

**AMENDMENT NUMBER 1  
TO  
CONTRACT NUMBER DIR-SDD-2177  
BETWEEN  
STATE OF TEXAS, ACTING BY AND THROUGH THE DEPARTMENT OF  
INFORMATION RESOURCES  
AND  
XEROX STATE & LOCAL SOLUTIONS, INC.**

This Amendment Number 1 to Contract Number DIR-SDD-2177 (“Contract”) is between the Department of Information Resources (“DIR”) and Xerox State & Local 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 March 21, 2016 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 one (1) additional one-year term.

**2. Contract, Section 3. Service Offerings,** is hereby restated in its entirety as follows:

Services available under this Contract are limited to the Deliverables-Based Information Technology Services Technology Categories as specified below. Vendor may incorporate changes to their services offering; however, any changes must be within the scope of services awarded based on the posting described in Section 1.B above. Vendor may not add services which were not included in the Vendor’s response to the solicitation described in Section 1.B above.

**No hardware or software products and related services may be sold through this contract. Any products needed to deliver final services must be procured through another contract vehicle. Examples of these products include: Software as a Service (SaaS), subscriptions, annual license maintenance and support, and web hosting.**

**Application Maintenance and Support**

- 1) Definition: Application Maintenance and Support includes the skills and requirements for supporting application systems, including troubleshooting, modifying, maintaining and enhancing legacy systems. Application Maintenance and Support also applies to applications running in a production environment.
- 2) Examples of included services: research, analysis, design, programming, testing, documenting and implementing maintenance changes; correcting software errors; modifying reports and ensuring accurate report runs; making modifications to the applications and documentation; writing ad hoc queries; loading and applying changes to the software language and/or database in which the application is written; providing corrections for production or any changes

needed and participation in disaster recovery testing, planning and documentation. Services may need to be available 24/7 or on an on-call basis.

### **Enterprise Resource Planning (ERP)**

- 1) Definition: ERP is an amalgamation of an organization's information systems designed to automate and integrate a variety of functions, commonly referred to as "back office", including financials, human resources and asset management. These systems are modularized and generally highly configurable.
- 2) Examples of included services: planning and assessment; requirements development; business process reengineering (BPR); implementation and conversion services; application programming and support services; database administration, system software administration and support; functional support; and training support.

### **Project Management**

- 1) Definition: Project Management service providers may perform any or all of the project management processes identified by the Project Management Institute as published in Table 3-45 of the PMBOK® Guide, Third Edition or most recent.
- 2) Examples of included services: utilizing the Customer's tools and processes, using off-the-shelf tools or using Vendor's own proprietary tools and processes to manage a project.

### **Technology Upgrade/Migration and Transformation**

- 1) Definition: Technology Upgrade/Migration may be required to increase business functionality, reengineer a business function, keep current with vendor upgrades or when upgrading existing technology. Technology Transformation may be accomplished by converting/migrating legacy applications to new technology either with or without new business functionality or it may include introducing new technology into the enterprise. Technology Upgrade/Migration may also include providing website content accessibility compliance.
- 2) Examples of included services: assessments of the current application portfolio, evaluation of the technology assets before beginning technology transformation and Business Case development for justification of an initiative. Also included are: technology transformations, which may include, appropriate Return on Investment (ROI), benchmarks and milestones. The following activities may also be included: planning, analysis, requirements development, proof of concept, deployment, implementation, integration, remediation, data migration, documentation, application programming and support services; and training support.

## **Information Technology Assessments and Planning**

- 1) Definition: IT Assessments and Planning may include IT effectiveness, maturity, governance, project management and architecture. Strategic planning activities may include mission statement development, visioning and goals, objectives, and strategy development. Tactical planning may require that actionable plans and roadmaps be provided.
- 3) Examples of included services: IT assessments, including enterprise architecture; staff knowledge, skills and abilities (KSAs) assessments; and strategic and tactical planning.

