

# TexasOnline 2.0 Master Agreement

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Between

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

*and*

**Texas NICUSA, LLC**

## **Exhibit D Performance Criteria**

July 31, 2009

## Exhibit D Performance Criteria

Contents of *Exhibit D Performance Criteria* follow:

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### Article I. Introduction

The purpose of *Exhibit D* is to comprehensively address the agreed-upon performance criteria for TexasOnline 2.0.

### Article II. Performance Criteria Contractual Principles

*Exhibit D Performance Criteria* addresses the following principles:

#### **Section 2.01 Liquidated Damages**

- (a) The Vendor will perform its responsibilities and tasks as specified in the Master Agreement. This expectation is reasonable, within normally acceptable business practices, and in the best interests of the State, its Customers, and its Citizens.
- (b) The State has chosen to address a majority of the risks related to Vendor performance through the assessment of liquidated damages. The liquidated damages provisions described below represent the projected financial loss and expenditures that may occur as a result of Vendor non-performance, including financial loss or reduced cost savings as a result of project delays. The following provisions form the basis for assessing liquidated damages:
  - (i) If the Vendor does not fulfill its obligations under the Master Agreement, the State will be damaged;
  - (ii) Establishing the precise amount or value of such damage would be difficult to quantify;
  - (iii) Except as otherwise provided in the Master Agreement, liquidated damages will start to accumulate immediately following the end of the cure period; cure periods begin upon Vendor receipt of notification from the State that a deficiency has occurred.
- (c) The time set forth in the Master Agreement for the completion of work is an essential element of the Master Agreement. The Vendor's failure to complete specified work within the timeframes prescribed by the Master Agreement will cause damage to the State and possibly to other vendors. If the Vendor is solely responsible for impacting the

timelines of other vendors, the Vendor will be held accountable as determined by DIR. Therefore, should the Vendor fail to complete the specified work within the agreed-upon times, the State may assess and/or collect liquidated damages in the amount specified in this *Exhibit*. The State's decision to not assess liquidated damages in one or more of the particular instances described will in no event waive the right of the State to assess additional liquidated or actual damages. As provided in *Exhibit B Terms and Conditions, Section 11.02 Tailored remedies*, DIR also reserves the right to pursue recovery of actual losses resulting from the failure of the Vendor to perform or the specific liquidated damages noted, but may not seek to recover both.

- (d) Should any of the following listed events occur during the Master Agreement, DIR, following a root cause analysis, will assess liquidated damages against the Vendor in the amounts specified. DIR will notify the Vendor in writing, for any default specified herein, and such liquidated damages, if undisputed by the Vendor, will be paid by the Vendor within thirty (30) calendar days of the DIR notice. Any dispute must be reasonable and provided in writing to DIR. A dispute regarding the assessment of liquidated damages will be resolved through *Exhibit B Terms and Conditions, Section 11.02 Tailored remedies*.
- (e) Except where noted otherwise, expectations and activities described within this document will be evaluated as having the general impact criteria described for the purposes of liquidated damages. DIR will evaluate both the accuracy and timeliness of expectations and activities in order to determine potential liquidated damages. DIR will provide written notice ten (10) days prior to the assessment of any potential liquidated damages. This notice will allow the opportunity for a written response to DIR within the ten (10) day period regarding any considerations that may be applicable to the potential liquidated damages being considered. Liquidated damages will not be assessed during the specified cure period, which is intended to allow corrections of the accuracy and/or timeliness deficiency, except as noted otherwise.
- (f) In all instances in which the delay or failure to perform is caused by a Force Majeure Event or other event which excused performance under the terms of the Master Agreement, liquidated damages will not be assessed, and the calculation of performance will be adjusted for the periods of delay caused by such Force Majeure Event or excused under the terms of the Master Agreement.

### **Section 2.02 Service Level Methodology**

- (a) Vendor will comply with the performance criteria outlined in this *Exhibit D*.
- (b) There are two sets of effective dates for all of the performance criteria – upon Master Agreement Effective Date and Cutover. The Implementation and management reports performance criteria will become effective immediately upon Master Agreement Effective Date. The performance criteria for the remaining categories will be effective upon Cutover.
- (c) For the two Help Desk performance criteria, which become effective upon Cutover, DIR and the Vendor will set the expected service levels based upon production data collected by Vendor during Implementation. Using the existing baseline performance

criteria for Help Desk based on production data, DIR and the Vendor will mutually agree to establish the expected service level to be that of the average of production data.

- (d) Vendor will provide continuous improvement of the performance criteria over the life of the Master Agreement. Once baseline performance criteria are mutually accepted, DIR and the Vendor will review all of the service levels beginning March 1, 2011 and on an annual basis. Modifications to the expected service level and remedy units will be based on the following methodology:
  - (i) Each modified expected service level will be reset to the average of the six highest reported actual results (for example, the average of 99.60% is higher than the average of 99.40%). If fewer than six reported actual results exceeded the existing expected service level, the modified expected service level will be reset by taking the six highest monthly actual results, replacing each such actual result that is below the existing expected service level with the existing expected service level, and dividing the sum of the resulting six numbers by six.
  - (ii) In no event shall any single increase in an expected service level exceed ten percent (10%).
  - (iii) In some cases, as the expected service level is increased, the Parties can agree to modify the remedy unit as well.
- (e) All proposed plans and mechanisms to be used for reporting shall be subject to approval by DIR and all approved service level agreements will be governed by the *Exhibit B Terms and Conditions*, as well as any special provisions agreed upon by DIR and the Vendor with respect to each service level and/or Customer Agreement.

