Appendix 16 to
Second Amendment of
Master Service Agreement

June 25, 2012

Exhibit to Data Center Services
Service Component Provider

Master Services Agreement

DIR Contract No. DIR-DCS-SCP-MSA-002

Between

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

and

Xerox State and Local Solutions, Inc.

Exhibit 20
Transformation Plan

June 25, 2012

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EXHIBIT 20
TRANSFORMATION PLAN

Update Methodologies and Attachments to Exhibit 20

The following update methodologies and attachments are incorporated as part of **Exhibit 20**:

Title	Methodology for Updating Associated Exhibit Attachments
Exhibit 20 Transformation Plan	**Exhibit 20** is updated in accordance with **Section 4.3(b)** of the MSA.
Attachment 20-A Transformation Milestones	**Attachment 20**-A may only be modified by formal amendment, in accordance with **Section 21.7** of the MSA.

1. TRANSFORMATION MANAGEMENT

1.1 Introduction

In accordance with **Section 4.3** of the Agreement, this **Exhibit 20** and the attached **Attachment 20-A** collectively constitute the Transformation Plan, and references to the Transformation Plan in this Agreement (including this Exhibit) shall be read and understood to collectively mean this **Exhibit 20** and the attached **Attachment 20-A**.

Service Provider shall maintain and implement the Transformation Plan, and any modifications to the Transformation Plan shall be subject to DIR's review and approval in accordance with **Section 4.3** of the Agreement. The provisions of the Transformation Plan are in addition to, and not in lieu of, the terms and conditions contained in the body of the Agreement and the other Exhibits and Attachments thereto; provided however, unless otherwise expressly stated, the provisions of this Transformation Plan shall not control over conflicting provisions of the Agreement. Unless otherwise expressly defined in the Transformation Plan, capitalized terms used in the Transformation Plan shall have the meaning assigned to them elsewhere in the Agreement.

The dates in this document are intended to provide context and set expectations for the solutions described. Actual milestone dates are contained in the appropriate milestone documents (Attachment 19-A Transition Milestones and Attachment 20-A Transformation Milestones). In the event of a conflict in dates the dates in the milestone documents will control.

1.2 Document Overview

Transformation consists of activities necessary to evolve from DIR's existing environment (via changes to the infrastructure, processes, tools, etc.) to meet the objectives of the State.

Transformation consists of stabilization, optimization, and consolidation.

2. TRANSFORMATION GUIDING PRINCIPLES

The Service Provider will:

Provide a customized approach to meet the needs of DIR which includes:

- DIR and DIR Customer transformation models
- Experienced transformation project managers
- Leveraging Service Provider's tools and templates customized to the DIR and DIR Customer environments

Establish strong governance, which includes:

- Clearly defined roles and responsibilities
- Jointly developed processes

- Effective meetings and reporting framework to minimize resource requirements while achieving goals
- Mechanisms in place to identify and address risks and issues early
- Support for OLA development

Maintain effective communication, which includes:

- Consistent delivery of key messages through well-defined communication plans
- Tailored communications to target audiences and stakeholders
- Mutually agreed frequency of communications to meet the needs of the stakeholders

Promote collaboration and teamwork , which includes:

- Detailed upfront project planning and feedback
- Joint agreement on status for reporting purposes
- Plans scaled to address DIR Customer differences in size and complexity
- Establishment and support for successful deliverable review process
- Feedback on deliverables throughout the life of the project.

3. TRANSFORMATION OBJECTIVES

Transformation includes Server, Network, Data Center and Mainframe Services. There will be 3 phases of Transformation.

1. Stabilization –includes remediating the environment by closing out the problem, request and solution backlogs, addressing Servers needing immediate refresh, and implementing a new backup and recovery solution. Consolidation – will focus on virtualizing, migrating or refreshing Servers into the Consolidated Data Centers. The consolidation will be complete at Commencement + forty-eight (48) months.

2. Optimization – will be on-going improvements to the environment that will benefit the State by reducing costs, improving services or both.

The Transformation program will be managed to ensure:

1. Transformation Milestones (**Attachment 20-A**) are completed on-time.

2. Acceptance criteria defined and agreed to for each Milestone Deliverable in **Attachment 20-A** will be met

3. Disruption to DIR Customers' business is minimized

4. TRANSFORMATION APPROACH AND PROJECT METHODOLOGY

The Service Provider will utilize the MSI's project management methodology and toolset. The Service Provider will work with the MSI to infuse the methodology with the Service Provider's best practices and standard templates tailored to meet specific requirements of DIR and DIR Customers.

4.1 Transformation Program

The Service Provider will be DIR and the MSI's partner in the Transformation process. The Service Provider will use dedicated project managers, consistent communication, and a project management structure.

The Service Provider will plan the Transformation with participation from DIR, the MSI and DIR Customers.

- Service Provider will deliver Phase I of the Transformation Plan one hundred and twenty (120) days after the Execution Date.
- Service Provider will deliver Phase II, including DIR Customer-specific Transformation plans one hundred and twenty (120) days after Commencement Date.

The Transformation Plan will be organized into three (3) phases – stabilization, consolidation and optimization. Figures 1 and 2 below show the overall timeline for the consolidation and stabilization phases of Transformation. The timeline below is for illustrative purposes and all dates follow the Agreement.

