Qualifications

- 3.K.1.2 Gains understanding of the Customer's business in assigned area
- 3.K.1.3 Possesses knowledge of the Customer's industry
- 3.K.1.4 Uses knowledge and experience to improve performance
- 3.K.1.5 Participates in the cost/benefit analysis of alternative technical solutions
- 3.K.1.6 Organizes, develops and delivers presentations for multiple levels of Customer
- 3.K.1.7 Controls and monitors team assignments

Education and Experience

- 3.K.1.8 Bachelor's degree and at least three (3) years of experience

L. Performance / Automation Test Analyst

Job Description

- 3.L.1.1 Responsible for testing a variety of programs and systems for compliance with non-functional requirements
- 3.L.1.2 Use of automation test tools and creation of small tools to automate manual test cases
- 3.L.1.3 Specifying overall approach to creating test data, and conditions for test scenarios

- 3.L.1.4 Preparing testing schedules and documents expected results
- 3.L.1.5 Advising team on debugging aids available for environment
- 3.L.1.6 Ability to develop test scripts and utilize appropriate testing tools
- 3.L.1.7 Ability to prepare schedules, documentation and test data to simulate conditions

Job Qualifications

- 3.L.1.8 Ability to collaborate the client organization and 3rd party vendors
- 3.L.1.9 Familiar with standard concepts, practices and procedures within the testing field
- 3.L.1.10 Experience with use of performance test tools and automation test tools
- 3.L.1.11 Acquires and applies skills and knowledge through training and/or documentation
- 3.L.1.12 Accepts changes in the Customer environment, organizational structure, direction or priorities
- 3.L.1.13 Acquires knowledge of the Customer's business in assigned area
- 3.L.1.14 Acquires knowledge of the Customer's industry
- 3.L.1.15 Strong teamwork and interpersonal skills
- 3.L.1.16 Strong written and oral communication skills
- 3.L.1.17 Strong analytical skills
- 3.L.1.18 Proven problem-solving ability
- 3.L.1.19 Able to work with Customer as needed during test cycle.
- 3.L.1.20 Able to interpret requirement documents and able to update test documents accordingly

Education and Experience

- 3.L.1.21 AS, BA, BS related degrees or equivalent experience
- 3.L.1.22 A minimum of two (2) years of coding and/or performance/automation testing experience.
- 3.L.1.23 Communications industry knowledge/experience preferred

M. Programmer Associate

Job Description

- 3.M.1.1 Develops program specifications/detail design documents
- 3.M.1.2 Codes, tests, and debugs application programs
- 3.M.1.3 Works under the direction of a team leader, senior technical leader or analysts
- 3.M.1.4 Develops prototypes from functional specifications
- 3.M.1.5 Designs application sub-systems and small systems

- 3.M.1.6 Responsible for designing and building web pages using a variety of graphic software applications, techniques, and tools; designing and developing user interface features, site animation, and special-effects elements
- 3.M.1.7 Contributing to the design group's efforts to enhance the look and feel of the organization's online offerings; designing the website to support the organization's strategies and goals relative to external communications

Job Qualifications

- 3.M.1.8 Has participated in the application design of systems, including use of analytical techniques
- 3.M.1.9 Demonstrates an understanding of object-oriented development tools and techniques
- 3.M.1.10 Has worked on multiple platforms and/or with multiple methodologies
- 3.M.1.11 Capable of basic HTML content management support
- 3.M.1.12 Expert understanding of web based technologies; a working, through knowledge of html, Photoshop Illustrator, and/or other design related application

Education and Training

- 3.M.1.13 Trained in basic application development methods
- 3.M.1.14 Familiarity with web basics through college courses or other computer related experience
- 3.M.1.15 Bachelor's Degree
- 3.M.1.16 Under five (5) years of experience

N. Advanced Systems Engineer

General Purpose of Position

- 3.N.1.1 Applies principles, theories, and concepts, as well as expertise in related disciplines, to work activities and complex business systems
- 3.N.1.2 Contributes to the understanding of new principles and concepts
- 3.N.1.3 Leads systems development efforts that impact the Customer
- 3.N.1.4 Advises, counsels and mentors Customer and team members on technical issues
- 3.N.1.5 Improves strategic processes and direction, serves as a subject-matter expert
- 3.N.1.6 Transfers knowledge base across lines of business
- 3.N.1.7 Anticipates and resolves problems and advocates change

Major Duties and Responsibilities

- 3.N.1.8 Provides application programming/systems development and support for complex systems
- 3.N.1.9 Provides technical solutions for technology planning
- 3.N.1.10 Manages systems development efforts, including activities such as assigning tasks to co-workers, conducting project plan reviews, preparing systems development related documentation, and monitoring cost and resource estimates
- 3.N.1.11 Conducts post-development reviews and disseminates findings
- 3.N.1.12 Develops work breakdown structure for large systems development efforts
- 3.N.1.13 Establishes target dates and goals

- 3.N.1.14 Supports estimating, forecasting, budgeting, tracking, and control of economics
- 3.N.1.15 Develops and delivers presentations as a technical expert
- 3.N.1.16 Provides technical leadership for proposal efforts
- 3.N.1.17 Prepares cost models for new business opportunities
- 3.N.1.18 Plans and leads Customer requirements reviews
- 3.N.1.19 Applies Third Party products, services, and processes pertinent to the Customer base
- 3.N.1.20 Translates Customer requirements for Third Parties
- 3.N.1.21 Coaches others in improving programming techniques, methodologies, and deliverables
- 3.N.1.22 Facilitates analysis sessions across all levels of Customer
- 3.N.1.23 Evaluates and recommends testing tools
- 3.N.1.24 Mentors others in the configuration management process
- 3.N.1.25 Analyzes measurement results to identify improvements to work practices

Skills and Abilities

- 3.N.1.26 Is proficient in two or more programming languages
- 3.N.1.27 Applies business and industry knowledge to help anticipate the Customer's needs
- 3.N.1.28 Recommends and implements changes to Customer processes
- 3.N.1.29 Possesses knowledge of the Customer's industry
- 3.N.1.30 Recommends, tests, and evaluates new tools and hardware
- 3.N.1.31 Advocates and guides technology change
- 3.N.1.32 Evaluates the viability of the schedule and updates it as the project progresses
- 3.N.1.33 Defines and leads training sessions
- 3.N.1.34 Implements measurement processes, and uses metrics to plan and control projects
- 3.N.1.35 Demonstrates and advises on modeling techniques
- 3.N.1.36 Mentors team and Customer current technology and methods

Education and Training

- 3.N.1.37 Bachelor's Degree or equivalent experience
- 3.N.1.38 Four (4) plus years of experience or equivalent

O. Business Systems Analyst

Job Description

- 3.O.1.1 Establishes uses and supports integration and communications among, applications, databases and technology platforms
- 3.O.1.2 Uses and administers company technology practices, standards and procedures

- 3.O.1.3 Manages an inventory of technology related assets hardware, software, application systems, databases, licenses, products
- 3.O.1.4 Assists in the assessment and documentation of business opportunities, benefits, risks, and success factors of potential applications
- 3.O.1.5 Elicits and clearly defines and documents Customer needs and associated requirements
- 3.O.1.6 Analyzes a variety of work processes and associated document and information flow
- 3.O.1.7 Analyzes and documents logical relationships among the data, process or events
- 3.O.1.8 Defines and implements specific technical foundation for an application (software, data bases, and hardware)
- 3.O.1.9 Designs effective graphic user interface desktop workstation
- 3.O.1.10 Implements new or enhanced applications into a production environment
- 3.O.1.11 Delivers new or enhanced applications utilizing a variety of formal methodologies and disciplines
- 3.O.1.12 May guide and advise less experienced business systems analysts.