## **Application Development**

- 1) Definition: Application Development means the development of new applications which may be mainframe, server, network-based, web-based or a combination. The requirements for new applications may require interfaces to existing applications.
  - 2) Examples of included services: researching; analyzing; gathering requirements; designing; programming; testing; documenting and implementing; applying changes to the software language and/or database in which the application is written; providing corrections for production or any changes needed and participation in disaster recovery planning and documentation.
3. **Contract, Section 4. Pricing**, is hereby removed from the Contract and transitioned in its entirety to Appendix A, Standard Terms and Conditions for Deliverables Based Information Technology Services (DBITS) Contracts, **Section 7. Pricing, Purchase Orders, Invoices and Payments**.
4. **Contract, Section 5. DIR Administrative Fee**, is hereby re-numbered as **Section 4. Administrative Fee AND** is hereby restated in its entirety as follows:

### **4. DIR Administrative Fee**

A) The administrative fee to be paid by the Vendor to DIR based on the dollar value of all sales to Customers pursuant to this Contract is three quarters of one percent (.75%). Payment will be calculated for all sales, net of returns and credits. For example, the administrative fee for sales totaling \$100,000 shall be \$750.00. The effective date of this change was October 1, 2013.

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. **Contract, Sections 6 - 10** are hereby re-numbered **Sections 5 – 8**, as follows:

- A. Section 6. Notification is re-numbered as **Section 5. Notification;**
- B. Section 7. Statement of Work is re-numbered as **Section 6. Statement of Work;**
- C. Section 8. Customer Satisfaction Metrics is re-numbered as **Section 7. Customer Satisfaction Metrics;**
- D. Section 10. Authorized Exceptions to Appendix A, Standard Terms and Conditions for Services Contracts is re-numbered **Section 8. Authorized Exceptions to Appendix A, Standard Terms and Conditions for Services Contracts.**

6. **Contract, Section 5. Notification** is modified to read as follows:

If sent to the State:

Shannon Kelley  
Enterprise Contract Management  
Department of Information Resources  
300 W. 15<sup>th</sup> St., Suite 1300  
Austin, Texas 78701  
Phone: (512) 475-4700  
Facsimile: (512) 475-4759

If sent to the Vendor:

Contracts Department  
Xerox State & Local Solutions, Inc.  
8260 Willow Oaks Corporate Drive  
Fairfax, VA 22031  
Phone: (703) 891-8727  
Facsimile: N/A  
[Email: andre.gamrasni@xerox.com](mailto:andre.gamrasni@xerox.com)

7. **Contract, Section 9. Intellectual Property Matters**, is hereby removed from the Contract and transitioned in its entirety to Appendix A, Standard Terms and Conditions for Deliverables Based Information Technology Services (DBITS) Contracts, **Section 4. Intellectual Property Matters**.

8. **Appendix A, Section 4. Intellectual Property Matters, A. Definitions, 4) Third Party IP**, is hereby restated in its entirety as follows:

3)“Third Party IP” means the Intellectual Property Rights of any third party that is not a party to this Contract, including any modification and customizations thereto.

**9. Appendix A, Section 4. Intellectual Property Matters, E. Confidentiality,** is hereby restated in its entirety as follows:

**E. Confidentiality**

All documents, information and materials forwarded to Vendor by Customer for use in and preparation of the Work Product shall be deemed the confidential information of Customer, and subject to the license granted by Customer to Vendor under sub-paragraph H. Hereunder, Vendor shall not use, disclose, or permit any person to use or obtain the Work Product, or any portion thereof, in any manner without the prior written approval of Customer. Vendor IP and Third Party IP provided to Customer by Vendor pursuant to this Contract, shall be deemed the confidential information of Vendor or the Third Party IP owner. Customer shall not use, disclose, or permit any person to use or obtain such confidential information, or any portion thereof, in any manner without the prior written approval of Vendor. Confidential information of either party shall not include any information, however designated, that: (i) is or subsequently becomes publicly available without the receiving party's breach of any obligation owed to the disclosing party; (ii) became known to receiving party prior to disclosing party's disclosure of such information to receiving party pursuant to the terms of this Contract; (iii) is independently developed by receiving party; or (iv) must be produced under order of a court of competent jurisdiction or where required by law.

