



**Exhibit to Data Center Services
Service Component Provider
Master Services Agreement**

DIR Contract No. DIR-DCS-SCP-MSA-003

Between

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

and

Xerox Corporation

**Exhibit 2.5
Print Mail Services
Statement of Work**

January 23, 2012

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EXHIBIT 2.5
PRINT MAIL SERVICES

Update Methodology to Exhibit 2.5

The following update methodology is incorporated as part of **Exhibit 2.5**:

Title	Methodology for Updating Exhibit
<u>Exhibit 2.5</u> Print-Mail Services Statement of Work	<u>Exhibit 2.5</u> may only be modified by formal amendment, in accordance with <u>Section 21.7</u> of the MSA.

Introduction

Service Provider will provide a solution that supports all of the business processes described in this Statement of Work and its Attachments, and that all Services, unless otherwise specifically stated, are included in the Base Charges.

Service Provider will be responsive to the current and future requirements of DIR and DIR Customers, by proactively anticipating needs, and adjusting Services accordingly within the Base Charges. Requirements for New Services will be handled in accordance with **Section 11.5** of the Agreement and Service Provider will work with DIR to assess the impact of these requirements on DIR’s and DIR Customers’ operating environment and supported Applications in accordance with the terms of the Agreement.

This Exhibit sets forth the Services that the Service Provider will provide, as of the Commencement Date unless otherwise specified, for all Print-Mail Services described this Exhibit.

The Service Provider is also required to provide the Services in **Exhibit 2.1.2** in conjunction with the Services described in this Exhibit.

Service Management

DIR bases its Service Management practices on the Information Technology Infrastructure Library (ITIL), a world-wide recognized best-practice framework for the management and delivery of IT services throughout their full life-cycle. Accordingly, DIR requires that the Service Provider Service Management practices, which are used to support the Services, be based on the ITIL framework and guidance. The primary structure of the requirements in the Statements of Work are based on an ITIL v2 foundation with ITIL v3 guidance in select functional areas (e.g. Request Management and Fulfillment) with the expectation of migrating towards ITIL v3 progressively as process improvements are incorporated into the Service Management Manual.

Service Provider responsibilities include:

1. Intentionally deploy and actively manage a set of Service support processes and Service delivery processes that are based on ITIL guidance to enable consistent management of process-driven IT services seamlessly across a variable number of environments and among DCS Service Providers.
2. Ensure that ITIL-based processes effectively integrate with the processes, functions and roles deployed within and used by DIR and DIR Customers and other DCS Service Providers.
3. Execute detailed activities and tasks that are common to IT service operation and maintenance according to the guidance set out in the policies and procedures described in **Exhibit 2.1.2**, including the broader guidance provided regarding the ITIL-based Service Management processes.
4. Design processes to enable the effective monitoring and reporting of the IT services in a Multi-Supplier Environment.
5. Ensure that enterprise processes (e.g. Change Management, Configuration Management, Problem Management) are followed across the DCS Service Provider and Third Party Vendor(s) processes.
6. Coordinate the execution of all the processes across the Service Provider, DIR, DIR Customers, and all Service Component Providers in order that all the individual components that make up the IT Services are managed in an end-to-end manner.

A.0 SERVICE REQUIREMENTS

All activities required to provide the Services set forth in this SOW, including project-related support activities, are included in the Charges.

A.1 Print Services

A.1.1 Print

Print supports a wide breadth of output and distribution business operations needs using consistent, cost-effective and accurate processes. Print uses a variety of Equipment to create high-speed production print output. Service Provider will assume responsibility for all print/media operations services as they currently exist and evolve over the Term including the following:

A.1.1.1 Compliance

Service Provider responsibilities include:

1. Operating in compliance with all applicable federal and state regulations (consistent with the Parties' obligations regarding same as set forth in **Section 15.11** of the Agreement), U.S. Postal Service Guidelines (USPS) and in accordance with the Service Management Manual. Service Provider shall provide remediation as required.
2. Providing for disposal of Confidential Information in a secure manner in accordance with the Service Management Manual.
3. Providing secure document storage.
4. Following all guidelines for secure document management, tracking, and appropriate disposal as required.
5. Providing chain of custody for secure forms.