Job Qualifications

- 3.O.1.13 High level of sound logic and analytical ability difficult
- 3.O.1.14 Highly developed oral and written communications skills
- 3.O.1.15 High level of interpersonal skills to work effectively with others motivate employee and elicit work output
- 3.O.1.16 Ability to guide and advise less experienced business systems analysis personnel
- 3.O.1.17 Knowledge and understanding of Information Technology industry trends, directions and market experience; ability to relate them to own organization
- 3.O.1.18 Knowledge of architectural concepts, principles, and tools relevant to infrastructure, information, Applications, organizational structure, etc.
- 3.O.1.19 Knowledge of emerging technologies (new to company systems as well as those that are new to the information systems industry)
- 3.O.1.20 Knowledge of tools, techniques and good practices for protecting the integrity of corporate data and associated processing, company technology practices, standards and procedures
- 3.O.1.21 Familiarity with company's information architecture and information management methodologies
- 3.O.1.22 Familiarity with the existing and planned software technology and the global, regional and local software architecture and infrastructure components

Education and Experience

- 3.O.1.23 Bachelor's Degree and four (4) plus years' experience or equivalent.

P. Associate Business Process Engineer

Job Description

- 3.P.1.1 Identifies opportunities for business process improvement
- 3.P.1.2 Investigates and evaluates potential business process improvement solutions
- 3.P.1.3 Assists in defining business process improvement solutions while ensuring compliance with Customer IT standards
- 3.P.1.4 Participates in implementing business process improvement recommendations that increase the use of shared common data and facilitates common processes across departments
- 3.P.1.5 Aids other Customer process engineers to ensure integration of all processes
- 3.P.1.6 Assists in identifying IT cost reduction opportunities associated with IT projects and/or support services
- 3.P.1.7 Facilitates the definition of best in class business processes
- 3.P.1.8 Assists in the implementation of cross function and/or cross sector business processes
- 3.P.1.9 Incorporates a common process methodology in all re-engineering activity
- 3.P.1.10 Maintains common process implementation metrics
- 3.P.1.11 Supports the management of outsourced projects/outsourcer; ensures compliance to quality standards (cost, performance, time, defects)
- 3.P.1.12 Supports the prioritization of business requirements

Job Qualifications

- 3.P.1.13 Highly developed oral and written communications skills
- 3.P.1.14 High level of interpersonal skills to work effectively with others
- 3.P.1.15 Strong analytical ability
- 3.P.1.16 Creative problem solver in a team environment
- 3.P.1.17 Sound business and technical judgment to advise the company on the risks and benefits associated with specific projects
- 3.P.1.18 Familiarity with information systems and infrastructure in support of engineering, manufacturing, and general business processes
- 3.P.1.19 Knowledge and understanding of IT industry trends, directions and market experience; ability to relate them to organization
- 3.P.1.20 Knowledge of architectural concepts, principles and tools relevant to infrastructure, information, Applications, organizational structure, etc.
- 3.P.1.21 Ability to establish, use and support integration and communications among applications, databases, and technology platforms
- 3.P.1.22 Knowledge of activities, tasks, practices and tools associated with analysis of a variety of work processes and associated document and information flow

- 3.P.1.23 Knowledge of process for evaluation and selection of products, tools, services and infrastructure components in line with company's business needs and architectural principles

Education and Experience

- 3.P.1.24 Technical undergraduate degree in math, computer science, engineering, or related discipline with an information technology focus
- 3.P.1.25 Background in major complex, process improvement activities
- 3.P.1.26 Background in applying business process management techniques to re-engineer business processes
- 3.P.1.27 Minimum three (3) years of consulting experience

Q. Project Manager I / Test Leads

Job Description

- 3.Q.1.1 Applies advanced planning and scheduling techniques (WBS, OBS, CPM)
- 3.Q.1.2 Performs schedule variance analysis
- 3.Q.1.3 Presents project status to the project team
- 3.Q.1.4 Develops templates
- 3.Q.1.5 Facilitates plan development
- 3.Q.1.6 Able to provide project management training
- 3.Q.1.7 Develops and documents basic project management processes and procedures
- 3.Q.1.8 Provides resource requirement planning
- 3.Q.1.9 Identifies issues and recommends alternate solutions
- 3.Q.1.10 Perform small-scale project management needs assessments
- 3.Q.1.11 Uses Customer methodologies to develop project plans
- 3.Q.1.12 Skilled defining project scope and requirements with the Customer
- 3.Q.1.13 In the case of Test Leads, Performing complex functional, application, regression and performance testing

Job Qualifications

- 3.Q.1.14 Effective oral and written communication skills
- 3.Q.1.15 High level of interpersonal skills to work effectively and motivate team members
- 3.Q.1.16 High degree of professionalism and integrity
- 3.Q.1.17 Ability to understand and translate Customer business requirements
- 3.Q.1.18 Analytical and creative ability where problems are extremely complex
- 3.Q.1.19 Typically has knowledge of 3 or more technical skill sets
- 3.Q.1.20 Knowledge of client's environment/needs and ability

- 3.Q.1.21 Ability to adapt to changing priorities, procedures or assignments. Ability to work efficiently without compromising quality
- 3.Q.1.22 Experience leading and motivating teams
- 3.Q.1.23 Capable of gaining a detailed understanding of the system being supported
- 3.Q.1.24 In the case of Test Leads, thorough understanding of testing processes, expertise in commonly used testing tools and extensive experience with testing complex applications

Education and Experience

- 3.Q.1.25 Bachelor's degree and/or five (5) years' equivalent work experience
- 3.Q.1.26 Three to five (3 to 5) years of Project Management and/or business experience
- 3.Q.1.27 Minimum of three (3) years' experience in Project Management
- 3.Q.1.28 Minimum of two (2) years' experience with Project Management systems/applications
- 3.Q.1.29 In the case of Test Leads, minimum of one (1) year experience as a test lead

R. Database Analyst

Job Description

- 3.R.1.1 Assesses future information requirements to develop long-range comprehensive database plans
- 3.R.1.2 Develops policies and procedures designed to ensure the integrity of the database environment
- 3.R.1.3 Develops and maintains routines to facilitate database use
- 3.R.1.4 Coordinates and supports migration to new data management system software levels
- 3.R.1.5 Assures that appropriate database management software is available and effectively used
- 3.R.1.6 Determines, implements, and enhances standards on database security
- 3.R.1.7 Educates applications programmers about database concepts and efficient access techniques, and assists them in analysis and problem resolutions pertaining to database
- 3.R.1.8 Performs database performance monitoring and implements efficiency improvements
- 3.R.1.9 Designs and implements the procedures necessary to save and recover databases from hardware and software failures
- 3.R.1.10 Supervises the design and maintenance of database structures
- 3.R.1.11 Analyzes, designs, and implements databases
- 3.R.1.12 Determines database storage requirements
- 3.R.1.13 Develops and maintains data dictionary ensuring uniformity of definitions and sets standards for use of data dictionary
- 3.R.1.14 Establishes and controls necessary database security
- 3.R.1.15 Performs database performance monitoring and implements efficiency improvements