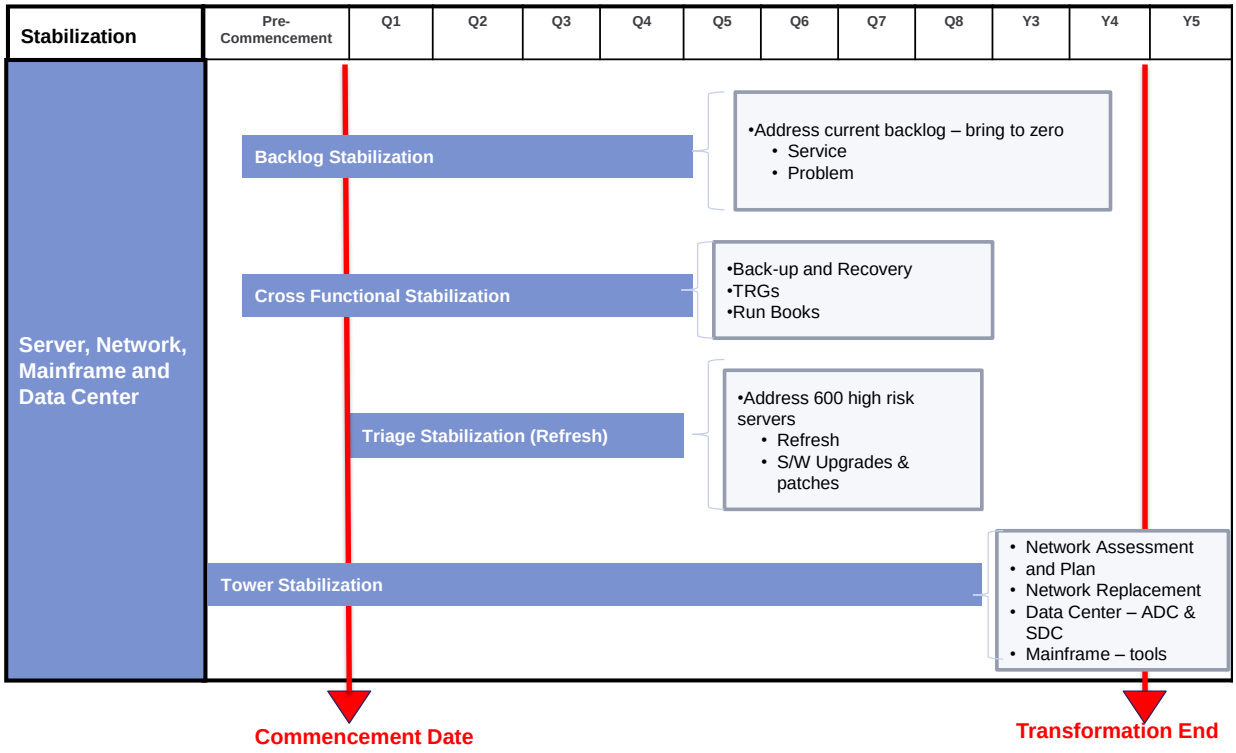

Figure 1. Stabilization Phase Timeline

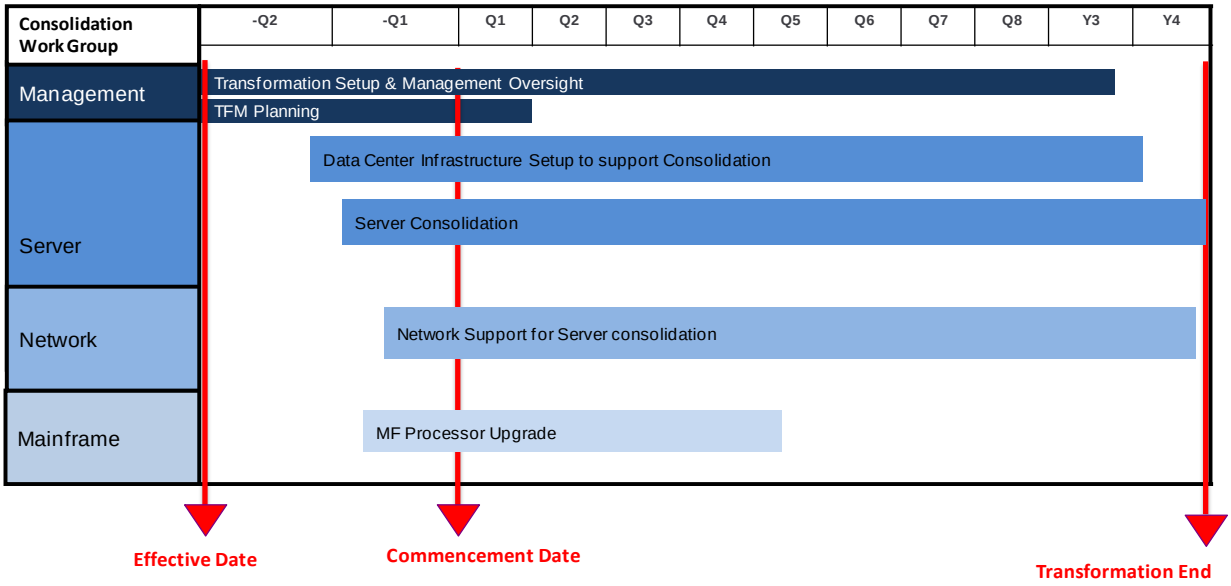

Figure 2. Consolidation Phase Timeline

4.1.1 Annual Transformation Plan

The Service Provider will update the Transformation Plan each year, in accordance with **Exhibit 3**. The Service Provider will start with the master schedule to control ongoing Transformation activities and add more detail to describe Transformation activities for the coming year. Updates to the Transformation Plan may also occur any time throughout the year.

5. STABILIZATION OVERVIEW

Stabilization begins as part of Transition, with a dedicated team visiting all DIR Facilities, completing a wall-to-wall inventory and updating the configuration management database (CMDB). During stabilization, as a first phase of Transformation, this team also will provide for remote monitoring, reliable data backup and recovery, and will identify at risk Servers, targeting them for prioritized refresh by a separate, dedicated triage team. A third team will be dedicated to processing the backlog of service requests during this phase.

As part of this set of activities, the Service Provider also will begin the Application portfolio inventory, including incorporating that data in the CMDB for use in later analysis and planning. Recognizing that Application migration/remediation represents a critical prerequisite for the overall Server consolidation project, the Service Provider has included an applications enterprise architect as part of the Service Provider chief technology officer organization. This architect will collaborate with the Transition and Transformation teams, as well as with individual DIR Customers, to help with the assessment, planning, and execution of migration and remediation efforts.

5.1 Stabilization Staffing

The cross functional stabilization team will utilize resources from the transition team to perform discovery, complete the asset inventory, load the CMDB and create the appropriate sections of the Service Management Manual. The backlog and triage teams will be dedicated to completing the problem and service backlogs that exist at Commencement. In addition, each of the services will have teams dedicated to completing the stabilization efforts specific to those services. These teams will all work closely with the MSI, DIR and DIR Customers to complete the stabilization effort.

5.2 Stabilization Coordination and Integration

5.2.1 Cross-Functional Services Stabilization

The Cross functional stabilization program consists of the following:

- Backup and Recovery
- Problem Management
- Configuration Management
- Service Request Management and Backlog
- IT Service Continuity
- Project Management
- Chargeback Management

Backup and Recovery

The Service Provider will provide the new backup environment for the Servers in the Consolidated Data Centers, Legacy Data Centers and Business Offices by Commencement + three (3) months. The migration plan for implementation will be provided. The Service Provider will implement Symantec Ops Center toolset. The NetBackup agent will be installed on each Server to be backed up and the backup information will be transferred over the network each evening to the centralized infrastructure in the ADC. There may be a few exceptions where the agents cannot be installed on the Servers or there is a network capacity issue that cannot be resolved. In these cases, the Incumbent Service Provider's backup method will be retained and utilized until the Server is refreshed or consolidated.

The backup and recovery team will focus on three main activities.

- The first activity includes gathering information as part of knowledge transfer. The Service Provider team will gather the backup reports and configurations to understand the environment including problem areas such as backups not occurring or incomplete. The Service Provider will also pull DIR Customer's requirements from the schedules, retention periods and target directories documents on the Portal. The Service Provider will utilize these backup configurations/rules in the new backup solution.