### **Section 2.03 Earn-Back Credit**

- (a) An earn-back provision will be provided for identified performance criteria as a means to provide incentive to the Vendor to consistently exceed performance expectations by allowing the Vendor to earn Earn-back Credits.
- (b) "Earn-back Credit" is defined as the unit of measure awarded to the Vendor upon the Vendor meeting or exceeding specified expected service levels under the Master Agreement, which units may be used by Vendor to offset liquidated damages assessed against the Vendor as a result of Vendor's failure to meet specified expected service levels, as provided in the Master Agreement. Use of Earn-back Credits will be limited to offsetting liquidated damages assessed for the same service performance level for which the credit is awarded.
- (c) These Earn-back Credits will be "banked" on a monthly basis by service level, and the status of these banked Earn-back Credits will be reported on a regular basis to DIR as described in *Attachment H-1 Policies and Procedures Manual*. The Earn-back Credits may be rolled over from one month to the next but must be applied to the service level for which they were earned. This prevents the Vendor from consistently exceeding a service level in one category over the course of the year and consistently missing a service level in another area and never having to pay a remedy. Earn-back Credits must be utilized during the same State fiscal year they were earned.

### Section 2.04 Performance

- (a) DIR will measure performance in the following areas:
- (i) Implementation,
  - (ii) Management Plans,
  - (iii) Portal and Application Performance,
  - (iv) Portfolio Management,
  - (v) Reports,
  - (vi) Security and Privacy,
  - (vii) Help Desk, and
  - (viii) Customer Satisfaction.
- (b) The Vendor will not be responsible for hardware infrastructure performance, as defined in the DCS Master Services Agreement, except as otherwise required in *Exhibit L Data Center Services*.
- (c) If the Vendor impacts performance within TexasOnline 2.0 and DIR determines that it is solely the fault of the Vendor or its Subcontractors through root cause analysis, DIR will have the right to assess liquidated damages or remedies as agreed to in this *Exhibit* and in accordance with *Exhibit B Terms and Conditions, Section 11.02 Tailored remedies*.

### Section 2.05 Implementation

- (a) The Vendor must assume full operational control of TexasOnline 2.0 as of the Cutover, December 31, 2009, at 11:59:59 p.m. Should an Implementation delay event occur and not be remedied by the Vendor within a designated cure period, DIR will notify the Vendor in writing of the occurrence of an Implementation delay event. After written notice from DIR of the occurrence or existence of such Implementation delay event, DIR will have the right to assess liquidated damages in the amounts specified for each day that such unresolved Implementation delay event exists after expiration of the applicable cure period.

**Table 1: Performance Criteria for Implementation Delays**

|   | Implementation Plan  | Performance Remedy                   | Cure Period |
|---|--|--------------------------------------|-------------|
| 1 | Transition all SLAs to new Customer Agreements by December 15, 2009                            | \$500 per day per Customer Agreement | 5 days      |
| 2 | Provide affirmation by December 1, 2009, that all core requirements will be met by the Cutover | Corrective Action Plan               | None        |
| 3 | Core requirements complete and TexasOnline 2.0 is fully operational by the Cutover             | \$10,000 per day                     | None        |
| 4 | Publish approved specifications by June 1, 2010  | \$500 per day                        | 5 days      |

**Section 2.06 Management Plans**

- (a) Failure of the Vendor to submit the Management Plans required in *Exhibit G Plans* in a final version to DIR for review and acceptance may result in liquidated damages in the amount of \$500 per day after a five (5) day cure period. The same liquidated damages also apply to Management Plans that are changed due to any future updates or revision requests that may be required by DIR. A revised plan addressing changes recommended by DIR must be submitted to DIR within five (5) business days of receiving notice from DIR. Changes to Management Plans will be made in accordance with *Exhibit G Plans, Article III Methodology for Updating Associated Exhibit Attachments and Plans*.
- (b) Due dates for the Initial Drafts and Final Drafts of the Management Plans are specified in *Exhibit G Plans*.

**Section 2.07 Portal and Application Performance**

- (a) The Vendor will measure availability and reliability as defined below, and report on performance as described in *Exhibit F Reporting*.
- (b) The following table of activities and expectations provides additional specific criteria regarding potential liquidated damages. DIR reserves the right to modify the monitoring frequency through the Contract Amendment process in accordance with the Master Agreement Section 5 Contract Amendments.
- (c) The Vendor will provide the following service levels:

| SERVICE LEVEL NAME                                      |   | START DATE |
|---|---|------------|
| <b>TexasOnline 2.0 Scheduled Maintenance Activities</b> |   | Cutover    |
| <b>METRIC DESCRIPTION</b>                               | <p>TexasOnline 2.0 must be operational and available twenty-four (24) hours a day, seven (7) days a week, throughout the year. The only exception will be for pre-defined systems administration and scheduled maintenance. Scheduled maintenance must be performed at times that will not adversely impact daily operations and must be scheduled during lowest activity times as agreed to by the Parties.</p> <p>Scheduled maintenance or downtime must be coordinated with DCS and approved by DIR with at least (7) days advance notice of performing the scheduled downtime, unless otherwise agreed by the Parties.</p>                |            |
| <b>METRIC INCLUSIONS</b>                                | <p>Scheduled maintenance includes adherence to the following criteria. The Vendor will (a) coordinate with DCS, DIR and the appropriate Customers, as well as other vendors, to identify maintenance needs; (b) utilize the Change Control Board (CCB) process to obtain the necessary approvals prior to scheduling and initiating any planned maintenance activities; (c) provide DIR, appropriate Customers and the CCB with 72 hours notice to review and approve scheduled outages; and (d) submit requests with at least seven (7) days advance notice of performing the scheduled downtime unless otherwise agreed by the Parties.</p> |            |