- 3.R.1.16 Develops and maintains database access and update procedures to ensure the proper control of the databases
- 3.R.1.17 Provides technical assistance to other systems personnel
- 3.R.1.18 Recommends and executes the procedures necessary to save, retrieve, and recover databases from hardware and software failures within established procedures

Job Qualifications

- 3.R.1.19 Knowledge of the principles, practices, and techniques of computer programming and systems design; of computer operations, systems, and procedures; of project control and cost estimating techniques; of computer programming languages; of data processing flowcharting techniques; of database structures and theories; of current database technologies; of data analysis techniques.
- 3.R.1.20 Ability to use data base access tools for application delivery
- 3.R.1.21 Strong familiarity with analysis, planning and management reporting functions
- 3.R.1.22 Well-developed oral and written communications skills
- 3.R.1.23 Strong teamwork and interpersonal skills
- 3.R.1.24 High level of analytical ability where problems are very unusual and extremely difficult

Education and Experience

- 3.R.1.25 Bachelor's Degree and four (4) plus years of experience or equivalent.

S. Programmer

Job Description

- 3.S.1.1 Knowledgeable about various SDLC methodologies and programming languages
- 3.S.1.2 Responsible for coding of modules, ensure code developed meets coding standards and meets the identified requirements
- 3.S.1.3 Helps in defining coding standards
- 3.S.1.4 Assists junior programmers with their tasks and provides necessary coaching and guidance
- 3.S.1.5 Responsible for designing, developing, troubleshooting, debugging, and implementing software code (such as HTML, CGI, and Javascripts) for a component of the website
- 3.S.1.6 Working with graphic designers and other members of a project team to develop the site concept, interface design, and architecture of the website
- 3.S.1.7 Responsible for the interface implementation

Job Qualifications

- 3.S.1.8 Shows capabilities of performing team leader functions
- 3.S.1.9 Develops and/or leads the development of prototypes
- 3.S.1.10 Familiar with data modeling design and database concepts
- 3.S.1.11 Familiarity with relational database technologies and capabilities
- 3.S.1.12 Software knowledge, such as: Microsoft Visual InterDev, Adobe PhotoShop, Macromedia Fireworks, Microsoft Gif Animator, etc.
- 3.S.1.13 Working knowledge with programming languages
- 3.S.1.14 Working knowledge of web technology standards

Education and Experience

- 3.S.1.15 Bachelor's Degree and four (4) plus years of programming experience or equivalent.

T. Senior Systems Engineer

Job Description

- 3.T.1.1 Leads and develops technical and business systems related activities of major significance to the Customer
- 3.T.1.2 Coaches and counsels project managers and Customer on technical solutions
- 3.T.1.3 Responsible for assisting in the business proposal process
- 3.T.1.4 Develops principles and concepts and innovative solutions for the Customer enterprise
- 3.T.1.5 Develops/maintains depth and breadth across lines of business
- 3.T.1.6 Regularly interacts with senior management/major Customer
- 3.T.1.7 Interactions normally involve complex situations and/or influencing and persuading other strategic level managers

Major Duties and Responsibilities

- 3.T.1.8 Supervises a group of consultants/analysts engaged in specialized activities & services
- 3.T.1.9 Sets technical direction for the project/application
- 3.T.1.10 Provides program/project leadership for Customer solutions
- 3.T.1.11 Engages in business development
- 3.T.1.12 Develops communication plans for projects based on a systems view
- 3.T.1.13 Teams with Customer to assess concerns/requirements and develops specific strategies
- 3.T.1.14 Integrates interrelated projects and manages projects
- 3.T.1.15 Leads technical planning process
- 3.T.1.16 Defines consistent project management standards and procedures across the organization
- 3.T.1.17 Employs consistent measurement techniques

- 3.T.1.18 Informs Customer about emerging technologies and business implications based on the project and their overall business
- 3.T.1.19 Develops intermediate and detailed schedules that support the high-level master schedule and understands the interrelationships among the various levels of schedules
- 3.T.1.20 Develops alternative proposed project plans to support new business opportunities
- 3.T.1.21 Develops project management deliverables required to support a request for proposal or quotation
- 3.T.1.22 Evaluates Customer business, technical architecture processes, and objectives using the business enterprise models
- 3.T.1.23 Leads in the application of the organizational change management process to facilitate a smooth Customer implementation

Skills and Abilities

- 3.T.1.24 Provides leadership and guidance to others when working with the Customer
- 3.T.1.25 Understands the Customer's industry and is familiar with related industries
- 3.T.1.26 Handles diverse, complex assignments concurrently
- 3.T.1.27 Reviews project plans prepared by others in the organization
- 3.T.1.28 Applies broad-based knowledge and experience to identify, evaluate and recommend new processes and tools
- 3.T.1.29 Recommends appropriate technology for project tool selection

Education and/or Experience

- 3.T.1.30 BA, BS, MS, MBA related degrees or equivalent experience
- 3.T.1.31 Bachelor's degree and at least three (3) years of consulting experience, plus expertise with highly complex systems

U. Project Manager II / Test Manager

Job Description

- 3.U.1.1 Responsible for project planning, project tracking, scope management, change control management, risk management, and quality assurance of the development project team.
- 3.U.1.2 Develop complex program Work Breakdown Structure (WBS)
- 3.U.1.3 Establishes organization-wide project management strategies
- 3.U.1.4 Conducts complex program and project management assessments
- 3.U.1.5 Exhibits strong leadership skills and leads project teams
- 3.U.1.6 Manages the integration of project management within an organization resulting in culture change
- 3.U.1.7 Develops project management training classes and programs
- 3.U.1.8 Identifies new business opportunities

- 3.U.1.9 Acquires Customer product and business process knowledge from domain experts and use the information in every aspect of leading analysis, design and implementation efforts.
- 3.U.1.10 Specifies requirements, scope level of effort, assess team member strengths and give work assignments with delivery dates in mind

Job Qualifications

- 3.U.1.11 Proficient written and oral communication skills
- 3.U.1.12 Identifies and recommends project management tools
- 3.U.1.13 Identifies risk, provides analysis and contingency planning
- 3.U.1.14 Creates detailed plans for consulting projects
- 3.U.1.15 Writes design documents and specifications
- 3.U.1.16 Technical mentoring and leadership skills
- 3.U.1.17 Facilitates requirements definition sessions
- 3.U.1.18 In the case of test manager, should have managed complex testing engagements

Education and Experience

- 3.U.1.19 Bachelor's degree and at least three (3) years of experience in project management
- 3.U.1.20 PMI Project Management Professional (PMP) certification preferred
- 3.U.1.21 Minimum of three (3) years' experience with Project Management Systems/Applications
- 3.U.1.22 Minimum of three (3) years' experience in information technology
- 3.U.1.23 In the case of test manager, minimum one (1) year of experience managing testing engagement

