



Commonwealth of Virginia
Virginia Information Technologies Agency

RE-COMPETE ADVISORY ENGAGEMENT SERVICES

Date: March 23, 2015

Contract #: VA-141219-IA

Authorized Users: Authorized User (AU): All public bodies, including VITA, as defined by §2.2-4301 and referenced by §2.2-4304 of the *Code of Virginia*. Authorized Users also include private institutions of higher education chartered in Virginia and granted tax-exempt status under §501(c)(3) of the Internal Revenue Code. A list of the private institutions eligible to use this contract can be found at: <http://www.cicv.org/Our-Colleges/Profiles.aspx>.

Contractor: Integris Applied
18 Shawnee Ridge Court
The Woodlands, TX 77382

FIN: 27-3704910

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Pricing: See Exhibit D, Service Fees

Term: December 19, 2014 – December 18, 2017

Payment: Net 30 days

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Supply Chain Management Division

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NOTES: Individual Commonwealth of Virginia employees are not authorized to purchase products or services for their personal use from this Contract.

For updates, please visit our Website at <http://www.vita.virginia.gov/procurement/procurement.cfm>

VIRGINIA INFORMATION TECHNOLOGIES AGENCY (VITA): Prior review and approval by VITA for purchases in excess of \$100,000.00 is required for State Agencies and Institutions only.



Information Technology Services Contract

between

The Virginia Information Technologies Agency

on behalf of

The Commonwealth of Virginia

and

**Sourcing Advisory Services LLC (dba Integris
Applied)**

**INFORMATION TECHNOLOGY SERVICES CONTRACT
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INFORMATION TECHNOLOGY SERVICES CONTRACT

THIS INFORMATION TECHNOLOGY SERVICES CONTRACT ("Contract") is entered into by and between the Virginia Information Technologies Agency (VITA) pursuant to §2.2-2012 of the Code of Virginia and on behalf of the Commonwealth of Virginia (hereinafter referred to as "VITA"), and Sourcing Advisory Services LLC (dba Integris Applied) ("Supplier"), a corporation headquartered at 18 Shawnee Ridge Court, The Woodlands, TX 77382 to be effective as of December 19, 2014 ("Effective Date").

1. PURPOSE AND SCOPE

This Contract sets forth the terms and conditions under which Supplier shall provide services ("Services") to assist VITA with assessment, research and recommendations related to options for the future provision of information technology (IT) infrastructure services. This will include assistance in the development of a sourcing strategy and associated recommendations, an assessment of the Commonwealth's current and future IT infrastructure service needs; an evaluation of available and anticipated service options and models for managing and delivering those services, including the disentanglement and transition of services from an incumbent vendor; and an analysis of the relative cost and benefits of proposed service options and models, including the effect on customer agencies of insourcing, outsourcing, or multi-sourcing. This Contract will be available to Authorized Users.

2. DEFINITIONS

A. Acceptance

Successful performance of the Services at the location designated in the applicable Statement of Work, or completed and successful Acceptance testing in conformance with the Requirements as determined by the Authorized User in the applicable order or Statement of Work.

B. Agent

Any third party independent agent of any Authorized User.

C. Authorized Users

All public bodies, including VITA, as defined by §2.2-4301 and referenced by §2.2-4304 of the Code of Virginia. Authorized Users also include private institutions of higher education chartered in Virginia and granted tax-exempt status under §501(c)(3) of the Internal Revenue Code. A list of the private institutions eligible to use this contract can be found at: <http://www.cicv.org/Our-Colleges/Profiles.aspx>.

D. Confidential Information

Any confidential or proprietary information of a Party that is disclosed in any manner, including oral or written, graphic, machine readable or other tangible form, to any other Party in connection with or as a result of discussions related to this Contract or any order or SOW issued hereunder, and which at the time of disclosure either (i) is marked as being "Confidential" or "Proprietary", (ii) is otherwise reasonably identifiable as the confidential or proprietary information of the disclosing Party, or (iii) under the circumstances of disclosure should reasonably be considered as confidential or proprietary information of the disclosing Party.

E. Deliverable

The tangible embodiment of the Services, including the development or creation of Work Product, performed or provided by Supplier as identified in the applicable Statement of Work or order.

F. Party

Supplier, VITA, or any Authorized User.

G. Requirements

The functional, performance, operational, compatibility, Acceptance testing criteria and other parameters and characteristics of the Service(s) and Deliverables as set forth in Exhibit A and the applicable order or Statement of Work and such other parameters, characteristics, or performance standards that may be agreed upon in writing by the Parties.

H. Service

Any work performed or service provided, including provision to the Authorized User of any Deliverable, by Supplier under this Contract. Service includes the discovery, creation, or development of Work Product, if any.

I. Statement of Work (SOW)

Any document in substantially the form of Exhibit B (describing the deliverables, due dates, assignment duration and payment obligations for a specific project, engagement, or assignment for which Supplier shall be providing Services to an Authorized User), which, upon signing by both Parties, shall be deemed a part of this Contract.

J. Supplier

Means the Supplier and any of its Affiliates (i.e., an entity that controls, is controlled by, or is under common control with Supplier).

K. Work Product

Inventions, combinations, machines, methods, formulae, techniques, processes, improvements, software designs, computer programs, strategies, specific computer-related know-how, data and original works of authorship (collectively, the "Work Product") discovered, created, or developed by Supplier, or jointly by Supplier and an Authorized User(s) in the performance of this Contract. Work Product shall not include configuration of software.

3. TERM AND TERMINATION

A. Contract Term

This Contract is effective and legally binding as of the Effective Date and, unless terminated as provided for in this section, shall continue to be effective and legally binding for a period of three (3) years. VITA, in its sole discretion, may extend this Contract for up to two (2) additional one (1) year periods after the expiration of the initial three (3) year period. VITA will issue a written notification to the Supplier stating the extension period, not less than thirty (30) days prior to the expiration of any current term. Performance of an order or SOW issued during the term of this Contract may survive the expiration of the term of this Contract, in which case all terms and conditions required for the operation of such order or SOW shall remain in full force and effect until Services pursuant to such order or SOW have met the final Acceptance criteria of the applicable Authorized User.

B. Termination for Convenience

VITA may terminate this Contract, in whole or in part, or any order or SOW issued hereunder, in whole or in part, or an Authorized User may terminate an order or SOW, in whole or in part, upon not less than thirty (30) days prior written notice at any time for any reason.

C. Termination for Breach or Default

VITA shall have the right to terminate this Contract, in whole or in part, or any order or SOW issued hereunder, in whole or in part, or an Authorized User may terminate an order or SOW, in whole or in part, for breach and/or default of Supplier. Supplier shall be deemed in breach and/or default in the event that Supplier fails to meet any material obligation set forth in this Contract or in any order or SOW issued hereunder.

If VITA deems the Supplier to be in breach and/or default, VITA shall provide Supplier with notice of breach and/or default and allow Supplier fifteen (15) days to cure the breach and/or default. If Supplier fails to cure the breach as noted, VITA may immediately terminate this Contract or any order or SOW issued hereunder, in whole or in part. If an Authorized User deems the Supplier to be in breach and/or default of an order or SOW, such Authorized User shall provide Supplier with notice of breach and/or default and allow Supplier fifteen (15) days to cure the breach and/or default. If Supplier fails to cure the breach and/or default as noted, such Authorized User may immediately terminate its order or SOW, in whole or in part. Any such termination shall be deemed a Termination for Breach or a Termination for Default. In addition, if Supplier is found by a court of competent jurisdiction to be in violation of or to have violated 31 USC 1352 or if Supplier becomes a party excluded from Federal Procurement and Nonprocurement Programs,

VITA may immediately terminate this Contract, in whole or in part, for breach. VITA shall provide written notice to Supplier of such termination and Supplier shall provide written notice to VITA if Supplier is charged with violation of 31 USC 1352 or if federal debarment proceedings are instituted against Supplier.

D. Termination for Non-Appropriation of Funds

All payment obligations from public bodies under this Contract are subject to the availability of legislative appropriations at the federal, state, or local level, for this purpose. In the event of non-appropriation of funds, irrespective of the source of funds, for the items under this Contract, VITA may terminate any order or SOW, in whole or in part, or an Authorized User may terminate its order or SOW, in whole or in part, for those goods or services for which funds have not been appropriated. Written notice will be provided to the Supplier as soon as possible after legislative action is completed.

E. Effect of Termination

Upon termination, neither the Commonwealth, nor VITA, nor any Authorized User shall have any future liability except for Deliverables accepted by the Authorized User or Services rendered by Supplier and accepted by the Authorized User prior to the termination date.

In the event of a Termination for Breach or Termination for Default, Supplier shall accept return of any Deliverable that was not accepted by the Authorized User(s), and Supplier shall refund any monies paid by any Authorized User for such Deliverable, and all costs of de-installation and return of Deliverables shall be borne by Supplier.

F. Transition of Services

Prior to or upon expiration or termination of this Contract and at the request of VITA, Supplier shall provide all assistance as VITA or an Authorized User may reasonably require to transition Services to any other supplier with whom VITA or such Authorized User contracts for provision of services identical or similar to the Services provided by Supplier pursuant to this Contract. This obligation may extend beyond expiration or termination of the Contract for a period not to exceed six (6) months. In the event of a termination for breach and/or default of Supplier, Supplier shall provide such assistance at no charge or fee to VITA or any Authorized User; otherwise, Supplier shall provide such assistance at the hourly rate or a charge agreed upon by Supplier and VITA or an Authorized User.

G. Contract Kick-Off Meeting

Within 30 days of Contract award, Supplier may be required to attend a contract orientation meeting, along with the VITA contract manager/administrator, the VITA and/or other CoVa Agency project manager(s) or authorized representative(s), technical leads, VITA representatives for SWaM and Sales/IFA reporting, as applicable, and any other significant stakeholders who have a part in the successful performance of this Contract. The purpose of this meeting will be to review all contractual obligations for both parties, all administrative and reporting requirements, and to discuss any other relationship, responsibility, communication and performance criteria set forth in the Contract. The Supplier may be required to have its assigned account manager as specified in Section 6.0 and a representative from its contracts department in attendance. The time and location of this meeting will be coordinated with Supplier and other meeting participants by the VITA contract manager.

H. Contract Closeout

Prior to the contract's expiration date, Supplier may be provided contract close out documentation and shall complete, sign and return to VITA Supply Chain Management within 30 days of receipt. This documentation may include, but not be limited to: Patent/Royalty Certificate, Tangible Property/Asset Certificate, Escrow Certificate, SWaM Reports Completion Certificate, other required Small Business (SWaM) Procurement Plan compliance/variance and non-SWaM spend documentation as described in the Reporting section of this Contract, Sales Reports/IFA Payments Completion Certificate, and Final Payment Certificate. Supplier is required to process these as requested to ensure completion of close-out administration and to maintain a positive performance reputation with the Commonwealth of Virginia. Any closeout documentation not received within 30 days of Supplier's receipt of the Commonwealth's request will be documented

in the contract file as Supplier non-compliance. Supplier's non-compliance may affect any pending payments due the Supplier, including final payment, until the documentation is returned.

4. SERVICES

A. Nature of Services and Engagement

This Contract is optional use and non-exclusive and all Authorized Users may, at their sole discretion, receive benefits from third party suppliers of services similar to, or in competition with, services provided by Supplier.

By operation of this Contract, any order or SOW resulting in a commitment of any individual employee or contractor of Supplier, whether employed by Supplier or a contractor or subcontractor of Supplier, for more than one thousand (1,000) hours of work during any six (6) month period or of any such individual employee or contractor for more than eight (8) months in any twelve (12) month period shall be voidable by VITA, in its sole discretion. If an order or SOW is voided by VITA, such order or SOW shall no longer be binding on either Party and all obligations with respect to such order or SOW shall expire.

B. Statement of Work (SOW)

A Statement of Work shall be required for all orders issued under this Contract. All SOWs must include VITA as one of the signing parties. All Services shall be performed at the times and locations set forth in the applicable SOW and at the rates set forth in Exhibit D herein. Unless VITA issues a written authorization for a time and materials type SOW, any SOW shall be of a fixed price type but may, with the written approval of VITA, contain a cost-reimbursable line item(s) for pre-approved travel expenses. In furtherance of compliance, invoicing, and auditing requirements, all Supplier personnel performing Services under an SOW issued under this Contract shall maintain daily time records of hours and tasks performed, which shall be submitted or made available for inspection by the Authorized User upon forty-eight (48) hours advance written notice.

C. Change Orders

All changes to the Services to be provided pursuant to any given SOW must be described in a written change request (template provided as Exhibit C), which includes any appropriate adjustments to the SOW. Either Party to an SOW may issue a change request that will be subject to written approval of the other Party before it becomes part of this Contract. In no event shall any SOW or any modification thereto require the Supplier to perform any work beyond the scope of this Contract as such scope is defined in Exhibit A hereto.

D. Acceptance

Service(s) shall be deemed accepted when the Authorized User determines that such Service(s) meets the Requirements set forth in the applicable order or SOW. If applicable, Supplier shall be responsible for ensuring that any individual Deliverable functions properly with any other Deliverable provided pursuant to the order or SOW. Should a previously Accepted Deliverable require further modification in order to work properly with any other Deliverable, Supplier shall be responsible for all costs associated with such modification.

Authorized User shall commence Acceptance review within ten (10) days, or within such other period as set forth in the applicable order or SOW, after receipt of the Service. Acceptance review will be no longer than 15 (fifteen) days, or such other period as may be agreed in writing between Authorized User and Supplier, for each Deliverable or for the first instance of each Service type set forth in Exhibit B. Supplier agrees to provide to the Authorized User such assistance and advice as the Authorized User may reasonably require, at no additional cost, during such Acceptance review. Authorized User shall provide to Supplier written notice of Acceptance upon completion of successful Acceptance review. Should Authorized User fail to provide Supplier written notice of successful or unsuccessful Acceptance review within five (5) days following the Acceptance review period, the Service shall be deemed Accepted.

E. Cure Period

Supplier shall correct any non-conformities identified during Acceptance review and re-submit such non-conforming Service for review within seven (7) days of receipt of the appropriate Authorized User's written notice of non-conformance, or as otherwise agreed between such Authorized User and Supplier in the applicable SOW. Should Supplier fail to cure the non-conformity or deliver a Service which meets the Requirements, the Authorized User may, in its sole discretion: (i) reject the Service in its entirety, and any Service rendered unusable due to the non-conforming Service, and recover amounts previously paid hereunder for all such Services; (ii) issue a "partial Acceptance" of the Service with an equitable adjustment in the price to account for such deficiency; or (iii) conditionally accept the applicable Service while reserving its right to revoke Acceptance if timely correction is not forthcoming. Failure of a Service to meet, in all material respects, the Requirements after the second set of acceptance review may constitute a default by Supplier. In the event of such default, the Authorized User may, at its sole discretion, terminate its order or SOW, in whole or in part, for the Services to be provided thereunder by Supplier.

5. RIGHTS TO WORK PRODUCT

If Authorized User is a state agency, board, commission, or other quasi-political entity of the Commonwealth of Virginia or other body referenced in Title 2.2 of the Code of Virginia, any license to pre-existing work shall be held by, and all rights in, title to, and ownership of Work Product shall vest with the Commonwealth. If Authorized User is a locality, municipality, school, school system, college, university, local board, local commission, or local quasi-political entity, any license to pre-existing work shall be held by, and all rights in, title to, and ownership of Work Product shall vest with that public body. If Authorized User is a private institution of higher education chartered in Virginia and granted tax-exempt status under §501(c) (3) of the Internal Revenue Code, any license to pre-existing work shall be held by, and all rights in, title to, and ownership of Work Product shall vest with that institution.

A. Work Product

VITA and Supplier each acknowledge that performance of this Contract may result in Work Product. The Parties shall document all Work Product specifications and such specifications shall be made an incorporated exhibit to this Contract. Supplier agrees that it shall promptly and fully disclose to the Commonwealth or the Authorized User any and all Work Product generated, conceived, reduced to practice or learned by Supplier or any of its employees, either solely or jointly with others, during the term or performance of this Contract, which in any way relates to the business of the Commonwealth, VITA, or any Authorized User. Supplier further agrees that neither Supplier nor any of Supplier's employees, contractors, agents or subcontractors, nor any party claiming through Supplier or Supplier's employees, shall, other than in the performance of this Contract, make use of or disclose to others any proprietary information relating to the Work Product. All Services performed hereunder shall include delivery of all Work Product source code, object code, executables, and documentation. Supplier shall at no time deny access to the Work Product, regardless of form, by the Commonwealth or the Authorized User.

B. Ownership

Supplier agrees that, whether or not the Services are considered "works made for hire" or an employment to invent, all Work Product discovered, created or developed under this Contract shall be and shall remain the sole and exclusive property of the Commonwealth of Virginia and its assigns or the Authorized User and its assigns. Except as specifically set forth in writing and signed by both VITA and Supplier, or Authorized User and Supplier, Supplier agrees that the Commonwealth or the Authorized User shall have all rights with respect to any Work Product discovered, created or developed under this Contract without regard to the origin of the Work Product.