|                               |  |
|-------------------------------|--|
|                               | In the event of an emergency maintenance request, the Vendor will contact DIR directly to gain immediate approval to allow the Vendor to take appropriate actions and the Vendor will provide the CCB and appropriate Customers an update following resolution of the issue. Receipt of the appropriate approvals from DIR prior to initiating the emergency maintenance activity will allow the emergency maintenance activity to qualify as "scheduled maintenance". |
| <b>METRIC EXCLUSIONS</b>      | <ul style="list-style-type: none"> <li>a. Individual applications and services unavailable for reasons other than the fault of the Vendor, including but not limited to DCS outages, Customer work on systems or applications</li> <li>b. Force Majeure Events</li> </ul>  |
| <b>HOURS OF MEASUREMENT</b>   | 24x7   |
| <b>DAYS OF MEASUREMENT</b>    | 365  |
| <b>EXPECTED SERVICE LEVEL</b> | Equal to or less than zero (0)   |
| <b>ALGORITHM</b>              | TexasOnline 2.0 Availability – Scheduled maintenance activities shall be calculated, for a given measurement window, as (a) the total number of actual maintenance minutes during such measurement window, less any metric exclusions, minus (b) the total number of scheduled maintenance minutes during such measurement window.   |
| <b>COLLECTION PROCESS</b>     | Service Uptime   |
| <b>REPORTING TOOLS</b>        | Monthly Progress and Performance Report  |
| <b>REMEDY UNIT</b>            | \$100 for each tenth of an hour above zero (0)   |
| <b>EARN BACK UNIT</b>         | If algorithm result is negative, then \$100 for each tenth of an hour less than zero.  |
| <b>PERFORMANCE CATEGORY</b>   | Availability   |
| <b>MEASUREMENT WINDOW</b>     | <input checked="" type="checkbox"/> Monthly<br><input type="checkbox"/> Quarterly<br><input type="checkbox"/> Semi Annual  |

| SERVICE LEVEL NAME   | START DATE   |
|--|--|
| <b><i>Application Reliability –New Services Built and Maintained by Vendor</i></b> | Cutover  |
| <b>METRIC DESCRIPTION</b>  | The Vendor is responsible in coordination with DCS for maintaining a reliable system. This metric refers to unscheduled downtime of Vendor-built applications and Services as a percentage of available hours tracked to the tenth of an hour. |
| <b>METRIC INCLUSIONS</b>   | Reliability will be measured and monitored for each hosted application or service built by   |

|                               |   |
|-------------------------------|---|
|                               | <p>Vendor.</p> <p>The Vendor will coordinate with DCS, DIR and the appropriate Customers, as well as other vendors, to identify maintenance needs and will utilize the Change Control Board (CCB) process to obtain the necessary approvals prior to scheduling and initiating any maintenance activities. The Vendor will provide DIR and the CCB with 72 hours notice to review and approve scheduled outages. Maintenance will be requested with at least seven (7) days advance notice of performing the scheduled downtime. In the event of an emergency maintenance request, the Vendor will contact DIR directly to gain immediate approval to allow the Vendor to take appropriate actions and the Vendor will provide the CCB an update following resolution of the issue.</p> |
| <b>METRIC EXCLUSIONS</b>      | <ul style="list-style-type: none"> <li>a. Scheduled maintenance</li> <li>b. Applications and Services built by third parties</li> <li>c. Force Majeure Events</li> <li>d. Events determined to be caused by an entity other than or outside the control of the Vendor, including but not limited to events in which the root cause is determined to be out of the control of the Vendor.</li> </ul>   |
| <b>HOURS OF MEASUREMENT</b>   | 24x7  |
| <b>DAYS OF MEASUREMENT</b>    | 365   |
| <b>EXPECTED SERVICE LEVEL</b> | 99.90%  |
| <b>ALGORITHM</b>              | <p>Application Reliability shall be calculated, for a given measurement window, as (a) the total number of available hours during such measurement window, minus (b) the total number of unscheduled downtime divided by (c) available hours during such measurement window, with the result expressed as a percentage to two (2) decimal places.</p> <p>Available hours equal total number of hours in a month (24 hours x number of days in the month) for the hosted Vendor-built application in the month.</p> <p>Unscheduled downtime equals total number of hours (to the quarter hour) during which a hosted Vendor-built application is not available for reasons outside of metric exclusions and solely due to the fault of the Vendor.</p>                                   |
| <b>COLLECTION PROCESS</b>     | Service Uptime  |
| <b>REPORTING TOOLS</b>        | Monthly Progress and Performance Report   |
| <b>REMEDY UNIT</b>            | \$200 for each tenth of a percentage below target   |
| <b>EARN BACK UNIT</b>         | \$100 for each tenth of a percentage above target   |
| <b>PERFORMANCE CATEGORY</b>   | Reliability   |
| <b>MEASUREMENT WINDOW</b>     | <input checked="" type="checkbox"/> Monthly<br><input type="checkbox"/> Quarterly<br><input type="checkbox"/> Semi Annual   |