**10. Appendix A, Section 4. Intellectual Property Matters, I. Third-Party Underlying and Derivative Works,** is hereby restated in its entirety as follows:

**I. Third-Party Underlying and Derivative Works**

To the extent that any Vendor IP or Third Party IP are to be embodied or reflected in the Work Product, or are necessary to provide the Services, Vendor (and if necessary the owner of any Third Party IP) shall negotiate with Customer all applicable licensing terms with respect to said Vendor IP or Third Party IP. The licensing terms will be embodied in Vendor's SOW and the resulting Purchase Order. Where applicable, Customer may be required to execute a separate license agreement specifying Customer's rights and obligations with regard to the Vendor IP or Third Party IP. On request, Vendor shall provide Customer with documentation indicating a third party's written approval for Vendor to use any Third Party IP that may be embodied or reflected in the Work Product. All such separate license agreements are subject to DIR's review and approval prior to execution.

**11. Appendix A, Section 4. Intellectual Property Matters, K. License to Customer,** is hereby restated in its entirety as follows:

**K. License to Customer**

Vendor shall negotiate with Customer all applicable licensing terms with respect to Vendor IP. The licensing terms will be embodied in Vendor's SOW. Where applicable, Customer may be required to execute a separate license

agreement specifying Customer's rights and obligations with regard to the Vendor IP. All such separate License Agreements are subject to review and approval by DIR prior to its execution. Except for the preceding license, all rights in Vendor IP remain in Vendor.

**12. Appendix A, Standard Terms and Conditions for Deliverables Based Information Technology Services (DBITS) Contracts dated 12/16/12,** is hereby replaced in its entirety with **Appendix A, Standard Terms and Conditions for Deliverables Based Information Technology Services (DBITS) Contracts dated 02/04/15,** as attached.

**13. Appendix A, Section 6. Contract Fulfillment and Promotion, B. Internet Access to Contract and Pricing Information, 1) Vendor Website,** is hereby restated in its entirety as follows:

**1) Vendor Website**

Within thirty (30) calendar days of the effective date of the Contract, Vendor will establish and maintain a website specific to the service offerings under the Contract which is clearly distinguishable from other, non-DIR Contract offerings at Vendor's website. The website must include: the services offered, service specifications, contact information for Vendor, instructions for obtaining quotes and placing Purchase Orders, and warranty and return policies. The Vendor's website shall list the DIR Contract number, reference the DIR Information and Communications Technology Cooperative Contracts program, display the DIR logo in accordance with the requirements in paragraph D of this Section, and contain a link to the DIR website for the Contract.

**14. Appendix A, Section 9. Vendor Responsibilities, B.Taxes/Worker's Compensation/Unemployment Insurance, 1),** is hereby restated in its entirety as follows:

**1) VENDOR AGREES AND ACKNOWLEDGES THAT DURING THE EXISTENCE OF THIS CONTRACT, VENDOR SHALL BE ENTIRELY RESPONSIBLE FOR THE LIABILITY AND PAYMENT OF VENDOR'S AND VENDOR'S EMPLOYEES' TAXES OF WHATEVER KIND, ARISING OUT OF THE PERFORMANCES IN THIS CONTRACT. VENDOR AGREES TO COMPLY WITH ALL STATE AND FEDERAL LAWS APPLICABLE TO ANY SUCH PERSONS, INCLUDING LAWS REGARDING WAGES, TAXES, INSURANCE, AND WORKERS' COMPENSATION. THE CUSTOMER AND/OR THE STATE SHALL NOT BE LIABLE TO THE VENDOR, ITS EMPLOYEES, AGENTS, OR OTHERS FOR THE PAYMENT OF TAXES OR THE PROVISION OF UNEMPLOYMENT INSURANCE AND/OR WORKERS' COMPENSATION OR ANY BENEFIT AVAILABLE TO A STATE EMPLOYEE OR EMPLOYEE OF ANOTHER GOVERNMENTAL ENTITY CUSTOMER. Alternatively, Vendor may carry an alternative plan of Workers'**

Compensation/employer's liability benefits in the State of Texas if permitted by law such as a non-subscriber type plan.