If and to the extent that Supplier may, under applicable law, be entitled to claim any ownership interest in the Work Product, Supplier hereby irrevocably transfers, grants, conveys, assigns and relinquishes exclusively to the Commonwealth or the Authorized User any and all right, title and interest it now has or may hereafter acquire in and to the Work Product under patent, copyright,

trade secret and trademark law in perpetuity or for the longest period otherwise permitted by law. If any moral rights are created, Supplier waives such rights in the Work Product. Supplier further agrees as to the Work Product to assist the Commonwealth or the Authorized User in every reasonable way to obtain and, from time to time, enforce patents, copyrights, and other rights and protection, and in protecting trade secrets, with respect to such Work Product, and to that end, Supplier and its employees shall execute all documents for use in applying for and obtaining such patents, copyrights, and other rights and protection with respect to such Work Product, as the Commonwealth or the Authorized User may reasonably request, together with any assignments thereof to the Commonwealth or the Authorized User or entities designated by the Commonwealth or the Authorized User.

C. Pre-existing Work

If and to the extent that any pre-existing rights are embodied or reflected in the Service Deliverables, Supplier hereby grants to the Commonwealth or the Authorized User an irrevocable, perpetual, non-exclusive, worldwide, royalty-free right and license to (i) use, modify, transmit, execute, reproduce, display, perform, distribute copies of and prepare derivative works based upon such pre-existing rights and any derivative works thereof, and (ii) authorize others to do any or all of the foregoing. It is expressly understood that "perpetual" license rights shall commence upon delivery of the Service Deliverables and shall exist in perpetuity unless otherwise terminated in accordance with the applicable provisions of the Contract.

D. Return of Materials

Upon termination of this Contract, Supplier shall immediately return to VITA or the appropriate Authorized User all copies, in whatever form, of any and all Confidential Information, Work Product and other properties provided by VITA or such Authorized User, which are in Supplier's possession, custody or control.

6. SUPPLIER PERSONNEL

A. Selection and Management of Supplier Personnel

Supplier shall take such steps as may be necessary to ensure that all Supplier personnel performing Services under this Contract are competent and knowledgeable of the contractual arrangements and the applicable order or SOW between Authorized User and Supplier. Supplier shall be solely responsible for the conduct of its employees, agents, and subcontractors, including all acts and omissions of such employees, agents, and subcontractors, and shall ensure that such employees and subcontractors comply with the appropriate Authorized User's site security, information security and personnel conduct rules, as well as applicable federal, state and local laws, including export regulations. Authorized User reserves the right to require the immediate removal from such Authorized User's premises of any employee, subcontractor or agent of Supplier whom such Authorized User believes has failed to comply or whose conduct or behavior is unacceptable or unprofessional or results in a security or safety breach.

B. Supplier Personnel Supervision

Supplier acknowledges that Supplier, or any of its agents, contractors, or subcontractors, is and shall be the employer of Supplier personnel, and shall have sole responsibility to supervise, counsel, discipline, review, evaluate, set the pay rates of, provide (to the extent required by law) health care and other benefits for, and terminate the employment of Supplier personnel. Neither VITA nor an Authorized User shall have any such responsibilities for Supplier or subcontractor personnel.

C. Key Personnel

An order or SOW may designate certain of Supplier's personnel as Key Personnel or Project Managers. Supplier's obligations with respect to Key Personnel and Project Managers shall be described in the applicable SOW. Failure of Supplier to perform in accordance with such obligations may be deemed a default of this Contract or of the applicable SOW.

D. Subcontractors

Supplier shall not use subcontractors to perform the Services unless specifically authorized in writing to do so by the Authorized User. If an order or SOW issued pursuant to this Contract is

supported in whole or in part with federal funds, Supplier shall not subcontract any Services pursuant to such order or SOW to any subcontractor that is a party excluded from Federal Procurement and Nonprocurement Programs. In no event shall Supplier subcontract any Services to any subcontractor which is debarred by the Commonwealth of Virginia or which owes back taxes to the Commonwealth and has not made arrangements with the Commonwealth for payment of such back taxes.

7. GENERAL WARRANTY

With respect to the Services provided by Supplier, Supplier represents and warrants the following:

A. Ownership

Supplier has the right to provide the Services, including Deliverables, without violating or infringing any law, rule, regulation, copyright, patent, trade secret or other proprietary right of any third party.

B. Supplier's Viability

Supplier warrants that it has the financial capacity to perform and continue to perform its obligations under this Contract; that Supplier has no constructive or actual knowledge of an actual or potential legal proceeding being brought against Supplier that could materially adversely affect performance of this Contract; and that entering into this Contract is not prohibited by any contract, or order by any court of competent jurisdiction.

C. Supplier's Past Experience

Supplier warrants that the Services have been successfully performed for a non-related third-party without significant problems due to the Services or Supplier.

D. Performance

- i). All Services shall be performed with care, skill and diligence, consistent with or above applicable professional standards currently recognized in its profession, and Supplier shall be responsible for the professional quality, technical accuracy, completeness and coordination of all plans, information, specifications, Deliverables and Services furnished under this Contract;
- ii). Services pursuant to a particular Request for Proposal ("RFP"), quote, or Request for Quote (RFQ), and any associated Deliverables shall be fit for the particular purposes specified by VITA in the RFP and in this Contract and, if applicable, by the Authorized User requesting such quote or issuing such RFQ, and Supplier is possessed of superior knowledge with respect to the Services and Deliverables and is aware that all Authorized Users are relying on Supplier's skill and judgment in providing the Services and Deliverables;
- iii). The documentation which Supplier is required to provide under this Contract shall be sufficient in detail and content to allow a user to understand and fully utilize the Deliverables without reference to any other materials or information.

E. Malicious Code

Supplier has used its best efforts through quality assurance procedures to ensure that there are no computer viruses or undocumented features in any of the media or means used to deliver the Services. Supplier has used the best available means to scan any media on which Deliverables are provided to the Authorized User.

F. Limited Warranty Period and Remedy

During the warranty period of one hundred eighty (180) days, or as specified in the applicable order or SOW, Supplier warrants that the Services shall meet or exceed the Requirements. Supplier shall correct, at no additional cost to any Authorized User, all errors identified during the warranty period that result in a failure of the Services to meet the Requirements. If Supplier is unable to make the Service/Deliverable conform, in all material respects, to the Requirements within ten (10) days following written notification by an Authorized User, Supplier shall, at such Authorized User's request, accept return of such Deliverable and any other related Deliverable(s) rendered unusable, and return all monies paid by such Authorized User for the non-conforming Services and Deliverable and such other related Deliverable(s) rendered unusable.

THE OBLIGATIONS OF SUPPLIER UNDER THIS GENERAL WARRANTY SECTION ARE MATERIAL. SUPPLIER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY CONCERNING MERCHANTABILITY OR FITNESS FOR ANY OTHER PARTICULAR PURPOSE.

8. TRAINING AND DOCUMENTATION

Any training or documentation necessary for an Authorized User to have full benefit of the Service and Deliverables shall be deemed included in the scope of the Contract. .

9. ORDERS AND COMPENSATION

A. Request for Quote

Authorized Users of this Contract, depending on the complexity of services required and/or supplier's available resources, have the option to select one or more suppliers to provide services. In addition, an Authorized User may determine that a competitive process is required to ensure it receives the best value. In either or both of such circumstances, the Authorized User may, at its sole discretion, use a Request for Quote (RFQ) process to obtain services identical or similar to those provided by Supplier pursuant to this Contract.

Supplier shall respond to the RFQ by providing a quote, including an estimated total price, and, if requested by the Authorized User, a proposal and documentation of the qualifications of the individual(s) proposed for providing services to the Authorized User. In no event shall Supplier's quote exceed Supplier's Contract pricing. Should Supplier be unable to respond to the RFQ due, for example, to resource constraints, Supplier shall notify Authorized User in writing of its inability to perform the work requested by such Authorized User, and provide the reasons for such inability to perform, prior to the due date for the submission of quotes in response to the RFQ. Supplier's repeated failure to provide a quote in response to an RFQ may be grounds for termination of this Contract.

B. Order

Supplier is required to accept any order placed by an Authorized User through the eVA electronic procurement website portal (<http://www.eva.virginia.gov/>). eVA is the Commonwealth of Virginia's e-procurement system. State agencies, as defined in §2.2-2006 of the Code of Virginia, shall order through eVA. All other Authorized Users are encouraged to order through eVA, but may order through the following means:

Purchase Order (PO): An official PO form issued by an Authorized User.

Any other order/payment charge or credit card process, such as AMEX, MASTERCARD, or VISA under contract for use by an Authorized User.

This ordering authority is limited to issuing orders or SOWs for the Services available under this Contract. Under no circumstances shall any Authorized User have the authority to modify this Contract. An order or SOW from an Authorized User may contain additional terms and conditions; however, to the extent that the terms and conditions of the Authorized User's order or SOW are inconsistent with the terms and conditions of this Contract, the terms of this Contract shall supersede.

Notwithstanding the foregoing, Supplier shall not accept any order from an Authorized User if such order or SOW is to be funded, in whole or in part, by federal funds and if, at the time the order or SOW is placed, Supplier is not eligible to be the recipient of federal funds as may be noted on any of the Lists of Parties Excluded from Federal Procurement and Nonprocurement Programs.

ALL CONTRACTUAL OBLIGATIONS UNDER THIS CONTRACT IN CONNECTION WITH AN ORDER OR SOW PLACED BY ANY AUTHORIZED USER ARE THE SOLE OBLIGATION OF SUCH AUTHORIZED USER AND NOT THE RESPONSIBILITY OF VITA UNLESS SUCH AUTHORIZED USER IS VITA.

C. Purchase Price and Price Protection

Exhibit D sets forth the fees and any appropriate Commonwealth discounts. Fees shall not increase and discounts shall not decrease for a period of not less than two (2) years from the Effective Date. No such increase shall exceed the lesser of three percent (3%) or the annual increase in the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, All Items, not seasonally adjusted, as published by the Bureau of Labor Statistics of the Department of Labor (<http://www.bls.gov/cpi/home.htm>), for the effective date of the increase compared with the same index one (1) year prior. Any such change in price shall be submitted in writing in accordance with the above and shall not become effective for sixty (60) days thereafter. Supplier agrees to offer price reductions to ensure compliance with the Competitive Pricing Section.

D. Invoice Procedures

Supplier shall remit each invoice to the "bill-to" address provided with the order or SOW promptly after all Deliverables or Services have been accepted and in accordance with the milestone payment schedule, if any, in the applicable order or SOW. For a time and materials type order or SOW with a period of performance expected to exceed one (1) month, Supplier shall submit invoices to the ordering Authorized User monthly in arrears, unless otherwise specified in such order or SOW. For a fixed price type order or SOW, Supplier shall invoice in accordance with the milestone payment schedule, if any, in the applicable order or SOW; if such order or SOW does not include a milestone payment schedule, Supplier shall invoice after all Deliverables or Services have been accepted by the ordering Authorized User. No invoice shall include any costs other than those identified in the executed order or SOW or SOW change order, which costs shall be in accordance with Exhibit D. Without limiting the foregoing, all shipping costs are the Supplier's responsibility except to the extent such charges are identified in Exhibit D, or as noted in any executed order or SOW referencing this Contract. Any cost reimbursable work performed or expenses incurred by Supplier prior to the effective date of the order shall not be billed to or reimbursed by the Authorized User. Invoices issued by the Supplier shall identify at a minimum:

- i). Deliverable or Service type, or project milestone, and description
- ii). Quantity, charge and extended pricing for each Deliverable and/or Service item or milestone; or, for a time and materials type order or SOW, the name(s) of the assigned employee(s), the hourly rate(s), and the number of hours worked;
- iii). Applicable order date or SOW date
- iv). This Contract number and the applicable order number
- v). Supplier's Federal Employer Identification Number (FEIN).

Any terms included on Supplier's invoice shall have no force or effect and will in no way bind VITA or any Authorized User.

E. Purchase Payment Terms

Supplier is responsible for the accuracy of its billing information. Supplier agrees not to issue invoices hereunder until Services have been performed or items, deliverables, components and milestones have met Acceptance criteria. Charges for Services accepted more than ninety (90) days prior to receipt of a valid invoice may not be paid, except in accordance with a milestone payment schedule. Should Supplier repeatedly over bill Authorized User, Authorized User may assess a one percent (1%) charge for the amount over billed for each month that such over billing continues.

If there are any disputed items, the appropriate Authorized User shall pay all undisputed charges and promptly notify Supplier in writing of any disputed amount. Supplier shall thereupon review its records, and, if it does not concur with such Authorized User, provide such Authorized User with documentation to support the charge. If such charges remain in dispute, such dispute shall be resolved in accordance with the Dispute Resolution section of this Contract. In the absence of the Supplier's written evidence identifying the merit of the disputed amounts, Authorized User may not pay the disputed amounts and may consider the matter concerning the specific identified amounts closed. All payment terms are net 30 days after Acceptance.

F. Reimbursement of Expenses

If allowable pursuant to an Authorized User's order or SOW, such Authorized User shall pay, or reimburse Supplier, for all reasonable and actual travel-related expenses for greater than thirty (30) miles from portal to portal incurred by Supplier during the relevant period; provided, however, that such Authorized User shall only be liable to pay for Supplier's travel-related expenses, including transportation, meals, lodging and incidental expenses, that have been authorized by such Authorized User in advance and which will be reimbursable by such Authorized User at the then-current per diem amounts as published by the Virginia Department of Accounts (<http://www.doa.virginia.gov/>, or a successor URL(s)). If the Authorized User is a private institution chartered in Virginia and granted tax-exempt status under §501(c)(3) of the Internal Revenue Code, such private institution may have its own per diem amounts applicable to Supplier's pre-approved travel expenses.

All reimbursed expenses will be billed to the Authorized User on a pass-through basis without any markup by Supplier. At Authorized User's request, Supplier shall provide copies of receipts for all travel expenses over US\$30.00.

10. REPORTING

In addition to all reports identified in the Requirements, Supplier is required to submit to VITA the following monthly reports:

- Report of Sales; and
- Small Business Procurement and Subcontracting Report

These reports must be submitted using the instructions and further detailed requirements and templates found at the following URL: <http://www.vita.virginia.gov/scm/default.aspx?id=97>

Suppliers are encouraged to review the site periodically for updates on Supplier reporting requirements and methods.

In conjunction with the requirements in the Invoice Procedures section of this Contract, Supplier shall provide to VITA within 30 days of the date of expiration of the contract an accompanying statement certifying that Supplier has fully complied with the Contract's Small Business (SWaM) Procurement Plan, and if Supplier has not fully complied, provide a written explanation of any variances between such Plan and the actual participation. The Supplier's compliance confirmation and/or written explanation of variance shall be maintained by VITA, in the contract file.

Failure by Supplier to comply with its contractually obligated Small Business (SWaM) Procurement Plan may prohibit or delay any renewals of the Contract. Also, Supplier's failure to comply with its Small Business (SWaM) Procurement Plan or to explain any variance between the proposed Plan and actual SWaM subcontracting spend may result in the withholding of any final payment due Supplier.

Failure to comply with all reporting requirements may result in default of the Contract.

11. RELATIONSHIP MANAGEMENT COMMITTEE

In order to facilitate mutually beneficial contractual relationships with suppliers, VITA has procedures for establishing a relationship management committee ("Relationship Management Committee"), consisting of senior management personnel, including personnel involved in the contractual relationship, from VITA and Supplier.

Roles of the Relationship Management Committee include but are not limited to a) identifying potential issues which may arise during the performance of a contract, b) discussing and assigning roles and responsibilities, c) establishing methods for quickly resolving potential disputes, d) setting rules for communication and decision making, e) monitoring and measuring the business relationship between the parties, and f) acting as a final decision board for escalated problems.

A meeting of the Relationship Management Committee is intended to be a forum for brainstorming and sharing ideas, emphasizing respect, cooperation, and access, with the end goal of developing relationships to avoid conflict. A facilitator may, but is not required to, conduct a meeting of the Relationship Management Committee.

A Relationship Management Committee for this Contract will be formed at VITA's option. Meetings may be held at any time during the Contract term, should VITA, at its sole discretion, determine that a meeting(s) would be beneficial to the contractual relationship, and Supplier agrees to participate in such meeting(s). In addition, Supplier may at any time submit a written request to VITA for a meeting of the Relationship Management Committee, which VITA will not unreasonably deny.

Supplier shall ensure the availability of the appropriate personnel to meet with the VITA contract management team. Additional Relationship Management Committee meetings involving representatives from VITA, the Supplier, and an Authorized User may be required prior to or during performance on any specific Statement of Work issued pursuant to this Contract.

12. COMPETITIVE PRICING

Supplier warrants and agrees that each of the charges, economic or product terms or warranties granted pursuant to this Contract are comparable to or better than the equivalent charge, economic or product term or warranty being offered to any commercial or government customer of Supplier. If Supplier enters into any arrangements with another customer of Supplier to provide Services under more favorable prices, as the prices may be indicated on Supplier's current U.S. and International price list or comparable document, then this Contract shall be deemed amended as of the date of such other arrangements to incorporate those more favorable prices, and Supplier shall immediately notify VITA of such change.