- The second activity includes installing the Symantec OpsCenter Net Backup agents on individual Servers at Business Offices, in the Legacy Data Centers and the Consolidated Data Centers. The Service Provider will also implement media Servers at sites with more than 10 Servers or other sites where the network capacity cannot handle the volume of backup data. This activity will be completed by the team installing the rest of the tools during Transition.

- The third activity includes the implementation of the backup core infrastructure in the ADC and implementation of the new backup methods at all sites. In addition, the Service Provider will update and/or create the backup monitoring, reporting and issue resolution procedures. The backup solution will be completed by Commencement + fifteen (15) months.

Problem Management

The Service Provider Problem Management team, a dedicated team separate from steady state, will work with the MSI to define the Problem Management process, train the Service Provider steady state team on the process and implement the process. In addition, the Service Provider and the MSI will have a team focused on closing out the backlog of Problem tickets that exist at Commencement. The MSI will rationalize and categorize the tickets and work with the DIR Customers to prioritize the tickets. The Service Provider will then create a plan to address the tickets and work the tickets to completion. The plan will be completed by Commencement + one and a half (1.5) months and the backlog of tickets will be completed by Commencement + twelve (12) months. There may be some aged Problem tickets where it is no longer possible to gather information for an RCA. In these cases, the MSI will work with the affected DIR Customer to ensure they agree with closing the problem ticket and the ticket will be closed without an RCA. Where the Root Cause can be identified, the Service Provider and MSI Problem Management team will determine whether to incorporate the solution into the Transformation work already planned or implement the solution as a separate initiative. The MSI will work with the affected DIR Customers to gain agreement on the approach for resolution.

Configuration Management

The configuration management team, separate from steady state, has five (5) sub-teams.

- The first sub-team which is part of the Service Provider Transition team will perform a wall to wall inventory before Commencement. This team will utilize the existing CMDB during the wall-to-wall inventory to verify information and fill in any gaps in the existing CMDB.

- The second sub-team, which is also part of the Service Provider Transition team, will implement the Service Provider's auto-discovery tool – ADDM. This team will implement the ADDM appliance within each DIR Customer's network before Commencement. The appliance must run for at least a month to capture all assets and

asset interdependencies. The appliance will continue to run after Transition and Transformation. The Service Provider Transition team will reconcile this information with the wall-to-wall inventory information and existing CMDB before Commencement.

- On the third-sub-team, the Service Provider architects will utilize the ADDM information to begin work on the System Engineering Management Plan (SEMP). The Service Provider uses the SEMP as a template to gather additional information about each of the Applications before Commencement.
- After all the information is gathered and loaded into the CMDB, the fourth sub-team, also part of the Transition team, will work with the MSI to complete the true up which is due four (4) months after Commencement.
- The Service Provider's fifth sub-team will work with the MSI to define CMDB update processes by Commencement. By this time, the steady state staff will have also been trained and will begin regular CMDB audits. The Service Provider may modify the number and makeup of the teams in order to optimally perform these services.

Service Request Management

The Service Request management team will work with the MSI to define, train the steady state team and implement the Service Request process. The new process will improve the cycle time of addressing Service Requests and keep the work volumes at a manageable level to be handled by the steady state staff. The Service Provider's Service Request backlog team will categorize the open requests and then work with the MSI and DIR Customers to prioritize the requests. The Service Provider will then staff a team based on the categorization and prioritization and create a detailed plan to address the backlog by Commencement + one and a half (1.5) months. The mix of skills on the team will change based on the requests to be resolved. The team will bring the backlog of Service Requests to zero (0) within twelve (12) months after Commencement. During optimization, additional improvements will be identified and implemented to ensure the Service Request work volume remains at a manageable level.

IT Service Continuity

At Commencement the Service Provider Transition Team will provide the MSI the information required to update all Disaster Recovery Plans (for both DIR Customers and the Consolidated Data Centers) to reflect correct contact information and activation, notification and declaration processes and procedures resulting from Transition.

The Service Provider Transition Team and MSI shall work with DIR Customers to complete a gap analysis of the Disaster Recovery Plans and technical recovery guides compared to the requested recovery time objective and selected service tier from the Services Tier Matrix, as specified in **Exhibit 16**.

Within six (6) months after the Commencement Date, the MSI, with the support of the Service Component Providers, will (i) for all previously tested Applications, update the Disaster Recovery Plans and technical recovery guides to reflect all changes implemented during Transition, (ii) complete the gap analysis, document the gaps, and present to the DIR Customers all gaps with proposed options to remediate, and (iii) provide DIR a schedule for creating new or updating existing Technical Recovery Guides for all Applications.

The Service Provider IT Service Continuity Management team will utilize the Service Provider Transition discovery team to gather information as part of the Service Provider's knowledge transfer process. The Service Provider will gather service continuity information for each Application in order to understand the environment including problem areas. The MSI will work with the DIR Customers to verify each solution meets the business objectives for that Application, create a gap analysis and review the gap analysis with the DIR Customers. The Service Provider will then identify a remediation for each gap. The MSI will work with the DIR Customers and DIR to prioritize the remediation. The Service Provider and the MSI will create a remediation plan for DIR's approval. The Service Provider steady state team will implement the plan. The updated TRGs for Applications that have previously been included in DR tests will be complete by six (6) months after Commencement. Additional D0 and D1 servers that have not been previously tested will have TRGs complete within twelve (12) months after Commencement. The TRGs for the remaining Applications will be included in the DR Plan and addressed by the Steady State team within twenty-four (24) months after Commencement.

Project Management

The Service Provider project management team will work with the MSI to define, train the steady state team and implement the project management process. The MSI will also provide the toolset and training for the toolset. During Transition, the Service Provider will identify the state of the in-flight projects. After Commencement, the steady state project pool team will continue to execute in-flight projects that are in execution phase. The steady state project pool team will also address any projects that have not yet started the Server build execution process. The project pool team will be augmented with 12 additional resources for a total of 23,040 hours to be consumed within twelve (12) months. Any hours spent on WITO projects would be deducted from the 23,040 hours. The first 1920 hours of work by the project pool each month will count towards the 23,040 hours. The 1920 hours cannot be rolled over, it must be used in the month however it can be used for either backlog or new solution requests. Roll-over of project pool hours would remain the same. The steady state team responsible for design and proposals for new solution requests will be augmented with 3 additional resources for no more than 12 months beginning at Commencement to work the design and proposals for the solution requests. SLA R1.3.3S will be in effect at Commencement and SLA R1.3.2S will be in effect at Commencement + two (2) months. The cycle time for SLA R1.3.2S would not begin until the solution request is entered into the new Remedy system.

