

**EIGHTH AMENDMENT TO THE
MASTER SERVICES AGREEMENT**

between

**THE STATE OF TEXAS, ACTING BY AND THROUGH THE TEXAS DEPARTMENT
OF INFORMATION RESOURCES**

and

**XEROX STATE & LOCAL SOLUTIONS, INC. f/k/a
ACS STATE & LOCAL SOLUTIONS, INC.**

This Eighth Amendment (“Amendment”) is to the Master Services Agreement (“**Agreement**”), executed December 30, 2011, between the State of Texas, acting by and through the Texas Department of Information Resources (“**DIR**”), with its principal place of business at 300 West 15th Street, Suite 1300, Austin, Texas 78701, and Xerox State & Local Solutions, Inc. f/k/a ACS State & Local Solutions, Inc. (“**Service Provider**”), a New York corporation, with offices located at 8260 Willow Oaks Corporate Drive, Suite 600, Fairfax, Virginia 22031.

RECITALS

WHEREAS, the Parties entered into the Agreement for Data Center Services dated December 30, 2011, with an anticipated Commencement Date of July 1, 2012;

WHEREAS, the incumbent provider (IBM) of Data Center Services concluded its tenure prematurely on April 30, 2012 and in order to provide essential data center services beginning May 1, 2012, DIR required a short-term agreement for Service Provider, First Amendment, to provide Interim, Walk In Take Over (WITO) services for Data Center Services operations;

WHEREAS, as a result of those additional services provided per WITO and to ensure the provision of data center services under this Agreement henceforth, the Parties required and agreed upon a Second Amendment in which major contract milestones and deliverables were realigned to account for the additional resources required for WITO;

WHEREAS, a Third Amendment was required to align provisions in **Exhibit 3** related to the implementation of Service Level Credits, establish all remaining associated cost to the Parties relating to the previous provider’s (IBM) disentanglement, establish pricing structure for new enterprise-wide email service delivery options and realign project pool hours applicable to server services;

WHEREAS, a Fourth Amendment was necessary to include a definition of DCS Customer along with various other changes intended to enhance the overall delivery of services;

WHEREAS, the Fifth Amendment provided for the manner by which Service Level Agreements (SLA’s) are modified and the actual modification of certain SLA’s;

WHEREAS, a Sixth Amendment provided contract updates as a result of “true-up” and additional details regarding the enterprise-wide email service delivery; and

WHEREAS, a Seventh Amendment provided for the implementation of Oracle's Exadata Services solution along with other minor changes to align Agreement with the other Service Provider Agreements;

WHEREAS, this Eighth Amendment provides for changes to audit requirements for subcontractors, the frequency and nature of certain required reports/plans and meetings, the addition or modification of certain services, including: appliances, Tier 3R storage, checkpoint storage for Enterprise File, and WAAS. In addition, a restructuring of the back-up and recovery milestones and associated payment, the provisioning of pool hours for the purposes of providing solution architecture services for RFS, and other minor changes to align the Agreement with the other Service Provider Agreements.

NOW, THEREFORE, in consideration of the promises and covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend the Agreement as follows:

I. **Section 9.9 Audit Rights, (i) SSAE 16 Audits, (ii),** of the Agreement shall be amended as follows:

Service Provider shall cause its Subcontractors performing the Services to conduct SSAE 16 Audits on their policies, procedures, controls and systems that complement the SSAE 16 Audit performed pursuant to clause (i) above. If Service Provider is unable to cause its Subcontractors to conduct such SSAE 16 Audits or chooses to conduct the SSAE 16 Audits of such complementary policies, procedures, controls and systems itself, then Service Provider shall engage an independent, nationally recognized public accounting firm to perform such audits of its Subcontractors to ensure that the policies, procedures, controls and systems of the Subcontractor complement those of Service Provider. For purposes of this clause (ii), the term "complement" shall mean that the policies, procedures, controls and systems of the Subcontractors, when taken as a whole in combination with the policies, procedures, controls and systems of Service Provider, represent the entire control environment under this Agreement.