13. CONFIDENTIALITY

A. Treatment and Protection

Each Party shall (i) hold in strict confidence all Confidential Information of any other Party, (ii) use the Confidential Information solely to perform or to exercise its rights under this Contract, and (iii) not transfer, display, convey or otherwise disclose or make available all or any part of such Confidential Information to any third-party. However, an Authorized User may disclose the Confidential Information as delivered by Supplier to subcontractors, contractors or agents of such Authorized User that are bound by non-disclosure contracts with such Authorized User. Each Party shall take the same measures to protect against the disclosure or use of the Confidential Information as it takes to protect its own proprietary or confidential information (but in no event shall such measures be less than reasonable care).

B. Exclusions

The term "Confidential Information" shall not include information that is:

- i). in the public domain through no fault of the receiving Party or of any other person or entity that is similarly contractually or otherwise obligated;
- ii). obtained independently from a third-party without an obligation of confidentiality to the disclosing Party and without breach of this Contract;
- iii). developed independently by the receiving Party without reference to the Confidential Information of the other Party; or
- iv). required to be disclosed under The Virginia Freedom of Information Act (§§2.2-3700 et seq. of the Code of Virginia) or similar laws or pursuant to a court order.

C. Return or Destruction

Upon the termination or expiration of this Contract or upon the earlier request of the disclosing Authorized User, Supplier shall (i) at its own expense, (a) promptly return to the disclosing Authorized User all tangible Confidential Information (and all copies thereof except the record required by law) of the disclosing Authorized User, or (b) upon written request from the disclosing Authorized User, destroy such Confidential Information and provide the disclosing Authorized

User with written certification of such destruction, and (ii) cease all further use of the Authorized User's Confidential Information, whether in tangible or intangible form.

VITA or the Authorized User shall retain and dispose of Supplier's Confidential Information in accordance with the Commonwealth of Virginia's records retention policies or, if Authorized User is not subject to such policies, in accordance with such Authorized User's own records retention policies.

D. Confidentiality Statement

All Supplier personnel, contractors, agents, and subcontractors performing Services pursuant to this Contract shall be required to sign a confidentiality statement or non-disclosure agreement. Any violation of such statement or agreement shall be deemed a breach of this Contract and may result in termination of the Contract or any order or SOW issued hereunder.

14. INDEMNIFICATION AND LIABILITY

A. Indemnification

Supplier agrees to indemnify, defend and hold harmless the Commonwealth, VITA, any Authorized User, their officers, directors, agents and employees (collectively, "Commonwealth's Indemnified Parties") from and against any and all losses, damages, claims, demands, proceedings, suits and actions, including any related liabilities, obligations, losses, damages, assessments, fines, penalties (whether criminal or civil), judgments, settlements, expenses (including attorneys' and accountants' fees and disbursements) and costs (each, a "Claim" and collectively, "Claims"), incurred by, borne by or asserted against any of Commonwealth's Indemnified Parties to the extent such Claims in any way relate to, arise out of or result from: (i) any intentional or willful conduct or negligence of any employee, agent, or subcontractor of Supplier, (ii) any act or omission of any employee, agent, or subcontractor of Supplier, (iii) breach of any representation, warranty or covenant of Supplier contained herein, (iv) any defect in the Deliverables or the Services, or (v) any actual or alleged infringement or misappropriation of any third party's intellectual property rights by any of the Deliverables or Services. Selection and approval of counsel and approval of any settlement shall be accomplished in accordance with all applicable laws, rules and regulations. For state agencies the applicable laws include §§ 2.2-510 and 2.2-514 of the Code of Virginia. In all cases the selection and approval of counsel and approval of any settlement shall be satisfactory to the Commonwealth. In all cases the selection and approval of counsel and approval of any settlement shall be satisfactory to the Commonwealth. In the event of a settlement between Supplier and a private institution of higher education who is an Authorized User of this contract, the settlement shall be satisfactory to such institution.

In the event that a Claim is commenced against any of Commonwealth's Indemnified Parties alleging that use of any Deliverable or that the provision of Services under this Contract infringes any third party's intellectual property rights and Supplier is of the opinion that the allegations in such Claim in whole or in part are not covered by this indemnification provision, Supplier shall immediately notify VITA and the affected Authorized User(s) in writing, via certified mail, specifying to what extent Supplier believes it is obligated to defend and indemnify under the terms and conditions of this Contract. Supplier shall in such event protect the interests of the Commonwealth's Indemnified Parties and secure a continuance to permit VITA and the affected Authorized User(s) to appear and defend their interests in cooperation with Supplier as is appropriate, including any jurisdictional defenses VITA or the affected Authorized User(s) may have.

In the event of a Claim pursuant to any actual or alleged infringement or misappropriation of any third party's intellectual property rights by any of the Services or Deliverables, and in addition to all other obligations of Supplier in this Section, Supplier shall at its expense, either (a) procure for all Authorized Users the right to continue use of such infringing Services or Deliverables; or (b) replace or modify such infringing Services or Deliverables with non-infringing deliverables or services satisfactory to VITA. And in addition, Supplier shall provide any Authorized User with comparable temporary replacement deliverables and services, or reimburse VITA or any

Authorized User for the reasonable costs incurred by VITA or such Authorized User in obtaining alternative deliverables and services in the event such Authorized User cannot use the affected Deliverable or benefit from the affected Services. If Supplier cannot accomplish any of the foregoing within a reasonable time and at commercially reasonable rates, then Supplier shall accept the return of the infringing Services or Deliverables, along with any other Services or Deliverables rendered unusable by any Authorized User as a result of the infringing Services or Deliverables, and refund the price paid to Supplier for such Services and Deliverables.

B. Liability

Supplier's liability to the Commonwealth under this Contract for breach of this Contract's confidentiality, security, or indemnification provisions shall be limited to two (2) times the value of applicable SOW or order. The same limitation on the Supplier's liability to the Commonwealth under this Contract shall apply to any other breach of this Contract by Supplier, if the breach arises from any intentional, willful, or negligent act or omission of any employee, agent, or subcontractor of Supplier or if the damages are based on bodily injury, death, or damage to real property or tangible personal property. The limitation shall apply on a per-incident basis, it being understood that multiple losses stemming from the same root cause constitute a single incident.

EXCEPT FOR CLAIMS COVERED BY THE ABOVE DOLLAR LIMITATION, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES UNDER THIS CONTRACT, INCLUDING (WITHOUT LIMITATION) LOSS OF PROFIT, INCOME OR SAVINGS, EVEN IF ADVISED OF THE POSSIBILITY THEREOF.

15. INSURANCE

In addition to the insurance coverage required by law as specified in the URL identified in the Incorporated Contractual Provisions section of this Contract, Supplier shall carry errors and omissions insurance coverage in the amount of \$1,000,000 per occurrence.

16. SECURITY COMPLIANCE

Supplier agrees to comply with all provisions of the then-current Commonwealth of Virginia security procedures, published by the Virginia Information Technologies Agency (VITA) and which may be found at (<http://www.vita.virginia.gov/library/default.aspx?id=537#securityPSGs>) or a successor URL(s), as are pertinent to Supplier's operation. Supplier further agrees to comply with all provisions of the relevant Authorized User's then-current security procedures as are pertinent to Supplier's operation and which have been supplied to Supplier by such Authorized User. Supplier shall also comply with all applicable federal, state and local laws and regulations. Additionally, for certain granted special site and/or data access permissions required for Supplier during its performance under this Contract, additional security procedures may include but not be limited to: background checks, records verification, photographing, and fingerprinting of Supplier's employees or agents. Supplier may, at any time, be required to execute and complete, for each individual Supplier employee or agent, additional forms which may include non-disclosure agreements to be signed by Supplier's employees or agents acknowledging that all Authorized User information with which such employees and agents come into contact is confidential and proprietary. Any unauthorized release of proprietary or Personal information by the Supplier or an employee or agent of Supplier shall constitute a breach of its obligations under this Section and the Contract.

Supplier shall immediately notify VITA and Authorized User, if applicable, of any Breach of Unencrypted and Unredacted Personal Information, as those terms are defined in Virginia Code 18.2-186.6, and other personal identifying information, such as insurance data or date of birth, provided by VITA or Authorized User to Supplier. Supplier shall provide VITA the opportunity to participate in the investigation of the Breach and to exercise control over reporting the unauthorized disclosure, to the extent permitted by law.

Supplier shall indemnify, defend, and hold the Commonwealth, VITA, the Authorized User, their officers, directors, employees and agents harmless from and against any and all fines, penalties (whether criminal or civil), judgments, damages and assessments, including reasonable expenses suffered by, accrued against, or charged to or recoverable from the Commonwealth, VITA, the

Authorized User, their officers, directors, agents or employees, on account of the failure of Supplier to perform its obligations pursuant this Section.

17. IMPORT/EXPORT

In addition to compliance by Supplier with all export laws and regulations, VITA requires that any data deemed "restricted" or "sensitive" by either federal or state authorities, must only be collected, developed, analyzed, or otherwise used or obtained by persons or entities working within the boundaries of the United States.

18. GENERAL PROVISIONS

A. Relationship Between VITA and Authorized User and Supplier

Supplier has no authority to contract for VITA or any Authorized User or in any way to bind, to commit VITA or any Authorized User to any agreement of any kind, or to assume any liabilities of any nature in the name of or on behalf of VITA or any Authorized User. Under no circumstances shall Supplier, or any of its employees, hold itself out as or be considered an agent or an employee of VITA or any Authorized User, and neither VITA nor any Authorized User shall have any duty to provide or maintain any insurance or other employee benefits on behalf of Supplier or its employees. Supplier represents and warrants that it is an independent contractor for purposes of federal, state and local employment taxes and agrees that neither VITA nor any Authorized User is responsible to collect or withhold any federal, state or local employment taxes, including, but not limited to, income tax withholding and social security contributions, for Supplier. Any and all taxes, interest or penalties (including, but not limited to, any federal, state or local withholding or employment taxes and any penalties related to health care or employee benefits laws) that are imposed, assessed or levied as a result of this Contract or Services performed pursuant to this Contract shall be paid or withheld by Supplier or, if assessed against and paid by VITA or any Authorized User, shall be reimbursed by Supplier upon demand by VITA or such Authorized User.

B. Incorporated Contractual Provisions

The then-current contractual provisions at the following URL are mandatory contractual provisions, required by law or by VITA, and that are hereby incorporated by reference: <http://www.vita.virginia.gov/uploadedFiles/SCM/StatutorilyMandatedTsandCs.pdf>

The contractual claims provision §2.2-4363 of the Code of Virginia and the required eVA provisions at <http://www.vita.virginia.gov/uploadedFiles/SCM/eVATsandCs.pdf> are also incorporated by reference.

The then-current terms and conditions in documents posted to the aforereferenced URLs are subject to change pursuant to action by the legislature of the Commonwealth of Virginia, change in VITA policy, or the adoption of revised eVA business requirements. If a change is made to the terms and conditions, a new effective date will be noted in the document title. Supplier is advised to check the URLs periodically.

C. Compliance with the Federal Lobbying Act

Supplier's signed certification of compliance with 31 USC 1352 (entitled "Limitation on use of appropriated funds to influence certain Federal Contracting and financial transactions") or by the regulations issued from time to time thereunder (together, the "Lobbying Act") is incorporated as Exhibit E hereto.

D. Governing Law

This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia without regard to that body of law controlling choice of law. Any and all litigation shall be brought in the circuit courts of the Commonwealth of Virginia. The English language version of this Contract prevails when interpreting this Contract. The United Nations Convention on Contracts for the International Sale of Goods and all other laws and international treaties or conventions relating to the sale of goods are expressly disclaimed. UCITA shall apply to this Contract only to the extent required by §59.1-501.15 of the Code of Virginia.

E. Dispute Resolution

In accordance with §2.2-4363 of the Code of Virginia, Contractual claims, whether for money or other relief, shall be submitted in writing to the public body from whom the relief is sought no later than sixty (60) days after final payment; however, written notice of the Supplier's intention to file such claim must be given to such public body at the time of the occurrence or beginning of the work upon which the claim is based. Pendency of claims shall not delay payment of amounts agreed due in the final payment. The relevant public body shall render a final decision in writing within thirty (30) days after its receipt of the Supplier's written claim.

The Supplier may not invoke any available administrative procedure under §2.2-4365 of the Code of Virginia nor institute legal action prior to receipt of the decision of the relevant public body on the claim, unless that public body fails to render its decision within thirty (30) days. The decision of the relevant public body shall be final and conclusive unless the Supplier, within six (6) months of the date of the final decision on the claim, invokes appropriate action under §2.2-4364, Code of Virginia or the administrative procedure authorized by §2.2-4365, Code of Virginia.

Upon request from the public body from whom the relief is sought, Supplier agrees to submit any and all contractual disputes arising from this Contract to such public body's alternative dispute resolution (ADR) procedures, if any. Supplier may invoke such public body's ADR procedures at any time and concurrently with any other statutory remedies prescribed by the Code of Virginia.

In the event of any breach by a public body or a private institution, Supplier's remedies shall be limited to claims for damages and Prompt Payment Act interest and, if available and warranted, equitable relief, all such claims to be processed pursuant to this Section. In no event shall Supplier's remedies include the right to terminate any license or support services hereunder.

F. Advertising and Use of Proprietary Marks

Supplier shall not use the name of VITA or any Authorized User's name or refer to VITA or any Authorized User, directly or indirectly, in any press release or formal advertisement without receiving prior written consent of VITA or such Authorized User. In no event may Supplier use a proprietary mark of VITA or an Authorized User without receiving the prior written consent of VITA or the Authorized User.

G. Notices

Any notice required or permitted to be given under this Contract shall be in writing and shall be deemed to have been sufficiently given if delivered in person, or if deposited in the U.S. mails, postage prepaid, for mailing by registered, certified mail, or overnight courier service addressed to:

- i). To VITA and to Supplier, if Supplier is incorporated in the Commonwealth of Virginia, to the addresses shown on the signature page.
- ii). To Supplier, if Supplier is incorporated outside the Commonwealth of Virginia, to the Registered Agent registered with the Virginia State Corporation Commission.

Pursuant to Title 13.1 of the Code of Virginia, VITA or Supplier may change its address for notice purposes by giving the other notice of such change in accordance with this Section.

Administrative contract renewals, modifications or non-claim related notices are excluded from the above requirement. Such written and/or executed contract administration actions may be processed by the assigned VITA and Supplier points of contact for this Contract and may be given in person, via U.S. mail, courier service or electronically

H. No Waiver

Any failure to enforce any terms of this Contract shall not constitute a waiver.

I. Assignment

This Contract shall be binding upon and shall inure to the benefit of the permitted successors and assigns of VITA and Supplier. Supplier may not assign, subcontract, delegate or otherwise convey this Contract, or any of its rights and obligations hereunder, to any entity without the prior written consent of VITA, and any such attempted assignment or subcontracting without consent

shall be void. VITA may assign this Contract to any entity, so long as the assignee agrees in writing to be bound by the all the terms and conditions of this Contract.

If any law limits the right of VITA or Supplier to prohibit assignment or nonconsensual assignments, the effective date of the assignment shall be thirty (30) days after the Supplier gives VITA prompt written notice of the assignment, signed by authorized representatives of both the Supplier and the assignee. Any payments made prior to receipt of such notification shall not be covered by this assignment.

J. Captions

The captions are for convenience and in no way define, limit or enlarge the scope of this Contract or any of its Sections.

K. Severability

Invalidity of any term of this Contract, in whole or in part, shall not affect the validity of any other term. VITA and Supplier further agree that in the event such provision is an essential part of this Contract, they shall immediately begin negotiations for a suitable replacement provision.

L. Survival

The provisions of this Contract regarding License, Rights To Work Products, Warranty, Confidentiality, Liability and Indemnification, and the General Provisions shall survive the expiration or termination of this Contract.

M. Force Majeure

No Party shall be responsible for failure to meet its obligations under this Contract if the failure arises from causes beyond the control and without the fault or negligence of the non-performing Party. If any performance date under this Contract is postponed or extended pursuant to this section for longer than thirty (30) calendar days, VITA, by written notice given during the postponement or extension, may terminate Supplier's right to render further performance after the effective date of termination without liability for that termination, and in addition an Authorized User may terminate any order or SOW affected by such postponement or delay.

N. Remedies

The remedies set forth in this Contract are intended to be cumulative. In addition to any specific remedy, VITA and all Authorized Users reserve any and all other remedies that may be available at law or in equity.

O. Right to Audit

VITA reserves the right to audit those Supplier records that relate to the Services rendered or the amounts due Supplier for such Services under this Contract. VITA's right to audit shall be limited as follows:

- i). Three (3) years from Service performance date;
- ii). Performed at Supplier's premises, during normal business hours at mutually agreed upon times; and
- iii). Excludes access to Supplier cost information.

The Supplier shall not have the right to audit, or require to have audited, VITA or any Authorized User.

P. Offers of Employment

During the first twelve (12) months of the Contract, should Supplier hire an employee of an Authorized User who has substantially worked on any project covered by this Contract without prior written consent, the Supplier shall be billed for fifty percent (50%) of the employee's annual salary in effect at the time of termination.

Q. Contract Administration

Supplier agrees that at all times during the term of this Contract an account executive, at Supplier's senior management level, shall be assigned and available to VITA. Supplier reserves the right to change such account executive upon reasonable advance written notice to VITA.