The Solution Requests are classified into one of three categories:

- **Standard:** Intel Hardware or Software, UNIX Hardware or Software procurements (any combination) that use DCS standard hardware configurations or software packages already in use (e.g. adding new Instances)
- **Commodity:** Purchase of new licenses for software already within the Agreement that a DIR Customer already uses (e.g. purchase of new SSL certificates, CALs, Database, Application Utility, WebSphere, BlackBerry)
- **Custom:** A procurement that requires architecture of the hardware infrastructure, such as new projects (e.g. new Application with multiple services to support new business Applications)

The resources estimated to complete a solution request based on a blend of requests (standard/commodity/ custom) are approximately 80 man hours.

Chargeback Management

The Chargeback Transition team will work with the MSI and DIR to identify the requirements for each DIR Customer. The MSI will then define the process, procedures and work instructions. This methodology will include how to handle disputes and whom to escalate to and when. The Service Provider will work with the MSI to define the taxonomy. The MSI and the Service Provider will then train the steady state team and implement the tool and the process, procedures and work instructions. During Transformation, the Service Provider will work with the MSI and DIR to identify any issues with the capture of the RUs and resolve. These activities will complete by four (4) months after Commencement.

5.3 Stabilization by Service Component

5.3.1 Mainframe Service Component Stabilization

The Mainframe specific stabilization effort consists of the implementation of the Service Provider standard toolset within fifteen (15) months after Commencement. The Service Provider will install the Service Provider's standard set of prescriptive tools onto the LPARs supporting the DIR Customers. This common set of tools integrates with the Service Provider's ITIL compliant support and maintenance procedures and allows the Service Provider to draw from the Service Provider's larger technical support group in Texas. This, in turn, will enable a larger work pool to support work spikes and provide access to Subject Matter Experts in all areas of mainframe support. The Service Provider tools include the following:

SAE (Stand Alone Edit) – System recovery tool

Metron Athene – capacity and performance reporting

Open Tech – Tape copy, VDR, and DBS. A comprehensive set of tape based utilities that support recovery scenarios for virtual tape and ensuring comprehensive backups are always in existence.

Image Focus – System configuration validation tool

5.3.2 Server Service Component Stabilization

The Server specific stabilization effort consists of triage for up to 600 Servers needing immediate attention. Approximately half of the Servers will be targeted for refresh prior to a future consolidation and half will be refreshed in place as stay behind Servers. Service Provider will also provide monitoring for all servers and a plan to upgrade all server software to N/N-1 and the e-mail environments to N/N-1.

Triage

The Service Provider triage team will utilize the information gathered during the wall to wall inventory and other discovery functions to identify the list of Servers that need immediate attention related to hardware or software. The Service Provider will identify these Servers based on the problem backlog and any additional information gathered during the knowledge transfer discovery effort. The Service Provider will also take into consideration whether the Server will be consolidated in the next six (6) months. Servers that have been identified as not being able to be monitored, backed up or have disaster recovery gaps will also be considered for triage. The Service Provider will categorize the Servers into groups based on technology and location. The technology considerations will determine if the Server will be refreshed in place or virtualized into the new V-block infrastructure that will be implemented by Commencement. Technology considerations include the type of Server, network consumption, Application(s) running on the Server (COTS vs custom development), Application dependencies and the business requirements of the Application.

The Service Provider will then work with the MSI and DIR Customers to prioritize the Servers. The Service Provider will staff based on the categorization and prioritization. Once the Service Provider has groupings of Servers, the Service Provider will create a detailed project plan to address the Servers needing triage. The Service Provider will have a team focused on software refresh as well as multiple teams focused on hardware issues. The mix of skills on the team will change based on the Servers being worked. Triage is planned to complete by twelve (12) months after Commencement.

Server Monitoring

During Transition, monitoring tools will be implemented for all Servers capable of accepting an agent. These Servers will then be monitored by the Enterprise Command Center. **Exhibit 8-A** describes how the Enterprise Command Center will monitor the Servers and the tools that will be utilized for monitoring. If the Server does not have the capacity to accept the

implementation of an agent, it will be moved to the list of Servers to be refreshed or consolidated. Until these Servers have been refreshed or consolidated, the notification will come through the Incident Management process as under the Incumbent Service Provider.

Server Plan for Software N/N-1 Currency

The Service Provider will provide a plan by Commencement with recommendations for DIR Customers for upgrading each server's software to N/N-1 Currency. The Service Provider will provide a list of servers with the approach planned for upgrading it to N/N-1 Currency.

E-Mail

The Service Provider will work with the MSI and the DIR Customers to identify all versions of the e-mail Systems and create a plan for bringing them to N/N-1. The Service Provider will be responsible for upgrading the Server e-mail software licenses. The Service Provider will then create a project plan and execute to migrate the users to N/N-1 of current e-mail environment. The Service Provider will also consider utilizing third-party tools for complex upgrades, or version-skipping (e.g., from Microsoft Exchange 2003 directly to Exchange 2010). The Service Provider will work with the MSI and DIR Customer program managers to coordinate the upgrade for each DIR Customer. The Service Provider will work with the DIR Customer desktop support group to coordinate upgrades as needed. Roll out of upgrades will be done after DIR Customer acceptance testing and usually the upgrade roll out will be in multi-phases starting with a pilot group.

5.3.3 Data Center Service Component Stabilization

To improve and maximize the usable conditioned raised floor space capacity at the SDC, the Service Provider has identified a series of infrastructure stabilization projects for that facility. The implementation of these stabilization projects will improve the reliability, availability and serviceability of the facility infrastructure and address raised floor area cooling issues at the SDC. The Service Provider has evaluated the floor space and data center infrastructure requirements to support the Server and mainframe solutions and has found that there is enough capacity available to meet the requirements of Transformation in both the ADC and SDC.

The Service Provider will establish on-going monthly meetings with the ASU Facilities Director to support coordination of both the Transformation project and on-going SDC operational activities. These on-going meetings will involve the ASU Facilities Director, the Service Provider, MSI, SDC Data Center Manager, the Service Provider Data Center Transformation Project manager and additional Service Provider Data Center technical staff as required.

At the SDC, the Service Provider will:

- During Transition, Service Provider will install the Rackwise Data Center Manager software tool to support the documentation of cabling, rack location, and rack elevation diagrams at the Consolidated Data Centers. The Rackwise Data Center Manager software tool implementation if described in the Transition Plan.
- During Transition, install a dedicated building automation and alarm system to replace the solution which is tied to the campus building automation system.
- Install a backup chiller to provide redundancy for Data Center cooling.
- Install a VESDA (Very Early Smoke Detection Apparatus) combustion detection system.
- Install a generator fuel filtration system to clean the fuel in the supply tank.
- Establish a return air plenum above the ceiling to include ducted return air to Computer Room Air Conditioning (CRAC) units – existing sub-floor congestion combined with future additional equipment requirements result in increased heat load which requires cooling engineering changes at the Data Center to improve cooling efficiency.
- Replace older, end of service life (EOSL) CRAC (Computer Room Air Conditioner) units as the Transformation program proceeds to improve cooling capability for the added infrastructure workload at that facility.

