

**AMENDMENT NUMBER 18 TO  
MASTER SERVICES AGREEMENT  
FOR IT SERVICES BY AND  
BETWEEN COUNTY OF ORANGE  
AND  
SCIENCE APPLICATIONS INTERNATIONAL CORPORATION**

This Amendment Number 18 to Master Services Agreement for IT Services by and between County of Orange and Science Applications International Corporation ("Amendment 18") is made and entered into by and between the County of Orange, a political subdivision of the State of California ("County") and Science Applications International Corporation, ("Vendor"). All capitalized undefined terms in this Amendment 18 will be as defined in the Agreement.

**RECITALS**

WHEREAS, County and Vendor entered into a Master Services Agreement for IT Services by and between County of Orange and Science Applications International Corporation (the "Agreement"); and

WHEREAS, County and Vendor entered into the Agreement effective May 14, 2013 ("Effective Date"); and

WHEREAS, the Parties have previously made the following amendments to the Agreement: Amendment 1, dated September 10, 2013 ("Amendment 1"); Amendment 2, dated February 3, 2014 ("Amendment 2"); Amendment 3, dated June 6, 2014 ("Amendment 3"); Amendment 4, dated July 25, 2014 ("Amendment 4"); Amendment 5, executed January 12, 2016, and retroactively dated to February 3, 2015 ("Amendment 5"); Amendment 6, dated April 26, 2016 ("Amendment 6"); Amendment 7, dated June 1, 2016 ("Amendment 7"); Amendment 8, dated September 13, 2016 ("Amendment 8"); Amendment 9, executed February 15, 2017, and retroactively dated to February 3, 2017 ("Amendment 9"); Amendment 10, dated September 26, 2017 ("Amendment 10"); Amendment 11, dated January 10, 2018 ("Amendment 11"), Amendment 12, dated June 7, 2018 ("Amendment 12"); Amendment 13, dated October 16, 2018 ("Amendment 13"); Amendment 14, dated May 22, 2019 ("Amendment 14"); and Amendment 15, dated October 8, 2019 ("Amendment 15"); Amendment 16, dated September 29, 2020 ("Amendment 16"); and Amendment 17, dated February 9, 2021 ("Amendment 17").

WHEREAS, the Parties desire to enter into this Amendment 18 for the purpose of modifying Schedule 3 (Fees) to increase the Reserved Dollars for Work Orders by \$6,000,000, from \$10,000,000 to \$16,000,000.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, the receipt, sufficiency and adequacy of which is hereby acknowledged, the Parties, intending to be legally bound, hereby contract and agree as follows:

**AGREEMENT**

A. The Parties hereby agree to amend the Agreement as follows:

1. Schedule 3 (Fees) – Revision 6 of the Agreement is deleted in its entirety from the Agreement and replaced with the attached Schedule 3 (Fees) – Revision 7, which is incorporated into the Agreement by this reference.

B. This Amendment 18 shall be effective upon execution by both Parties.

C. Order of Precedence When Interpreting Conflicting Terms

Except as otherwise expressly set forth and amended herein, all terms and conditions of the Agreement and its Amendments 1 through 17 remain unchanged and in full force and effect. Capitalized terms used in this Amendment and not defined herein have the meanings given to them or referenced in the Agreement and the prior amendments. In the event of any inconsistency or conflict between or among any provision of this Amendment 18 and any provision of the original Agreement, and/or its amendments/modifications other than Amendment 18, the inconsistency or conflict shall be resolved by giving precedence to the language of amendments, modifications, and the original Agreement in the following order:

1. Amendment 18;
2. Amendment 17;
3. Amendment 16
4. Amendment 15;
5. Amendment 14;
6. Amendment 13;
7. Amendment 12;
8. Amendment 11;
9. Amendment 10;
10. Amendment 9;
11. Amendment 8;
12. Amendment 7;
13. Amendment 6;
14. Amendment 5;
15. Amendment 4;
16. Amendment 3;
17. Amendment 2;
18. Amendment 1;
19. The original Agreement.

[Signatures provided on the following page]

The Parties evidence their entire agreement to the terms of this Amendment 18 as evidenced below by the signature of each Party's legally authorized representative on the dates indicated below.