R. Entire Contract

The following Exhibits, including all subparts thereof, are attached to this Contract and are made a part of this Contract for all purposes:

- i). Exhibit A Service Requirements
- ii). Exhibit B Statement of Work (SOW) Template
- iii). Exhibit C Change Order Template
- iv). Exhibit D Service Fees
- v). Exhibit E Certification Regarding Lobbying

This Contract, its Exhibits, and any prior non-disclosure agreement constitute the entire agreement between VITA and Supplier and supersede any and all previous representations, understandings, discussions or agreements between VITA and Supplier as to the subject matter hereof. Any and all terms and conditions contained in, incorporated into, or referenced by the Supplier's proposal shall be deemed invalid. The provisions of the Virginia Department of General Services, Division of Purchases and Supply Vendor's Manual shall not apply to this Contract or any order or SOW issued hereunder. This Contract may only be amended by an instrument in writing signed by VITA and Supplier. In the event of a conflict, the following order of precedence shall apply: this Contract document, Exhibit A, any individual SOW (including any change orders), Exhibit D.

Any modification to the Contract or the related SOW, including change orders, that extends the period of performance beyond one (1) year or increases the value of such order or SOW, the Contract, or any change order thereto above US\$100,000 shall, absent the prior written approval of VITA, be voidable by VITA, in its sole discretion. If an order or SOW is voided by VITA, such SOW shall no longer be binding on either Party and all obligations with respect to such SOW shall expire.

An Authorized User and Supplier may enter into an ordering agreement pursuant to this Contract. To the extent that such ordering agreement, or any order or SOW issued hereunder, include any terms and conditions inconsistent with the terms and conditions of this Contract, such terms and conditions shall be of no force and effect.

VITA and Supplier each acknowledge that it has had the opportunity to review this Contract and to obtain appropriate legal review if it so chose.

Executed as of the last date set forth below by the undersigned authorized representatives of VITA and Supplier.

Integrus Applied

By: 
(Signature)

Name: LESLIE JOHN DRUTT
(Print)

Title: PRINCIPAL

Date: December 9, 2014

Address for Notice:

18 SHAWNEE RIDGE Ct.
THE WOODLANDS
TEXAS 77382

Attention: LES DRUTT

VITA

By: 
(Signature)

Name: Samuel A. Nixon, Jr.
(Print)

Title: CIO COVA

Date: January 9, 2015

Address for Notice:

11751 meadowdale Lane
Chester, VA 23836-6315
Phil Pippert

Attention: Contract Administrator

**EXHIBIT A SERVICE REQUIREMENTS
 CONTRACT NUMBER VA-141219-IA
 BETWEEN
 VIRGINIA INFORMATION TECHNOLOGIES AGENCY
 AND
 INTEGRIS APPLIED**

Exhibit A is hereby incorporated into and made an integral part of Contract Number VA-141219-IA (“Contract”) between the Virginia Information Technologies Agency (“VITA” or “Commonwealth” or “State”) and Integris Applied (“Supplier”).

In the event of any discrepancy between this Exhibit A and the Contract, the provisions of the Contract shall control.

A. General

	Requirements	A	B
1	<p>Does your solution comply with all current COV ITRM Policies and Standards, as applicable, found at: http://www.vita.virginia.gov/library/default.aspx?id=537.</p> <p>If proposed solution does not, please provide details that specify the Standard/Policy and how Supplier's solution does not comply.</p>	Yes	<p>We have reviewed Virginia's IT Resource Management Policies (GOV102-01) and Standards (GOV101-01), as well as the supporting glossary, architecture, security, and project management documents. This review has determined that our proposal and resultant assessment, recommendations, and execution model will be compliant.</p>
2	<p>Does your solution provide effective, interactive control and use with nonvisual means and provide 508 Compliance in accordance with the following standard regarding IT Accessibility and 508 Compliance: http://www.vita.virginia.gov/uploadedFiles/Library/AccessibilityStandard_GOV103-00_Eff_11-04-05.pdf</p> <p>(Refer to www.section508.gov and www.access-board.gov for further information)</p> <p>If yes, please describe how this functionality is achieved and include a completed Voluntary Product Accessibility Template (VPAT) with your proposal: (The VPAT template is located in APPENDIX C of the Accessibility Standard (GOV103-00)).</p> <p>If no, does your solution provide alternate</p>	Yes	<p>Our potential scope of work involves assessing the current environment and opportunities, providing recommendations, executing through procurement and disentanglement, and potentially supporting ongoing governance. As such, our primary deliverables will be written reports, project plans, presentations, and meeting facilitation.</p> <p>In accordance with Section 508 Compliance requirements, all such written reports will include text for status reporting (to supplement or replace color coding, which assists persons of reduced color perception) and full text in machine-readable format (for translation to braille terminals or text-to-speech applications) as support for persons who are blind or visually impaired.</p> <p>As required, we are able to make additional</p>

	accessibility functionality? Please describe.		accommodations.
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B. Independence

	Requirements	A	B
1	Do you have any relationship with suppliers who provide similar IT outsourcing solutions? If so, please explain.	No	Our team provides strategy and sourcing consulting services, and we help our clients implement our recommendations. Members of our team are not system integrators nor firms that provide IT Outsourcing Solutions. We do not have any permanent business arrangement with IT Outsourcing Solution providers.

C. Capability

	Requirements	A	B
1	Do you have an identified team that will complete this work if awarded a contract? Please provide resumes for team members that clearly indicate skills and experience that are relevant to the objective identified in RFP Section 1.A.	Yes	The Integris Team has identified key resources to commit to this project. In addition to those persons committed to the project, we can access our extended teams to provide additional expert input, focused analysis, or strategic review. By virtue of our team composition, we have access to 1000+ US consultants who have provided related services to public and private sector clients.
2	Will you be using any subcontractors for this effort? If yes, please provide resumes that clearly indicate skills and experience that are relevant to the project scope identified in RFP Section 1.A.	Yes	The Integris Team is composed of personnel from Integris Applied, Set Consulting, and North Highland.

D. Experience

Proposed Integris Team members have extensive experience performing assessments, building sourcing strategies, and implementing our recommendations for public and private sector organizations. Our team has served in the government and on the service provider side, allowing us to bring a well-rounded perspective to VITA's specific challenges.

A representative example of where we have performed work relevant to that which VITA desires is shown in the table below. However, we have significantly more depth and breadth of experience in areas that will be critical to success, including deal design and negotiation, communications and stakeholder outreach, and project and program management. In addition, our team members have experience working with the Commonwealth, having supported more than 30 agencies.

	IT Outsourcing	Needs Assessment	Marketplace Evaluation	Deal Design and Negotiation	Disentanglement and Transition Planning	Cost Analysis	Customer Impact Analysis	Communications and Stakeholder Outreach	Project and Program Management	Commonwealth of Virginia
Georgia Technology Authority (GTA) <i>Services Integration Initiative</i>	●	●	●	●	●	●	●	●	●	
Texas Department of Information Resources (DIR) Evaluation	●	●	●	●	●	●	●	●	●	
Florida Department of Children and Families <i>Medicaid Eligibility System Procurement</i>	●	●	●	●					●	
Large Telecomm and Media Firm <i>Sourcing Governance and Oversight Support</i>	●	●	●	●		●		●	●	
Multinational Defense Contractor <i>Service Integration Support</i>	●		●	●					●	
VA Dept. of Behavioral Health & Disability Svcs <i>Acquisition Planning and Support</i>	●		●	●					●	●
Virginia Department of Transportation (VDOT) <i>Traffic Operations Centers Outsourcing</i>	●	●	●	●		●	●	●	●	●
Virginia Department of Transportation (VDOT) <i>IT Applications Development Outsourcing</i>	●	●	●			●	●		●	●
VA Information Technologies Agency (VITA) <i>Enterprise Security Operations Center Assessment</i>	●	●	●			●	●		●	●
VITA Security Information Management Svcs <i>Strategic Planning & Performance Management</i>			●	●	●	●		●		●
UK Home Office/Border Agency <i>IT Outsourcing and Oversight</i>	●		●	●	●	●	●	●	●	

Figure 1: Representative Qualifications

For this RFP response to VITA, we will reference our firm’s experience working with the Texas Department of Information Resources and the Georgia Technology Authority. We believe these references are most helpful for VITA because:

1. They are the most current second generation sourcing engagements in the state government marketplace;
2. Using the same case studies to showcase varied aspects of our approach will allow for a better understanding of each example, without a need to re-explain the core situation;
3. They are similar in scope and complexity to VITA’s current environment; and
4. Members of the Integris Team have been engaged with these clients since their first generation sourcing.

	Requirements	A	B
1	Do you have experience developing an IT outsourcing strategy? Please explain, and identify 2 or more customers (including contact information) for whom you have developed a strategy, and at least 1 sample final deliverable illustrating your experience in this area.	Yes	Integris Applied has decades of combined experience developing IT outsourcing strategies. Most recently Integris Applied has helped Texas’ Department of Information Resources (DIR) and the Georgia Technology Authority (GTA) with second generation outsourcing strategies. Sample final deliverables showing IT outsourcing

			strategy development can be found in Attachment A.1.
2	Do you have experience developing a needs assessment as part of an IT outsourcing strategy? Please explain, identify 2 or more customers (including contact information) you have done this for, and at least 1 sample final deliverable illustrating your experience in this area.	Yes	Integrus Applied has extensive experience conducting needs assessments as part of an IT outsourcing strategy. At DIR and GTA we conducted numerous needs assessments to determine enterprise needs, agency impacts, and service delivery requirements. Sample final deliverables showing IT outsourcing strategy development can be found in Attachment A.1.
3	Do you have experience developing an evaluation of marketplace options as part of an IT outsourcing strategy? Please explain, identify 2 or more customers (including contact information) you have done this for, and at least 1 sample final deliverable illustrating your experience in this area.	Yes	Integrus Applied conducted an evaluation of marketplace options for every client we have ever served. At DIR and GTA we have helped our clients understand market capabilities, compared those capabilities against existing services, and developed options for how new services and models can be provided by the market. Sample final deliverables showing IT outsourcing strategy development can be found in Attachment A.1.
4	Do you have experience developing a disentanglement and transition plan as part of an IT outsourcing strategy? Please explain, identify 2 or more customers (including contact information) you have done this for, and at least 1 sample final deliverable illustrating your experience in this area.	Yes	Integrus Applied developed disentanglement and transition plans for two of the largest outsourcing engagements in the state and local market. Our work in Texas and Georgia is unique in the marketplace, and represents our best efforts to facilitate healthy relationships and outcomes that matter for taxpayers. Sample final deliverables showing IT outsourcing strategy development can be found in Attachment A.1.
5	Do you have experiencing producing a cost analysis as part of an IT outsourcing strategy? Please explain, identify 2 or more customers (including contact information) you have done this for, and at least 1 sample final deliverable illustrating your experience in this area.	Yes	Integrus Applied conducts an extensive set of cost analyses for all of its clients. For the IT outsourcing strategies in Texas and Georgia these analyses included base case analysis, market rate comparison, RU analyses and financial terms and conditions reviews. We make recommendations on our analyses and walk hand in had with our clients in developing those recommendations. Sample final deliverables showing IT outsourcing strategy development can be found in

			Attachment A.1.
6	Do you have experience producing a customer impact analysis as part of an IT outsourcing strategy? Please explain, identify 2 or more customers (including contact information) you have done this for, and at least 1 sample final deliverable illustrating your experience in this area.	Yes	Integris Applied has extensive experience conducting a customer impact analysis as part of an IT outsourcing strategy. In Texas and Georgia these took the forms of cost and service delivery impact assessment. Integris Applied also produces mitigation strategies to address customer impacts. Sample final deliverables showing IT outsourcing strategy development can be found in Attachment A.1.
7	(M) Supplier must have experience within the last 5 years providing IT outsourcing strategy development to state or local governments. Do you meet this Must Have requirement? Please explain and identify the customers (including contact information) that you have provided IT sourcing strategy development in the past.	Yes	Integris Applied (formally Sourcing Advisory Services, LLC) was initially conceived to focus on state and local government. As such, our primary business since founding in 2010 has been state government, with marquis clients including the Texas Department of Information Resources and the Georgia Technology Authority.

E. Approach

	Requirements	A	B
1	Do you have a particular methodology, or approach, that you use for this type of engagement? Please provide pertinent descriptive documentation for review.	Yes	Team Integris's methodology is a three-phase approach of (1) Assessment and Recommendation, (2) Project Planning, and (3) Disentanglement and Transition. We do, however, view our methodology as dynamic, understanding that we must adapt our approach to a client's specific circumstances.
2	Do you have a plan in place for how and where work for this effort will be conducted? Please include a detailed explanation of who will work on this effort, for what duration, and where they will be located.	Yes	Integris Applied will work primarily on the client site in Chester, VA.

F. Availability

	Requirements	A	B
1	Are your resources available to begin work in January of 2015 for this effort? Please identify any delays or time constraints for any of your proposed resources.	Yes	All proposed resources are scheduled to be available as of January 2015.

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1. Overview of Deliverables Samples

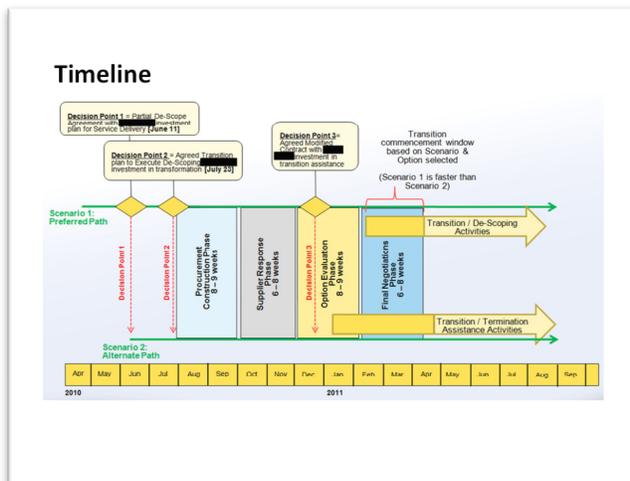
As required by the RFP, we are providing at least one example deliverable for each of the project components described in the RFP Section 5, Table D.

In order to protect the confidentiality of our clients and their service provider partners, some of which have projects under active procurement, we have edited these screen shots to remove client- or service provider-specific information in this written response. If VITA extends us the opportunity, we can provide context in oral sessions later in the process or submit additional detail (as requested, and with client permission).

2. Requested Examples (As Required by RFP Section 5.D)

2.1 IT Outsourcing Strategy

2.1.1. Example 1: Strategy Presentation



Review of Tactical Plan

Highlights

- **Phase 1 Negotiation (April 19 through June 18)**
 - Agreement on the 'playing field' with Incumbent
- **Phase 2 – Construction (June 28 through August 27)**
 - Building the requirements & preparing Suppliers for RFI and RFO
- **Responses (August 30 through October 8)**
 - Suppliers build their responses, State builds its Operating model
- **Evaluation (October 11 through December 3)**
 - Analysis, Evaluation and first level selection
- **Final Negotiation (December 6 through February 4)**
 - Completion of negotiations, preparations for termination and transition
- **Transition & Termination Assistance (February and beyond)**

Phase 1 Deliverables

- **Structure of an Interim Operating Model – to manage parallel work streams**
 - Including a 'people plan' -- identifying the players, their roles, decision making authority
 - Decision making process including decision criteria and the forums for interaction
- **A Service Continuity Assurance Plan (to overlay the change processes)**
 - Including requirements to develop the appropriate level of detail for Termination Assistance Plan(s)
 - A Service Investment Program (covering the period to completion)
- **A Joint Financial Model for Executive briefings**
- **An agreement on Communications Protocols and the Communication Plan**
- **Phase 2 Assignment and/or Procurement Plan**
 - Including a Stakeholder Engagement Model for Phase 2

Example of Retained Responsibility

Client	
Financial Management	Vendor Management
Usage Accounting Forecasting Cost Recovery Charge Back	Contract Management Service Management Compliance Reporting Strategic Steering
Relationship Management	Risk Management
Customer Account Mgmt Stakeholder Forums Communications	Security Policy & Guidelines Incident Response Compliance & Auditing
Integrator	

2.2 Needs Assessment

2.2.1. Example 1: Results Presentation

Principles

The purpose of the service management group is to ensure customer needs are understood and being met

The vehicle for serving the customer is a well-managed, continually evolving, and healthy service provider relationship

The customer includes both the agencies individually and the state as an enterprise

Purpose

- Effectively manage relationships with service providers and service recipients
 - Create win/win partnerships based on cooperation, considered openness, and mutuality of benefit so that all parties are motivated for success
- Assure that risks are managed and value is delivered to the agencies by monitoring, managing, and continually improving:
 - Customer satisfaction
 - Customer or perceptions of cost effectiveness
 - Appropriateness or fit of a service with agency needs
 - Market competitiveness
 - Innovation
- Provide trusted advice to the agencies, understand and anticipate the needs of the customer, and work with the service providers to deliver affordable, innovative solutions

Aggregated Scores: Overall Maturity 3.2



Findings:

- The business context for sourcing is well understood but the initial transformational charter is less so.
- Achievement of the overall business case has been met; however the competitiveness of the current pricing structure in key service offerings is constantly challenged by the stakeholders.
- Operating procedures related to initiation of services, quality delivery and ongoing consumption management would benefit from the introduction of automated tools and systems.
- Delays in the achievement of transformation milestones have negatively impacted the overall value perception of the effort.