Preliminary designs, plans and timelines will be reviewed with the ASU Facilities Director in advance to validate that any impact to University operations from construction projects is minimized and that schedules are coordinated with the University calendar. Following the approval of the stabilization and consolidation plans, the SDC stabilization project status will be reviewed at each monthly meeting.

At the ADC, the Service Provider will:

- Provide a two (2) generator solution which will provide power to all Servers and supporting devices on the raised floor including the environmentals which are required for the Servers to operate in the event that the facility loses power from both electrical grids. This option does not provide for the continued operation of the printers during a complete power failure, since those are not on UPS protected power. This project is planned to complete by twenty-four (24) months after Commencement.

5.3.4 Network Service Component Stabilization

The Service Provider will perform an in-depth analysis of the network to include performance, capacity, configuration, topology, segmentation, and addressing. The Service Provider will use this information to outline short- and long-term requirements for stabilization, growth, and Transformation. The Service Provider will deliver a Consolidated Data Center Network Improvement Plan at least sixty (60) days prior to the Commencement Date and include specific steps for improvements over the Transformation period. Below are the types of improvements that will be made but the Consolidated Data Center Network Improvement Plan will document the final plans for improvements to the networks. The information below is only examples of what will be improved.

The Service Provider will make short term improvements to the ADC, SDC, SDC Legacy and Winters data center networks to enable the current network to continue to be utilized until all servers are migrated to the new network. In parallel, the Service Provider plans to replace the LAN at the ADC and SDC concurrently. The Service Provider will build a parallel LAN at each data center that will include the improvements described in the Network Improvement Plan. A strategy for migrating the servers from the old LAN to the new LAN will be created. Once the strategy is in place, a rolling migration plan will be created and then updated quarterly. Once all Servers have been migrated, the old LAN will be decommissioned.

Firewall Capacity

The Service Provider will analyze firewall capacity and performance based on access controls, isolation requirements, traffic segmentations and Application dependencies, and will make changes and upgrades to the firewall capacity to address performance issues found in the analysis. The Service Provider's solution includes an upgrade of the firewall services modules to a more robust appliance with higher capacity and throughput and consolidation of smaller and obsolete technologies to a larger, enterprise-class redundant firewall architecture.

The Service Provider will perform an analysis of the firewall rules and access controls and provide recommendations to DIR and DIR Customers to decrease the complexity and improve performance.

Intrusion Protection and Prevention Capacity

The Service Provider will identify and review architecture and Systems documentation, IT assets, domain security, policy settings, user and System account compliance, logging, and auditing. The Service Provider will then assess internal vulnerability on key infrastructure devices. The Service Provider will compare the state of the network security with policies, procedures and best practices. The Service Provider's final gap analysis will be based on DIR and the Service Provider security policies and the level of risk assumed by the organization. The Service Provider's solution includes the implementation of network intrusion detection and prevention system on the network.

Network Resiliency between ADC and SDC Consolidated Data Centers

The Service Provider will implement dual, redundant routers and circuits, apply quality of service (QOS) tagging to prioritize the network traffic, and review the appropriateness of including WAN acceleration to this connectivity and its impact to resiliency. The Service Provider will also analyze the network resiliency capabilities for these connections and make recommendations based on requirements provided by DIR. The Service Provider will provision the WAAS devices as needed and coordinate the installations at the Consolidated Data Centers, Legacy Data Centers, and Business Offices with DIR network administrators and local management for each of these sites to prepare for the migration from a traditional local server deployment to a consolidated server environment. Service Provider will configure the WAAS Systems centrally and ship to the remote site for installation and testing. Service Provider will work with onsite Service Provider Subcontractors and DIR Customers technical support staff to complete the installation, configuration and testing. Service Provider's approach provides full lifecycle network support, including developing strategies, defining requirements, planning, engineering, operations, security, management, implementation, testing, monitoring, maintain, troubleshooting, and service restoration.

The Service Provider will provide a network replication link between the ADC and SDC by provisioning a redundant 1Gbps, scalable to 2Gbps, VRF on the State of Texas MPLS Network to transport Service Provider designated IP traffic between the ADC and SDC. **Exhibit 8-A** provides the details on the replication link analysis.

Core, Distribution, and Access-layer Performance

The Service Provider will segment broadcast domains and implement layer 3 routing between segments into the access layer to isolate bandwidth intensive data flows. The Service Provider will also replace the core, distribution, and access layer-class switch components with higher performance data center-class components, providing a 10 Gigabit (G) backbone for the core network.

Proactive Monitoring and Alert Notifications

During the Service Provider's initial discovery of the environment, the Service Provider will identify monitoring and management gaps within the toolsets used by the Incumbent Service Provider and implement device monitoring, reporting and alerting for these Systems. Should the Incumbent Service Provider's tools not provide the level of management and monitoring that DIR and DIR Customers require, the Service Provider, with DIR approval, will supplement or replace those tools with the Service Provider's network management tools.

The Service Provider uses AppCritical to conduct real-time proactive monitoring, perform network assessment and troubleshooting, and provide actionable diagnostics for a range of networks including data networks, converged network infrastructures for VoIP, and video applications.

The Service Provider will perform remote monitoring and management across the Service Provider Network connection between the Consolidated Data Centers and the Dallas Enterprise Command Center.

Hardware and Software Currency and Maintenance

The Service Provider is replacing the LANs in the ADC and SDC by six months after Commencement. The LAN at the Winters data center will be replaced by ten months after Commencement. This replacement will bring the hardware and software of the new LAN up to current releases.

VLAN Security and Capabilities

Updates to VLAN security will be accomplished with the Service Provider's implementation of additional layer 3 routing capabilities, rationalizing VLAN access controls integrating private VLANs, and implementing virtual port channels where feasible. This will include replacement of all workstation class (6148) switch port cards by six months after Commencement. **Exhibit 8** contains further details on specific infrastructure being used.

The Service Provider has included in the solution the following changes by six months after Commencement:

- To provide growth and scalability and enhance service for DIR and DIR Customers, the architectural changes to the network will begin with upgrades to the core architecture, extending the 10 Gigabit Ethernet (10G) core to the access and distribution layers within the ADC, SDC and Winters Data Center while maintaining the legacy 1 Gigabit (1G) to the Servers.
- The Service Provider will centralize the access to the network core.
- The core network architecture enhancements consist of Cisco Nexus data center switching, providing 10G to the access and distribution layers of the network. Layer 3 routing within the core will provide improvements to VLAN access controls.
- Another element of the core improvements includes migration from service module firewalls to redundant appliances which support redundant 10G connections to the core and increase virtual firewall contexts. The Service Provider will evaluate migrating the service module based firewalls into the distribution layer or eliminate these firewall service modules completely.
- The load balancing and content engine architecture will be integrated to the distribution/access layer virtual switch system, with 10G core access. Ether channel and ISL trunks within the core and between the core, distribution, and access layers will be migrated to 10G and 20G vPC links.

