AMENDMENT NUMBER 1
TO
CONTRACT NUMBER DIR-SDD-2056
BETWEEN
STATE OF TEXAS, ACTING BY AND THROUGH THE DEPARTMENT OF INFORMATION RESOURCES
AND
PRELUDE SYSTEMS, INC.

This Amendment Number 1 to Contract Number DIR-SDD-2056 ("Contract") is between the Department of Information Resources ("DIR") and Prelude Systems, 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 January 31, 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.

   <u>Application Maintenance and Support</u>

   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.

Business Intelligence (BI) and Data Warehouse

1) Definition: BI enables an organization to perform in-depth analysis and includes, where required, data mining of detailed business data providing real and significant information to business users. BI may include an integrated group of operational and decision support applications and databases. BI makes use of tools designed to easily access data warehouse data. A data warehouse collects, organizes and makes data available for the purpose of analysis and gives organizations the ability to access and analyze information about its business. The function of the data warehouse is to consolidate and reconcile information from across disparate business units and IT systems and provide a context for reporting and analysis.

2) Examples of included services: architectural design, extraction, transformation and loading of data sources; planning, assessment, product installation and tuning; prototype development, deployment, data cleansing, data mart development and support; data migration, integration with data mining; integration with business intelligence tools and/or systems; data scrubbing; data transformation; training and knowledge transfer.

Service Oriented Architecture (SOA)

1) Definition: SOA organizes business software in a granular fashion so that common functions can be used interchangeably by different departments internally and by external business partners. The more granular the components (the more pieces), the more they can be reused. SOA is a way of thinking about IT assets as service components. When functions in a large application are made into stand-alone services that can be accessed separately, they are beneficial to several parties. SOAs are implemented via application programming interfaces (APIs) that allow components to communicate with each other.

2) Examples of included services: planning and assessment; requirements development; proof of concept; implementation; deployment; governance; application programming and support services; system software administration and support; and training support.

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.

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, 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**.

6. **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.**

7. **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.

8. **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 05/02/14,** as attached.

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.

IN WITNESS WHEREOF, the parties hereby execute this amendment to be effective as of January 31, 2015.

Prelude Systems, Inc.

Authorized By: /Signature on File/

Name: Kiran B. Chandra

Title: CEO

Date: 1/8/2015

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

Authorized By: /Signature on File/

Name: Todd Kimbriel

Title: Interim Executive Director

Date: 1/26/15

Legal: /Signature on File/