Provider 1 Service Management Manual Processes

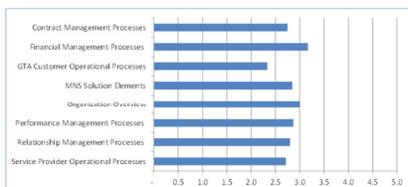
Of the 94 processes related to Service Management for the Provider 1 agreement; 24 of the processes associated with the Transition Activities are no longer utilized or maintained and two new processes, addressing "Agency Bill Dispute" and "Force Majeure", have not yet been implemented. So therefore, 68 of the defined processes are currently in effect.

Process Group	# of processes
D1 – Contract Management Processes	8
D2 – Financial Management Processes	7
D3 – GTA Customer Operational Processes	3
D4 – MNS Solution Elements	13
D5 – Organization Overview	4
D6 – Performance Management Processes	15
D7 – Relationship Management Processes	6
D8 – Service Provider Operational Processes	14
D9 – Transition Activities (no longer utilized)	24
Grand Total	94

Process type, maintenance, and ownership provided by Veronica Marez as of March 8, 2013.

Aggregated Scores: Provider 1 SMM Process Maturity: 2.8

Processes are assessed as "Defined" with tools and systems utilized in the management of the Services.



Level	Description	Maturity
1 - Initial	All business management processes not well defined or documented	Low
2 - Repeatable	Process management tools implemented	Low
3 - Defined	All processes organized, standardized, documented	Moderate
4 - Managed	Process and quality outcome measures implemented	Moderate
5 - Optimized	Continuous improvement adopted and best practices	High

Provider 2 SMM Processes

Of the 103 processes related to Service Management; 7 of the processes are no longer utilized or maintained and two new processes related to "SLA Substantiation & Validation" and "Resource Onboarding & Off boarding" have not been implemented. So therefore, 94 of the defined processes are currently in effect.

Process Group	# of processes
D1 – Organizational Overview (OO)	1
D2 – Transition Activities and Responsibilities (TAR)	7*
D3 – Performance Management Processes (PMP)	13*
D4 – Financial Management Processes (FMP)	5
D5 – Contract Management Processes (CMP)	8*
D6 – Relationship Management Processes (RMP)	3
D7 – Service Provider Operational Processes (SPOP)	26
D8 – Infrastructure Solution Elements (ISE)	2
D9 – Common Operating and Support Services (COSS)	11
D10 – Application and Utility Servers Services (AUSS)	5
D11 – Monitoring Services (MS)	4
D12 – Operational Processes for Mainframe Services (OPMS)	4
D13 – Operational Processes for End User Computing Services (OPEUCS)	8
D14 – Operational Processes for Production Print Services (OPPPS)	5
D15 – GTA Customer Operational Procedures (GTACOP)	1
Grand Total	103

Process Group	Inactive Processes
*02 – TAR	Contract Change Governance - not maintained Critical Deliverables and Milestones - not maintained Inform Financial Management Processes - not maintained Inform Performance Management - not maintained Overall Management and Reporting - not maintained Removed via CCO 00051
*03 – PMP	Risk Management (Removed in 2011)
*05 – CMP	Program Risk & Issues Management (formerly Program Issues Governance, combined with Risk Management)

Removed from maintenance, and ownership provided by Veronica Marez as of March 8, 2013.

Aggregated Scores:

Provider 2 SMM Process Maturity: 2.5

Processes are predominantly assessed as "Defined" with a number of operational processes that do not utilize tools or systems for their application in the environment scored as "Initial".



Incumbent Provider Process Review Findings

- Processes are reviewed and updated on an annual basis.
 - Review and update effort is divided into quarterly tranches
- Tools and Systems are utilized for the majority of the processes.
 - Certain Operational Processes do not utilize tools or systems
- Compliance Audits are not conducted.
- Process structure divergence, from initial SM Disciplines, and significant process proliferation have increased the scope and complexity of ongoing management and administration.
- Certain management issues may be more effectively addressed with agreement changes versus process additions.
- A process review should be conducted to rationalize and eliminate as appropriate

Service Management Considerations

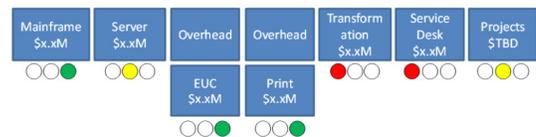
Explore opportunity to utilize third-party service management support services and structure service integration as a separate service tower

- Outsource non-core governance services**
 - Invoice validation, service level analysis, contract support
 - Improved automation and reporting
- Third-party asset management solution**
 - Produce "gold record" source of data
 - Move beyond asset management to CMDB
 - Jointly funded by Client and Service Providers
- Multisourcing Service Integration**
 - Improve service delivery, program service management, and flexibility
 - Establish service integration towers with incumbent agreements (Wave 2)
 - Not a replacement of service management
 - Ensures focus on ITIL processes and integration, currently an incumbent responsibility
 - Allows service management to focus on insight, not oversight
- Relationship Advocacy and Facilitation Role**
 - Independent party to promote health of program
 - Foster relationships among stakeholders
 - Accelerate decision making, focus on transparency and innovation, and improve communications

Current State – Provider 1

Functional and Financial View

Provider 1 is not consistently meeting the needs of the customer. Service levels are primarily green but the customer does not feel that way toward many of the services being provided.



- Key observations**
- High turnover – all levels
 - Too many remote resources
 - Inability to execute on inventory / CMDB
 - Does not appear to be ITIL compliant
 - Not using best of breed tools
 - Client does not trust Incumbent
 - Failing to execute as expected
 - Process improvements are not visible

Towers	\$ in millions	% of Total
Server		30%
Mainframe Services		26%
End User Computing		22%
Service Desk		8%
Transformation Costs		7%
Print		3%
Professional Services		2%
Infrastructure Projects		1%
Grand Total	\$	100%

Red, Yellow, and Green icons summarize perception of Service Delivery.

2.2.2. Example 2: ITIL Assessment Summary

Service Strategy		Service Design		Service Transition		Service Operation	
✓	Strategy Generation and Management	✓	Design Coordination	✓	Change Management	✓	Service Desk
✓	Financial Management for IT Services	✓	Service Catalog Management	✓	Release and Deployment Management	✓	Incident Management
	Service Portfolio Management	✓	Service Level Management	✓	Project Management	✓	Event Management
✓	Demand Management	✓	Availability Management	✓	Transition Planning and Support	✓	Problem Management
✓	Business Relationship Management	✓	Capacity Management	✓	Service Asset and Configuration Management	✓	Request Management and Fulfillment
		✓	IT Service Continuity Mgmt.	✓	Knowledge Management	✓	Access Management
		✓	Information Security Mgmt.			✓	Service Provider IT Operations
		✓	Risk Management				
Continuous Service Improvement							
✓	Service Review and Reporting	✓	Process Evaluation and Currency	✓	Service Measurement		
Non-Cross Functional Services							
✓	End-to-End Systems Monitoring (Physical Servers)	✓	End-to-End Systems Monitoring (Operating System)	✓	End-to-End Systems Monitoring (Applications)	✓	End-to-End Systems Monitoring (Correlation)



2.3 Evaluation of Marketplace Options

2.3.1. Example 1: Key Facts on Potential Qualified Market Responders

Prospective Service Provider	Headquarters	Market Cap	Full Time Employees	Past Participation in Process
Capgemini	Paris, France	N/A	130,000	Yes
Cognizant Technology Solutions	Teaneck, NJ	\$29B	171,400	No
Ernst & Young	London, United Kingdom	N/A	175,000	No
HP	Palo Alto, CA	\$62B	317,500	Yes
IBM	Armonk, NY	\$197B	431,212	No
Ryan Consulting Group	Indianapolis, IN	N/A	N/A	No
SAIC	McLean, VA	\$1.9B	13,000	Yes
The Links Group	Atlanta, GA	N/A	N/A	No

2.3.2. Example 2: MSI Models Operating in the Marketplace

MSI flavor	Description of Role / Responsibility	Engagement Example(s)
MSI Full Scale Service Integrator	All cross-functional tools and processes. Program Management, coordinate to governance for strategy (prioritization, technical planning and evolution) and account management.	Large US State Government
MSI Internal (retained)	Built internally as separate organizational function; often with significant help in process development and staff augmentation.	US Large Industrial/Defense Mfg. Canadian Financial Services Firm
MSI Program Management	Service Integration for program and operational processes; may not have full tooling; no involvement in strategy, prioritization and technical evolution. Limited end-user (customer) account management.	Spanish Public Sector Entity Global Automotive Manufacturer
MSI Lite Process Assurance and IV&V	Integration provides high-level program management and standard processes. Limited tooling. No strategic planning.	French Company

2.4 Disentanglement and Transition

2.4.1. Example 1: Strategy Deck

Primary Objective

- Enlist incumbent service providers as cooperative participants in the development of an integrated services platform
 - Sell them on the value of ongoing program to them
 - Invite their participation in the process
 - Establish shared goals
 - Collaborate on minimizing risks with proposed changes
 - Enlist agencies in a mutual process to re-define the relationships

Ground Game

- Key Features
 - The procurement project plan timetable provides boundaries for decision making (timing / sequence)
 - The notification detail and sequence is an enabling component of the procurement
 - The procurement process requires bid responses that establish market based positions that can be used to reconcile incumbent positions
 - The declaration of Termination Assistance links the negotiation planning to the Procurement Plan
 - Requires incumbent participation
 - Establishes market reference positions
 - Shifts the onus to the incumbent to challenge / refute
 - Negotiated positions can be framed by the outcomes of nominated procurement events (Fact Based Decision Making)
 - Negotiation of changes with incumbents is conducted in parallel with procurement to protect both sides
 - Leverage options (both carrots and sticks) can be positioned and effectively valued by the parties at the key decision points – incumbent in particular, can be given time to evaluate and assess, and then to brief and seek endorsement internally

Key Risks & Concerns

- Negative reaction from Incumbent
 - Resource withdrawals impact current service delivery
 - Resource withdrawals impact the completion of transformation
 - See the initiative as a threat and seek to interrupt with a counter offer that undermines the intent to procure / market perception of the potential of the procurement
 - Do not understand the initiative and refuse to participate / co-operate
 - Actively challenge on definitions and rights
 - Passive resistance (slow play positions / ignore positions)
- Mistaken strategy by Incumbent
 - Executives do not understand or believe what is on offer
 - Executives enact positions ahead of facts on the ground, and options are removed before they are understood/valued
 - Negotiating the parts v. the whole
 - Disconnect: responses between team on the ground and executive sponsors
- Inconsistent communications from Client
 - Mixed messages to incumbents
 - Restricted communications with the market at key stages of procurement
 - Stakeholders not aligned

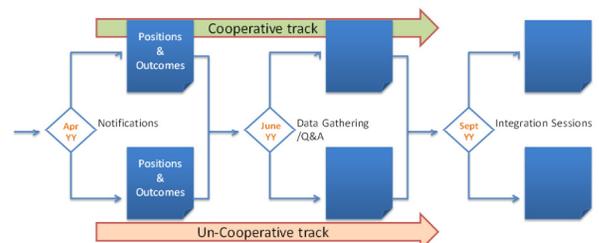
Key Mitigations & Incumbent Negotiation Topics

- Mitigations
 - Maintain the procurement process to forestall attempts at a short game (link integration sessions to a managed approach to removing cross functional responsibilities)
 - Include training and briefings at regular intervals
 - Provide the forums for incumbent to understand and value the options, and to de-risk their positions where operational changes are required (include parallel break-outs for financial assumptions and trades)
 - Establish a packaged view of trades
 - Reserve the results until key milestones achieved (at Integration Sessions; at final negotiations for the new provider; and, at Transition planning and execution)
 - Provide details in the Termination Assistance Plans to address support functions and obligations of incumbents during the procurement
 - Keep the steady state resources separate from the bid support / termination assistance teams
- Primary Negotiation Topics (important to link all 3 together)
 - Pricing Provision changes
 - Option terms and change support
 - Residual Deal scope and document changes

MSI and Incumbents Participation (draft)

Activity	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Data Gathering	Additional Data Requests							
Due Diligence			Data, talk to potential MSI providers					
Integration Sessions				Three way sessions re. solution definition				
Negotiations					Confirmation of touch points, processes and OLAs			
Incumbent Contract Amendment						Updated contracts – OLAs, SLA's, other		
Transition Planning							Joint planning	

Decision Tree – train stations



This is not a typical decision tree. The strategy is to offer incumbents several opportunities to join or re-join the initiative. The procurement is the driver. Outcomes at each stage will frame positions for the next step.

Leverage Options – Key items

- Ranking for Client
- Ranking for Incumbent



Options / Leverage

Option Stack	Incumbent Response Tactics	Options to address	Timing / Sequence	Refs / Notes
Partial Termination for Convenience – Tower + Sub Service (MSI Scope)				
Partial Termination for Convenience – Sub Service (Various – LAN Attached Devices / Email ...)				
Partial Termination for Convenience – Sub Service (MF Print)				
Partial Termination for Convenience – EUC Tower (Re-set existing 3 rd Party)				
Partial Termination for Convenience – Mainframe Tower = Re-Procure				
Notice to re-set pricing (annual) can include packaging out year pricing / combine with volume reduction re-sets various RRCs				
Notice to Invoke Termination Assistance (several iterations)				
Tower Position in option years – extension carrot				
Re-set of Transformation on a rolling "show me" proposition				
Invoking defensive positions in the MSA – e.g. rights to direct, CAPs...				
Trading changes (includes SL relief)				
Ambit positions on Termination Charges calculations				



2.5 Cost Analysis

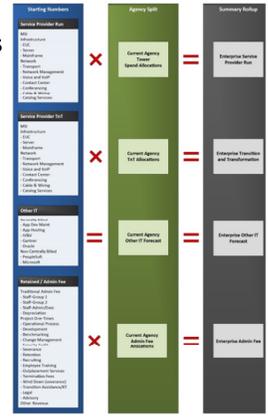
2.5.1. Example 1: Business Case / Scenario Modeling Overview Report

Method to Project Future State

- The purpose of the model is to help predict the future state costs; therefore, the data is organized and levers are being built within it to align with our current perspectives on the future state
- For example:
 - The current FY14 spend (starting point base case) is organized by "future state towers"
 - Estimates of Incumbent CF cost and MSI future staffing have been incorporated, along with variable cells to estimate how removing CF from Incumbent and replacing it with an MSI might affect the financial forecast

Allocating Cost to Agencies

- The cost of the program is ultimately funded through agency budgets, and so the model must project cost by agency
- Using proportions of current spend by agency by tower, we can estimate future proportions
- The diagram at the right shows some of the components and how they can be estimated for the future



Screenshot – Table of Contents

Title	Description
Reporting	
Future Summary - Exec and At Will	
Future Summary - By Tower	
Future State Summary - Enterprise	
Base Case Summary	
Inputs	
Future State Inputs + Assumptions	
SMD	
MSI	
Server	
IBM CF Extract	
Detail / Linked Sheets	
BaseFySpendAndAdminTower	Service provider spend and admin fees by future state tower; also calculates percentages for use in future state calculations
BaseMAdminFeeDetail	Admin fee detail for FY13 - calculated from Brad Hartley's sheets
Category Notes	Internal notes and to-dos

Screenshot – Base Case

	FY14 (Base)	FY15	FY16	FY17	FY18	FY19
Executive Branch						
Service Provider Run	\$					
Subtotal SP Run	\$					
Other IT						
Subtotal Other IT	\$					
One-Time Transformation						
Transformation	\$					
Subtotal Transformation	\$					
Admin Fee						
Personnel	\$					
Depreciation	\$					
Over (Unltd) Recovery	\$					
Subtotal Admin Fee	\$					
Total Executive Branch	\$					
At Will						
Service Provider Run	\$					
Subtotal SP Run	\$					

Screenshot – Rollup by Future Tower

	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Service Provider Run							
MSI							
EUC							
Server							
Mainframe							
E-mail							
Private Cloud							
Public Cloud							
Transport							
Network Management							
Voice and VoIP							
Contact Center							
Conferencing							
Cable & Wiring							
Catalog Services							
Inf Projects							
MNS Projects							
Subtotal SP Run							
SP Tnt							
MSI Infrastructure							
Network							
Subtotal SP Tnt							
Other IT							