| SERVICE LEVEL NAME  | START DATE  |
|---|---|
| <b>Application Reliability – Existing TexasOnline Solutions</b> | Cutover   |
| <b>METRIC DESCRIPTION</b>                                       | The Vendor will support the existing applications previously developed and supported through TexasOnline under the Texas Electronic Framework Agreement. Master Work Order Projects will continue to be held to performance criteria established in the Texas Electronic Framework Agreement.   |
| <b>METRIC INCLUSIONS</b>  | <p>Reliability will be measured and monitored for each hosted application deployed through TexasOnline.</p> <p>The Vendor will coordinate with DCS, DIR and the appropriate Customers, as well as other vendors, to identify maintenance needs and will utilize the Change Control Board (CCB) process to obtain the necessary approvals prior to scheduling and initiating any maintenance activities. The Vendor will provide DIR and the CCB with 72 hours notice to review and approve scheduled outages. Maintenance will be requested with at least seven (7) advance notice of performing the scheduled downtime. In the event of an emergency maintenance request, the Vendor will contact DIR directly to gain immediate approval to allow the Vendor to take appropriate actions and the Vendor will provide the CCB an update following resolution of the issue.</p> |
| <b>METRIC EXCLUSIONS</b>  | <ul style="list-style-type: none"> <li>a. Master Work Order Projects</li> <li>b. Scheduled maintenance</li> <li>c. Force Majeure Events</li> <li>d. Events determined to be caused by an entity other than or outside the control of the Vendor</li> </ul>  |
| <b>HOURS OF MEASUREMENT</b>                                     | 24x7  |
| <b>DAYS OF MEASUREMENT</b>                                      | 365   |
| <b>EXPECTED SERVICE LEVEL</b>                                   | 99.50% by Cutover<br>Provide a plan by March 1, 2010 for achieving the 99.9%  |
| <b>ALGORITHM</b>  | <p>Application reliability shall be calculated, for a given measurement window, as (a) the total number of available hours during such measurement window, minus (b) the total number of unscheduled downtime divided by (c) available hours during such measurement window, with the result expressed as a percentage to two (2) decimal places.</p> <p>Available hours equal total number of hours in a month (24 hours x number of days in the month) for the hosted application.</p> <p>Unscheduled downtime equals total number of available hours (to the quarter hour) during which a hosted application is not available for reasons outside of metric exclusions and solely due to the fault of the Vendor.</p>  |
| <b>COLLECTION PROCESS</b>                                       | Service Uptime  |

|                             |   |
|-----------------------------|---|
| <b>REPORTING TOOLS</b>      | Monthly Progress and Performance Report   |
| <b>REMEDY UNIT</b>          | \$200 for each tenth of a percentage below target   |
| <b>EARN BACK UNIT</b>       | \$100 for each tenth of a percentage above target   |
| <b>PERFORMANCE CATEGORY</b> | Reliability   |
| <b>MEASUREMENT WINDOW</b>   | <input checked="" type="checkbox"/> Monthly<br><input type="checkbox"/> Quarterly<br><input type="checkbox"/> Semi Annual |

| SERVICE LEVEL NAME                               | START DATE  |
|--|---|
| <b>Application Reliability – Portal Presence</b> | Cutover   |
| <b>METRIC DESCRIPTION</b>                        | The Vendor is responsible, in coordination with DCS, for maintaining a reliable Portal Presence, defined as the landing page for TexasOnline 2.0 and top-level pages available directly from the homepage of TexasOnline 2.0, and the Emergency Preparedness Page.  |
| <b>METRIC INCLUSIONS</b>                         | Reliability is measured for the TexasOnline 2.0 homepage, top-level TexasOnline 2.0 pages accessible directly from the home page and the Emergency Preparedness Page and deemed unreliable if the Portal Presence and the Emergency Preparedness Page are not responding to HTTP requests for 15 minutes.   |
| <b>METRIC EXCLUSIONS</b>                         | a. Scheduled maintenance<br>b. Force Majeure Events<br>c. Any event determined to be caused by an entity other than or outside the control of the Vendor. Exclusions include but are not limited to DCS downtime not caused by Vendor. The Vendor will not be held responsible for outage calculations in which the root cause is determined to be out of the control of the Vendor.  |
| <b>HOURS OF MEASUREMENT</b>                      | 24x7  |
| <b>DAYS OF MEASUREMENT</b>                       | 365   |
| <b>EXPECTED SERVICE LEVEL</b>                    | 99.50%  |
| <b>ALGORITHM</b>                                 | <p>Portal Presence Reliability shall be calculated, for a given measurement window, as (a) the total number of available hours during such measurement window, minus (b) the total number of unscheduled downtime divided by (c) available hours during such measurement window, with the result expressed as a percentage to two (2) decimal places.</p> <p>Available hours equal total number of hours in a month (24 hours x number of days in the month) for the Portal Presence and Emergency Preparedness Page during the measurement window.</p> <p>Unscheduled downtime equals total number of hours (to the quarter hour) during which the</p> |

|                             |   |
|-----------------------------|---|
|                             | landing page for TexasOnline 2.0 and top-level pages available directly from the homepage of TexasOnline 2.0, and the Emergency Preparedness Page are not functioning because of events outside of metric exclusions and solely due to the fault of the Vendor. |
| <b>COLLECTION PROCESS</b>   | Service Uptime  |
| <b>REPORTING TOOLS</b>      | Monthly Progress and Performance Report   |
| <b>REMEDY UNIT</b>          | \$500 for each tenth of a percentage below target   |
| <b>EARN BACK UNIT</b>       | \$250 for each tenth of a percentage above target   |
| <b>PERFORMANCE CATEGORY</b> | Reliability   |
| <b>MEASUREMENT WINDOW</b>   | <input checked="" type="checkbox"/> Monthly<br><input type="checkbox"/> Quarterly<br><input type="checkbox"/> Semi Annual   |