V. Business Process Engineer

Job Description

- 3.V.1.1 Directs/coordinates/supervises a group of employees engaged in consulting activities
- 3.V.1.2 Identifies opportunities for business process improvement
- 3.V.1.3 Investigates and evaluates potential business process improvement solutions
- 3.V.1.4 Assists in defining business process improvement solutions while ensuring compliance with Customer's IT standards
- 3.V.1.5 Participates in implementing business process improvement recommendations that increase the use of shared common data and facilitates common processes across departments
- 3.V.1.6 Works with other Customer process engineers to ensure integration of all processes
- 3.V.1.7 Assists in identifying IT cost reduction opportunities associated with IT projects and/or support services
- 3.V.1.8 Communicates to all business process stakeholders

- 3.V.1.9 Consults regarding business process engineering, process measurements, change management, education and training
- 3.V.1.10 Facilitates the definition of best in class business processes
- 3.V.1.11 Assists in the implementation of cross function and/or cross sector business processes
- 3.V.1.12 Incorporates a common process methodology in all re-engineering activity
- 3.V.1.13 Maintains common process implementation metrics
- 3.V.1.14 Assists in the management of outsourced projects/outsourcer; ensures compliance to quality standards (cost, performance, time, and defects)

Job Qualifications

- 3.V.1.15 Highly developed oral and written communications skills
- 3.V.1.16 Very high level of interpersonal skills to work effectively with others. Must have ability to bring large, diverse groups to consensus
- 3.V.1.17 Strong analytical ability
- 3.V.1.18 Creative problem solver in a team environment
- 3.V.1.19 Sound business and technical judgment to advise the company on the risks and benefits associated with specific projects
- 3.V.1.20 Familiarity with information systems and infrastructure in support of engineering, manufacturing, and general business processes
- 3.V.1.21 Knowledge and understanding of IT industry trends, directions and market experience; ability to relate them to organization
- 3.V.1.22 Knowledge of architectural concepts, principles and tools relevant to infrastructure, information, Applications, organizational structure, etc
- 3.V.1.23 Ability to establish, use and support integration and communications among applications, databases and technology platforms
- 3.V.1.24 Knowledge of activities, tasks, practices and tools associated with analysis of a variety of work processes and associated document and information flow
- 3.V.1.25 Knowledge of process for evaluation and selection of products, tools, services and infrastructure components in line with company's business needs and architectural principles

Education and Experience

- 3.V.1.26 Advanced degree with at least five (5) years of consulting experience, or a bachelor's degree and at least eight (8) years consulting experience
- 3.V.1.27 Minimum of two (2) to three (3) years of IT experience and participation in major complex, process improvement activities
- 3.V.1.28 Background in applying business process management techniques to re-engineer business processes

3.V.1.29 MBA or advanced degree in MIS or Computer Science preferred

W. Web Master

Job Description

- 3.W.1.1 Maintains web systems, messaging and other distributed web systems
- 3.W.1.2 Responsible for communication between legacy, development and production servers
- 3.W.1.3 Performs usage monitoring and reporting
- 3.W.1.4 Implements code/change management policies and procedures
- 3.W.1.5 Provides construction, testing, implementation, and operations of web infrastructure systems based on defined technical architectures and solutions
- 3.W.1.6 Assist in the evaluation and testing of hardware, software, and network configurations based on Customer needs
- 3.W.1.7 Identifies, analyzes, and devises solutions to infrastructure system problems
- 3.W.1.8 Establish and maintain security and integrity standards and controls
- 3.W.1.9 Participates in web infrastructure implementations, upgrades, and conversions
- 3.W.1.10 Monitors web server load balancing and fault tolerance
- 3.W.1.11 Applies operational knowledge of web standards, web software and web applications framework

Job Qualifications

- 3.W.1.12 Experience with web based standards and network technologies
- 3.W.1.13 Experience with maintenance of both legacy client servers and web servers
- 3.W.1.14 Experience in statistical web tools
- 3.W.1.15 Hardware knowledge: Cisco Routers, Cisco LocalDirector, Wintel servers, AS400 based hardware, Cisco switches, etc
- 3.W.1.16 Programming language familiarity: C, Perl, Visual Basic, CFML, SQL, etc.
- 3.W.1.17 Expert understanding of web based technologies
- 3.W.1.18 A working, thorough knowledge of HTML & XML, PhotoShop, Illustrator, and/or other design related applications, etc.

Education and Experience:

- 3.W.1.19 Associate degree and three (3) plus years of experience with web based information management

X. Web Security Administrator

Job Description

- 3.X.1.1 Under limited supervision, performs all procedures necessary to ensure the safety of the organization's website and transactions across the internet
- 3.X.1.2 Applies Internet firewall technologies to maintain security
- 3.X.1.3 Ensures that the user community understands and adheres to necessary procedures to maintain security

Job Qualifications

- 3.X.1.4 Excellent planning skills
- 3.X.1.5 Expert knowledge of distributed system security software and web based technology
- 3.X.1.6 Expert knowledge of encryption, firewall and access control technology and software

Education and Experience:

- 3.X.1.7 Associate degree and three (3) plus years' experience or equivalent

Y. Web Software Developer

Job Description

- 3.Y.1.1 Designs, develops, troubleshoots, debugs, and implements software code (such as HTML, XML, CGI, Javascripts, etc) for a component of the website
- 3.Y.1.2 Works with graphic designers and other members of a project team to develop the site concept, interface design, and architecture of the website
- 3.Y.1.3 Responsible for the interface implementation
- 3.Y.1.4 Complex knowledge and utilization of one (1) or more word processing tools

Job Qualifications

- 3.Y.1.5 Strong navigation and site design skills
- 3.Y.1.6 Expert understanding of web based technologies

Education and Experience

- 3.Y.1.7 Bachelor's degree in computer science and two (2) years of developmental experience in web based languages.

Z. Senior Business Systems Analyst

Job Description

- 3.Z.1.1 Manages the integration and communications among applications, databases and technology platforms
- 3.Z.1.2 Administers company technology practices, standards and procedures
- 3.Z.1.3 Manages an inventory of technology related assets hardware, software, application systems, databases, licenses, products
- 3.Z.1.4 Makes decisions based on documented business opportunities, benefits, risks, and success factors of potential applications
- 3.Z.1.5 Has budget to make decisions based on documented Customer needs and associated requirements
- 3.Z.1.6 May manage a portfolio of developments with implication to cost reduction initiatives
- 3.Z.1.7 Analyzes a variety of work processes and associated document and information flow for strategic recommendation to leadership
- 3.Z.1.8 Oversees group that defines and implements new or enhanced applications into a production environment
- 3.Z.1.9 Manages Third Party relationships with software integrators

Job Qualifications

- 3.Z.1.10 Extremely high level of sound logic and analytical ability where problems are very unusual and difficult
- 3.Z.1.11 Highly developed oral and written communication skills
- 3.Z.1.12 Very high level of interpersonal skills to work effectively with others, motivates employees, and elicits work output
- 3.Z.1.13 Ability to lead, manage, plan, and direct the work of business systems analysis personnel
- 3.Z.1.14 Knowledge and understanding of Information Technology industry trends, directions and market experience; ability to relate them to own organization
- 3.Z.1.15 Knowledge of architectural concepts, principles, and tools relevant to infrastructure, information, Applications, organizational structure, etc
- 3.Z.1.16 Familiarity with company's information architecture and information management methodologies

Education and Experience

3.Z.1.17 Advanced degree with at least five (5) years of consulting experience, or a bachelor's degree and at least eight (8) years of consulting experience, plus expertise in complex systems.