Screenshot – MSI Estimator

	Pre-Commencement Transition					
	Mo 1	Mo 2	Mo 3	Mo 4	Mo 5	Mo 6
MSI Personnel Values						
Incident and Problem Management	0.1	0.1	0.1	0.1	0.1	0.1
Change and Release Management	0.8	0.8	1.0	1.3	1.3	4.3
Capacity and Performance Management	-	0.5	0.8	3.0	3.0	7.0
Request Management and Fulfillment	3.0	3.0	6.0	6.0	11.0	15.0
Availability Management	-	-	-	-	-	2.8
Configuration Management	-	-	-	-	-	1.0
Service Level Management	6.3	8.8	11.7	11.7	10.7	12.7
IT Service Continuity Management/Disaster Recovery	3.0	3.0	4.0	3.0	3.0	3.0
Finance Management	1.0	1.0	2.0	3.0	4.0	4.0
ChangeRisk	1.5	7.5	7.8	8.0	8.0	9.0
Security Management/Intrusion Management	1.0	3.0	4.5	5.0	5.0	4.0
Equipment and Software Services (Including Asset Inventory)	1.5	2.0	2.0	3.0	2.0	10.3
Project Management and Support	2.0	2.0	2.0	2.0	3.0	3.0
Training and Education	-	-	-	-	-	-
Operations Documentation	3.5	3.5	3.5	4.2	4.2	3.5
Workforce	-	-	0.5	1.0	1.0	1.0
MSI/SCP Interface	1.0	1.0	1.0	1.0	1.0	2.0
Agency Interface	1.0	1.0	1.0	1.0	1.0	1.0
Account Management	27.9	30.6	34.3	37.7	39.2	35.9
Service Desk	2.0	3.0	3.0	3.0	3.0	3.0
TOTAL MSI	65.8	84.1	95.3	103.8	119.3	144.2
Monthly Rate	\$15,500					
MSI Cost						
Incident and Problem Management	\$28,750	\$28,750	\$28,750	\$34,500	\$80,000	\$207,000
Change and Release Management	\$9,000	\$9,000	\$11,625	\$13,775	\$13,775	\$14,000
Capacity and Performance Management	\$0	\$0	\$8,625	\$34,500	\$34,500	\$20,700
Request Management and Fulfillment	\$34,500	\$34,500	\$69,000	\$69,000	\$119,000	\$172,000
Availability Management	\$0	\$0	\$0	\$0	\$0	\$40,200
Configuration Management	\$0	\$0	\$0	\$0	\$0	\$10,000
Service Level Management	\$11,250	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500

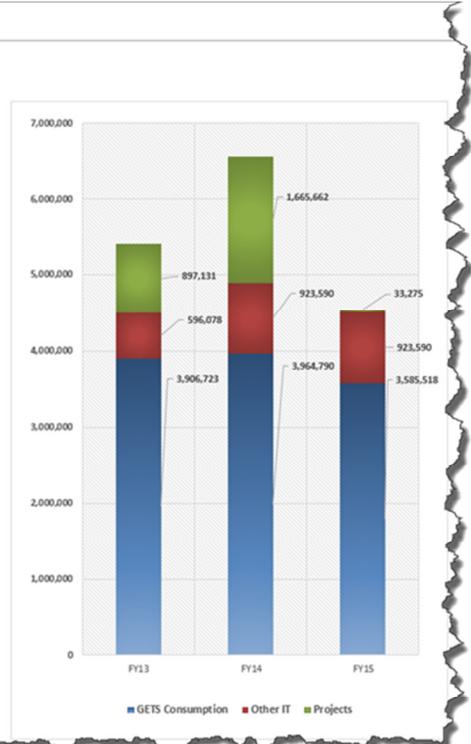
2.6 Customer Impact Analysis

2.6.1. Example 1: Agency Forecast Report

		FY13	FY14			FY15		
Tower	Recalculate	Actuals	Post-Adjustment Cost	Cost Change (from FY13)	% Cost Change (from FY13)	Post-Adjustment Cost	Cost Change (from FY14)	% Cost Change (from FY14)
			144,778	159,957	15,179	10.48%	163,851	3,893
		41,627	45,205	3,578	8.60%	44,446	-759	-1.68%
		565,875	600,735	34,860	6.16%	628,735	28,000	4.66%
		2,493,614	2,608,175	114,561	4.59%	2,152,081	-456,094	-17.49%
		60,793	65,379	4,586	7.54%	64,496	-883	-1.35%
		179,512	143,643	-35,869	-19.98%	136,940	-6,703	-4.67%
		52,207	33,716	-18,492	-35.42%	33,389	-327	-0.97%
		350,553	291,331	-59,222	-16.89%	361,581	70,250	24.11%
		17,763	16,650	-1,114	-6.27%	0	-16,650	-100.00%
Subtotal Consumption		3,906,723	3,964,790	58,067	1.49%	3,585,518	-379,271	-9.57%

Description	Actuals	Cost FY14	Cost Change (from FY13)	% Cost Change (from FY13)	Cost FY15	Cost Change (from FY14)	% Cost Change (from FY14)	
		45,001	51,536	6,535	14.52%	51,536	0	0.00%
	534,436	855,413	320,977	60.06%	855,413	0	0.00%	
	13,863	13,863	0	0.00%	13,863	0	0.00%	
	0	0	0	0.00%	0	0	0.00%	
	2,778	2,778	0	0.00%	2,778	0	0.00%	
	0	0	0	0.00%	0	0	0.00%	
	0	0	0	0.00%	0	0	0.00%	
	0	0	0	0.00%	0	0	0.00%	
	0	0	0	0.00%	0	0	0.00%	
Subtotal Other IT		596,078	923,590	327,512	54.94%	923,590	0	0.00%

Description	Actuals	Cost FY14	Cost Change (from FY13)	% Cost Change (from FY13)	Cost FY15	Cost Change (from FY14)	% Cost Change (from FY14)
		897,131		-897,131	-100.00%		0
		1,665,662	1,665,662	0.00%	33,275	-1,632,387	-98.00%
		0	0	0.00%	0	0	0.00%
		0	0	0.00%	0	0	0.00%
		0	0	0.00%	0	0	0.00%
		0	0	0.00%	0	0	0.00%



2.6.2. Example 2: Agency Impact Analysis

Stub + Year 1

Agency	Server	%	Mainframe	%	Print	%	Other	%	Total	%
	-\$19	-30%	\$0	0%	\$0	0%	\$0	0%	-\$19	-30%
	\$362	10%	-\$103	-27%	\$56	54%	\$133	68%	\$447	10%
	\$1,622	13%	\$4,388	33%	\$0	0%	\$104	63%	\$6,114	23%
	-\$153	-47%	\$0	0%	\$0	0%	\$16	47%	-\$136	-38%
	-\$1,317	-71%	-\$24	-7%	-\$76	-83%	\$15	52%	-\$1,402	-61%
	\$126	6%	\$0	0%	\$0	0%	\$42	80%	\$167	8%
	-\$101	-16%	\$0	0%	\$0	0%	\$16	45%	-\$85	-13%
	-\$1,974	-20%	\$0	0%	\$0	0%	\$162	72%	-\$1,812	-18%
	\$82	87%	\$0	0%	-\$6	-18%	\$44	50%	\$120	57%
	\$356	7%	\$4,112	32%	\$35	17%	\$21	50%	\$4,524	25%
	\$354	9%	\$0	0%	\$5	2%	\$80	30%	\$440	10%
	-\$130	-25%	\$0	0%	\$0	0%	\$19	78%	-\$111	-20%
	-\$1,080	-13%	\$19	0%	-\$2	-24%	\$103	77%	-\$960	-11%
	\$20	7%	\$0	0%	\$16	0%	-\$3	###	\$34	10%
	-\$184	-14%	\$0	0%	-\$11	-8%	\$137	95%	-\$58	-4%
	-\$556	-12%	\$0	0%	\$0	0%	\$125	56%	-\$430	-9%
	\$254	41%	\$0	0%	\$0	0%	\$28	80%	\$281	43%
	-\$3	-11%	\$0	0%	\$0	0%	\$5	96%	\$2	7%
	\$64	1%	-\$2,596	-25%	-\$233	-5%	\$105	82%	-\$2,660	-12%
	\$596	26%	\$0	0%	\$0	0%	\$117	81%	\$713	29%
	-\$799	-33%	\$280	31%	\$62	6%	-\$1	###	-\$458	-11%
	-\$3,013	-23%	-\$2,161	-93%	\$0	0%	-\$2	###	-\$5,176	-33%
	-\$23	-1%	\$45	16%	\$0	0%	\$69	72%	\$91	4%

Agency	Server	%	Mainframe	%	Print	%	Other	%	Total	%
	\$231	6%	\$0	0%	-\$5	0%	\$33	81%	\$260	7%
	-\$1,587	-51%	\$0	0%	\$0	0%	-\$34	###	-\$1,621	-50%
	\$170	5%	\$0	0%	\$0	0%	\$13	12%	\$182	5%
	-\$4,340	-42%	\$0	0%	\$13	0%	\$61	81%	-\$4,267	-41%
	-\$4,502	-23%	-\$182	0%	-\$1,179	0%	-\$14	###	-\$5,877	-21%
	\$222	30%	\$0	0%	\$0	43%	\$0	0%	\$222	30%
	-\$9,806		-\$182		-\$1,171		\$59		-\$11,100	
	\$43	3%	\$0	0%	\$0	0%	\$0	0%	\$43	3%
	-\$1,153	-71%	\$0	0%	\$0	0%	\$0	0%	-\$1,153	-71%
	\$26	30%	\$0	0%	\$0	0%	\$0	0%	\$26	30%

Year 1

Agency	Server	%	Mainframe
	-\$16	-30%	\$0
	\$300	10%	-\$87
	\$1,631	15%	\$3,778
	-\$133	-48%	\$0
	-\$1,139	-72%	-\$18
	\$124	7%	\$0
	-\$91	-17%	\$0
	-\$1,714	-20%	\$0
	\$69	85%	\$0
	\$297	7%	\$3,535
	\$294	9%	\$0
	-\$113	-25%	\$0
	-\$945	-13%	\$16
	\$15	6%	\$0
	-\$165	-15%	\$0
	-\$488	-13%	\$0
	\$220	41%	\$0
	-\$3	-13%	\$0
	\$41	1%	-\$2,215
	\$505	26%	\$0
	-\$684	-33%	\$241
	-\$2,618	-23%	-\$1,830
	-\$26	-2%	\$41

Agency	Server	%	Mainframe
	\$188	6%	\$0
	-\$1,371	-51%	\$0
	\$135	5%	\$0
	-\$3,763	-42%	\$0
	-\$3,937	-23%	-\$204
	\$191	30%	\$0
	-\$8,558		-\$204
	\$33	3%	\$0
	-\$999	-72%	\$0
	\$22	30%	\$0



3. Other Deliverable Examples

3.1 VDOT Customer Service Center – Concept of Operations

With North Highland's assistance, the Virginia Department of Transportation (VDOT) developed a Customer Service Center (CSC) in 2009 and 2010 in response to budgetary reductions. To streamline operations, VDOT implemented the CSC to provide a centralized means for VDOT to interact and share information with citizens and the traveling public, and to manage citizen requests for service. Those activities were previously conducted at the local level through VDOT's field offices. North Highland assisted with planning, design, and launch of the CSC.

Following the launch of the CSC, VDOT made incremental improvements to CSC processes and technology. While these improvements were successful, VDOT desired to more fully optimize and integrate current CSC processes and technology with other key agency systems and resources in order to improve CSC operating efficiency and to improve VDOT's ability to meet customer needs. To achieve these benefits, VDOT engaged North Highland to support the CSC System 2.0 effort. North Highland supported all activities in the procurement life cycle from concept design to vendor selection.

One of the first step in concept design was to develop a Concept of Operations (ConOps) for the CSC System 2.0 procurement. The ConOps document outlines plans for the future state of the CSC and provides details of the current state of CSC operations and technology for context. To develop this document, North Highland used its previous experience with the CSC and interviews with CSC stakeholders to develop a future-state vision of how the CSC would operate. We captured that future-state vision as the high-level requirements that are documented in the CSC System 2.0 ConOps document, and used this document, along with future-state process designs we developed with VDOT, to guide development of the CSC System 2.0 Request for Proposals (RFP).

The document excerpted below serves as the ConOps for the VDOT's CSC System 2.0 project.



<< DRAFT >>

1 INTRODUCTION

This document serves as the Concept of Operations (ConOps) for the Virginia Department of Transportation's (VDOT's) Customer Service Center (CSC) System 2.0 project.

The VDOT CSC was launched in March 2010 to provide citizens with a single means to get in touch with VDOT, on a 24x7 basis, by consolidating and forwarding numerous local telephone lines across the state to a single, centralized point. Citizens and travelers can dial the Highway Helpline at 1-800-FOR-ROAD (1-800-367-7623) and speak to a VDOT CSC Agent to:

- Report unsafe and hazardous road conditions;
- Submit work requests for state-maintained roads;
- Request information related to Virginia's roads, including road conditions, traffic conditions, or constructions projects; and
- Ask transportation questions or other questions about VDOT.

CSC operations have enabled VDOT field work crews to concentrate on their work in Virginia communities and ensure roadways maintained by VDOT are well maintained and safe to travel.

After approximately two years in operation, VDOT desires to make improvements to the CSC in several key areas. The CSC System 2.0 effort encompasses the development and implementation of improvements in CSC operations, business processes, and technology. Enhancements in these key areas will enable the CSC to more effectively coordinate the sharing of information across the VDOT enterprise and will enable VDOT to more efficiently respond to customer requests for service.

In pursuing this effort, the CSC desires to enhance the customer experience and enable the CSC to achieve its objectives of providing efficient and effective customer service to users of Virginia's roadways. Specifically, the anticipated benefits of the CSC System 2.0 project include but are not limited to:

2 CONOPS DOCUMENT OVERVIEW

This ConOps document is designed to define needed enhancements to CSC people, business processes and technology in support of the CSC System 2.0 effort. However, at its core, this ConOps is a system requirements document and a significant portion of the document focuses on CSC System 2.0 technical components.

This document contains the following contents:

Section	Section Name	Section Description
1	Introduction	Provides an overview of the Customer Service Center and the CSC System 2.0 effort.
2	ConOps Document Overview	Provides an overview of the CSC System 2.0 ConOps document.
3	Information Sources	Identifies all documents referenced and interviews conducted in developing the ConOps document.
4	CSC System 2.0 Project Objectives and Scope	Describes the background and objectives of the CSC System 2.0 project. This section provides the scope and objectives of this document and the other deliverables of the project. It describes channels with which VDOT wishes to enhance or additionally provide to customers in an effort to provide more efficient and effective customer service.
5	Current CSC Business and Technical Needs	Provides additional background information on the VDOT CSC. It outlines the objectives to which the CSC strives. This section identifies the current state CSC stakeholders, customers and governance structure of the CSC.

Section	Section Name	Section Description
6	Concepts of the Proposed System	Describes the proposed CSC System 2.0 resulting from the desired changes specified in the ConOps document. It describes the proposed system in a high-level manner, indicating the operational features that are to be provided, without specifying design details.
7	Next Steps	Provides a summary of the ConOps document and discusses the next steps for the project as it relates to the Design and Implementation Process.
8	Customer Service Center Background	Describes the shortcomings of the current system that motivates development of the CSC System 2.0. This section describes the transition from the current VDOT CSC to the proposed, future state CSC System 2.0.
9	Current CSC Situation and System	Describes the current state of the VDOT CSC. The current state technical environment and system interfaces are outlined. This section also describes the motivation for the development of CSC System 2.0 and enables readers to better understand the reasons for the desired changes and improvements.

Table 1 - ConOps Document Overview

3.2 VDOT Statewide Advanced Traffic Management System (ATMS) Operating Platform Concept of Operations

VDOT engaged North Highland to assist in managing the procurement process aimed at awarding a contract to a single vendor to develop and implement a standardized approach for common TOC functions throughout VDOT’s five TOC regions. VDOT uses two different ATMS platforms among the five TOCs, together with various types of field devices and field communications infrastructure. VDOT aimed to award a contract to a single vendor to develop and implement a standardized approach for common TOC functions throughout VDOT’s five TOC regions.

To support this procurement, VDOT engaged North Highland to assist in managing the procurement process by drafting the Request for Proposal, preparing the Agency for the pre-bid conference, and leading the selection team through consensus, negotiation, and award.

North Highland worked with VITA stakeholders and transportation experts from Noblis to define high-level requirements for future state Traffic Operations Center (TOC)/Statewide Advanced Traffic Management System (ATMS) operations. Based on those high-level requirements, we worked with Noblis to develop the system ConOps, which, in turn, drove development of the RFP.

The document excerpted below serves as the ConOps for VDOT’s ATMS Operating Platform. The structure of this document is based on the Institute of Electrical and Electronics Engineers (IEEE) Standard 1362-1998, IEEE Guide for Information Technology – System Definition – ConOps Document.



5 CONCEPTS FOR THE PROPOSED SYSTEM

This section describes the proposed Statewide ATMS Operating Platform based on the desired capabilities specified in Section 4 of this document. This section describes the proposed system at a high-level indicating the operational features or functionalities that are to be provided without specifying design details.