| SERVICE LEVEL NAME            | START DATE   |
|-------------------------------|--|
| <b>Problem Response</b>       | Cutover  |
| <b>METRIC DESCRIPTION</b>     | <p>Problem response means the acknowledgement by Vendor of a Severity 'X' problem assigned by the Help Desk. Severity Levels definitions are found in <i>the Defect Levels Severity Table</i>.</p> <p>Severity 1 (Critical): 15 Minutes</p> <p>Severity 2 (High): 30 Minutes</p> <p>Severity 3 (Medium): 60 Minutes</p> <p>Severity 4 (Low): 240 Minutes</p> |
| <b>METRIC INCLUSIONS</b>      | All Severity 'X' Incident tickets for applications and services for which the Vendor is operationally responsible.   |
| <b>METRIC EXCLUSIONS</b>      | Severity 'X' Incident tickets for applications and services for which the Vendor is not operationally responsible. If the number of Severity 'X' Incident tickets measured in a Measurement Reporting interval is five or less, the Measurement Interval will be extended for the next Measurement interval for determining Service Level Units.             |
| <b>HOURS OF MEASUREMENT</b>   | 24x7   |
| <b>DAYS OF MEASUREMENT</b>    | 365  |
| <b>EXPECTED SERVICE LEVEL</b> | 95%  |
| <b>ALGORITHM</b>              | Response to Severity 'X' Problems is calculated as the total number of Severity 'X' Problems allocated to the Vendor by the help desk that are responded to within 'X' minutes during the reporting period divided by the total number of Severity 'X' problems allocated to the   |

|                             |   |
|-----------------------------|---|
|                             | Vendor by the Help Desk during the reporting period less metric exclusions expressed as a percentage to two (2) decimal places. |
| <b>COLLECTION PROCESS</b>   | Remedy  |
| <b>REPORTING TOOLS</b>      | Monthly Progress and Performance Report   |
| <b>REMEDY UNIT</b>          | Corrective Action Plan  |
| <b>EARN BACK UNIT</b>       | NA  |
| <b>PERFORMANCE CATEGORY</b> | Reliability   |
| <b>MEASUREMENT WINDOW</b>   | <input checked="" type="checkbox"/> Monthly<br><input type="checkbox"/> Quarterly<br><input type="checkbox"/> Semi Annual       |

- (d) The Vendor must report all instances of availability and reliability non-performance to DIR as soon as the non-performance issue is detected. The initial incident report must be submitted to DIR within 24 hours of the incident. A detailed incident report must be submitted to DIR within seven (7) calendar days of the incident.

### **Section 2.08 Reports**

- (a) Liquidated damages may be assessed if the Vendor fails to produce and submit all required reports according to the schedule provided in *Attachment H-1 Policies and Procedures Manual*. Vendor will not be liable for any failure or delay in performing its obligations under this Section if such failure or delay is due to Force Majeure Events. Additional reporting may be required by DIR in accordance with *Exhibit F Reporting*. Table 2.08.1 and Table 2.08.2 describe the reports due from Vendor and schedule of liquidated damages according to report Impact.

**Table 2.08.1 – Reports**

| <b>ID</b> | <b>Report Name</b>                           | <b>Impact</b> |
|-----------|--|---------------|
| 1         | Implementation Status Report                 | High          |
| 2         | Help Desk Process Improvement                | Low           |
| 3         | Application Service Levels                   | High          |
| 4         | Accessibility                                | Low           |
| 5         | IT Portfolio                                 | Medium        |
| 6         | Progress and Performance                     | High          |
| 7         | Fiscal Year Annual Budget and Marketing Plan | High          |
| 8         | Monthly Financial Report                     | High          |
| 9         | State Revenue Share                          | High          |

| ID | Report Name   | Impact |
|----|---|--------|
| 11 | Fixed Assets report   | Low    |
| 12 | Labor Reports for Master Work Order Projects  | Medium |
| 13 | Organization Chart detailing TexasOnline 2.0 Program Staffing and Labor Roster for Master Work Order Projects | Medium |
| 14 | Customer Satisfaction   | Medium |
| 15 | Compliance reports (Prime Contractor Progress Assessment Report – PAR)  | Medium |
| 16 | Security / Privacy Incident   | High   |
| 17 | Security Status Report  | Medium |
| 18 | Vendor Security Assessment and Remediation  | High   |
| 19 | Vendor Internal Security Report of Internal Controls  | Medium |
| 20 | Vendor Security Awareness Training  | Low    |
| 21 | Change Management Security Assessment   | Medium |
| 22 | Correction or remediation reports for any audit exceptions  | Medium |

**Table 2.08.2 – Cure Periods for Reports**

| Report Category         | Liquidated Damage Amount | Cure Period |
|-------------------------|--------------------------|-------------|
| 1 High Impact Reports   | \$500 per day            | 3 days      |
| 2 Medium Impact Reports | \$200 per day            | 7 days      |
| 3 Low Impact Reports    | \$100 per day            | 14 days     |

**Section 2.09 Security and Privacy**

- (a) Vendor security services will report to the authorized DIR security representative all Security and Privacy Incidents requiring possible corrective action within four (4) hours of the discovery of the Security or Privacy Incident.
- (b) Vendor will bear the cost of all claims, judgments, legal fees, attorney fees, and associated costs due to a Security or Privacy Incident that is directly attributable to the Vendor’s failure in performance under the Master Agreement.
- (c) Vendor will bear the cost of all claims, judgments, legal fees, attorney fees, and associated Customer and Citizen notification and remediation costs due to a Security or Privacy Incident or other loss of data that is directly attributable to the Vendor’s failure in performance under the Master Agreement.
- (d) Vendor will implement and maintain reasonable procedures, including taking any appropriate corrective action, to protect and safeguard from unlawful use or disclosure

all sensitive personal information, as such is defined at §48.002, Texas Business and Commerce Code, that is collected or maintained by Vendor under the Master Agreement.