3.Z.1.18 Training in college level computer systems preferred

3.Z.1.19 MBA or equivalent training preferred

3.Z.1.20 Project Management Certification preferred

AA. Infrastructure Architect

Job Description

3.AA.1.1 Ensures implementation of hardware and software meets the company's technology infrastructure design and architecture

- 3.AA.1.2 Ensure Customer's infrastructure architecture for wide area, campus, and local area networks is adhered to
- 3.AA.1.3 Defines requirements for products that support applications and the infrastructure consistent with Customer provided guidelines
- 3.AA.1.4 Manages process to ensure product release, applications, and corporate block point cycles are synchronized
- 3.AA.1.5 Provides interface for strategy and direction with technology providers
- 3.AA.1.6 Evaluates emerging technologies and standards for impact on Customer
- 3.AA.1.7 Plans and executes software and hardware platform changes with minimal disruption in service to the Customer
- 3.AA.1.8 Defines performance metrics and measurement tools
- 3.AA.1.9 Manages network management architecture activities
- 3.AA.1.10 Performs technology benchmarking
- 3.AA.1.11 Follows corporate level guideline documentation and provides input on their upkeep

Skills and Abilities

- 3.AA.1.12 Well-developed oral and written communications skills
- 3.AA.1.13 Strong teamwork and interpersonal skills
- 3.AA.1.14 Demonstrated ability to work independently and with others
- 3.AA.1.15 High level of creativity and innovation in problem solving
- 3.AA.1.16 Extremely high level of analytical ability where problems are very unusual and extremely difficult
- 3.AA.1.17 Understanding of benchmarking processes and techniques
- 3.AA.1.18 Ability to effectively manage changes to the production environment and technology based assets of the project (i.e. applications software, production databases, operating systems hardware and software, etc.)

Education and/or Training

- 3.AA.1.19 Undergraduate degree required in math, computer science, engineering, or related discipline with an information technology focus (preferred)
- 3.AA.1.20 MBA or advanced degree in MIS or Computer Science preferred

BB. Database Administrator

Job Description

- 3.BB.1.1Assesses future information requirements to develop long-range, comprehensive database plans
- 3.BB.1.2Develops policies and procedures designed to ensure the integrity of the database environment
- 3.BB.1.3Develops and maintains routines to facilitate database use
- 3.BB.1.4Keeps informed on latest developments in the database management field
- 3.BB.1.5Plans and coordinates migration to new data management system software levels
- 3.BB.1.6Assures that appropriate database management software is available and effectively used
- 3.BB.1.7Determines, implements, and enhances standards on database security
- 3.BB.1.8Promotes and recommends appropriate database software for new application systems
- 3.BB.1.9Educates applications programmers about database concepts and efficient access techniques, and assists them in analysis and problem resolutions pertaining to database
- 3.BB.1.10 Performs database performance monitoring and implements efficiency improvements
- 3.BB.1.11 Designs or supervises the designing of the procedures necessary to save and recover databases from hardware and software failures
- 3.BB.1.12 Supervises the design and maintenance of database structures
- 3.BB.1.13 May supervise or train staff
- 3.BB.1.14 Performs related work as assigned

Job Qualifications

- 3.BB.1.15 Strong knowledge of database management systems, as well as data warehouse management and decision support tools
- 3.BB.1.16 Extensive experience in the development, implementation and maintenance of data warehouses and data marts is desired
- 3.BB.1.17 Ability to use data base access tools for application delivery
- 3.BB.1.18 Strong familiarity with analysis, planning and management reporting functions
- 3.BB.1.19 Well-developed oral and written communications skills
- 3.BB.1.20 Demonstrated leadership skills
- 3.BB.1.21 Strong teamwork and interpersonal skills
- 3.BB.1.22 Demonstrated ability to work independently and with others
- 3.BB.1.23 High level of creativity and innovation in problem solving
- 3.BB.1.24 Extremely high level of analytical ability where problems are very unusual and extremely difficult
- 3.BB.1.25 Understanding of benchmarking processes and techniques
- 3.BB.1.26 Very high level of interpersonal skills to work effectively with others, motivate employees, and elicit work output

Education and Experience

- 3.BB.1.27 Undergraduate degree required in math, computer science, engineering, or related discipline with an information technology focus (preferred)
- 3.BB.1.28 MBA or advanced degree in MIS or Computer Science preferred
- 3.BB.1.29 Minimum ten (10) years of experience

CC. Project Manager III/Test Program Manager

Job Description

- 3.CC.1.1 Responsible for program oversight, planning, program tracking, scope management, change control management, risk management, and quality assurance of the development project team
- 3.CC.1.2 Assist in development and support of the vision and business objectives of the organization
- 3.CC.1.3 Direct the activities of resources in line with business objectives of the organization
- 3.CC.1.4 Ensure quality and timely delivery of critical path products and services
- 3.CC.1.5 Establish and maintain quality metrics and guidelines
- 3.CC.1.6 Implement process and system improvements including integration with other functional areas
- 3.CC.1.7 Translate organization's business requirements into effective business solutions

Job Qualifications

- 3.CC.1.8 Develops and maintains long-term relationships with strategic Customer and industry leaders
- 3.CC.1.9 Adept at the development of schedule, cost, and risk management strategies
- 3.CC.1.10 Experienced implementing project management within various Customer organizations and environments
- 3.CC.1.11 In the case Test Program Manager, should have managed complex testing engagements

Education and Experience

- 3.CC.1.12 Individual must have a bachelor's degree and at least twelve (12) years of experience and experience in implementing global projects, OR
- 3.CC.1.13 An advanced degree with at least ten (10) years of consulting experience and experience in implementing global projects in IT industry-
- 3.CC.1.14 PMI Project Management Professional (PMP) certification preferred
- 3.CC.1.15 Minimum of seven (7) years of business/industry knowledge
- 3.CC.1.16 Minimum of five (5) years of experience with Project Management systems/Applications
- 3.CC.1.17 Minimum of five (5) years of experience in Information Technology

DD. Senior Business Process Engineer

Job Description

- 3.DD.1.1 Identifies opportunities for business process improvement
- 3.DD.1.2 Drives business process innovation
- 3.DD.1.3 Investigates and evaluates potential business process improvement solutions
- 3.DD.1.4 Justifies expenditures in support of business process improvement solutions
- 3.DD.1.5 Defines business process improvement solutions while ensuring compliance with Customer IT standards
- 3.DD.1.6 Directs and implements business process improvement recommendations that increase the use of shared common data and facilitates common processes departments
- 3.DD.1.7 Works with process engineers to ensure integration of all processes
- 3.DD.1.8 Identifies IT cost reduction opportunities associated with IT projects and/or support services
- 3.DD.1.9 Communicates to all business process stakeholders
- 3.DD.1.10 Consults regarding business process engineering, process measurements, change management, education and training
- 3.DD.1.11 Facilitates the definition of best in class business processes

- 3.DD.1.12 Assists in the implementation of cross function and/or cross sector business processes
- 3.DD.1.13 Incorporates a common process methodology in all re-engineering activity
- 3.DD.1.14 Develops common process implementation metrics
- 3.DD.1.15 Directs the management of outsourced projects/outsourcer; ensures compliance to quality standards (cost, performance, time, and defects)