6. CONSOLIDATION OVERVIEW

6.1 Consolidation Staffing

The Service Provider will staff server consolidation projects with dedicated resources, independent of the steady state team.

6.2 Consolidation Coordination and Integration

The MSI will be accountable for coordination and communication with DIR and DIR Customers. They will also be accountable for risk and issue management, change control management, schedule management, quality management and status reporting. The Service Provider will provide the MSI with the content for each of these processes. In addition, the Service Provider will be responsible for detailed project reviews for each of the projects included in consolidation.

6.3 Consolidation by Service Component

6.3.1 Mainframe Service Component Consolidation

The Mainframe consolidation effort includes replacement of the z9 processors with z/196 EC and z10 BC processors. The Service Provider will develop a replacement strategy to move from the existing z9 technology to a combination of the newer, more function-rich z10 business class and z196 enterprise class of processors. The Service Provider will begin planning before Commencement and complete this upgrade within fifteen (15) months after Commencement. The processor replacement will be done serially with one implemented approximately every seven (7) weeks beginning at Commencement + five (5) months. The MSI will be responsible for communications with the DIR Customers to identify business constraints needed to plan the timing of the processor upgrades. The DIR Customers will be responsible for application remediation (if needed), testing and acceptance to complete the Mainframe consolidation effort.

6.3.2 Server Service Component Consolidation

To prepare for the Server consolidation, the Service Provider will conduct a detailed assessment of the environment and create a specific migration plan and schedule for each DIR Customer. The assessment will include each Application's technical details and each Server's capacity requirements. The assessment will require input from DIR and DIR Customers during the first six months after the Effective Date. The assessment will utilize the information gathered during the Transition discovery, inventory and knowledge transfer activities. The

assessment will utilize an auto-discovery tool which will gather Application information from each Server and map the dependencies between Servers. The assessment will also utilize information obtained during the planning for the stabilization. The assessment will enable the Service Provider to develop a high level plan assigning DIR Customers to specific waves or move groups. The Service Provider will determine if the Server should be consolidated based on the type of Server, network consumption, Application(s) running on the Server (COTS vs. custom development), Application dependencies and the business requirements of the Application or Server.

The information from the assessment will also be utilized to create a design document for the initial server environment, known as Seed Equipment. The design document will include a demand forecast and Capacity Plan based on targeted solution requests, stabilization and consolidation requirements. Service Provider will install the initial equipment to provision for the new and backlog of Solution Requests and for Server Consolidation that will begin Implementation at Commencement + six (6) months. Once the Service Provider moves into detailed planning for each move group, the Service Provider will be able to identify the skill sets needed for each execution team. The detailed plan will also describe how and when the environment will migrate, the roles and responsibilities of those involved in the migration, and dependencies and milestones. Collaboration between the Service Provider, the MSI and each DIR Customer is critical to defining a consolidation plan that can be successfully implemented. Figure 4 below details the Service Provider's approach to Server consolidation including some examples of the criteria the Service Provider will utilize in determining Server disposition.

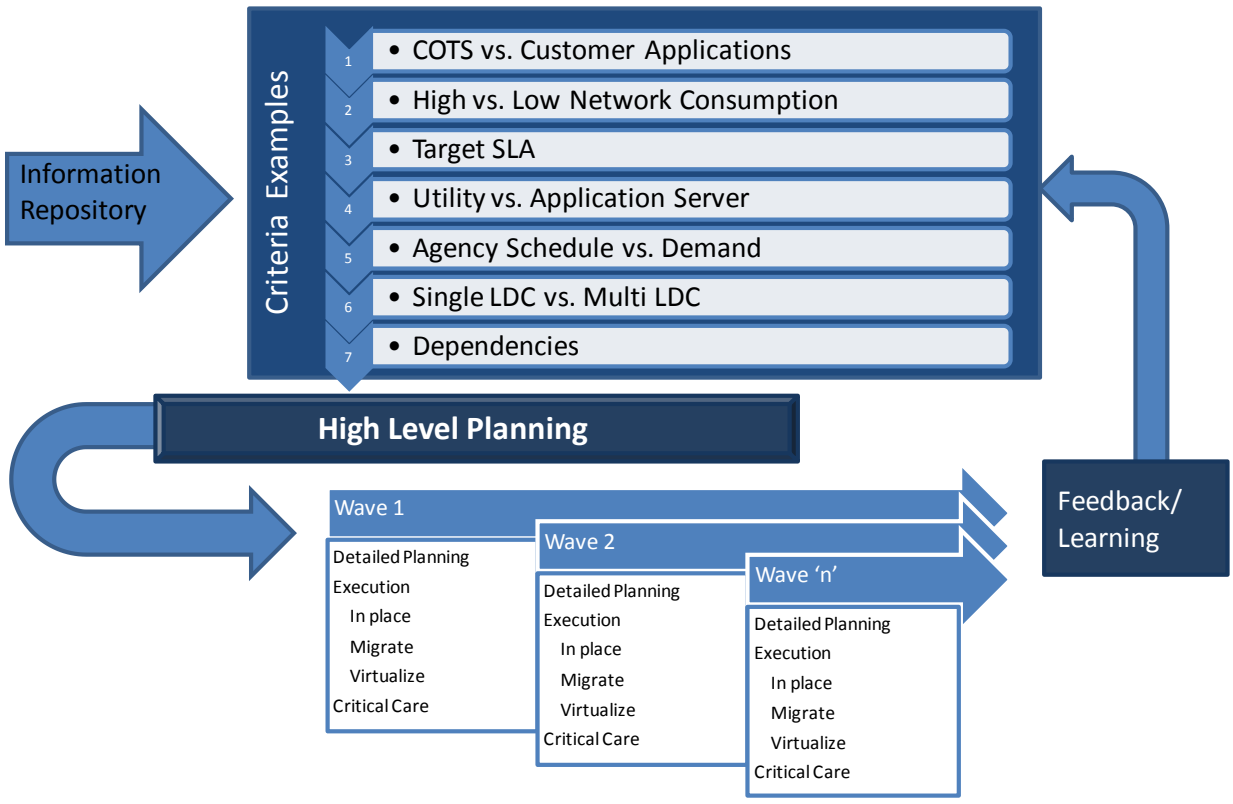

Figure 4. Server Consolidation Approach

The Server Consolidation Team includes the following sub-teams:

- High level planning team - will analyze all the information gathered during discovery and knowledge transfer to determine which DIR Customers and which Servers will be included in each move group for the first year. The high level planning team will become part of the detailed planning team.
- Detailed planning team – will create the detailed design and project plans for each of the move groups This team will also contribute to the development of the annual Transformation Plan.
- Execution teams - the three (3) execution teams will be responsible for the Server builds. Each move group will have an average of twenty-five (25) Servers and will require an average of five (5) weeks for migration. Some waves will have more Servers and take longer to migrate depending on the Application dependencies, criticality of the Applications and complexity.
- Critical care team – will monitor the control center that tracks the progress of the migration during implementation. They will also be responsible for resolving any issues that might exist 72 hours after the move group has been completed. Any issues that occur during first 72 hours will be resolved by the execution teams.

