

**AMENDMENT NUMBER 1
TO
CONTRACT NO. DIR-SDD-1834
BETWEEN
THE STATE OF TEXAS, DEPARTMENT OF INFORMATION RESOURCES
AND
SHI GOVERNMENT SOLUTIONS, INC.**

This Amendment Number 1 to Contract Number DIR-SDD-1834 (“Contract”) is between the Department of Information Resources (“DIR”) and SHI Government Solutions, Inc. (“Vendor”). DIR and Vendor agree to modify the terms and conditions of the Contract as follows:

1. **Contract, Section 2, Term of Contract**, is hereby amended as follows:

DIR and Vendor hereby agree to extend the term of the Contract for one (1) year through August 3, 2014 or until terminated pursuant to the termination clauses contained in the Contract. Prior to expiration of the term, DIR and Vendor may extend the Contract, upon mutual agreement, for up to two (2) additional one-year terms.

2. **Contract, Section 4. Pricing, B. Customer Discount** is hereby restated in its entirety as follows:

B. Customer Discount

The minimum Customer discount for all products and services will be the percentage off MSRP as specified in Appendix C, Pricing Index.

3. **Contract, Section 4. Pricing, G. Travel Expense Reimbursement** is hereby restated in its entirety as follows:

G. Travel Expense Reimbursement

Pricing for services provided under this Contract are exclusive of any travel expenses that may be incurred in the performance of those services. Travel expense reimbursement may include personal vehicle mileage or commercial coach transportation, hotel accommodations, parking and meals; provided, however, the amount of reimbursement by Customers shall not exceed the amounts authorized for state employees as adopted by each Customer; and provided, further, that all reimbursement rates shall not exceed the maximum rates established for state employees under the current State Travel Management Program (<http://www.window.state.tx.us/procurement/prog/stmp/>). Travel time may not be included as part of the amounts payable by Customer for any services rendered under this Contract. The DIR administrative fee specified in Section 5 below is not applicable to travel expense reimbursement. Anticipated travel expenses must be pre-approved in writing by Customer.

4. **Contract, Section 5. DIR Administrative Fee, B)** is hereby restated in its entirety as follows:

B) All prices quoted to Customers shall include the administrative fee. DIR reserves the right to change this fee upwards or downwards during the term of this Contract, upon written notice to Vendor without further requirement for a formal contract amendment. Any change in the administrative fee shall be incorporated in the price to the Customer.

5. **Appendix A. Standard Terms and Conditions For Product and Related Services Contracts,** is hereby restated in its entirety and replaced with the attached **Appendix A. Standard Terms and Conditions For Product and Related Services Contracts** dated 12/17/2012.

6. **Authorized Exceptions to Appendix A, Standard Terms and Conditions For Product and Related Service Contracts, Appendix A,** as listed below are hereby added as follows:

- A. Section 9. Vendor Responsibilities, A. Indemnification, 1) Acts or Omission** is hereby replaced in its entirety as follows:

Vendor shall indemnify and hold harmless the State of Texas and Customers, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM AND AGAINST ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES arising out of, or resulting from any acts or omissions of the Vendor or its agents, employees, subcontractors, Order Fulfillers, or suppliers of subcontractors in the execution or performance of the Contract and any Purchase Orders issued under the Contract **VENDOR SHALL PAY ALL COSTS OF DEFENSE INCLUDING ATTORNEYS FEES. THE DEFENSE SHALL BE COORDINATED BY THE OFFICE OF THE ATTORNEY GENERAL FOR TEXAS STATE AGENCIES AND BY CUSTOMER'S LEGAL COUNSEL FOR NON-STATE AGENCY CUSTOMERS.**

- B. Section 9. Vendor Responsibilities, S. Secure Erasure of Hard Disk Products and/or Services** is hereby replaced in its entirety as follows:

Vendor agrees that all services wherein Vendor uses hard disk drives (i.e. computers, telephones, printers, fax machines, scanners, multifunction devices, etc.) shall have the capability to securely erase data written to the hard drive prior to final disposition of such products and/or services, either at the end of the Customer's Managed Services product's useful life or the end of the related Customer Managed Services Agreement for such products and/ services, in accordance with 1 TAC 202.

All other terms and conditions of the Contract not specifically modified herein shall remain in full force and effect. In the event of a conflict among provisions, the order of precedence shall be this Amendment Number 1 and then Contract DIR-SDD-1834.

IN WITNESS WHEREOF, the parties hereby execute this amendment to be effective as of the date of the last signature, but in all events, no later than August 3, 2013.

SHI GOVERNMENT SOLUTIONS, INC.

By: Signature on File

Name: Natalie Slowik

Title: Contract Specialist

Date: 7/30/13

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

By: Signature on File

Name: Karen Robinson

Title: Executive Director

Date: 8-15-13

**Office of
General Counsel:** DRBrown 8-15-13