Job Qualifications

- 3.DD.1.16 Highly developed oral and written communications skills
- 3.DD.1.17 Very high level of interpersonal skills to work effectively with others. Must have ability to bring large, diverse groups to consensus
- 3.DD.1.18 Demonstrated logic and analytical ability
- 3.DD.1.19 High level of creativity and innovation in problem solving in a team environment
- 3.DD.1.20 Seasoned business and technical judgment to advise the company on the risks and benefits associated with specific projects
- 3.DD.1.21 Familiarity with information systems and infrastructure in support of engineering, manufacturing, and general business processes
- 3.DD.1.22 Knowledge and understanding of IT industry trends, directions and market experience; ability to relate them to organization
- 3.DD.1.23 Knowledge of architectural concepts, principles and tools relevant to infrastructure, information, Applications, organizational structure, etc
- 3.DD.1.24 Knowledge of emerging technologies (new to company systems as well as those that are new to the information systems industry)
- 3.DD.1.25 Ability to establish, use and support integration and communications among applications, databases and technology platforms
- 3.DD.1.26 Knowledge of activities, tasks, practices and tools associated with analysis of a variety of work processes and associated document and information flow
- 3.DD.1.27 Knowledge of process for evaluation and selection of products, tools, services and infrastructure components in line with company's business needs and architectural principles

Education and Experience

- 3.DD.1.28 Advanced degree with at least six (6) years' consulting experience, or a bachelor's degree and at least eight (8) years' consulting experience, plus expertise in highly complex system(s).

EE.Data Analyst

Job Description

- 3.EE.1.1 Consults with internal and external customers to identify user needs

- 3.EE.1.2 Analyzes data using standard statistical tools, methods, and techniques
- 3.EE.1.3 Identifies data gaps, errors, anomalies, inconsistencies, and redundancies by analyzing the content, structure, and relationships within data
- 3.EE.1.4 Identifies and interprets data patterns and trends and assesses data quality
- 3.EE.1.5 Cleans and prunes data to discard irrelevant information
- 3.EE.1.6 Prepares concise, comprehensive technical reports to present and interpret data, identify alternatives, and make and justify recommendations on data revisions

Job Qualifications

- 3.EE.1.7 Knowledge of statistics and analyzing data sets
- 3.EE.1.8 Knowledge of running queries, report writing, and presenting findings
- 3.EE.1.9 Knowledge of data models, database design development, data mining, and segmentation techniques
- 3.EE.1.10 Knowledge of record keeping, including security procedures for handling, protecting and distribution confidential data

Education and Experience

- 3.EE.1.11 Experience in data analysis, research, compilation, and/or reporting work.
- 3.EE.1.12 Graduation from an accredited four-year college or university with major coursework in data science, business analytics, computer science, computer information systems, management information systems, accounting, finance, mathematics, statistics, economics, or a related field is generally preferred.

FF. Application Architect

Job Description

- 3.FF.1.1 Responsible for acting as a recognized expert in translating operational business needs through developing and implementing the information technology architecture and design for a system, with specialty in a complex system(s).
- 3.FF.1.2 Developing physical system architecture that provides the foundation for design, construction, testing, and deployment
- 3.FF.1.3 Utilized Customer provided architecture guidelines and strategies to transform logical models into physical architectures and designs
- 3.FF.1.4 Designing and addressing key architecture considerations for the system
- 3.FF.1.5 Developing physical models that balance and integrate the data, processing, and technology aspects of the architecture
- 3.FF.1.6 Resolving issues regarding technology components responsible for performing functional capabilities, or determining how technologies will communicate when responsibility must be shared across technologies
- 3.FF.1.7 Publishing, updating and ensuring that the architecture models meet business requirements and architecture standards.

Job Qualifications

- 3.FF.1.8 Familiar with systems development processes and methodologies
- 3.FF.1.9 Ability to lead and facilitate cross-functional, multi-Service Provider work teams
- 3.FF.1.10 Familiarity with relational database technologies and capabilities
- 3.FF.1.11 Knowledge of the company's industry group, trends, directions, major issues, regulatory considerations and trendsetters
- 3.FF.1.12 Ability to justify project, equipment or staffing expenditures by identifying, cost, benefits and associated risks
- 3.FF.1.13 Knowledge of internet/intranet based opportunities and challenges
- 3.FF.1.14 Ability to work with others in a constructive and collaborative manner
- 3.FF.1.15 Ability to think critically; to recognize and anticipate a problem (technical, operational, process, organizational) and to identify and implement the best solution in a timely manner
- 3.FF.1.16 Excellent written and oral presentation skills
- 3.FF.1.17 Knowledge and understanding of marketplace experience, developments and trends related to the Information Technology function
- 3.FF.1.18 Knowledge of emerging technologies (new to company systems as well as those that are new to the information systems industry)
- 3.FF.1.19 Familiarity with company's information architecture and information management methodologies
- 3.FF.1.20 Experience with scalability and performance issues related data bases

Education and Experience

- 3.FF.1.21 Undergraduate degree required in math, computer science, engineering, or related discipline with an information technology focus (preferred)
- 3.FF.1.22 MBA or advanced degree in MIS or computer science preferred
- 3.FF.1.23 Industry Certifications in an area of expertise preferred

GG. Senior Manager

Job Description

- 3.GG.1.1 Identifies and communicates opportunities for business process improvement
- 3.GG.1.2 Drives business process innovation
- 3.GG.1.3 Investigates and evaluates potential business process improvement solutions
- 3.GG.1.4 Justifies expenditures in support of business process improvement solutions
- 3.GG.1.5 Defines business process improvement solutions while ensuring compliance with Customer IT standards

- 3.GG.1.6 Directs and implements business process improvement recommendations that increase the use of shared common data and facilitates common processes departments
- 3.GG.1.7 Identifies IT cost reduction opportunities associated with IT projects and/or support services
- 3.GG.1.8 Communicates to all business process stakeholders
- 3.GG.1.9 Consults regarding business process engineering, process measurements, change management, education and training
- 3.GG.1.10 Facilitates the definition of best in class business processes
- 3.GG.1.11 Assists in the implementation of cross function and/or cross sector business processes
- 3.GG.1.12 Incorporates a common process methodology in all re-engineering activity
- 3.GG.1.13 Directs the management of outsourced projects/outsourcer; ensures compliance to quality standards (cost, performance, time, and defects)

Job Qualifications

- 3.GG.1.14 Highly developed oral and written communications skills
- 3.GG.1.15 Very high level of interpersonal skills to work effectively with others. Must have ability to bring large, diverse groups to consensus
- 3.GG.1.16 Demonstrated logic and analytical ability
- 3.GG.1.17 High level of creativity and innovation in problem solving in a team environment
- 3.GG.1.18 Seasoned business and technical judgment to advise the company on the risks and benefits associated with specific projects
- 3.GG.1.19 Familiarity with information systems and infrastructure in support of engineering, manufacturing, and general business processes
- 3.GG.1.20 Knowledge and understanding of IT industry trends, directions and market experience; ability to relate them to organization
- 3.GG.1.21 Knowledge of architectural concepts, principles and tools relevant to infrastructure, information, Applications, organizational structure, etc
- 3.GG.1.22 Knowledge of emerging technologies (new to company systems as well as those that are new to the information systems industry)
- 3.GG.1.23 Ability to establish, use and support integration and communications among applications, databases and technology platforms
- 3.GG.1.24 Knowledge of activities, tasks, practices and tools associated with analysis of a variety of work processes and associated document and information flow
- 3.GG.1.25 Knowledge of process for evaluation and selection of products, tools, services and infrastructure components in line with company's business needs and architectural principles