**VENDOR: SCIENCE APPLICATIONS INTERNATIONAL CORPORATION**

Vincent R. Magaña  
Print Name

Contracts, Senior Principle  
Title



February 24, 2021

Signature

Date

\*\*\*\*\*

**COUNTY OF ORANGE,  
a political subdivision of the State of California**

Joel Golub  
Print Name

County Chief Information Officer  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**APPROVED AS TO FORM  
COUNTY COUNSEL**



Patrick Brusio, Deputy County Counsel

Approved by Board of Supervisors on: \_\_\_\_\_

**SCHEDULE 3**  
**FEEs**  
**FOR**  
**COUNTY**  
Revision 7

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## 1.0 Introduction

This Schedule 3 provides the basis for determining the Fees applicable to the Services under the Agreement, and describes the processes and methodologies as to how the Fees shall be calculated.



## 2.0 Resource Units, Baseline and Measurement

### 2.1 Resource Units

Resource Unit(s) (“RU(s)”) for each Scope 1 Service Area are the components of the Service Area to be priced as described in Appendix 3.1. An RU is a unit of resource (e.g., Servers for Data Center Services) for which the County and the Vendor have established a Baseline Fee. The Baseline Fee for each RU is contained in this Schedule 3.

All server resource units have been aggregated into single use resource units by type (physical, virtual, cloud, [REDACTED]) regardless of actual processor cores deployed. Parties agree to review annually the overall mix of server cores deployed to determine if support requirements need to be changed based on changes in overall computing ecosystem.

#### 2.1.1 RUs Measurement

The Vendor will measure, track, retain measurement data in a repository, validate and report on the County’s usage of RUs for each RU defined in this Schedule 3, utilizing the processes and procedures in the Standards and Procedures Manual (the “Resource Measurements”). The Resource Measurements require the County’s prior express written approval and may be updated from time to time, subject to the County’s prior written approval. The Vendor will not alter its measurement process, procedures, data measurement, data collection or reporting in connection with Resource Measurements without the County’s prior written approval. The Vendor shall provide the County with reporting of actual RUs usage for each RU for which at least one (1) month’s reports shall be complete and validated by the County prior to achieving the Service Commencement Date for the applicable Service Area. The Vendor shall provide the County with ongoing reporting of actual RU usage for each RU for each month after the Cutover Date for each such Service Area.

#### 2.1.2 Resource Unit Measurement Validation

Prior to the Service Commencement Date for each Service Area, the County and the Vendor will review the measurement tools, processes and resulting data to ensure such tools and processes are appropriate, accurate, producing consistent data for all RUs being measured for the purposes of calculating Fees (collectively, “Measurement Tools”). The County’s express written approval will be required for all Measurement Tools that are used to measure RU usage. The County will have the right to access these Measurement Tools and the data produced. The County will also have the right to implement and utilize its own Measurement Tools as a means to validate the measurement usage data. The Vendor will be responsible for developing any interfaces to the County measurement tools, and for providing accurate and timely data to the County. The County and the Vendor will conduct an ongoing validation process to ensure that the tools and processes remain accurate and produce valid data, and that any interfaces to County tools operate properly. Any changes to the tools and/or processes require the express written approval of the County. For the purposes hereof, Measurement Tools means tools used to measure equipment, networks and Systems, (e.g., Availability, capacity and usage).

After the Service Commencement Date for each Service Area, the County and the Vendor will review the Measurement Tools, processes, interfaces and resulting data from the end of each Contract Year to ensure that such Measurement Tools and processes are appropriate and produce accurate and consistent data. The Resource Measurements will be updated, such



that the measurement documentation will accurately reflect the current process upon which the parties have mutually agreed.

## **2.2 Baseline Volumes**

A Baseline, unless otherwise noted, is expressed as the projected average monthly volume of RU usage for each Contract Year of the Term of the Agreement. Baselines for each RU are provided in Appendix 3.1.

### **2.2.1 Baseline Volume Adjustments**

#### **2.2.1.1 *Wall-to-Wall Inventory Adjustment***

Prior to the start of each Contract Year, the Vendor will conduct a wall-to-wall inventory of all in-scope assets including the RUs that are included in the Baselines thirty (30) days prior to the start of each Contract Year. The initial wall-to-wall inventory will be a physical confirmation by both Parties of the actual existence of a managed asset, a profile of its attributes, and the confirmation by both Parties that it is designated as a managed asset as part of the Services. Subsequent wall-to-wall inventories may be conducted through a combination of physical and electronic means. Baselines will be adjusted to reflect the relevant outcome of such inventory. If the adjusted Baseline is greater than or less than five percent (5%) of the volumes identified before the wall-to-wall inventory, then the Vendor shall provide the County with a pricing adjustment for the applicable RU that reflects the actual volumes identified in the inventory.