A.1.1.2 Operations

Service Provider will receive Print Document Files from DIR Customers or Third Parties via file transfer methods designated in the Service Management Manual on a continuous basis.

Service Provider responsibilities include:

1. Support, maintain, and coordinate all online print/media activities associated with the Services.
2. Acknowledging receipt of Print Document Files by electronic confirmation of successful file transmissions to DIR Customers as required by the DIR Customer.
3. Confirming the physical integrity of the file, file layout and content layout; provided, DIR and , DIR Customer acknowledge that Service Provider is not responsible for confirming the integrity of the content or performing data validation.
4. Immediately notifying the originator when the transmission of the Print Document File is not correctly transmitted, as set forth in the Service Management Manual.
5. Scheduling a properly staffed print operation so as to meet business needs and the Service Levels as set forth in **Exhibit 3**.

6. Assigning jobs to the printers according to established procedures and job priorities, as documented in the Service Management Manual.
7. Producing print output on time and in accordance with the Service Management Manual.
8. Managing print queues, controlling report distribution, logging completed reports, and performing quality control functions as necessary.
9. Performing distribution functions, including stripping, bursting, decollating, and packaging of printed output for distribution.
10. Separating all output and properly distributing it to the outbound mail operation or other destination within the required time frame.
11. Managing, controlling and securing the use of other specialized computer forms associated with specific Applications in the print queue.
12. Managing, controlling and securing the use of digitized signatures in accordance with the Service Management Manual.
13. Delivering output per production schedule in accordance with the Service Management Manual.
14. Employing Software on the high-speed printers to overlay a control line as appropriate on secure documents for balancing and auditing purposes as required.
15. Employing Software on the high-speed printers to record control information on a flat file that is used for auditing batches as required. Implementing manual verification procedures when Software use is not possible.
16. Operating laser and impact printers for custom forms, multi-part forms, labels, standard form sizes and form sizes in excess of A3, A4, and A5.
17. Providing print and merge outputs for the high-speed printers utilizing a print director tool.
18. Operating printing Equipment and associated devices.
19. Operating a MICR Printer required for Warrants and scanned forms.
20. Providing Daily volume image reports and Daily Production job logs to DIR Customer.
21. Coordinate and manage external print/media operations services by Third Party Vendors.

A.1.1.3 Technical Services

Service Provider responsibilities include:

1. Schedule and provide preventive maintenance on all Equipment based on reviews, analysis of Equipment performance records, and original Equipment manufacturer recommendations.
2. Providing emergency delivery of parts on a 24 x 7 basis.
3. Providing training to equipment operators on how to operate Equipment.
4. Configuring Equipment to operate on the State of Texas data network.

A.1.1.4 Quality Functions

Service Provider responsibilities include:

5. Performing quality control checks on all printed outputs, including the proper loading of all custom forms.

6. Interfacing with Authorized Users, allowing them to perform their quality control functions for designated jobs.
7. Spot-checking lines on MICR for accuracy to confirm compliance with bank specifications and scanner requirements.
8. Ensuring commingled jobs are merged properly.
9. Performing alignment requirements on custom print for Bank and Scanner specifications.

A.1.1.5 Resolving Incidents and Problems

Service Provider responsibilities include:

1. Participating in DIR Customer review meetings as required.
2. Providing technical support for Service Provider Equipment and Software located at Service Provider document processing center.
3. Tracking, managing, communicating, and resolving all incidents and problems related to the Services.
4. Identifying and reporting all reprints, including the cause of each reprint to DIR Customers; where reprints involve secure documents, obtaining approval from Authorized Users for reprints per the Service Management Manual.
 - 4.1. Destroying and documenting the destruction of original documents which have been reprinted per the security guidelines in the Service Management Manual where such documents are still in the Service Provider control.
5. Identifying, reporting, and correcting incidents and problems with Equipment and forms.
6. Answering requests from Authorized Users, including finding and/or replacing lost or missing output.
7. Requesting reruns in accordance with the Service Management Manual.