Education and Experience

- 3.GG.1.26 Advanced degree with at least eight (8) years of consulting experience, or a bachelor's degree and at least ten (10) years' consulting experience, and experience in implementing global projects in the retail and or healthcare industry

HH. Senior Web Architect

Job Description

- 3.HH.1.1 Analyzes Customer business objectives, processes and architecture and recommends strategic architecture direction consistent with Customer provided guidelines.
- 3.HH.1.2 Provides direction on business object and component framework architecture
- 3.HH.1.3 Provides top level strategic input in relation to on-line implementation, industry, and market analysis
- 3.HH.1.4 Provides framework and assists in business impact analysis and business case development
- 3.HH.1.5 Provides framework and assists in product selections
- 3.HH.1.6 Provides enterprise architecture guidance and relations in a multi-Service Provider environment
- 3.HH.1.7 Applies experience with electronic commerce (Internet based business) and impact of the Internet on traditional business

Job Qualifications

- 3.HH.1.8 Demonstrated experience with market analysis, ROI, ROA, electronic commerce, (Internet based business) and impact of the Internet on traditional business
- 3.HH.1.9 Knowledge of retail and/or healthcare industry, supply chain, and consumer issues and trends
- 3.HH.1.10 Experience defining business issues and opportunities as well as developing on-line business strategies, plans, and processes
- 3.HH.1.11 Understanding of business object and component framework architecture
- 3.HH.1.12 Experience leading and facilitating web strategy and planning
- 3.HH.1.13 At least two enterprise enabling projects
- 3.HH.1.14 End-to-end comprehension of web standards, software and web applications framework.

Education and Experience

- 3.HH.1.15 Bachelor's degree and six (6) plus years of experience or equivalent
- 3.HH.1.16 Four (4) years of experience developing technology/creative business cases
- 3.HH.1.17 Two (2) years of experience in online business case analysis and development

II. Data Engineer

Job Description

- 3.II.1.1 Develop, construct, test and maintain architectures, such as databases and large-scale processing systems
- 3.II.1.2 Recommend and implement mechanisms to improve data reliability, efficiency, and quality
- 3.II.1.3 Enable the unification of disparate data sets through various languages and tools in preparation for information correlation by data scientists
- 3.II.1.4 Provide effective data architectures to support the needs of data scientists, stakeholders and business environments
- 3.II.1.5 Enable integration capabilities for external tools to perform ingestion, compilation, analytics and visualization

Job Qualifications

- 3.II.1.6 Ability to define and manage data flows and data pipelines with related scripting knowledge for importing
- 3.II.1.7 Strong data modeling capabilities
- 3.II.1.8 Ability to identify and implement the most appropriate data management system
- 3.II.1.9 Provide high quality clean and usable data from data sets of varying states of disorder
- 3.II.1.10 Data/Query validation proficiency
- 3.II.1.11 Demonstrate a wide range of technical competencies including: SAP, Oracle, Cassandra, MySQL, Redis, Riak, PostgreSQL, MongoDB, neo4j, Hive, and Sqoop

Education and Experience

- 3.II.1.12 Bachelor's degree in statistics, math, computer science, or engineering; and
- 3.II.1.13 Five (5) to seven (7) years of Data Engineering or related technical experience.

JJ. Senior Application Architect

Job Description

- 3.JJ.1.1 Assess business requirements
- 3.JJ.1.2 Analyze and design technology approaches and develop global architectures and technology solutions.
- 3.JJ.1.3 Research, assess, analyze and recommend Customer Enterprise Architecture standards and ensure their use (ie. web search engines, trend analysis and forecasting tools, content management systems, document management systems, application development tools, business and object modeling tools, application servers)
- 3.JJ.1.4 Provides interface for strategy and direction with technology providers
- 3.JJ.1.5 Evaluates emerging technologies and standards for impact on Customer
- 3.JJ.1.6 Performs the role of technical lead for large application development projects

- 3.JJ.1.7 Manage iterative software development processes with a focus on application and infrastructure architecture
- 3.JJ.1.8 Provide guidance and technical direction to team members, including training materials and presentations on relevant products and/or technologies consistent with Customer provided guidelines
- 3.JJ.1.9 Review, recommend, and provide corrective action plans as required from a technical perspective
- 3.JJ.1.10 Review and approve Service Provider designed technical solutions against defined Customer standards

Job Qualifications

- 3.JJ.1.11 Knowledge of the company's industry group, trends, directions, major issues, and regulatory considerations preferred
- 3.JJ.1.12 Ability to justify project, equipment or staffing expenditures by identifying cost, benefits and associated risks
- 3.JJ.1.13 Knowledge of internet/intranet based opportunities and challenges
- 3.JJ.1.14 Competency in multiple internet/intranet technologies
- 3.JJ.1.15 Ability to work with others in a constructive and collaborative manner
- 3.JJ.1.16 Ability to think critically; to recognize and anticipate a problem (technical, operational, process, organizational) and to identify and implement the best solution in a timely manner
- 3.JJ.1.17 Excellent written and oral presentation skills
- 3.JJ.1.18 Ability to work effectively as part of a team
- 3.JJ.1.19 Ability to lead multiple Service Provider teams to a technical solution
- 3.JJ.1.20 Knowledge and understanding of marketplace experience, developments and trends related to the Information Technology function
- 3.JJ.1.21 Knowledge of mainstream technologies and architectures
- 3.JJ.1.22 Knowledge of emerging technologies (new to company systems as well as those that are new to the information systems industry)
- 3.JJ.1.23 Competency in core technologies, including open standards, database, and integration technologies
- 3.JJ.1.24 Competency in one or more emerging technologies
- 3.JJ.1.25 Familiarity with company's information architecture and information management methodologies

Education and Experience

- 3.JJ.1.26 Advanced degree with at least ten (10) years of consulting experience, or a bachelor's degree and at least twelve (12) years consulting experience, and experience in implementing global projects in the retail and/or healthcare industries

KK. Creative Director**Job Description**

- 3.KK.1.1 Creative direction and management of Site and/or Authorized User interface
- 3.KK.1.2 Performing creative planning, developing, strategy, and execution on projects
- 3.KK.1.3 Overseeing graphic production and brand character
- 3.KK.1.4 Developing and working with Customer to portray appropriate design of the project to communicate with target audience
- 3.KK.1.5 Provides creative direction, management, workflow and project plan development
- 3.KK.1.6 Coordinates the overall creative direction of the web site in conjunction with the Customer's business and technical objectives
- 3.KK.1.7 Ensures adherence to project metrics for tracking and improvement

Job Qualifications

- 3.KK.1.8 Is proficient in multimedia tools and techniques as well as in traditional creative techniques
- 3.KK.1.9 Understands web based capabilities and limitations
- 3.KK.1.10 Has demonstrated experience in project and departmental management