- Network support team – will provide network services in support of the detailed planning teams and the execution teams.
- Data center setup team – will provide data center services in support of the execution teams and prepare the data center for the migration.

The DIR Customer Applications teams will work closely with the pre-planning and execution teams to ensure the Applications are ready to move, all remediation efforts have been completed and complete tests to ensure they have moved successfully. The Service Provider may change the number and makeup of these teams at any time in order to accomplish the tasks.

The Service Provider will implement a dedicated cloud solution which includes a vBlock in both the SDC and the ADC by Commencement. **Exhibit 8-A** describes the dedicated cloud solution.

Servers in the Legacy Data Centers and Business Offices that are candidates for virtualization will be migrated and consolidated into the ADC or SDC in a vBlock environment. The Service Provider expects 60 - 80% of the Server environment to be virtualized. If fewer Servers are able to be virtualized, the Service Provider's solution will accommodate the changes without impact. Servers that are not candidates for virtualization will be consolidated into the ADC or SDC and potentially refreshed based on the age of the equipment. Servers that are not a candidate for virtualization or consolidation will be refreshed within the Legacy Data Center or Business Office as part of the Server Triage effort or normal steady state refresh. The Service Provider will analyze the utility Server environment in each Legacy Data Center and Business Office and identify candidates for Server consolidation based on utility type. This will simplify the environment by reducing the number of utility Instances.

The initial version of the Transformation project plan does not include specific Servers. In the Transformation Plan phase I, to be delivered one-hundred twenty (120) days after Effective Date, the Service Provider will provide a high level plan with general time frames. The Service Provider will refine this plan to include specific Servers and DIR Customers for the first year in phase II of the Transformation Plan. Each DIR Customer will confirm the plan in the Service Provider's final Transformation Plan submission. The Transformation Solution Group will provide the final approval.

The Service Provider will provide an applications architect to work with the DIR Customer Applications team to help identify Applications that need remediation. The architect will also work with them to identify the best method of remediation for each Application, estimating the amount of time it will take, etc. In addition, the Service Provider will provide a remediation environment of like equipment to the Application teams to help them with testing remediation of the Applications and to verify that the Applications will work in the targeted V-block environment. This activity is done in coordination with the consolidation schedule (waves) to ensure a remediation environment is available for DIR Customers to use for remediation and prepare for each consolidation.

For the data center migrations, the Service Provider will establish a command center (a team composed of delivery and transformation personnel) to maintain control of communication and activities during migration cutover periods. The MSI will facilitate the command center and keep DIR, DIR Customers, and Service Provider apprised of the status and issues.

For each migration the Service Provider will create a detailed Command Center Operations Process (CCOP) that describes the migration sequence of events, timing, and responsible parties. The CCOP becomes the script for the migration effort; team members use it to rehearse and execute each part of the migration. It is a living document that is updated as needed until the time of cutover. Application support owners will participate in regular reviews with the Service Provider to modify the CCOP to include new information and lessons learned from testing. The CCOP will maintain a checklist for all activities in a timeline and a log for all open issues. The critical care team will man the command center. As specified in the time line, the responsible individual for a task will call into the command center conference bridge to report the completion of a task on the checklist. When reporting, the responsible individual will provide the time the task started, the time the task completed, and the task's signoff status. The Service Provider's critical care team will be responsible for working issues after the first seventy-two (72) hours. This team will support each move group with issue resolution.

The Service Provider will capture lessons learned for each of the move groups. The lessons learned will be incorporated into the future detailed plans, processes and test plans.

6.3.3 Data Center Service Component Consolidation

The Data Center consolidation will provide the data center facilities support for the Server consolidation effort. Provision of Data Center Services deployment support for the Server consolidation requirements includes provisioning of data cabinets, racking of equipment, and installation of the cabling and wiring required to support the Server and Network consolidation plans.

6.3.4 Network Service Component Consolidation

As part of the Server consolidation effort, the Network team will provide the network support needed to migrate Servers to the Consolidated Data Centers and decommission Servers at the Legacy Data Centers and Business Offices.

7. OPTIMIZATION OVERVIEW

Optimization will drive further improvement to people, process, and technologies that support the Services. The Service Provider will, through its data collection processes in the discovery phase of the project, provide DIR with the critical information that helps DIR and DIR Customers build a roadmap to the future. This roadmap, built on the principles of International Organization for Standardization and continuous improvement, seeks to reinvent program

delivery and capability to drive the delivery of information to DIR and DIR Customers, beneficiaries, and key stakeholders in the most efficient and effective mechanism available. The Service Provider's solutions are built on optimal combinations of products and services and enlist the collaboration and support from a diverse field of providers. The Service Provider's designers and engineers are not constrained to solution with a specific product set in mind. Rather they are encouraged to continually assess the market for emerging technologies and benchmark new products, to determine how best to design solutions that optimally meet service and performance requirements. This philosophy for solutioning will be applied to all the Service Components while working with DIR, DIR Customers and the MSI on a rolling four year technology plan ensuring technologies are efficiently addressing DIR's and DIR Customer's daily business needs.

Optimization of the environment will happen after Consolidation. The Service Provider's enterprise architecture team will lead the effort with each DIR Customer to provide optimization recommendations. The information gathered from the Application, Capacity, and Network discovery assessments in the consolidation phase will be leveraged to create a System overview document that defines the architecture of the Systems within each DIR Customer. The enterprise architecture team will then meet with each DIR Customer to gather more information required to make recommendations for the System optimization.

For the Optimization phase, the Service Provider's plan is built upon the International Organization for Standardization compliance principles of continuous improvement. The Service Provider's continuous improvement approach ensures the processes and procedures are continually reviewed and optimized for optimal delivery of services to DIR and DIR Customers.

8. SERVICE PROVIDER TRANSFORMATION ROLES AND GOVERNANCE ALIGNMENT

Figure five (5) below shows the organization chart for Transformation. The MSI and DIR will each provide a Transformation Director to work closely with the Service Provider Transformation Director. Each of the Transformation towers (Stabilization, Server Consolidation, Network, Mainframe and Data Center) will have a counterpart resource within the steady state team, the MSI, and DIR. These teams will work closely together on planning, monitoring progress, managing risk, and communicating with the DIR Customer. The Transformation Director will work directly with the MSI and the Transformation Solution Group.