A.1.1.6 Forms Design

Service Provider responsibilities include:

1. Performing form design (e.g. electronic forms, templates) collaboratively with DIR Customers as required and in accordance with each DIR Customer's requirements.
2. Identifying and correcting incidents and problems on printed outputs that relate with forms and fonts.
3. Interfacing with appropriate DIR Customer personnel for sign-off approval of any new forms designed by the Service Provider or Third Party Vendors for printing of hard-copy forms.
4. Incorporate approved designs in print workflow and ensure proper integration into production print routines.
5. Maintain a configuration library of electronic forms using an industry standard configuration management product including version control.
6. Ensure integration of the configuration library into the Configuration Management Database (CMDB)

7. Interfacing with appropriate DIR Customer personnel for creation and authorization for use of digitized signatures.
8. Coordinating the distribution of forms.

A.1.2 Forms Formatting

Forms formats shall be defined through configurable templates, to support “raw-data” formats.

Service Provider responsibilities include:

1. Supporting the flexible inclusion of “in form” messages and inserts.
2. Provide programming for the creation of printed output from print files generated by DIR Customers.
3. Providing support for multiple media fulfillment, including paper, email, and other electronic means.
4. Supporting the presentation of a representation of the form over the web in compliance with security requirements defined in the Service Management Manual. The web-presentation of the form should have the same “look and feel” as the normal printed form.
5. Providing forms images that can be used for both viewing and reprinting. Reprints of originals requested by DIR Customers must be clearly marked as “copy” documents.
6. Providing the capability to support either in-house or outsourced fulfillment, including data output controls.

A.1.3 Forms Software Support

Service Provider responsibilities include:

1. Installing and upgrading forms Software. The appropriate change request or formal notification to the DIR Customer should include a regression test provided by the DIR Customer.
2. Development and maintenance of scripts or programs necessary to process DIR Customer files.
3. Maintaining a forms control library that is integrated with the CMDB.
4. Loading forms to printers.
5. Assisting and advising ADM staff.

A.1.4 Formatting and Job Processing

Service Provider responsibilities include:

1. Providing the capability to configure multiple output formats, based on attributes such as job-source (e.g. client desktop, server or mainframe Application), job-type (e.g. on demand, batch file, client batch), etc.
2. Supporting various delivery mechanisms, including file-based interfaces.
3. Supporting configuration of job delivery schedules and job-type.
4. Providing a full audit trail of all job-records (i.e. meta data and tracking for the job) delivered to a component of the solution.

A.1.4.1 Products

Service Provider will utilize and support, at a minimum, the following products and standards in use by DIR Customers during the 12 months prior to the Effective Date:

1. Paper Format: (e.g. 8 ½ x 11, security papers, continuous forms, roll, preprinted special forms, card stock, 90 lb. stock, laser labels, perforated paper, labels).
2. Envelopes: (e.g. office, multi-statements, security, #10 and larger business reply, up to and including flat size as defined by USPS).
3. Equipment: Continuous form printer (roll and box fed), printers (e.g. Xerox).
4. Applications/Products: (e.g. letters, invoices, billing statements, CD, report, checks, warrants, identification cards, sysout); including capability to provide cut and trim capabilities from standard stock.
5. Files: (e.g. TXT with variable data, advanced function printing, print spool).
6. Transmission: (e.g. CD, cartridge, email, IP connected, Internet (FTP, HTTP, HTTPS)).
7. Expedition: Making the documents available for pick up at the document control centers; delivering the documents where defined; delivering the documents for US Post Office or courier pickup; delivering documents to the US Post Office.
8. Print: (e.g. black and white, MICR, color highlight).
9. Finisher: (e.g. Auto envelope 8 ½ x 11, letter folded and half folded by mailing systems and inserted in envelopes sized 4 1/8 x 9 ½ , #10 and larger business reply, up to and including flat size as defined by USPS).
10. Security: Physical and logical.
11. Secure Documents as defined by the DIR Customer: (e.g. ID cards stock, medical ID cards, titles, checks, warrants, reports including bank statements, pharmacy reports, and other sensitive reports).
12. Equipment Maintenance: on-call technician.
13. Controls: (e.g. dash code, barcodes, both one-dimensional and two dimensional; intelligent barcodes-IMB, mail match codes, OCR-A font).