II. **Section 9.12 (e), Technology Evolution,** of the Agreement shall be amended as follows:

(e) Service Provider Developed Advances. If Service Provider develops or implements technological advances in or changes to the processes and services and associated technologies used to provide the same or substantially similar services to other Service Provider customers or Service Provider develops or implements new or enhanced processes, services, software, tools, products or methodologies to be offered to such customers (collectively, "**New Advances**"), Service Provider shall, on a semi-annually basis, present DIR with a description of New Advances applicable to the DIR environment or the Services specifying any technical benefits and cost savings that may be achieved by DIR or DIR Customer and where available and subject to **Section 11.5**, (i) offer DIR the opportunity to serve as a pilot customer in connection with the implementation of such New Advances, and (ii) if DIR declines such opportunity, offer DIR preferred access to such New Advances and

the opportunity to be among the first of Service Provider's customer base to implement and receive the benefits of any New Advances.

III. **Section 9.14, Annual Reviews**, of the Agreement shall be amended as follows:

The Parties shall conduct an annual detailed review of the Services then being performed by Service Provider. The annual detailed review will be included in the Annual Summit meeting. As part of this review, the Parties shall review the actual service volumes against the forecasted monthly volumes for the previous year, and forecast the service volumes for the next year. In addition, the Parties shall examine: (i) whether the Charges are consistent with DIR's forecasts, industry norms and Service Provider's representations, warranties and covenants; (ii) the quality of the performance and delivery of the Services; (iii) whether Service Provider has delivered cost saving or efficiency enhancing proposals; (iv) the level and currency of the technologies and processes employed; (v) the operations and technology strategy and direction; and (vi) such other things as DIR may reasonably require.

IV. **Section 13.2 (b) (i), Safeguarding of DIR Data**, of the Agreement shall be amended as follows:

Service Provider shall maintain a comprehensive data security program, which shall include reasonable and appropriate technical, organizational and security measures against the destruction, loss, unauthorized access or alteration of DIR Data in the possession of Service Provider, and which shall be (A) no less rigorous than those maintained (or required to be maintained) by DIR or the relevant DIR Customer as of the Commencement Date (or required or implemented by DIR or the relevant DIR Customer in the future to the extent deemed necessary by DIR or such DIR Customer and communicated to Service Provider in accordance with Section 6.3(a)), (B) no less rigorous than those maintained by Service Provider for its own information of a similar nature (subject, however, to Section 11.5 and implementation through Change Control upon approval by DIR, as applicable, but without limiting Service Provider's obligations respecting Technology Evolution), (C) no less rigorous than accepted security standards in the industry (subject, however, to Section 11.5 and implementation through Change Control upon approval by DIR, as applicable, but without limiting Service Provider's obligations respecting Technology Evolution), and (D) (without limiting the Parties' obligations under Section 15.11) compliant with all applicable DIR Rules and DIR Standards, including the requirements of DIR's and the relevant DIR Customer's then-current privacy, security and records retention policies (such as Internal Revenue Service guidelines contained within IRS Publication 1075 (found at <http://www.irs.gov/pub/irs-pdf/p1075.pdf>) and the rules pertaining to information technology security standards found at 1 Texas Administrative Code, Chapter 202). Service Provider acknowledges and agrees that certain DIR Customers are legally prohibited from disclosing or allowing access to certain DIR Data, including disclosures to and access by DIR, other DIR Customers and Service Provider. 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, including the process DIR Customers shall follow to identify DIR Data they are legally prohibited from disclosing and the confidentiality requirements of DIR Customers. Service Provider shall permit DIR Auditors to review such documentation and/or to inspect Service Provider's compliance with these provisions in accordance with Section 9.9. DIR 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.), and DIR agrees that the specific services selected by DIR pursuant to this Agreement establish the contract requirements with respect to those activities, subject to Technology Evolution and other applicable provisions of this Agreement. From time to time, Service Provider shall proactively provide technical information regarding security best practices in the industry, and upon DIR's approval Service Provider shall, subject to Section 11.5 (but without limiting Service Provider's obligations respecting Technology Evolution) implement any changes to the above security requirements through Change Control.

- V. Attached Appendix 1 of this Eighth Amendment, Exhibit 1, Definitions, shall replace in its entirety and supersede all previous agreements relating to Exhibit 1, Definitions, of the Agreement.

The changes to Exhibit 1 include a revised definition for “Appliances”.

- VI. Attached Appendix 2 of this Eighth Amendment, Exhibit 2.1.2, Cross-Functional Services Service Component Provider Statement of Work, shall replace in its entirety and supersede all previous agreements relating to Exhibit 2.1.2, Cross-Functional Services Service Component Provider Statement of Work, of the Agreement.