### 3.0 Fees

Fees for the Application Development and Maintenance Service Area are addressed in Section 4 herein.

#### 3.1 Recurring Fees

Recurring Fees pertain to the Fees for Services in accordance with the Baselines that are established as of the Effective Date of the Agreement and adjusted thereafter in accordance with the Baseline adjustment provisions of this Agreement.

##### 3.1.1 Management Fees

Management Services means the Services described in Schedule 1 and Schedule 2A which describe the Vendor's account and general service management services (e.g., cross functional ITIL/ITSM-based services). The monthly fee for Management Services is for the provision of such Management Services as applicable to each Service Area (the "Management Fees"). Monthly Management Fees are a component of the monthly services fee for each Service Area.

##### 3.1.2 Baseline Fees

Baseline Fees for each Service Area are the sum of monthly fixed RU Fees multiplied by RU Baselines to determine the monthly Baseline Fees. The fixed RU Fees shall include all direct variable and fixed cost components of the Vendor's charges, all associated start up costs associated with that RU (i.e., installation and setup associated with the Resource Unit) and shall not include Management Fees. Monthly Baseline Fees are a component of the monthly recurring services fee for each Service Area.

##### 3.1.3 Annual Service Fees

Annual Service Fees for each Service Area are monthly recurring services Fees, consisting of the sum of monthly Management Fees and monthly Baseline Fees, multiplied by twelve (12).

##### 3.1.4 Reserved

##### 3.1.5 Annual Service Area Fees

Annual Service Area Fees are the sum of Annual Service Fees.

##### 3.1.6 Annual Total Fees

Annual Total Fees are the sum of Annual Service Area Fees for all Service Areas.

##### 3.1.7 Asset Fees

Asset Fees will be separately developed and accounted for in the Vendor's invoices to the County in accordance with the provisions below.

1. Assets procured by the Vendor under this Agreement to support the Storage, Backup and Replication System ("SAN") Services shall be priced as provided below and invoiced to the County and the County shall pay the Vendor as provided in Section 11 of the Agreement. The monthly price to be invoiced to the County shall include all costs for the acquisition, maintenance and financing of

the SAN and shall be financially structured such that the financial obligation of the Asset is zero at the end of the then current Term. By way of example, if the SAN is received by the Vendor in the third (3rd) month of the first five (5) year Term then Asset RU for that portion will be financially structured to retire all financial obligations, with the exclusion of maintenance, by the end of month sixty (60), in this case fifty eight (58) months. From February 3, 2020 through June 30, 2022, Assets secured by the Vendor to extend the useful life of the Storage, Backup and Replication System ("SAN") through June 30, 2022 that are required to fulfill service obligations during such period will be treated in an identical manner as described above with the exception that said assets will be fully depreciated over the twenty nine (29) month (or remaining months from time of purchase) term of service, but in no case will remaining asset depreciation extend beyond June 30, 2022. After June 30, 2022, Vendor's obligation to provide SAN Services shall be limited to providing operational support labor only. Provision and implementation of all hardware and software necessary to deliver the SAN, SAN Services shall become the responsibility of the County. For the purposes of replacing the Vendor system, County may, in its sole discretion, fund an Other Services Work Order to Vendor to assist with/perform design, implementation, and commissioning services of the County-provided solution.

2. For all other goods and services procured by the Vendor by mutual agreement of the Parties under this Agreement, the Vendor shall invoice the County for all costs for the acquisition (e.g. acquisition cost, shipping and handling (but not including sales tax, if applicable) and will markup all such costs by seven percent (7%). The Vendor shall invoice the County on the next invoice after the Vendor's receipt of the goods and services unless otherwise agreed by the Parties.

See Appendix 3.1 for each fee type described above.

### **3.1.8 Application of Desktop Services Tower and Service Desk Tower Pricing**

The Parties acknowledge the County's expectations for the adding of agencies to receive Desktop Services and Service Desk Services under this Agreement. To support this requirement, the Parties have established Service specific pricing structures for Desktop Services and Service Desk Services. The application of these Services specific pricing structures is described below.