A.1.5 Administrative Functions

Service Provider responsibilities include:

1. Participating in the Change Management process and related disciplines for all changes that affect the print operations.
2. Planning, implementing, recording and reviewing changes made to the print operations environments and procedures.
3. Managing and/or coordinating with all Third Party Vendors and other DCS Service Providers associated with the Services.
4. Regular backup of printer specific softcopy material, including laser forms, fonts, and signatures for disaster recovery purposes.
5. DRP: Disaster Recovery Plan developed in coordination with DIR and DIR Customers.

6. Reviewing and testing the existing print and outbound mail Disaster Recovery Plans and capabilities once within one (1) year following the Commencement Date and annually thereafter. Providing disaster recovery recommendations to DIR and DIR Customers for consideration.
7. Documenting job procedures for print operations.
8. Maintaining audit logs.
9. Ordering and maintaining inventory for all paper forms and supplies needed to accomplish the Services.
10. Manage and control other specialized computer forms or stock associated with specific Applications
11. Tracking and reporting paper and forms usage and volumes for DIR Customers on a weekly basis or ad hoc as requested by DIR or DIR Customers.
12. Providing test support for new or changed Applications stock (e.g. warrants or paper ID card stock, title stock) for compatibility with standards and technical environments.
13. Scheduling preventive maintenance on all Equipment based on reviews, analysis of Equipment performance records, and original Equipment manufacturer recommendations.
14. Advising DIR on Equipment and technology investments related to print Services.

A.2 Outbound Mail

A.2.1 Mail Production Processes

Service Provider shall assume responsibility for mail Services related to print operations.

A.2.1.1 Compliance

Service Provider responsibilities include:

1. Operating in accordance with the applicable federal and state regulations (consistent with the Parties' obligations regarding same as set forth in **Section 15.11** of the Agreement), Service Provider shall provide remediation as required.
2. Providing secure location for document storage.
3. Following all US Postal regulations, including complying with the most current edition of the Domestic Mail Manual (DMM). Advising DIR and/or its designee(s) of any changes in the DMM that will impact mail Services monetarily or logistically. Checking for DMM updates on a monthly basis. Possessing the necessary licenses from the USPS. Process categories include (as applicable) the following items:
 - 3.1. Postal bar coding
 - 3.2. Readable addresses
 - 3.3. Tray makeup
 - 3.4. Postal code sort
 - 3.5. Tray labeling
 - 3.6. Reporting

4. Manage postal meters and related postage accounts for DIR Customer related Services

A.2.1.2 Presort

Service Provider responsibilities include:

1. Using USPS certified Software packaging, compatible with delivery point validation requirements of USPS, to validate addresses in order to obtain maximum postage rate discounts on mail in the appropriate state. This package must be available for use by Applications that create mailing addresses for printed output being directed to the US Postal Service.
2. In accordance with the procedures defined in the Service Management Manual, performing any necessary Presorting to optimize postal discounts.
3. Utilizing the services of Presort Third Party Vendors where necessary to achieve postal discounts.
4. Provide DIR Customers with an option to utilize other finishing services (e.g. FastForward; NCOALink).

A.2.1.3 Production Control

Service Provider responsibilities include:

1. Providing production turnaround and mailing of all documents, including warrants, paper ID cards and letters received during each process period in accordance with the Service Management Manual.