The changes to Exhibit 2.1.2 include changes in Section A.2.6.5, Item 10, Logical Security Administration reviews from “quarterly” to “semi-annually” and Section 3.4, Item 1, Service Catalog updates from “30” to “90” days.

- VII. Attached Appendix 3 of this Eighth Amendment, Attachment 3-C, Critical Deliverables, shall replace in its entirety and supersede all previous agreements relating to Attachment 3-C, Critical Deliverables, of the Agreement.

The changes to Attachment 3-C include changes in Section 2.1, Annual Technology Plan with the completion of a Technology Plan from “January 15th” to “February 15th” and Section 2.4, is renamed from “Annual Equipment & Software Refresh Plan” to Annual Equipment & Software Refresh Forecast and Plans”.

- VIII. Attached Appendix 4 of this Eighth Amendment, Exhibit 4, Pricing and Financial Provisions, shall replace in its entirety and supersede all previous agreements relating to Exhibit 4, Pricing and Financial Provisions, of the Agreement.

The changes to Exhibit 4 include updating the forecasting reporting from quarterly to semi-annually in Section 16, adding a new Section 19.3.7 for Appliances, revising Section 19.5 to reflect tiered pricing for Enterprise File and Print, allow discounts for DCS Customer with existing O365 software, added a new Section 19.6.1 (a) for new Tier 3 Replication (T3R), a new Section 19.6.1 (b) for checkpoint storage for Enterprise File, revised Section 19.7.5 (k) and Section 19.7.7 (vii) to permit use of up to 500 project pool hours for Solution Architect time used in RFS activities and revised Section 19.10 to add a description of WAAS Services.

- IX. Attached Appendix 5 of this Eighth Amendment, **Attachment 4-A**, Server Provider Pricing Forms (Server), shall replace in its entirety and supersede all previous agreements relating to **Attachment 4-A**, Server Provider Pricing Forms (Server), of the Agreement.

Several tabs were updated to account for the new or revised items in **Exhibit 4** that includes T3R, Appliances, Enterprise File Print pricing, WAAS devices, Backup and Recovery milestones, inflation sensitivity rates for Appliances and hourly rates.

- X. Attached Appendix 6 of this Eighth Amendment, **Attachment 4-B**, Financial Responsibility Matrix, shall replace in its entirety and supersede all previous agreements relating to **Attachment 4-B**, Financial Responsibility Matrix, of the Agreement.

The tab titled “Print” is hereby amended to include additional language in Note 2 'Except for the per event Four (4) Hour Recovery Time Objective (RTO)'. The tab entitled “Server” is hereby amended to differentiate between Appliance Servers and Network Appliances, reflecting the addition of an Appliance RU and account for new tiered pricing structure for Enterprise File and Print.

- XI. Attached Appendix 7 of this Eighth Amendment, **Attachment 4-D**, Resource Baselines, shall replace in its entirety and supersede all previous agreements relating to **Attachment 4-D**, Resource Baselines, of the Agreement.

Several tabs are amended to reflect Print Mail Services updates in Consolidated RU Volumes, RU by DIR Customer Year 1, Rollup, HHSC and TWC tabs and update all tabs to reflect additional of Appliances and T3R storage RUs, and revise footnote (c) to reflect that Enterprise File and Print are included in MSI instance counts and add footnote (d) regarding courier volume counts.

- XII. Attached Appendix 8 of this Eighth Amendment, **Attachment 6-C**, Operating Level Agreements, shall replace in its entirety and supersede all previous agreements relating to **Attachment 6-C**, Operating Level Agreements, of the Agreement.

The change updates the required frequency of OLA meetings from “weekly” to “monthly” in **Section 3**.

XIII. General Terms and Conditions

- (a) Capitalized terms not defined herein shall have the same meanings as set forth in the Agreement.
- (b) All other provisions of the Agreement not specifically amended hereby remain in full force and effect. In the event of conflict among provisions, the provisions of this Amendment shall take precedence over the terms of the MSA.

IN WITNESS WHEREOF, Service Provider and DIR execute this Amendment effective March 1, 2014.

**THE STATE OF TEXAS,
acting by and through
THE TEXAS DEPARTMENT OF INFORMATION RESOURCES**

By: **signature on file**

Name: Dale Richardson

Title: Director of Data Center Services

XEROX STATE & LOCAL SOLUTIONS, INC.

By: **signature on file**

Name: Charlie Watts

Title: Senior Vice President/Account Executive