(a) Assumptions for Baseline Pricing for Desktop and Service Desk  
The Baseline pricing provided herein is limited to additions meeting the following criteria. Any material variation from these criteria would require a discussion of an In-Scope Work Order or Out-of-Scope Work Order in accordance with Section 7.4 of the Agreement:

- Existing Service Levels, financial responsibilities, and all other related aspects of the Agreement shall apply.
- Existing work hours and days of service apply.
- Physical location of new agency or agencies shall remain within Orange County and shall fit the standard delivery profile of an agency with a combination of large concentrated locations with smaller satellite offices (e.g., SSA), rather than a highly

dispersed geographical distribution at many sites. The Parties agree that Locations already being served by Vendor conform to the standard delivery profile.

- PCs, Printers, software and other equipment fit the general profile of the equipment already being supported (e.g. desktop appendices). Highly customized GIS workstations, special operating systems, scanners or non-standard equipment are not included.
- Participating agency is willing to be accommodated within the Vendor service desk and desktop support service delivery models as part of the standard solution and be willing to be integrated into the total County deployed environment. Separate instances of the service desk, separate/dedicated agents, separate tracking of tickets, separate response models, separate delivery models, etc. are not included.
- PCs are accessible by remote take-over tools (e.g. [REDACTED]) as well as physical site visits. PCs being supported are not “air-gapped” from the network. Service desk staff is provided the necessary access and permissions to fully perform the services.
- Audio-Video set-ups are limited to the physical setup and teardown of the equipment. Staff will not sit in meetings or wait onsite while the meeting occurs to be available if a problem occurs.
- IMACs fit the general profile of the agencies already being supported. The expectation is a 30% full move percentage each month of the total IMAC count.
- Service desk calls will meet the overall County service desk model call distribution ratio data provided to SAIC prior to the Effective Date including similar call distribution (both day and weekly), have an average call handle time including call wrap up not to exceed seven (7) minutes on average, exhibit an approximate 60% actual phone call volume of the total service desk contact volume (e.g. 60% calls, 40% email, fax, and web wizard requests).
- The same Incident, Problem, Change and Configuration Management toolset and workflow as the County will be utilized.
- No specialized security, regulatory or certification requirements such as PII and PHI are required for service desk agents.

### **3.1.8.2 Desktop Services Pricing**

- The Initial Baseline is the baseline established by the Parties for the delivery of the Desktop Services on the Service Commencement Date for the performance of Desktop Services under the Agreement. For each Baseline the price adjustment mechanisms contemplated in Section 3.2, Variable Services Fees and Section 3.4, ARCs Ceiling and RRC Floor shall apply for changes in quantity within the Baseline.
- Movement from one Baseline to another occurs when the County Monthly Actual Usage of Desktop/Laptop Support RUs falls within the Baseline range of another Baseline for three (3) consecutive months.
- The Band 1 Baseline, Band 2 Baseline, and Band 3 Baseline will remain at two thousand (2,000), four thousand (4,000), and seven thousand five hundred (7,500) Desktop/Laptop Support RUs respectively and will not be adjusted. Volumes above or below any Band Baseline will be billed consistent with the ARC/RRC provisions as provided above in Section 3.2. For clarity, should the volumes giving rise to movement from one Band to another Band fall within the Deadband of the latter Band, fees will be charged at the Baseline quantities. If the volumes giving rise to movement from one Band to another fall outside the Deadband of the latter Band,

but within the ARC ceiling and RRC floor of the receiving Band fees will be charged on the applicable ARC and RRC mechanisms.