5.1 Background, Goals, and Objectives

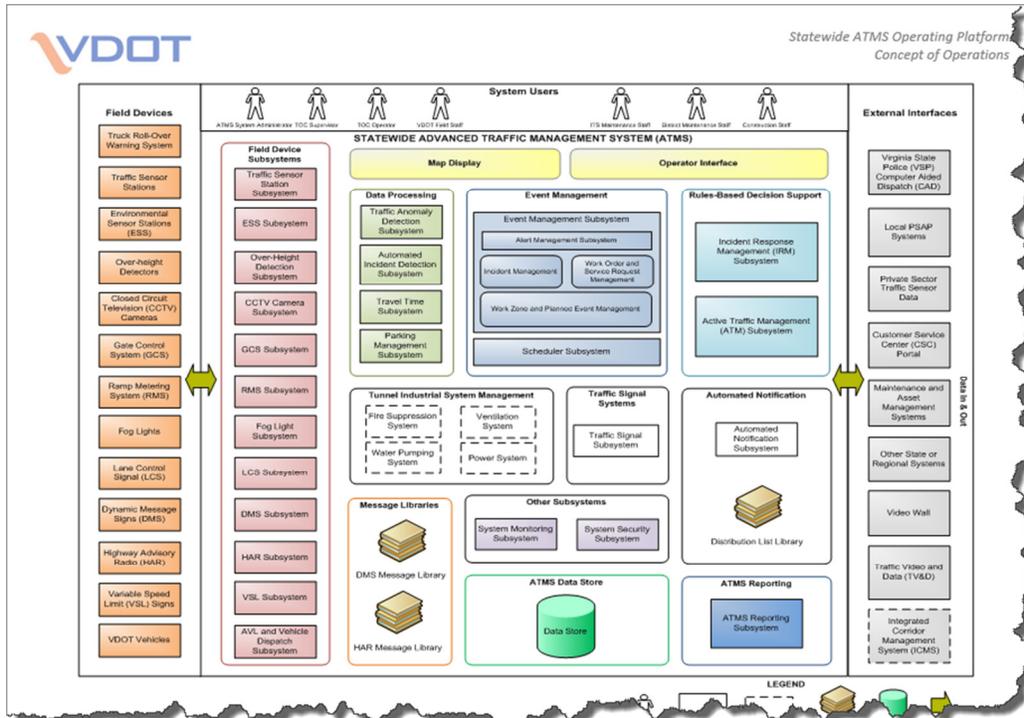
VDOT's vision for the new Statewide Operating platform is to have a common ATMS Operating Platform that:

increases TOC interoperability and leverage technology to achieve more efficient operations and improve mobility and safety, in the Commonwealth of Virginia.

VDOT's intent is to have a common source code base for development and maintenance. Since each VDOT Operations Region has unique local needs, it is important to develop a software solution that will allow VDOT Operations Regions to "pick and choose" software modules based on their operational needs. With this approach the Commonwealth of Virginia can leverage its existing development funds by developing software one time and deploying it multiple times. This will also provide a significant savings on software maintenance because a common code base will be maintained for all users.

VDOT intends to acquire the most technically comprehensive ATMS platform available. The software is to be flexible and expandable to match the needs of each VDOT Operations Region. VDOT has endorsed the concept of providing a common operating platform to support the functionality of regional TOCs.

5.2 Description of the Proposed System



3.3 VDOT ITD Service Delivery Strategy

VDOT's Information Technology Division (ITD) relied on staff augmentation contractors to assist in delivering mission critical services to VDOT on a full-time basis, and managed them in much the same manner as VDOT ITD employees. VDOT ITD engaged North Highland to re-evaluate this method of providing services with a goal of reducing the use of staff augmentation contractors. The slides excerpted below present the evaluation that North Highland conducted around core competencies, the outsourcing strategy recommendation that was made, and guidance for VDOT ITD's next actions around providing help

Background

- For some time, VDOT ITD has relied extensively on staff augmentation contractors to assist in delivering mission critical services to VDOT
 - VDOT ITD has traditionally engaged these contractors on a full-time basis, and managed them in much the same manner as VDOT ITD employees
 - Slightly more than half of current VDOT ITD staff are staff augmentation contractors
 - Of late, many services are being procured through deliverables-based Statements of Work (SOWs)
- More recently, both internal and external concerns have caused VDOT ITD to re-evaluate this method of providing services:
 - External**
 - Commonwealth of Virginia co-employment concerns
 - Corresponding requirement to furlough contractors for one month of each year
 - Rate squeeze on staff augmentation contractors
 - Burdensome Zero Chaos process makes it difficult for contractors to get paid and reduces long-term stability
 - Internal** – VDOT desire to reduce contractor head count

4

ITD Service Delivery

- ITD must devise a holistic means of service delivery that
 - Is flexible to meet VDOT business needs and ensure that efforts add value commensurate with their cost
 - Provides outsourced delivery of any IT service that cannot be performed by VDOT employees
 - Focuses on engaging one or two strategic vendors to provide multiple services and deliver solutions rather than hiring a large number of contractors to work hours
 - Can use both RFP- and SOW-based procurements, depending on the size, duration, complexity, and specialization of services to be acquired

Meets Business Needs Cost Effectively	Supports Outsourced and Staff Delivery
ITD Service Delivery	
Uses Small Number of Strategic Vendors	Uses RFP- and SOW-based Procurements

9

ITD Outsourcing Strategy

- ITD will outsource services based on nature of service and ability of ITD to provide the service

10



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**EXHIBIT B-X STATEMENT OF WORK (SOW) TEMPLATE
BETWEEN (NAME OF AUTHORIZED USER) AND INTEGRIS APPLIED**

ISSUED UNDER

**CONTRACT NUMBER VA-141219-IA
BETWEEN
VIRGINIA INFORMATION TECHNOLOGIES AGENCY
AND
INTEGRIS APPLIED**

Exhibit B-X, between (Name of Agency/Institution) and Integris Applied (“Supplier”) is hereby incorporated into and made an integral part of Contract Number VA-141219-IA (“Contract”) between the Virginia Information Technologies Agency (“VITA”) on behalf of the Commonwealth of Virginia and Supplier. In the event of any discrepancy between this Exhibit B-X and the Contract, the provisions of the Contract shall control.

*[Note to Template Users: Instructions for using this template to draft a Statement of Work are in gray highlight and **italics**. These instructions should be deleted after the appropriate text has been added to the Statement of Work. Contractual language is **not italicized** and should remain in the document. Text that is highlighted in **blue** is variable based on the nature of the project.]*

STATEMENT OF WORK

This Statement of Work (SOW) is issued by the (Name of Agency/Institution), hereinafter referred to as “Authorized User” under the provisions of the Contract. The objective of the project described in this SOW is for the Supplier to provide the Authorized User with a Solution (“Solution”) or Services (“Services”) or Software (“Software”) or Hardware and Maintenance or Licensed Application Services” for Authorized User Project Name. *(Customize the last sentence to state what you are getting from the Supplier, based on the VITA Contract language, and with your project name.)*

1. PERIOD OF PERFORMANCE

The work authorized in this SOW will occur within XX (XX) months of execution of this Statement of Work. This includes delivery, installation, implementation, integration, testing and acceptance all of products and services necessary to implement the Authorized User’s Solution, training, and any support, other than on-going maintenance services. The period of performance for maintenance services shall be one (1) year after implementation or end of Warranty Period and may be extended for additional one (1) year periods, pursuant to and unless otherwise specified in the Contract. *(Customize this section to match what you are getting from the Supplier, based on the allowable scope of the VITA Contract and your project’s specific needs within that allowable scope.)*

2. PLACE OF PERFORMANCE

(Assign performance locations to major milestones or any other project granularity, depending on your transparency and governance needs, if needed.)

Tasks associated with this project will be performed at the Authorized User’s location(s) in City/State, at Supplier’s location(s) in City/State, or other locations as required by the effort.

3. PROJECT DEFINITIONS

Provide project unique definitions so that all stakeholders have the same understanding. Ensure these do not conflict with the Contract definition.)

All definitions of the Contract shall apply to and take precedence over this SOW. Authorized User’s specific project definitions are listed below:

4. PROJECT SCOPE

(Provide a description of the scope of your project and carve out what is NOT in the scope of your project. Remember that it must fit within the VITA Contract scope.)

A. General Description of the Project Scope

B. Project Boundaries

5. AUTHORIZED USER'S SPECIFIC REQUIREMENTS

(Provide information about your project's and your agency's specific requirements for this particular project including, but not limited to the following subsections):

A. Authorized User-Specific Requirements

B. Special Considerations for Implementing Technology at Authorized User's Location(s)

C. Other Project Characteristics to Insure Success

6. CURRENT SITUATION

(Provide enough background information to clearly state the current situation to Supplier so that Supplier cannot come back during performance claiming any unknowns or surprises. Some example subsections are provided below. You may collapse/expand as you feel is necessary to provide adequate information and detail.)

A. Background of Authorized User's Business Situation

B. Current Architecture and Operating System

C. Current Work Flow/Business Flow and Processes

D. Current Legacy Systems

E. Current System Dependencies

F. Current Infrastructure (Limitations, Restrictions)

G. Usage/Audience Information

7. PRODUCTS AND SERVICES TO SUPPORT THE PROJECT REQUIREMENTS (AND/OR SOLUTION)

A. Required Products (or Solution Components)

(List the products, or if your project is for a Solution, the Solution components, (hardware, software, etc.) provided by Supplier that will be used to support your project requirements. Identify any special configuration requirements, and describe the system infrastructure to be provided by the Authorized User. Provide an overview that reflects how the system will be deployed within the Authorized User's environment. You are urged to refer to the VITA Contract for allowable scope and other guidance in drafting language for this section.)

B. Required Services

(List the services (e.g., requirements development, Solution design, configuration, interface design, data conversion, installation, implementation, testing, training, risk assessment, performance assessment, support and maintenance) that will be provided by Supplier in the performance of your project. You are urged to refer to the VITA Contract for the definition of Services and for the allowable scope in drafting language for this section. You will notice subsections "C" and "D" below offer areas for expanded detail on training, support and maintenance services. You may add other subsections in which you wish to expand the information/details/requirements for other service areas as well. It is likely some of this detail will be a combination of your known needs and the Supplier's proposal. In all cases the provisions should include all negotiated commitments by both parties, even if you reference by incorporation the Supplier's proposal in any subsection.)

C. Training Requirements and/or Authorized User Self-Sufficiency/Knowledge Transfer

(Provide an overview and details of training services to be provided for your project and any special requirements for specific knowledge transfer to support successful implementation of the Solution. If the intent is for the Authorized User to become self-sufficient in operating or maintaining the Solution, determine the type of training necessary, and develop a training plan, for such user self-sufficiency. Describe how the Supplier will complete knowledge transfer in the event this Statement of Work is not completed due to actions of Supplier or the non-appropriation of funds for completion affecting the Authorized User. You may refer to the VITA Contract for guidance on the allowable scope for this.)

D. Support and Maintenance Requirements

(Document the level of support, as available under the Contract, required by your project to operate and maintain the Solution. This may include conversion support, legacy system integration, transition assistance, Solution maintenance (including maintenance level), or other specialized consulting to facilitate delivery or use of the Solution.)

E. Personnel Requirements

(Provide any supplier personnel qualifications, requirements, licenses, certifications or restrictions including project manager, key personnel, subcontractors, etc., but ensure they do not conflict with the VITA Contract terms.)

F. Transition Phase-In/Phase-Out Requirements

(Describe any specific requirements for orientation or phasing in and/or phasing out of the project with the Supplier. Be specific on what the project needs and expected results are, the duration and other pertinent detail, but ensure they do not conflict with the VITA Contract provision(s) regarding Transition of Services or with any other training requirements in the SOW.)

8. TOTAL PROJECT PRICE

The total Fixed Price for this Project shall not exceed \$US XXX.

Supplier's invoices shall show retainage of ten percent (10%). Following completion of Solution implementation, Supplier shall submit a final invoice to the Authorized User, for the final milestone payment amount shown in the table in section 9 below, plus the total amount retained by the Authorized User. If travel expenses are not included in the fixed price of the Solution, such expenses shall be reimbursed in accordance with Commonwealth of Virginia travel policies as published by the Virginia Department of Accounts (<http://www.doa.virginia.gov>). In order to be reimbursed for travel expenses, Supplier must submit an estimate of such expenses to Authorized User for approval prior to incurring such expenses.

(Sections 9 through 11 should be used or deleted depending on the project's complexity, risk and need for governance. For a simple project you may only need the section 10 table, but for a more complex project, or a major IT project, you may need a combination of or all of the tables for check and balance and redundancy.)

9. PROJECT DELIVERABLES

(Provide a list of Supplier's deliverable expectations. The table is to be customized for the Authorized User's project. You may want to categorize deliverables for each phase or major milestone of the project and then categorize other interim deliverables and/or performance and status reports under one of them or under an Administrative or Project Management section.)

The following deliverables are to be provided by Supplier under this SOW. Subsequent sections may include further detail on the content requirements for some deliverables.

No.	Title	Due Date	Format Required (i.e., electronic/hard)	Distribution Recipients	Review Complete	Final Due Date
-----	-------	----------	---	-------------------------	-----------------	----------------

			copy/CD/DVD		Due Date	
	Project Plan					
	Design Plan					
	Implementation Plan					
	Data Conversion Plan					
	Risk Assessment Plan					
	Test Plan					
	Training Plan					
	Performance Plan					
	Contingency Plan					
	Disaster Recovery Plan					
	Cutover Plan					
	Change Management Plan					
	Transition Plan					
	Monthly Status Reports					
	Quarterly Performance /SLA Reports					
	Training Manual					
	Final Solution Submission Letter					
	Final Acceptance Letter					

10. MILESTONES, DELIVERABLES, PAYMENT SCHEDULE, AND HOLDBACKS

(This table should include the project's milestone events, associated deliverables, when due, milestone payments, any retainage amount to be held until final acceptance and the net payment you promise to pay for each completed and accepted milestone event. This table includes sample data only and must be customized for your project needs.)

The following table identifies milestone events and deliverables, the associated schedule, any associated payments, any retainage amounts, and net payments.

Milestone Event	Associated Milestone Deliverable(s)	Schedule	Payment	Retainage	Net Payment
Project kick-off meeting	---	Execution + 5 days	---	---	---
Site survey	Site survey report	Execution + 10 days	---	---	---
Requirements Analysis & Development	Design Plan	Execution+45 days	\$30,000	\$15,000	\$15,000
	Project Plan	Execution+45 days			
	Implementation	Execution + 45			

	Plan	days			
Begin Implementation		Execution + 60 days			
Data Conversion & Mapping		Execution + 90 days	\$10,000	\$3,000	\$7,000
Installation of software	---	Execution + 90 days	\$10,000	\$1,000	\$9,000
Installation of hardware	---	Execution + 90 days	\$10,000	\$1,000	\$9,000
Configuration and testing	---	Execution + 120 days	---	---	---
Training	Training manual	Execution + 130 days	\$10,000	\$1,000	\$9,000
30-Day User Acceptance Testing	---	Execution + 160 days	\$20,000	\$2,000	\$18,000
Implementation complete	Solution	Execution + 160 days	\$10,000	--	\$10,000
Final Acceptance		Execution + 210 days	--	--	\$23,000

11. EVENTS AND TASKS FOR EACH MILESTONE

(If needed, provide a table of detailed project events and tasks to be accomplished to deliver the required milestones and deliverables for the complete Solution. Reference each with the relevant milestone. A Work Breakdown Structure can be used as shown in the table below or at the very least a Project Plan should have this granularity. The Supplier's proposal should be tailored to the level of detail desired by the Authorized User's business owner/project manager for project governance.)

The following table identifies project milestone events and deliverables in a Work Breakdown Structure format.

WBS No.	Milestone	Milestone Event	Milestone Task	Interim Task Deliverables	Duration
1.0	Site survey				
1.1		Conduct interviews			
1.1.1			Schedule interviews	None	20 days after contract start
1.1.2			Complete interviews	Interview Results Report	25 days after contract start
1.2		Receive AU information			

12. ACCEPTANCE CRITERIA

(This section should reflect the mutually agreed upon UAT and Acceptance Criteria specific to this engagement. Please read the VITA contract definitions for the definitions or Requirements and Acceptance. Ensure the language in this section does not conflict with the VITA Contract language.)

Acceptance Criteria for this Solution will be based on a User Acceptance Test (UAT) designed by Supplier and accepted by the Authorized User. The UAT will ensure that all of the requirements and functionality required for the Solution have been successfully delivered. Supplier will provide the Authorized User with a detailed test plan and acceptance check list based on the mutually agreed upon UAT Plan. This UAT Plan check-list is incorporated into this SOW in Exhibit B-X.

Each deliverable created under this Statement of Work will be delivered to the Authorized User with a Deliverable Acceptance Receipt. This receipt will describe the deliverable and provide the Authorized User's Project Manager with space to indicate if the deliverable is accepted, rejected, or conditionally accepted. Conditionally Accepted deliverables will contain a list of deficiencies that need to be corrected in order for the deliverable to be accepted by the Project Manager. The Project Manager will have **ten (10)** days from receipt of the deliverable to provide Supplier with the signed Acceptance Receipt unless an alternative schedule is mutually agreed to between Supplier and the Authorized User in advance.

13. PROJECT ASSUMPTIONS AND PROJECT ROLES AND RESPONSIBILITIES

(This section contains areas to address project assumptions by both the Supplier and the Authorized User and to assign project-specific roles and responsibilities between the parties. Make sure that all assumptions are included to alleviate surprises during the project. Ensure that all primary and secondary (as needed) roles and responsibilities are included. You will tailor the Responsibility Matrix table below to fit your project's needs.)

