Amendment Number 1
to
Information Technology Staff Augmentation Contract (ITSAC)
Contract Number DIR-SDD-2490
between
State of Texas, acting by and through the Department of Information Resources
and
WHITAKER IT, LLC

This Amendment Number 1 to Contract Number DIR-SDD-2490 ("Contract") is between the Department of Information Resources ("DIR") and Whitaker IT, LLC ("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:

   The term of this Contract is extended through August 28, 2015. Prior to the expiration date of the term, DIR and Vendor may extend the Contract upon mutual agreement, for up to one (1) additional one-year term.

2. **Contract, Section 4, Pricing, B. DIR Cost Recovery Fee**, is re-titled **DIR Administrative Fee**, and is hereby restated in its entirety as follows:

   B. DIR Administrative Fee
   The administrative fee specified in Section 5 shall not be broken out as a separate line item when pricing or invoice is provided to the Customer.

3. **Contract, Section 5, Cost Recovery Fee,** is re-titled **DIR Administrative Fee**, and is hereby restated in its entirety as follows:

   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 one percent (1.00%). Payment will be calculated for all sales, net of returns and credits. For example, the DIR Administrative Fee for sales totaling $100,000 shall be $1000.00.

   B) All prices quoted to Customers shall include the DIR 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 DIR Administrative Fee shall be incorporated in the price to the Customer.

4. **Appendix A, Section 2, Definitions, L. CRF**, is hereby deleted in its entirety.

5. **Appendix A, Section 2, Definitions, M. Evaluation Period,** is hereby deleted in its entirety.

6. **Appendix A, Section 2 Definitions, N. Evaluation Status**, is hereby deleted in its entirety.

7. **Appendix A, Section 7, Contract Administration, B. Reporting and CRF/ Administrative Fees,** is re-titled **B. Reporting and Administrative Fees,** and is restated as follows:

B. **Reporting and Administrative Fees**

1) Reporting Responsibility

a) Vendor shall be responsible for reporting all services purchased under the Contract. Vendor shall file the monthly reports, subcontract reports, and pay the administrative fees in accordance with the due dates specified in this section.

b) DIR shall have the right to verify required reports and to take any actions necessary to enforce its rights under this section, including but not limited to, compliance checks of Vendor's applicable Contract books at DIR's expense.

2) Detailed Monthly Report

Vendor shall electronically provide DIR with a detailed monthly report in the format required by DIR showing the dollar volume of any and all sales under the Contract for the previous month period. Reports shall be submitted to the DIR ICT Cooperative Contracts E-Mail Box at itsac.reports@dir.texas.gov. Reports are due on the fifteenth (15th) calendar day after the close of the previous month period. If the 15th calendar falls on a weekend or state or federal holiday, the report shall be due on the next business day. The monthly report shall include, per transaction: the detailed sales for the period, Customer name, invoice date, invoice number, description, quantity, unit price, extended price, Customer Purchase Order number, contact name, Customer's complete billing address, and other information as required by DIR. Each report must contain all information listed above per transaction or the report will be rejected and returned to the Vendor for correction in accordance with this section.

If Vendor submits three (3) monthly sales reports or administrative fee payments late within a 12-month period beginning upon execution of this Contract, DIR reserves the right to suspend or terminate this Contract for cause per Section 9.B.4.a. of Appendix A, Termination for Cause. If Vendor is late with its monthly sales report, Vendor will pay DIR one hundred dollars ($100) per day ("Late Payment"), for each day the monthly report is late, up to ten (10) days per month for a maximum monthly Late Payment amount of $1000 for late monthly sales reports. If Vendor is late with its monthly administrative fee payment, Vendor will pay DIR one hundred dollars ($100) per day ("Late Payment"), for each day the monthly administrative fee payment is late, up to ten (10) days per month for a maximum monthly Late Payment amount of $1000 for late monthly administrative fee payments. DIR does not waive any other contractual remedy pursuant to this Contract.

3) Historically Underutilized Businesses Subcontract Reports

a) Vendor shall electronically provide each Customer with their relevant Historically Underutilized Business Subcontracting Report, pursuant to the Contract, as required by Chapter 2161, Texas Government Code. Reports shall also be submitted to DIR.

b) Reports shall be due in accordance with the CPA rules.

4) DIR Administrative Fee

a) An administrative fee shall be paid by Vendor to DIR to defray the DIR costs of negotiating, executing, and administering the Contract. The maximum administrative fee is set by the Texas Legislature in the biennial General Appropriations Act. Payment of the administrative fee shall be due on the fifteenth (15th) calendar day after the close of the previous month period. DIR may change the amount of the administrative fee upon thirty (30) days written notice to Vendor without the need for a formal contract amendment.

b) Vendor shall reference the DIR Contract number on any remittance instruments.