- Should the volumes within a Band vary above or below the ARC Ceiling or the RRC Floor but not be sufficient to move to another Band, the provisions of Section 3.4, ARCs Ceiling and RRC Floor shall apply until such time as the volumes enter the range of another Band in which case the provisions of Section 3.1.8.5 shall apply.
- Additions of agencies that would result in a move from one Band to another will require Transition and will require a separately priced Transition Project for that activity. The Termination Fees will be adjusted by a mutually agreed amount to account for the addition of the agency.
- The Parties agree that, commencing on May 1, 2016, in the instance that the County wants to have Vendor perform a routine project for which twenty or more “IMACs for Desktops/Laptops/Network Attached Devices/Standalone Printers” Resource Units (“IMAC RU”) would normally be charged to the County for each IMACD activity (“IMACD Project”) the following terms and conditions shall apply:
  - For each IMACD Project, the Parties shall mutually agree to the scope of work and a reasonable period of performance that must be able to be completed within the then current Contract Year;
  - The County shall only be charged one IMAC RU for each such IMACD Project (e.g., Vendor installs 300 new monitors = 1 IMAC RU charged to County);
  - In any given Contract Year the number of routine IMACD activities performed by Vendor as part of an IMACD Project(s) shall not exceed two thousand two hundred (2,200). If there is a partial Contract Year, said amount shall be prorated on a monthly basis. For example, for CY3 the number of routine IMACD activities that are a part of IMACD Project(s) shall not exceed one thousand six hundred fifty (1,650) [i.e.,  $(2,200/12 = 183.33) \times 9 \text{ months} = 1,650$ ]. Thereafter, for the remainder of the then current Contract Year, an IMAC RU shall be charged for each subsequent IMACD activity and IMACD Project pricing will not be available. (e.g., Vendor installs 300 new monitors = 300 IMAC RUs charged to County)

#### Service Desk Services Pricing

County of Orange Service Desk - Band Pricing					
Service Desk Workload Band	Monthly Workload Volume	IT Calls	411 Calls	Band Pricing (fixed price per month )	Equivalent price per call
1	0 to 4150	70%	30%	\$51,500	\$12.41
2	4151 to 5500	88%	12%	\$57,100	\$10.38
3	5501 to 6700	91%	9%	\$60,300	\$9.00
4	6701 to 8000	93%	7%	\$71,000	\$8.88
5	8001 to 9300	95%	5%	\$81,500	\$8.76

For each month for which the Vendor provides Service Desk Services the County shall be billed at the monthly fixed price band pricing applicable to the total monthly workload volume for the invoiced month, which is the sum of all Calls chargeable to the County for that period. The provisions of Section 3.3, Variable Services Fees shall not apply to Service Desk Services pricing. In the event the monthly workload volume of Calls for any given month is less than 4,151 for that month, the fixed price of band 1 shall continue to apply unless the Parties agree to

negotiate in good faith to mutually agree to new fixed price band pricing to support projected decreases below 4,151.

In the event the monthly workload volume exceeds 9,300 Calls, the Parties will negotiate in good faith to mutually agree to new fixed price band pricing to support projected increases to the County's monthly workload volumes.

In the event of a Termination for Convenience, the Termination Fee schedule for the Desktop Band under which the County was most recently billed shall apply.

### 3.2 Transition Fees

Transition Fees are set forth in Appendix 3.2. Payment of Transition Fees are set forth in the milestone and payment schedules in the Transition Plan (Attachment B to the Agreement and Appendix B.8 specifically).

### 3.3 Variable Services Fees

The Variable Services Fees sections below describe the methodology for compensation for actual Service usage above or below the Baseline Fees Deadband. The Baseline Fees Deadband consists of the Additional Resource Charges (ARCs) Deadband and the Reduced Resource Credits (RRCs) Deadband as defined below. There are no Baseline Fees Deadband or ARCs and RRCs for the ADM Service Area.

#### 3.3.1 ARC Deadband

Additional Resource Charges (ARCs) are those Fees applicable to actual RU usage above the ARC Deadband Baseline. The ARC Deadband is expressed as a percentage amount and is set forth in the ARC Deadband Table that is provided for each Service Area. For the purposes hereof, ARC Deadband Percentage means the percentage above the Baseline Fee within which ARCs will not apply, and above which ARCs will apply.

#### 3.3.2 ARC Deadband Table

The following ARC Deadband Table identifies the factors that are to be used in calculating ARCs for each of the Service Areas. The ARC Deadband is calculated by multiplying the Baseline Fee by the sum of one (1.00) plus the ARC Deadband percentage.

**Table 1. ARC Deadband Table**

Area	ARC Deadband
	% of Baseline
Data Center Services	0%
Desktop Services	0%

### 3.3.3 ARCs Calculation

The Vendor will compare the Monthly Actual Usage during the applicable calendar month against the ARC Deadband for such month. If the Monthly Actual Usage for such calendar month does not exceed the ARC Deadband for such calendar month, there will be no ARC charges imposed for such calendar month. If the Monthly Actual Usage exceeds the ARC Deadband for such period, the County will then pay Vendor, in addition to the Baseline Fee, an ARC charge equal to the difference between the Monthly Actual Usage and the ARC Deadband.