- (e) Vendor will notify DIR, and the affected Customers and Citizens if appropriate, of any Security or Privacy Incident in accordance with the terms of the Master Agreement, if sensitive personal information was, or is reasonably believed to have been, disclosed to or acquired by an unauthorized person. However, Vendor may delay providing notice to the affected Customers and Citizens at the request of DIR if DIR determines that the notification will impede a criminal or a valid security investigation. The notification to the affected Customers and Citizens will be made as soon as DIR determines that it will not compromise any criminal investigation.
- (f) Notification to Citizens for a Security or Privacy Incident will be made by Vendor at Vendor's expense and at the direction of DIR, and will comply with the notification requirements of §48.103, Texas Business and Commerce Code.
- (g) In the event of any Security or Privacy Incident, if sensitive personal information was, or is reasonably believed to have been, disclosed to or acquired by an unauthorized person, Vendor will also provide the following protections (at the direction of DIR and at Vendor's expense) to the affected Citizens, and will notify the affected Citizens of these protections in the notice Vendor provides to such affected Citizens:
  - (i) Vendor will cover the cost of providing the affected Citizens with credit monitoring services for a minimum of twelve (12) months
  - (ii) Vendor will cover the cost of providing the affected Citizens with identity theft insurance for a minimum of twelve (12) months upon request by the affected Citizens
  - (iii) Vendor will provide the affected Citizens with call center support regarding the Security or Privacy Incident for a minimum of thirty (30) days upon request by the affected Citizens.

**Section 2.10 Help Desk**

- (a) The Vendor will provide Help Desk services using the following service levels. There are no proposed earn-back provisions for these performance criteria.

| SERVICE LEVEL NAME                          | START DATE  |
|---|---|
| <b>Help Desk – Average Call Answer Time</b> | Cutover   |
| <b>METRIC DESCRIPTION</b>                   | <p>The elapsed time between when a person selects a service option (initiates Chat or selects option from IVR menu) and the time the phone call is answered by a live support technician ready to start working the request.</p> <p>The expected service level will be established using the average of production data</p> |

|                               |   |
|-------------------------------|---|
|                               | collected during Implementation.  |
| <b>METRIC INCLUSIONS</b>      | All phone calls to the Help Desk will be included in the calculation of this service level with no exceptions for phone calls to the Help Desk during any period of Downtime.   |
| <b>METRIC EXCLUSIONS</b>      | <ul style="list-style-type: none"> <li>a. Force Majeure Events, issues associated with user’s phone or communication device, power made available by the public utility or Internet connections not maintained by Vendor or its Help Desk subcontractor.</li> <li>b. Events determined to be caused by an entity other than or outside the control of the Vendor, including but not limited to events in which the root cause is determined to be out of the control of the Vendor.</li> </ul>  |
| <b>HOURS OF MEASUREMENT</b>   | Daily   |
| <b>DAYS OF MEASUREMENT</b>    | 365   |
| <b>EXPECTED SERVICE LEVEL</b> | The expected service level will be established using the average of production data collected during Implementation.  |
| <b>ALGORITHM</b>              | Average Call Answer Time is the total number of seconds for all phone calls to the Help Desk during the measurement window, between (a) the time the phone caller first selects a service option (initiates Chat or selects option from IVR menu) for assistance by a live support technician to (b) the time the phone call is verbally answered by a live support technician ready to start working on the phone call divided by the total number of all phone calls to the Help Desk during the applicable month less metric exclusions. |
| <b>COLLECTION PROCESS</b>     | Remedy  |
| <b>REPORTING TOOLS</b>        | Monthly Performance and Progress Report   |
| <b>REMEDY UNIT</b>            | Corrective Action Plan  |
| <b>EARN BACK UNIT</b>         | NA  |
| <b>PERFORMANCE CATEGORY</b>   | Help Desk   |
| <b>MEASUREMENT WINDOW</b>     | <input checked="" type="checkbox"/> Monthly<br><input type="checkbox"/> Quarterly<br><input type="checkbox"/> Semi Annual   |

| SERVICE LEVEL NAME              | START DATE   |
|---------------------------------|--|
| <b>Help Desk – Abandon Rate</b> | Cutover  |
| <b>METRIC DESCRIPTION</b>       | <p>The percentage of phone calls to the Help Desk that are abandoned by the person after the person selected a service option and prior to a live support technician answering the phone call.</p> <p>The actual service level will be established using the average of production data collected during Implementation.</p> |

|                               |   |
|-------------------------------|---|
| <b>METRIC INCLUSIONS</b>      | All phone calls to the Help Desk that are abandoned   |
| <b>METRIC EXCLUSIONS</b>      | <ul style="list-style-type: none"> <li>a. Force Majeure Events, issues associated with user's phone or communication device, power made available by the public utility or Internet connections not maintained by Vendor.</li> <li>b. Events determined to be caused by an entity other than or outside the control of the Vendor, including but not limited to events in which the root cause is determined to be out of the control of the Vendor.</li> </ul> |
| <b>HOURS OF MEASUREMENT</b>   | Daily   |
| <b>DAYS OF MEASUREMENT</b>    | 365   |
| <b>EXPECTED SERVICE LEVEL</b> | The actual service level will be established using the average of production data collected during Implementation.  |
| <b>ALGORITHM</b>              | Abandon Rate is the total number of phone calls to the Help Desk during the applicable month that are (a) abandoned by the person after the person selected a service option and (b) prior to a live support technician answering the phone call divided by the total number of phone calls to the Help Desk during the applicable month for which the person selected a service option less metric exclusions.   |
| <b>COLLECTION PROCESS</b>     | Remedy  |
| <b>REPORTING TOOLS</b>        | Monthly Performance and Progress Report   |
| <b>REMEDY UNIT</b>            | Corrective Action Plan  |
| <b>EARN BACK UNIT</b>         | NA  |
| <b>PERFORMANCE CATEGORY</b>   | Help Desk   |
| <b>MEASUREMENT WINDOW</b>     | <input checked="" type="checkbox"/> Monthly<br><input type="checkbox"/> Quarterly<br><input type="checkbox"/> Semi Annual   |