A.2.1.4 Quality Control

Service Provider responsibilities include:

1. Utilizing an active quality control process throughout the entire production flow to provide a high level of quality output and the ability to provide daily and monthly reports.
2. Troubleshooting and resolving all quality issues in a timely manner through the Incident and Problem Management Processes. Where a work around or modified solutions are required, submit Requests for Change through the Change Management process.
3. Entering production and quality data into databases for tracking and reporting to DIR and DIR Customers.
4. Filing and storing daily quality checklists for all production areas for a period as required by regulations after date of occurrence for DIR and DIR Customer auditing purposes.
5. Making reports available to DIR, DIR Customers or DIR Auditors for scheduled and unscheduled quality audits.
6. Analyzing and reporting data for process improvements, forecasting, quality assurance, and root cause detection.
7. Managing quality assurance functions, as needed, for all changes and enhancements to the outbound mail processes.
8. Verifying print quality and completeness of the file; provided, DIR acknowledges that Service Provider is not responsible for verifying the content or quality of the data.

9. Performing quality control checks of output from the Equipment to meet requirements (e.g. address readable in window, insert folded material properly, postmark readable, and correct sheet(s) insertion).
10. Administering and performing all quality control checks in accordance with the Service Management Manual.
11. Provide the capability to remove items specified by the DIR Customer or the quality control team prior to mailing.
12. Ensure that all finished Production mail has been placed in trays and mail bins to be released to the pre-sort vendor or delivered directly to the post office.

A.2.2 Operations

Service Provider shall assume responsibility for operations (manual, automated, production and ad hoc requests) as they exist on the Effective Date.

Service Provider responsibilities include:

1. Collaborating with DIR Customers in providing a secure environment.
2. Participating in regularly scheduled DIR Customer review meetings.
3. Managing work flow.
4. Ordering and maintaining inventory for all custom print stock, envelopes, inserts, laser labels and stuffers needed to accomplish the Services.
 - 4.1. Coordinate ordering of custom print stock and custom envelopes through DIR Customers.
 - 4.2. Coordinate and maintain inventory and order levels for DIR Customers.
5. Procuring and maintaining a sufficient stock of standard paper and standard envelopes
 - 5.1. Coordinating standards (e.g. 20# white paper roll stock, 8.5"x11" cut stock, #10 two window envelope) and ensure such standards are updated to the Service Management Manual or **Exhibit 8** as appropriate.
 - 5.2. Standard paper shall be 20# white paper roll stock, 8.5"x11" cut stock, or 8.5"x11" cut stock three hole punch paper.
 - 5.3. Standard #10 two window envelope shall be a 4-1/8" x 9-1/2" envelope with a 1-1/4" x 4-5/8" address window and a 7/8" x 3-3/8" return address window. The bottom address window shall be situated 5/8" above the bottom edge of the envelope and 1" from the left edge. The top return address window shall be situated 1/2" below the top of the envelope and 7/8" from the left edge of the envelope. The envelope shall provide sufficient opacity to prevent reading of information from the enclosed document. Windows shall provide sufficient transparency to meet USPS standards. In any instance where these specifications for this envelope do not conform to USPS standards, the USPS standard shall rule. Should Service Provider discover a conflict between these promulgated standards and USPS requirements, Service Provider shall create an incident in the Remedy system specifying the variance with USPS standards and contact the DIR Print-Mail Service Component Lead.
6. Processing manual or automated exceptions.
7. Preparing output for distribution and routing.

8. Routing output for manual assembly, automated mailing, and/or distribution.
9. Operating automated mailing devices and inserters.
10. Where required by DIR or DIR Customers, providing or coordinating services (e.g. courier, common carrier) for delivery of output media to designated locations (e.g. DIR Customer drop boxes).
11. Providing accurate, timely processing, and mailing in accordance with the Service Management Manual.
12. Performing manual inserting operations for all required documents (e.g. oversized, booklets, stuffers and reports).
13. Providing set up, scheduling and operation of automated report distribution software.
14. Analyzing hardcopy reports and making recommendations to DIR and DIR Customers for conversion to softcopy distribution.