### 3.3.4 Reduced Resource Credits (RRCs)

Reduced Resource Credits (RRCs) are Fee credits applicable to actual RU usage below the RRC Deadband Baseline. The RRC Deadband is expressed as a percentage amount and is set forth in the RRC Deadband Table that is provided for each Service Area. For the purposes hereof, the RRC Deadband means the percentage below the Baseline within which RRCs will not apply, and below which RRCs will apply.

### 3.3.5 RRC Deadband Table

The following RRC Deadband Table identifies the factors that are to be used in calculating RRCs for each of the Service Areas. The RRC Deadband is calculated by multiplying the RU Baseline by the sum of one (1.00) less the RRC Deadband percentage.

**Table 2. RRC Deadband Table**

	RRC Deadband
	% of Baseline
Area	
Data Center Services	0%
Desktop Services	0%

### 3.3.6 Reduced Resource Charges (RRCs) Calculation

The Vendor will compare the Monthly Actual Usage during the applicable calendar month against the RRC Deadband for such month. If the Monthly Actual Usage for such calendar month is not less than the RRC Deadband, then there will be no RRC credits provided for such calendar month. If the Monthly Actual Usage is less than the RRC Deadband Baseline for such period, the Vendor will give the County an RRC credit against current or future Fees (or, if no future Fees will be due, make payment to the County) that is equal difference between the Monthly Actual Usage and the RRC Deadband amount.

For purposes of this schedule, Monthly Actual Usage means the RUs that the County actually uses each month, in connection with the Vendor's provision of the Services.

The following table provides an example of the ARC and RRC calculation:

**Table 3. ARC and RRC Calculation with a 0% ARC and RRC Deadband**

Description	Calculation Formula
Baseline Fee	\$334,000
ARC Deadband of 0%	$\$334,000 \times 1.00 = \$334,000$
RRC Deadband of 0%	$\$334,000 \times 1.00 = \$334,000$
Monthly Actual Usage	Monthly Actual Resource Units x Resource Unit Fees
Monthly Invoiced Fees a) If Monthly Actual Usage > ARC Deadband: (Assume Monthly Actual Usage is \$355,000)	(Monthly Actual Usage – ARC Deadband) + Baseline Fee $(\$355,000 - \$334,000) + \$334,000 = \$355,000$
b) If Monthly Actual Usage < RRC Deadband: (Assume Monthly Actual Usage is \$315,000)	Baseline Fee - (RRC Deadband - Monthly Actual Usage) $\$334,000 - (\$334,000 - \$315,000) = \$315,000$
c) If Monthly Actual Usage < ARC Deadband and > RRC Deadband	Monthly Actual Usage

### 3.3.7 ARCs and RRCs Measurement Period and Reconciliation True-Up

The period for determining ARCs and RRCs will be performed on a calendar month basis after the Service Commencement Date for each applicable Service Area for which the County receives Services.

Following the applicable Service Commencement Date, at the end of every calendar month thereafter, the County and the Vendor shall reconcile the County's Monthly Actual Usage for such calendar month against the Baselines applicable to such calendar month, and the Vendor shall calculate ARCs and/or RRCs, as applicable for each Service Area. The Vendor shall ensure that all actual usage of RUs is measured and reported in accordance with the resource measurement provisions of this Schedule. The County shall pay ARCs and the Vendor shall credit (or refund if the Term has ended) RRCs in accordance with the terms and conditions of the Agreement.

The Vendor shall complete its analysis and reporting of Monthly Actual Usage, to the County no later than ten (10) days following the end of the calendar month in which the Services were delivered. In the event that there is discovery of inaccuracies in the measurement or reporting of actual RU usage, which discovery occurs after the thirty (30) day period following the end of such calendar month, the maximum amount of ARCs allowable will be limited to the quantities that have been initially reported by the Vendor and received by the County during the thirty (30) day period following the end of the calendar month.