Education and Experience

- 3.KK.1.11 Bachelor of Arts degree or higher in fine arts
- 3.KK.1.12 Software knowledge: Adobe PhotoShop, Adobe Illustrator, Adobe Acrobat, Adobe Premiere, Adobe After Effects, Macromedia Fireworks, QuarkXpress/ PageMaker, and project management software (MS Project)

Experience

- 3.KK.1.13 Four (4) years in creative management and project development
- 3.KK.1.14 Two (2) years in web based creative project management

LL.Data Scientist**Job Description**

- 3.LL.1.1 Identifying the data-analytics problems that offer the greatest opportunities to the organization
- 3.LL.1.2 Determining the correct data sets and variables
- 3.LL.1.3 Collecting large sets of structured and unstructured data from disparate sources
- 3.LL.1.4 Cleaning and validating the data to ensure accuracy, completeness, and uniformity
- 3.LL.1.5 Devising and applying models and algorithms to mine the stores of big data
- 3.LL.1.6 Analyzing the data to identify patterns and trends
- 3.LL.1.7 Interpreting the data to discover solutions and opportunities

3.LL.1.8 Communicating findings to stakeholders using visualization and other means

Job Qualifications

3.LL.1.9 Utilize analytical, statistical, and programming skills to collect, analyze, and interpret large data sets

3.LL.1.10 Use related information to develop data-driven solutions to difficult business challenges

3.LL.1.11 Understand and implement statistical models

3.LL.1.12 Data/Query Validation proficiency

3.LL.1.13 Demonstrate a wide range of technical competencies including: statistics and machine learning, coding languages, databases, machine learning, and reporting technologies

Education and Experience

3.LL.1.14 Bachelor's degree in statistics, math, computer science, or economics or similar

3.LL.1.15 Five (5) to seven (7) years of Data Science or related technical experience.

MM. Business Consultant

Job Description

3.MM.1.1 Devise approach to solving complex problems.

3.MM.1.2 Manage conflicting stakeholder expectations.

3.MM.1.3 Manage project scope

3.MM.1.4 Refocus efforts as issues/problems dynamically change in Customer environment

3.MM.1.5 Design and conduct workshops

3.MM.1.6 Identify the appropriate approach, tools and methodologies to perform analysis and draw conclusions

3.MM.1.7 Full leadership for managing delegated end-to-end creation of project deliverables

3.MM.1.8 Help team to develop new insights from the analysis

3.MM.1.9 Prioritize the recommendations based on ease of implementation and impact

3.MM.1.10 Provide ongoing updates to Customer on engagement status

3.MM.1.11 Solicit feedback on interim deliverables

3.MM.1.12 Manage project escalations

3.MM.1.13 Manage engagement financials - revenue and profitability

3.MM.1.14 Provide subject matter expertise on a specific area within a domain/technology/service

3.MM.1.15 Exhibit high level of skills in data aggregation and analysis leading to development of value proposition in solution development

Job Qualifications

- 3.MM.1.16 Expertise in communications domain
- 3.MM.1.17 Expertise in identifying and defining problems, analysis and developing recommendations
- 3.MM.1.18 Extensive experience managing consulting engagements
- 3.MM.1.19 Specialist in managing the engagement financials & operations
- 3.MM.1.20 High level of ethics, judgment, communication and people skills

Education and Experience

- 3.MM.1.21 Three (3) to six (6) years of management and technology consulting experience

NN. Business Intelligence Analyst

Job Description

- 3.NN.1.1 Use comprehension of data gathering and analytics to develop knowledge with relevant business intelligence
- 3.NN.1.2 Enable complex reporting based on existing data
- 3.NN.1.3 Use resulting information to identify and develop opportunities for new services and solutions
- 3.NN.1.4 Interact with business leadership to help guide the growth and maturity of business capabilities
- 3.NN.1.5 Adapt the presentation of data to most effectively communicate the pointed value and change for business improvement

Job Qualifications

- 3.NN.1.6 Highly developed oral and written communication skills
- 3.NN.1.7 Very high level of interpersonal skills to work effectively with others, motivates employees, and elicits work output
- 3.NN.1.8 Ability to lead, manage, plan, and direct the work of business systems analysis personnel
- 3.NN.1.9 Understanding of statistical models
- 3.NN.1.10 Data/Query Validation proficiency
- 3.NN.1.11 Ability to quickly develop a deep understanding of multiple, major components of the business enterprise
- 3.NN.1.12 Ability to direct and coordinate the development and implementation of process-based solutions that cross organizational lines
- 3.NN.1.13 Creates business case for investments in process and technological enhancements. Sets clear explanations for the integration and alignment of technology and business functions, focusing on the strategic value provided

Education and Experience

3.NN.1.14 Bachelor's degree in business, management, accounting, economics, statistics, information science or similar. Master's degree in business administration (MBA) preferred.

3.NN.1.15 Five (5) to seven (7) years of Business Analysis or related technical experience.

OO. Senior Business Consultant

Job Description

3.OO.1.1 Gain deep insights into Customer issues and potential risks based on subject matter expertise.

3.OO.1.2 Devise approach to solving complex problems.

3.OO.1.3 Exhibit intellectual leadership to the problem-solving effort

3.OO.1.4 Manage conflicting stakeholder expectations

3.OO.1.5 Leverage experience/ learning from similar engagements.

3.OO.1.6 Administer and monitor client feedback survey.

3.OO.1.7 Represent Service Provider in external forums

3.OO.1.8 Champion Knowledge asset creation within the Consulting organization by creating a participative environment.

3.OO.1.9 Forge Partnerships with external sources for Knowledge acquisition

3.OO.1.10 Provide thought leadership in project

3.OO.1.11 Validate and ensure the recommendations are high impact and reflect deep insight.

3.OO.1.12 Manage project scope

3.OO.1.13 Refocus efforts as issues/problems dynamically change in client environment

3.OO.1.14 Conduct training sessions on consulting, functional area, key trend etc

3.OO.1.15 Design and conduct workshops

3.OO.1.16 Identify the appropriate approach, tools and methodologies to perform analysis and draw conclusions

3.OO.1.17 Full leadership for managing delegated end-to-end creation of project deliverables

3.OO.1.18 Help team to develop new insights from the analysis

3.OO.1.19 Prioritize the recommendations based on ease of implementation and impact

3.OO.1.20 Provide ongoing updates to Customer on engagement status

3.OO.1.21 Solicit feedback on interim deliverables

3.OO.1.22 Manage project escalations

3.OO.1.23 Manage engagement financials - revenue and profitability

3.OO.1.24 Provide subject matter expertise on a specific area within the domain/technology/service

- 3.OO.1.25 Exhibit high level of skills in data aggregation and analysis leading to development of value proposition in solution development

Skills and Abilities

- 3.OO.1.26 High level of expertise in communications domain
- 3.OO.1.27 Expertise in identifying and defining problems, analysis and developing recommendations
- 3.OO.1.28 Extensive experience managing consulting engagements
- 3.OO.1.29 Specialist in managing the engagement financials & operations
- 3.OO.1.30 High level of ethics, judgment, communication and people skills

Experience

- 3.OO.1.31 Six(6) to nine (9) years of management and technology consulting experience