A.2.2.1 Equipment (including Automated Mailing/Inserters, Envelope Labelers, Folders, etc.)

Service Provider responsibilities include:

1. Identifying problems with inserting Equipment and Software; opening an Incident through the Incident Management Process and interfacing with technical support as required.
2. Managing Third Party Vendors for Equipment and associated Software repairs to provide sufficient capacity to accomplish the production demand.
3. Scheduling preventive maintenance on Equipment based upon reviews, analysis of Equipment performance records, and original equipment manufacturer recommendations.

A.2.2.2 Resolving Incidents and Problems

Service Provider responsibilities include:

1. Managing output and reporting of technical incidents and problems to support through the appropriate process.
2. Identifying missing information, investigating and re-ordering print.
3. Managing the remake process for damaged/mutilated documents.
4. Identifying discrepancies and taking necessary corrective action.
5. Requesting assistance as required from information sources.
6. Participate in completion of a RCA as defined in **Exhibit 2.1.2** and the Service Management Manual.

A.2.2.3 Manual and Production Output Processing

For manual assembly and processing of production output, Service Provider responsibilities include:

1. Coordinating, collating, inserting, verifying materials against reports, sorting, auditing, and cross-checking of outputs.
2. Preparing output (e.g. tray/bucket envelopes) for distribution and routing.

A.2.3 Account Management

Service Provider responsibilities include:

1. Interfacing with DIR regarding costing and chargeback as it relates to validated cost centers and cost center sub-accounts provided by DIR Customers.
2. Coordinating and monitoring start-up and changes to production activities.
3. Participating in testing, implementation, and post-implementation reviews for new and major revisions to all job functions.
4. Creating and publishing outbound mail production schedules.
5. Coordinating and interacting with DIR Customer management.

A.2.4 Administrative Support Services

Service Provider responsibilities include:

1. Implementing approved processes in the outbound mail operation in accordance with the Service Management Manual.
2. Documenting job procedures for outbound mail operations in the Service Management Manual.
3. Performing audits of outbound mail processes.
4. Recording and maintaining schedule tracking details and production volumes to allow for daily reporting as necessary.
5. Completing chargeback tasks and reporting per schedule.
6. Managing postage meters for outbound mail functions.
7. Providing for direct billing of postage for designated federal programs.
8. Preparing and distributing custom postage reports.
9. Managing Third Party Vendors and other DCS Service Providers who provide functions related to the Services.
10. Maintaining sufficient outbound mail supplies inventory.
11. Producing and distributing requested reports, including the ability to provide analytical reports to support the administrative, operational, or technical requirements.
12. Answering and fulfilling requests with respect to Calls.
13. Advising DIR on Equipment and technology investments related to outbound mail Services.
14. Providing subject matter expertise regarding assembly, outbound mail procedures and USPS compliance.
15. Providing functional subject matter expertise on business Applications.
16. Gathering, maintaining, and reporting key metrics in compliance with the terms of **Exhibit 3**.
17. Maintaining sufficient capacity and staffing to meet business needs. Service Provider will provide a sufficient number of qualified Service Provider Personnel involved in the production support process to minimize risk to DIR and DIR Customers, including risks that may result from incorrectly executed production-related activities.

18. Proactively monitoring, ordering, maintaining, and storing appropriate level of support materials and office supplies, on the production floor and readily accessible, as needed to accomplish the Services.
19. Providing test support for new or changed Applications, stock, and procedures for compatibility with standards and technical environments.
20. Identifying and implementing Equipment solutions to improve cost, productivity, and quality and coordinating via the Change Management Process and associated Procedures.
21. Managing In-Scope projects that support the business needs or improve the outbound mail environments.