A. Project Assumptions

The following assumptions are specific to this project:

B. Project Roles and Responsibilities

The following roles and responsibilities have been defined for this project:

(Sample Responsibility Matrix)

Responsibility Matrix	Supplier	Authorized User
Infrastructure – Preparing the system infrastructure that meets the recommended configuration defined in Section 2B herein		√
Server Hardware		√
Server Operating		√
Server Network Connectivity		√
Relational Database Management Software (Installation and Implementation)		√
Server Modules – Installation and Implementation	√	
PC Workstations – Hardware, Operating System, Network Connectivity		√
PC Workstations – Client Software		√
Application Installation on PC Workstations	√	
Wireless Network Access Points	√	
Cabling, Electric and User Network Connectivity from Access Points		√
Wireless Mobile Computing Products – Scanners, printers	√	
Project Planning and Management	√	√
Requirements Analysis	√	√
Application Design and Implementation	√	
Product Installation, Implementation and Testing	√	
Conversion Support	√	
Conversion Support -- Subject Matter Expertise		√
Documentation	√	
Training	√	
Product Maintenance and Support	√	

Problem Tracking	√	√
Troubleshooting – IT Infrastructure		√
Troubleshooting – Solution	√	

14. COMMONWEALTH AND SUPPLIER-FURNISHED MATERIALS, EQUIPMENT, FACILITIES AND PROPERTY

(In this section, provide details of any materials, equipment, facilities and property to be provided by your Agency or the Supplier in performance of this project. If none, so state so that the requirements are clear. If delivery of any of these is critical to the schedule, you may want to identify such delivery with hard due dates tied to “business days after project start” or “days after event/milestone.” Be sure to specify the delivery and point of contact information.)

A. PROVIDED BY THE COMMONWEALTH

B. PROVIDED BY THE SUPPLIER

15. SECURITY REQUIREMENTS

(Provide (or reference as an Attachment) Authorized User’s security requirements.)

For any individual Authorized User location, security procedures may include but not be limited to: background checks, records verification, photographing, and fingerprinting of Supplier’s employees or agents. Supplier may, at any time, be required to execute and complete, for each individual Supplier employee or agent, additional forms which may include non-disclosure agreements to be signed by Supplier’s employees or agents acknowledging that all Authorized User information with which such employees and agents come into contact while at the Authorized User site is confidential and proprietary. Any unauthorized release of proprietary information by the Supplier or an employee or agent of Supplier shall constitute a breach of the Contract.

Supplier shall comply with all requirements in the Security Compliance section of the Contract

16. REQUIRED STANDARDS, CERTIFICATIONS AND SPECIFICATIONS

In addition to any standards and specifications included in the Contract, Supplier shall follow the standards and specifications listed below during performance of this effort.

(List any specific Commonwealth, VITA, Federal, engineering, trade/industry or professional standards, certifications and specifications that Supplier is required to follow or possess in performing this work. The first bullet includes a link to COVA-required standards for all Commonwealth technology projects. The rest are examples only and highlighted to reflect this. If you need an exception of any COVA-required standard, please follow the process located at this link: <http://www.vita.virginia.gov/oversight/default.aspx?id=10344> and select the Data Standards Guidance bulleted link. Your AITR can assist you.

- COV ITRM Policies and Standards: <http://www.vita.virginia.gov/library/default.aspx?id=537>
- IEEE 802®
- HIPAA
- SAS 70 Type II

17. U.S. ENVIRONMENTAL PROTECTION AGENCY’S AND DEPARTMENT OF ENERGY’S ENERGY STAR GUIDELINES RISK MANAGEMENT

(Risk is a function of the probability of an event occurring and the impact of the negative effects if it does occur. Negative effects include schedule delay, increased costs, failure of dependent legacy system interoperability, other project dependencies that don’t align with this project’s schedule, and poor quality of deliverables. Depending on the level of risk of this project, as assessed by your Project

Manager and/or Steering Committee, this section may contain any or all of the following components, at a level of detail commensurate with the level of risk. Remember to add them to the Deliverables table.)

C. Initial Risk Assessment

Authorized User and Supplier shall each provide an initial assessment from their point of view.

D. Risk Management Strategy

(The list below is taken from VITA PMD template discussing what should go into a Risk Management Strategy. Don't forget to consider and plan for any budget contingencies to accommodate potential risks that are identified.)

1. **Risk Identification Process:** The processes for risk identification.
2. **Risk Evaluation and Prioritization:** How risks are evaluated and prioritized.
3. **Risk Mitigation Options:** Describe the risk mitigation options. They must be realistic and available to the project team.
4. **Risk Plan Maintenance:** Describe how the risk plan is maintained during the project lifecycle.
5. **Risk Management Responsibilities:** Identify all project team members with specific risk management responsibilities. (e.g., an individual responsible for updating the plan or an individual assigned as a manager).

E. Risk Management Plan

(Include a description of frequency and form of reviews, project team responsibilities, steering and oversight committee responsibilities and documentation. Be sure to add all deliverables associated with risk strategizing and planning to the list of Deliverables.)

18. DISASTER RECOVERY

Planning for disaster recovery for your project is paramount to ensure continuity of service. The criticalness and complexity of your project, including its workflow into other dependent systems of the Commonwealth or federal systems, will help you determine if you require a simple contingency plan or a full-blow contingency plan that follows the Commonwealth's ITRM Guideline SEC508-00 found at this link:

http://www.vita.virginia.gov/uploadedFiles/Library/ContingencyPlanningGuideline04_18_2007.pdf

It is advisable that you visit the link before making your decision on how you need to address contingency planning and related deliverables in this SOW; as well as, how this will impact your planned budget. A likely deliverable for this section would be a Continuity of Operations Plan. You may choose to include the above link in your final SOW to describe what the Plan will entail. The same link includes the following processes, which you may choose to list in your final requirements for this section, to be performed by your team, the Supplier or both and/or a steering committee if your project warrants such oversight and approval:

- Development of the IT components of the Continuity of Operations Plan (COOP)
- Development and exercise of the IT Disaster Recovery Plan (IT DRP) within the COOP
- Development and exercise of the IT System Backup and Restoration Plan

19. PERFORMANCE BOND

(If your project is sizeable, complex and/or critical, and the VITA Contract does not already provide for a performance bond, you may want the Supplier to provide one. The VITA Contract may include an Errors and Omissions insurance requirement, which would cover the Supplier's liability for any breach of the Contract or this SOW. Be sure to read the Contract for this information. However, if you feel that this project warrants further performance incentive due to the project or the Supplier's viability, you may include the following language in this section.)

The Supplier shall post performance bond in an amount equal to one hundred percent (100%) of the total contract value and provide a copy of the bond to Authorized user within (10) days of execution of this SOW Agreement. In the event that the Supplier or any subcontractor or any officer, director, employee or agent of the Supplier or any subcontractor or any parent or subsidiary corporation of the Supplier or any subcontractor fails to fully and faithfully perform each material requirement of this SOW Agreement, including without limitation the Supplier's obligation to indemnify the Authorized User, the performance bond shall be forfeited to Authorized User. The bond shall be in a form customarily used in the technology industry and shall be written by a surety authorized to do business in Virginia and that is acceptable to Authorized User.

20. OTHER TECHNICAL/FUNCTIONAL REQUIREMENTS

(Provide any other unique project technical and functional requirements and expectations in sufficient detail in this section. Ensure they do not conflict with existing requirements in the VITA Contract. Several examples are listed.)

A. Service Level Requirements

B. Mean-Time-Between-Failure Requirements

C. Data Access/Retrieval Requirements

D. Additional Warranties

21. REPORTING

(The following are examples of reporting requirements which may be included in your SOW depending on the project's need for governance. In an effort to help VITA monitor Supplier performance, it is strongly recommended that the SOW include "Supplier Performance Assessments". These assessments may be performed at the Project Manager's discretion and are not mandated by VITA.)

A. Weekly/Bi-weekly Status Update.

The weekly/bi-weekly status report, to be submitted by Supplier to the Authorized User, should include: accomplishments to date as compared to the project plan; any changes in tasks, resources or schedule with new target dates, if necessary; all open issues or questions regarding the project; action plan for addressing open issues or questions and potential impacts on the project; risk management reporting.

B. Supplier Performance Self-Assessment.

Within thirty (30) days of execution of the project start, the Supplier and the Authorized User will agree on Supplier performance self-assessment criteria. Supplier shall prepare a monthly self-assessment to report on such criteria. Supplier shall submit its self-assessment to the Authorized User who will have five (5) days to respond to Supplier with any comments. If the Authorized User agrees with Supplier's self-assessment, such Authorized User will sign the self-assessment and submit a copy to the VITA Supplier Relationship Manager.

C. Performance Auditing

(If you have included service level requirements in the above section entitled, Other Technical/Functional Requirements, you will want to include a requirement here for your ability to audit the results of the Supplier's fulfillment of all requirements, Likewise, you may want to include your validation audit of the Supplier's performance reporting under this Reporting section. It is important, however, that you read the VITA contract prior to developing this section's content so that conflicts are avoided. Suggested language is provided below, but must be customized for your project.)

Authorized User (or name of IV&V contractor, if there is one), will audit the results of Supplier's service level obligations and performance requirements on a monthly/quarterly basis, within ten (10) days of receipt of Supplier's self-assessments and service report(s). Any discrepancies will be discussed between the Authorized User and Supplier and any necessary invoice/payment adjustments will be made. If agreement cannot be reached, the Authorized User and Supplier will

escalate the matter in accordance with the Escalation provision of the Contract. (If none, you may add your escalation procedure in this section.)

D. Supplier Performance Assessments

(You may want to develop assessments of the Supplier's performance and disseminate such assessments to other Authorized Users of the VITA Contract. Prior to dissemination of such assessments, Supplier will have an opportunity to respond to the assessments, and independent verification of the assessment may be utilized in the case of disagreement.)

22. CHANGE MANAGEMENT

(Changes to the baseline SOW must be documented for proper project oversight. Depending on your project, you may need to manage and capture changes to configuration, incidents, deliverables, schedule, price or other factors your team designates as critical. Any price changes must be done in compliance with the Code of Virginia, § 2.2-4309. Modification of the contract, found at this link: <http://leg1.state.va.us/cgi-bin/legp504.exe?000+coh+2.2-4309+500825>. Changes to the scope of this SOW must stay within the boundaries of the scope of the VITA Contract.

For complex and/or major projects, it is recommended that you use the VITA PMD processes and templates located at: <http://www.vita.virginia.gov/oversight/projects/default.aspx?id=567>.

Administrative or non-technical/functional changes (deliverables, schedule, point of contact, reporting, etc.) should extrapolate the affected sections of this SOW in a "from/to" format and be placed in a numbered modification letter referencing this SOW and date, with a new effective date. The VITA Contract may include a template for your use or you may obtain one from the VITA Contract's Point of Contact. It is very important that changes do not conflict with, but do comply with, the VITA Contract, which takes precedence. The following language may be included in this section, but additional language is needed to list any technical/functional change management areas specific to this SOW; i.e., configuration, incident, work flow, or any others of a technical/functional nature.)

All changes to this SOW must comply with the Contract. Price changes must comply with the Code of Virginia, § 2.2-4309. Modification of the contract, found at this link: <http://leg1.state.va.us/cgi-bin/legp504.exe?000+coh+2.2-4309+500825>

All changes to this SOW shall be in written form and fully executed between the Authorized User's and the Supplier's authorized representatives. For administrative changes, the parties agree to use the change template, attached to this SOW. For technical/functional change management requirements, listed below, the parties agree to follow the processes and use the templates provided at this link: <http://www.vita.virginia.gov/oversight/projects/default.aspx?id=567>

23. POINT OF CONTACT

For the duration of this project, the following project managers shall serve as the points of contact for day-to-day communication:

Authorized User: [Redacted]

Supplier: [Redacted]

By signing below, both parties agree to the terms of this Exhibit.

Supplier:

Authorized User:

(Name of Supplier)

(Name of Agency/Institution)

By: _____
(Signature)

By: _____
(Signature)

Name: _____
(Print)

Title: _____

Date: _____

Name: _____
(Print)

Title: _____

Date: _____

EXHIBIT C CHANGE ORDER TEMPLATE
CONTRACT NUMBER VA-141219-IA
BETWEEN
VIRGINIA INFORMATION TECHNOLOGIES AGENCY
AND
INTEGRIS APPLIED

Exhibit C is hereby incorporated into and made an integral part of Contract Number VA-141219-IA (“Contract”) between the Virginia Information Technologies Agency (“VITA” or “Commonwealth” or “State”) and Integris Applied (“Supplier”).

In the event of any discrepancy between this Exhibit C and the Contract, the provisions of the Contract shall control.

This Change Order No. **XXX** hereby modifies and is made an integral part of Statement of Work B-**X** (“SOW”), between **NAME OF AGENCY/INSTITUTION** (“Authorized User”) and Ingris Applied (“Supplier”), which was issued under Contract Number VA-141219-IA (“Contract”) between the Virginia Information Technologies Agency (“VITA”) and Supplier, on behalf of the Commonwealth of Virginia and its Authorized Users.

[Note: Instructions for using this template to draft a Change Order are in gray. These instructions should be deleted after the appropriate text has been added to the Change Order. Contractual language is not in gray and should remain in the document. Text that is highlighted in blue is contractual language that is variable based on the nature of the project and in final form should not be highlighted. Agency/Institution should remove the first two lines of the heading, which pertain to this template as an Exhibit to the VITA Contract and remove the Exhibit reference from the header.]

CHANGE ORDER

This is Change Order No. **XXX** to a SOW issued by **Authorized User** to Supplier under which Supplier is to provide the Authorized User with a **Authorized User Project Name Solution (“Solution”).**

The following item(s) is/are hereby modified as follows: *[Note: Include only the sections of the SOW that are being changed. Do not include sections not being modified. Changes should be clearly identified as “From” (copy/paste from current SOW section) and “To” (fully describe the change(s) to the referenced section). Here is an example, using SOW section 1.]*

1. PERIOD OF PERFORMANCE

[REDACTED]

This Change Order No. **XXX** is issued pursuant to and, upon execution, shall become incorporated in the SOW, which is incorporated in the Contract. In the event of conflict, the following order of precedence shall apply:

- i). The Contract
- ii). Statement of Work B-**X**, as amended by this and previous Change Orders, with the more current Change Orders superseding older Change Orders.

The foregoing is the complete and final expression of the agreement between the parties to modify the SOW and cannot be modified, except by a writing signed by duly authorized representatives of both parties hereto.

ALL OTHER TERMS AND CONDITIONS OF THE REFERENCED SOW REMAIN UNCHANGED.

By signing below, the authorized parties agree to the terms of this Change Order No. **XXX**, effective **(INSERT EFFECTIVE DATE)**.

Supplier

By: _____

(Signature)

Name: _____

(Print)

Title: _____

Date: _____

Authorized User

By: _____

(Signature)

Name: _____

(Print)

Title: _____

Date: _____

**EXHIBIT D SERVICE FEES
 CONTRACT NUMBER VA-141219-IA
 BETWEEN
 VIRGINIA INFORMATION TECHNOLOGIES AGENCY
 AND
 INTEGRIS APPLIED**

Exhibit D is hereby incorporated into and made an integral part of Contract Number VA-141219-IA (“Contract”) between the Virginia Information Technologies Agency (“VITA” or “Commonwealth” or “State”) and Integris Applied (“Supplier”).

In the event of any discrepancy between this Exhibit D and the Contract, the provisions of the Contract shall control.

Labor Category	Labor Description	Hourly Labor Rates
Executive	The executive role provides expert advice, assistance, guidance and counseling in support of organizational improvement efforts in such areas as program and project management, project integration, and program oversight for projects related to consulting services, business improvement efforts, and facilitation services. They conduct quality assurance reviews for all aspects of key projects. They plan and guide multiple complex projects with high visibility and business impact and oversee all aspects of executive interaction	\$295
Delivery Leader	Delivery Leaders perform day-to-day management of overall project/contract support functions, possibly involving multiple projects and groups of personnel at multiple locations. They organize, direct, and coordinate the planning and production of all contract support activities. Delivery Leaders provide the primary interface with client management personnel regarding strategic issues, and direct completion of the projects within estimated time frames and budget constraints.	\$275
Subject Matter Expert	Subject Matter Experts provide expert advice in a particular consulting field, particularly sourcing best practices and the application of those best practices in government. Specialists bring best practices and innovative ideas to the team. They adapt latest trends to in their field to the project at hand.	\$275

Senior Analyst	Senior analysts apply broad management skills and specialized functional and technical expertise to the design and management of a sourcing engagement. They have experience in sourcing strategy and implementation and/or project management practices used to support a client during a sourcing engagement.	\$195
Analyst	Analysts support a consulting engagement by leading work streams, performing strategic planning, conducting information analysis, developing process improvements, performing facilitation services, conducting data gathering and analysis, and developing draft deliverables.	\$115

EXHIBIT E LOBBYING CERTIFICATION
CONTRACT NUMBER VA-141219-IA
BETWEEN
VIRGINIA INFORMATION TECHNOLOGIES AGENCY
AND
INTEGRIS APPLIED

Exhibit E is hereby incorporated into and made an integral part of Contract Number VA-141219-IA ("Contract") between the Virginia Information Technologies Agency ("VITA" or "Commonwealth" or "State") and Integris Applied ("Supplier").

In the event of any discrepancy between this Exhibit E and the Contract, the provisions of the Contract shall control.

CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

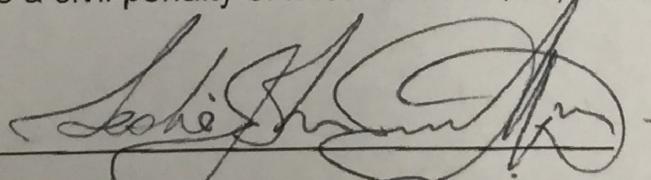
No Federal appropriated funds have been paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee or an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement.

If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and Contracts under grants, loans and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signature:



Printed Name:

LESLIE JOHN DRUITT

Organization:

INTEGRIS APPLIED

Date:

December 9, 2014