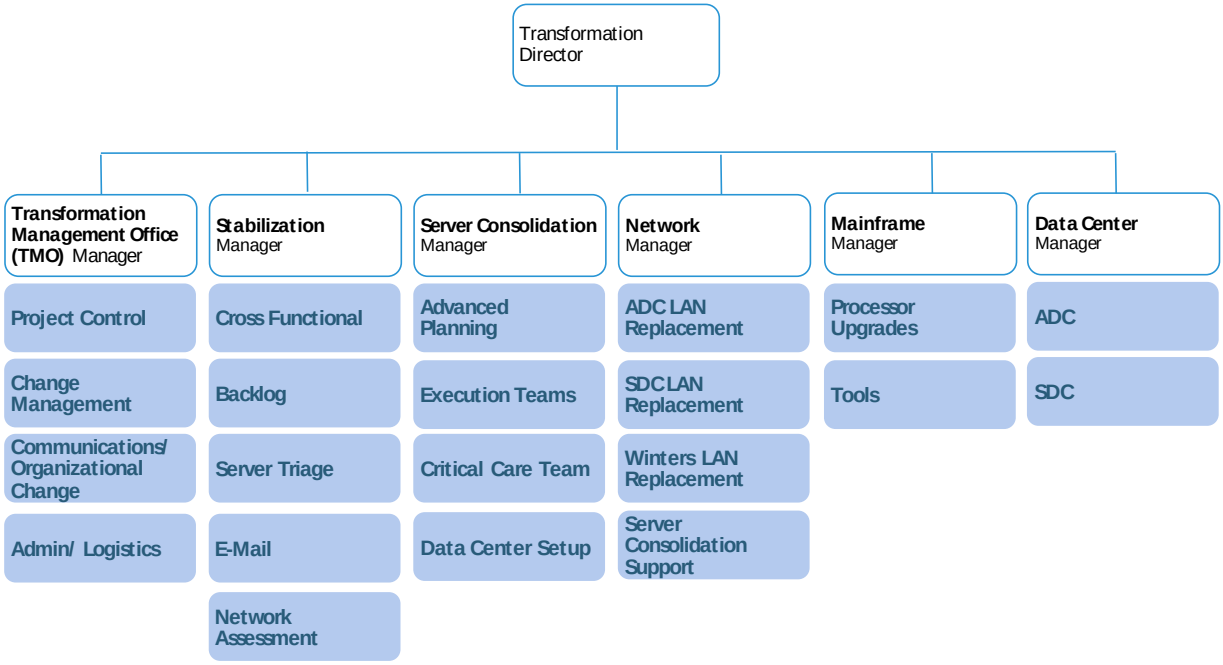

Figure 5. Transformation Management Team

During Transformation planning, the Transformation team and their counterparts will work together to agree to the governance and communications approach, alignment of roles and responsibilities, and escalation plans.

The DIR Customers with whom the Service Provider will interface will change over time. For example, DIR Customer resources who provide input to prioritize backlog of Server solution requests may be different from the DIR Customer resources who are involved in Application remediation and Server disposition discussions based on which Applications are being discussed. As the Transition team performs knowledge transfer, they will identify contact points for each Application. These contact points will be utilized during the Service Provider's detailed planning and execution.

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9. QUALITY CONTROL AND GENERAL RISK MITIGATION

Quality Control

The Service Provider will work with the MSI and align with the MSI's Integrated Quality Management Plan. At a minimum, the Service Provider will ensure there are processes around quality planning, Quality Assurance and quality control. These processes will govern the project management deliverables as well as the technical deliverables to DIR and DIR Customers.

Clearly defined acceptance criteria have been developed and are included in **Attachment 20-A**. The Acceptance Criteria, where appropriate, include the testing procedures and criteria for testing whether or not the deliverable in question meets the relevant requirements. Prior to a deliverable being submitted to DIR as complete, appropriate stakeholders will have an opportunity to provide input to the deliverable. Final deliverables will be approved by the designated approver in **Attachment 20-A**.

Risk Mitigation

Consistent with the Service Provider's approach to Quality, the Service Provider intends to work with the MSI and align with their Risks and Issues Management Plan. The Service Provider has identified risks and will ensure these risks, as well as additional ones, are identified and tracked in a common repository so Service Provider, MSI, DIR and DIR Customers are aware of the current status. The Service Provider will also ensure that those risks and issues are proactively communicated to the right level of management for immediate resolution and mitigation.

10. COMMUNICATIONS

The Service Provider will work with the program stakeholders to define roles and responsibilities as well as provide input to the Communications Plan provided by the MSI to ensure the right audience is being communicated to within a timely fashion.

The Service Provider will communicate through formal and informal methods. Communications will take place through regularly scheduled meetings, impromptu meetings for urgent items, emails and status reports.

The Service Provider will participate in Transformation meetings established by the MSI as well as setup meetings the Service Provider identifies as necessary for success. At a minimum, the Service Provider will be in regular contact with the MSI, DIR, DIR Customers and the Incumbent Service Provider.

10.1 Stabilization Communications

The Service Provider stabilization team will work closely with the MSI to ensure the Service Provider communicates changes to the affected DIR Customers. In addition, as the backlog is closed out, the normal processes will be followed for closing the backlog items and communicating with the requestor to ensure they agree the backlog item has been closed.

10.2 Consolidation Communications

The Service Provider consolidation team will work closely with the MSI to create the communications plan. During planning the communications plan will be high level, but as the

teams move towards execution and implementation the communications plan will be populated with more specific details by the MSI and the Service Provider.

10.3 Transformation Program Communications

The Transformation program communications plan contributes to the program's success by:

- Promoting open communication and collaboration between the Transformation team, the steady-state team, MSI, DIR, DIR Customers, and the Transformation Solution Group
- Establishing a partnership and positive working relationship between the Transformation team, the steady state team, the MSI, DIR, DIR Customers, and the Transformation Solution Group
- Helping to bridge any cultural gaps
- Facilitating formal concurrence on important decisions throughout the life of the Transformation
- Laying the foundation for successful acceptance of program deliverables
- Adding an additional level of quality to the delivery of contractual commitments

The Service Provider will work with the MSI to manage organizational change within DIR and the DIR Customers' environment. The Service Provider will work to reduce the impact of any changes by ensuring DIR Customers understand what changes will be occurring, why they are occurring and how the change will affect them. The Service Provider will communicate successes and lessons learned. By providing open and continuous communications, the Service Provider plans to have buy in at all levels of DIR and the DIR Customers' organizations. By working as a single team towards the same goals, the Service Provider will have a higher probability of success and customer satisfaction.

The communications plan will not only define how and when the Service Provider communicates but will also define escalation paths and the sign-off process for deliverable, milestone and project completions. The Service Provider Transformation Program's communications lead will work with the MSI and DIR to agree to a Governance Calendar that shows all regularly scheduled meetings.