5) Accurate and Timely Submission of Reports

a) The reports and administrative fees shall be accurate and timely and submitted in accordance with the due dates specified in this section. Vendor shall correct any inaccurate reports or administrative fee payments within three (3) business days upon written notification by DIR. Vendor shall deliver any late reports or late administrative fee payments within three (3) business days upon written notification by DIR. If Vendor is unable to correct inaccurate reports or administrative fee payments or deliver late reports and administrative fee payments within three (3) business days, Vendor must contact DIR and provide a corrective plan of action, including the timeline for completion of correction. The corrective plan of action shall be subject to DIR approval.

b) Should Vendor fail to correct inaccurate reports or cure the delay in timely delivery of reports and payments within the corrective plan of action timeline, DIR reserves the right to require an independent third party audit of the Vendor's records as specified in 7.C.3 at DIR's expense.

c) Failure to timely submit three (3) reports within any rolling twelve (12) month period may, at DIR's discretion, result in termination of Vendor's Contract.

8. **Appendix A, Section 8, Vendor Responsibilities, C. Vendor Certification, (vii**), is hereby restated in its entirety as follows:

(vii) Vendor and its principals are not suspended or debarred from doing business with the federal government as listed in the *System for Award Management (SAM)* maintained by the General Services Administration;

9. **Appendix A, Section 8, Vendor Responsibilities, K. Limitation of Liability,** is hereby restated in its entirety as follows:

K. Limitation of Liability

For any claim or cause of action arising under or related to the Contract: i) to the extent permitted by the Constitution and the laws of the State, none of the parties shall be liable to the other for punitive, special, or consequential damages, even if it is advised of the possibility of such damages; and ii) Vendor's liability for damages of any kind to the Customer shall be limited to the total amount paid to Vendor under the Contract during the twelve months immediately preceding the accrual of the claim or cause of action. However, this limitation of Vendor's liability shall not apply

to claims of bodily injury; violation of intellectual property rights including but not limited to patent, trademark, or copyright infringement; indemnification requirements under this Contract; and violation of State or Federal law including but not limited to disclosures of confidential information and any penalty of any kind lawfully assessed as a result of such violation.

10. **Appendix A, Section 8, Vendor Responsibilities, O. Required Insurance Coverage,** is hereby restated in its entirety as follows:

O. 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+ financially rated and duly licensed, admitted, and authorized to do business in the State of Texas. The Customer and DIR will be named as Additional Insureds on all 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 of $500,000 per occurrence for coverage A, B, & C including products/completed operations, where appropriate, with a separate aggregate of $500,000. The 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) 30-day Notice of Termination in favor of DIR and/or Customer; and
e) Waiver of Transfer Right of Recovery Against Others 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 $250,000 bodily injury per accident, $500,000 bodily injury disease policy limit and $250,000 per disease per employee.

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 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 policy shall contain the following endorsements in favor of DIR and/or Customer:
a) Waiver of Subrogation;
b) 30-day Notice of Termination; and
c) Additional Insured.

11. **Appendix A, Section 9, Contract Enforcement, B. Termination, 2) Absolute Right,** is hereby restated in its entirety as follows:

    Absolute Right
    DIR shall have the absolute right to terminate the Contract without recourse in the event that: i) Vendor becomes listed on the prohibited vendors list authorized by Executive Order #13224, *"Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism",* published by the United States Department of the Treasury, Office of Foreign Assets Control; ii) Vendor becomes suspended or debarred from doing business with the federal government as listed in the *System for Award Management (SAM)* maintained by the General Services Administration; or (iii) Vendor is found by DIR to be ineligible to hold this Contract under Subsection (b) of Section 2155.006, Texas Government Code. Vendor shall be provided written notice in accordance with Section 18.A, Notices, of intent to terminate.

12. **Appendix A, Section 12, Hourly Rates, B.**, is hereby restated in its entirety as follows:

    B. All quoted hourly bill rates shall include all expenses associated with each candidate, including wages, benefits, DIR Administrative Fee usual living expenses and costs of commuting to and from the Customer's primary work site designated. Travel reimbursement may be allowed. See Appendix A Terms and Conditions Section 6. C. Payments and Contract Section 4. D. Travel Expense Reimbursement.

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

IN WITNESS WHEREOF, the parties hereby execute this amendment to be effective as of the date of the last party to sign, but in all events no later than August 28, 2014.

WHITAKER IT, LLC

By: signature on file

Name: Bruce Whitaker

Title: President

Date: 5/21/14

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

By: signature on file

Name: Karen Robinson

Title: Executive Director

Date: 6/2/14

Legal: 6/2/14