### Section 2.11 Customer Satisfaction

- (a) Performance remedies will be assessed if the Vendor fails to meet Customer satisfaction performance standards.
- (b) Based on the Customer satisfaction and response measurement process described below, the Vendor will regularly solicit and present feedback to DIR for review and determination of future enhancements or improvements to TexasOnline 2.0 and/or its services.
- (c) The Vendor will comply with the following service levels to measure and track Customer satisfaction.

| SERVICE LEVEL NAME | START DATE |
|--------------------|------------|
|--------------------|------------|

|   |  |   |                           |   |                  |   |                     |   |                              |   |                                |
|---|--|---|---------------------------|---|------------------|---|---------------------|---|------------------------------|---|--------------------------------|
| <b>Customer Project Owner<br/>Customer Satisfaction</b> | <p style="text-align: center;">Cutover</p>   |   |                           |   |                  |   |                     |   |                              |   |                                |
| <b>METRIC DESCRIPTION</b>                               | <p>Consistent surveying of Customers is important to address satisfaction related to the performance of Vendor. Performance criteria results shall average to be no less than “4” for each Customer survey.</p> <p>The scoring for the questions on the survey is as follows:</p> <table border="1" data-bbox="557 537 1203 848"> <tr> <td style="text-align: center;">5</td> <td style="text-align: center;"><b>Strongly Satisfied</b></td> </tr> <tr> <td style="text-align: center;">4</td> <td style="text-align: center;"><b>Satisfied</b></td> </tr> <tr> <td style="text-align: center;">3</td> <td style="text-align: center;"><b>Dissatisfied</b></td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;"><b>Strongly Dissatisfied</b></td> </tr> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;"><b>Completely Dissatisfied</b></td> </tr> </table> | 5 | <b>Strongly Satisfied</b> | 4 | <b>Satisfied</b> | 3 | <b>Dissatisfied</b> | 2 | <b>Strongly Dissatisfied</b> | 1 | <b>Completely Dissatisfied</b> |
| 5   | <b>Strongly Satisfied</b>  |   |                           |   |                  |   |                     |   |                              |   |                                |
| 4   | <b>Satisfied</b>   |   |                           |   |                  |   |                     |   |                              |   |                                |
| 3   | <b>Dissatisfied</b>  |   |                           |   |                  |   |                     |   |                              |   |                                |
| 2   | <b>Strongly Dissatisfied</b>   |   |                           |   |                  |   |                     |   |                              |   |                                |
| 1   | <b>Completely Dissatisfied</b>   |   |                           |   |                  |   |                     |   |                              |   |                                |
| <b>METRIC INCLUSIONS</b>                                | <p>All Projects mutually-agreed to undergo Customer Satisfaction surveying.</p>  |   |                           |   |                  |   |                     |   |                              |   |                                |
| <b>METRIC EXCLUSIONS</b>                                | <p>Projects that Vendor did not participate in or did not agree to survey.</p>   |   |                           |   |                  |   |                     |   |                              |   |                                |
| <b>HOURS OF MEASUREMENT</b>                             | <p>Daily</p>   |   |                           |   |                  |   |                     |   |                              |   |                                |
| <b>DAYS OF MEASUREMENT</b>                              | <p>365</p>   |   |                           |   |                  |   |                     |   |                              |   |                                |
| <b>EXPECTED SERVICE LEVEL</b>                           | <p>90% of Customer surveys</p>   |   |                           |   |                  |   |                     |   |                              |   |                                |
| <b>ALGORITHM</b>  | <p>Customer Project Owner Customer Satisfaction Survey shall be calculated, for a given measurement window, as the average score of all satisfaction ratings received by Vendor grouped by Customer during such measurement window, and reported on a rolling 12-month period. The Customer survey will be issued directly to each Customer to rate the Customer’s satisfaction with Vendor.</p>   |   |                           |   |                  |   |                     |   |                              |   |                                |
| <b>COLLECTION PROCESS</b>                               | <p>Get Satisfaction or equivalent approved survey tool</p>   |   |                           |   |                  |   |                     |   |                              |   |                                |
| <b>REPORTING TOOLS</b>                                  | <p>Monthly Performance and Progress Report</p>   |   |                           |   |                  |   |                     |   |                              |   |                                |
| <b>REMEDY UNIT</b>                                      | <p>Corrective Action Plan aimed at the specific areas of non-performance.</p>  |   |                           |   |                  |   |                     |   |                              |   |                                |
| <b>EARN BACK UNIT</b>                                   | <p>NA</p>  |   |                           |   |                  |   |                     |   |                              |   |                                |
| <b>PERFORMANCE CATEGORY</b>                             | <p>Customer Satisfaction</p>   |   |                           |   |                  |   |                     |   |                              |   |                                |
| <b>MEASUREMENT WINDOW</b>                               | <p> <input type="checkbox"/> Monthly<br/> <input checked="" type="checkbox"/> Quarterly<br/> <input type="checkbox"/> Semi Annual         </p>   |   |                           |   |                  |   |                     |   |                              |   |                                |