**15. Appendix A, Section 9. Vendor Responsibilities, N. Required Insurance Coverage,** is hereby restated in its entirety as follows:

**N. Required Insurance Coverage**

As a condition of this Contract with DIR, Vendor shall provide the listed insurance coverage within 5 business days of execution of the Contract if the Vendor is awarded services which require that Vendor's employees perform work at any Customer premises and/or use employer vehicles to conduct work on behalf of Customers. In addition, when engaged by a Customer to provide services on Customer premises, the Vendor shall, at its own expense, secure and maintain the insurance coverage specified herein, and shall provide proof of such insurance coverage to the related Customer within five (5) business days following the execution of the Purchase Order. Vendor may not begin performance under the Contract and/or a Purchase Order until such proof of insurance coverage is provided to, and approved by, DIR and the Customer. All required insurance must be issued by companies that are A- rated by A.M. Best, licensed in the State of Texas, and authorized to provide the corresponding coverage. The Customer and DIR will be named as Additional Insureds on the commercial general liability and business automobile liability required coverage. Required coverage must remain in effect through the term of the Contract and each Purchase Order issued to Vendor there under. The minimum acceptable insurance provisions are as follows:

**1. Commercial General Liability**

Commercial General Liability must include a combined single limit for bodily injury and property damage in the amount of \$1 million per occurrence and \$2 million general aggregate including coverage for products and completed operations. The Contractor shall provide where referenced or policy shall contain the following provisions:

- a) Blanket contractual liability coverage for liability assumed under the Contract;
- b) Independent Contractor coverage;
- c) State of Texas, DIR and Customer listed as an additional insured;
- d) Contractor shall provide 30-day Notice of cancellation to DIR and/or Customer; and
- e) Waiver of subrogation in favor of DIR and/or Customer.

**2. Workers' Compensation Insurance**

WORKERS' COMPENSATION INSURANCE AND EMPLOYERS' LIABILITY COVERAGE MUST INCLUDE LIMITS CONSISTENT WITH STATUTORY BENEFITS OUTLINED IN THE TEXAS WORKERS' COMPENSATION ACT (ART. 8308-1.01 ET SEQ. TEX. REV. CIV. STAT) AND MINIMUM POLICY LIMITS FOR EMPLOYERS' LIABILITY OF \$1,000,000 BODILY INJURY PER ACCIDENT, \$1,000,000 BODILY INJURY DISEASE POLICY LIMIT AND \$1,000,000 PER DISEASE PER EMPLOYEE.

Alternatively, Contractor may carry an alternative plan of workers' compensation/employer's liability benefits in the State of Texas if permitted by law such as a non-subscriber type plan.

**3. Business Automobile Liability Insurance**

Business Automobile Liability Insurance must cover all owned, non-owned and hired vehicles with a minimum combined single limit of \$500,000 per accident basis or occurrence for bodily injury and property damage. Alternative acceptable limits are \$250,000 bodily injury per person, \$500,000 bodily injury per occurrence and at least \$100,000 property damage liability per accident. The Contractor shall provide where referenced or policy shall contain the following provisions or endorsements in favor of DIR and/or Customer:

- a) Waiver of Subrogation;
- b) Contractor shall provide a 30-day Notice of Cancellation; and
- c) Additional Insured.

All other terms and conditions of the Contract as amended, not specifically modified herein, shall remain in full force and effect. DIR retains the right to require further amendment to the Contract to update its terms and conditions as may be reasonable, necessary or required. In the event of conflict among the provisions, the order of precedence shall be this Amendment Number 1, and then the Contract.

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**IN WITNESS WHEREOF**, the parties hereby execute this amendment to be effective as of March 21, 2015.

**Xerox State and Local Solutions, Inc.**

**Authorized By:** /Signature on File/ \_\_\_\_\_

**Name:** Donald Hubicki \_\_\_\_\_

**Title:** Group President \_\_\_\_\_

**Date:** 6/30/15 \_\_\_\_\_

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

**Authorized By:** \_\_\_\_\_/Signature on File/\_\_\_\_\_

**Name:** **Dale Richardson** \_\_\_\_\_

**Title:** **Chief Operations Officer** \_\_\_\_\_

**Date:** 7/29/15 \_\_\_\_\_

**Legal:** /Signature on File/ \_\_\_\_\_