| SERVICE LEVEL NAME                            | START DATE   |   |                    |   |           |   |              |   |                       |   |                         |
|---|--|---|--------------------|---|-----------|---|--------------|---|-----------------------|---|-------------------------|
| <b>Citizen/Business Customer Satisfaction</b> | Cutover  |   |                    |   |           |   |              |   |                       |   |                         |
| <b>METRIC DESCRIPTION</b>                     | <p>Consistent surveying of Customers is important to address satisfaction related to the performance and usability of TexasOnline and services contained within. Performance criteria results shall average to be no less than "4" for each survey.</p> <p>The scoring for the questions on the survey is as follows:</p> <table border="1" data-bbox="477 569 1050 879"> <tr> <td data-bbox="477 569 573 632">5</td> <td data-bbox="573 569 1050 632">Strongly Satisfied</td> </tr> <tr> <td data-bbox="477 632 573 695">4</td> <td data-bbox="573 632 1050 695">Satisfied</td> </tr> <tr> <td data-bbox="477 695 573 758">3</td> <td data-bbox="573 695 1050 758">Dissatisfied</td> </tr> <tr> <td data-bbox="477 758 573 821">2</td> <td data-bbox="573 758 1050 821">Strongly Dissatisfied</td> </tr> <tr> <td data-bbox="477 821 573 879">1</td> <td data-bbox="573 821 1050 879">Completely Dissatisfied</td> </tr> </table> | 5 | Strongly Satisfied | 4 | Satisfied | 3 | Dissatisfied | 2 | Strongly Dissatisfied | 1 | Completely Dissatisfied |
| 5   | Strongly Satisfied   |   |                    |   |           |   |              |   |                       |   |                         |
| 4   | Satisfied  |   |                    |   |           |   |              |   |                       |   |                         |
| 3   | Dissatisfied   |   |                    |   |           |   |              |   |                       |   |                         |
| 2   | Strongly Dissatisfied  |   |                    |   |           |   |              |   |                       |   |                         |
| 1   | Completely Dissatisfied  |   |                    |   |           |   |              |   |                       |   |                         |
| <b>METRIC INCLUSIONS</b>                      | All Projects mutually-agreed to undergo Customer Satisfaction surveying.   |   |                    |   |           |   |              |   |                       |   |                         |
| <b>METRIC EXCLUSIONS</b>                      | Projects that Vendor did not participate in or did not agree to survey.  |   |                    |   |           |   |              |   |                       |   |                         |
| <b>HOURS OF MEASUREMENT</b>                   | Daily  |   |                    |   |           |   |              |   |                       |   |                         |
| <b>DAYS OF MEASUREMENT</b>                    | 365  |   |                    |   |           |   |              |   |                       |   |                         |
| <b>EXPECTED SERVICE LEVEL</b>                 | 90% of end user surveys  |   |                    |   |           |   |              |   |                       |   |                         |
| <b>ALGORITHM</b>                              | Citizen/Business Customer Satisfaction Survey shall be calculated, for a given measurement window, as the average score of all satisfaction ratings received by Vendor grouped by Customer during such measurement window, and reported on a rolling 12-month period. The survey will be available to users from specific applications, following Chat sessions and from a DIR-approved location on TexasOnline.   |   |                    |   |           |   |              |   |                       |   |                         |
| <b>COLLECTION PROCESS</b>                     | Get Satisfaction or other equivalent mutually-accepted survey tool   |   |                    |   |           |   |              |   |                       |   |                         |
| <b>REPORTING TOOLS</b>                        | Monthly Performance and Progress Report  |   |                    |   |           |   |              |   |                       |   |                         |
| <b>REMEDY UNIT</b>                            | Corrective Action Plan aimed at the specific areas of non-performance.   |   |                    |   |           |   |              |   |                       |   |                         |
| <b>EARN BACK UNIT</b>                         | NA   |   |                    |   |           |   |              |   |                       |   |                         |
| <b>PERFORMANCE CATEGORY</b>                   | Customer Satisfaction  |   |                    |   |           |   |              |   |                       |   |                         |
| <b>MEASUREMENT WINDOW</b>                     | <input type="checkbox"/> Monthly<br><input checked="" type="checkbox"/> Quarterly  |   |                    |   |           |   |              |   |                       |   |                         |

|  |   |
|--|---|
|  | <input type="checkbox"/> <i>Semi Annual</i> |
|--|---|

**Section 2.12 Reporting on Performance Criteria**

(a) All plans and mechanisms to be used for reporting shall be subject to approval by DIR.

**Article III. Methodology for Updating Associated Exhibit D Performance Criteria Attachments and Plans**

(a) There are no Attachments or Plans incorporated into *Exhibit D Performance Criteria*.

**Article IV. Documents Referenced in Exhibit D Performance Criteria**

**Section 4.01 Attachments to Exhibit D**

(a) No attachments are associated with *Exhibit D Performance Criteria*.

**Section 4.02 Exhibit D Associated Plans and Timelines**

(a) No plans and timelines are associated with *Exhibit D Performance Criteria*.

**Section 4.03 Other Referenced Documents in Exhibit D**

(a) The following documents have been referenced in *Exhibit D Performance Criteria*:

**Table 2: Other Referenced Documents**

| Title  | Description and Contents  |
|--|---|
| <i>Attachment H-1 Policies and Procedures Manual</i> | The <i>TexasOnline 2.0 Policies and Procedures Manual</i> (PPM) attachment provides a detailed description of the TexasOnline 2.0 governance structure. The PPM defines the following: <ul style="list-style-type: none"> <li>• DIR roles and responsibilities</li> <li>• Vendor roles and responsibilities</li> <li>• Function, authority, responsibility, membership, reports, and meeting frequency of all governance committees and teams</li> <li>• Governance policies</li> <li>• Governance processes</li> </ul> |
| <i>Exhibit F Reporting</i>                           | Comprehensively addresses reporting requirements of TexasOnline 2.0.  |
| <i>Exhibit G Plans</i>                               | Comprehensively addresses Management Plans for TexasOnline 2.0.   |