### 3.3.8 ARCs Ceiling and RRCs Floor

ARC Ceiling means the maximum percentage that the Vendor may charge ARCs above the ARC Deadband Baseline. RRC Floor means the minimum percentage that the Vendor may credit RRCs below the RRC Deadband Baseline. ARC Ceilings and RRC Floors are established to provide a means to evaluate and adjust pricing if there are material shifts in Monthly Actual



Usage over a sustained period. In the event that the County Monthly Actual Usage is greater than the ARC Ceiling or less than the RRC Floor for a period of three (3) consecutive months, the Parties agree to mutually review and renegotiate in good faith such applicable RU items: Baselines and RU Fees. Table 4 below (ARC Ceiling and RRC Floor) identifies the factors that are to be used in calculating whether Monthly Actual Usage has exceeded those limits. The ARC Ceiling is to be calculated by multiplying the RU Baseline by the sum of one (1.00) plus the ARC Ceiling percentage. The RRC Floor is to be calculated by multiplying the RU Baseline by the sum of one (1.00) less the RRC Floor percentage.

Upon the third (3<sup>rd</sup>) consecutive month that the County Monthly Actual Usage is greater than the ARC Ceiling or lower than the RRC Floor then, at the County's sole election, the occurrence of such event shall constitute written notice to the Vendor of the County's intent to renegotiate the applicable RU items, and the Parties shall have sixty (60) days there from to reach mutual agreement on an adjustment to such RU items. If no agreement is reached within the aforementioned sixty (60) day period, then the matter shall constitute a Disagreement and will be submitted to the dispute resolution process as set forth in the Agreement. During the period of such Disagreement, the baseline Resource Unit charge for the affected RUs will be reduced by ten percent (10%) if the Disagreement is triggered by usage exceeding the ARC Ceiling (as described herein). Conversely, the baseline Resource Unit charge for the affected RUs will be increased by ten percent (10%) if the Disagreement is triggered as a result of usage falling below the RRC Floor (as described herein). Any adjustments to pricing (ARC, RRC, Baselines, ARC Ceilings, RRC Floors) shall be retroactive to the date of the above-mentioned event.

Notwithstanding the foregoing, until a mutual agreement is reached by the Parties on making adjustments to the RU items referenced above, the then-existing ARCs and RRCs will continue in effect.

Table 4. ARC Ceiling and RRC Floor Table

Factor	ARC Ceiling	RRC Floor
Factor basis	% above ARC Deadband Baseline	% below RRC Deadband Baseline
<b>Service Area</b>		
<b>Data Center Services</b>	20%	20%
<b>Desktop Services</b>	20%	20%



#### **4.0 Application Development and Maintenance (ADM) Fees**

##### **4.1 Application Maintenance and Development Support**

This Application Maintenance and Development Support consists of a Vendor Blended Hourly Rate for Vendor resources located on County sites and not supporting Clarity, a Vendor Blended Hourly Rate for Vendor resources located at Vendor sites and not supporting Clarity, and a Vendor Blended Hourly Rate for Vendor resources located at Vendor sites supporting Clarity. The Vendor shall invoice the County on a monthly basis for all the Vendor Blended Hours consumed by the County for the previous month. These Fees shall be all inclusive of all adjustments for productivity increases, COLA, management costs and all other applicable variables based on the County provided application portfolio in Appendix 2D.1. Only significant, unplanned changes to the application portfolio, material reductions in the County Estimated Hours per Year for each Vendor Blended Hourly Rate category as documented in Appendix 3.1, Pricing Template, or a material change in the skill mix of the Vendor FTE resources as established in Appendix 2D.1 during a year would cause the County and/or the Vendor to open discussions to determine whether the amount needs to be changed for that year.

##### **4.2 Application Development and Maintenance Services Changes in Scope**

The list of in-scope applications is set forth in Appendix 2D.1 of the Statement of Work. Any change in the number or types of applications or addition of new applications, roll out of existing applications to new locations and major enhancements to existing applications constitutes a change in scope and will be subject to the change control procedure set forth in the Agreement and the County specific procedure.

###### **a. Additional Applications**

Any additional applications to the in-scope of applications set forth in Appendix 2D.1 of Schedule 2D shall be subject to the then-current Vendor Blended Hourly Rate applicable for the Application Maintenance and Development Support services provided in Appendix 3.1 for the applicable Contract Year to arrive at the total additional cost for the added scope for the first twelve (12) month period following the change in scope. The Parties may make a realignment or 'true-up', to adjust the payment schedules of the added scope of applications with those of the baseline in-scope applications.

### **5.0 Hourly Service Fees**

If the County requests that the Vendor supply Other Services, such Other Services will be provided by the Vendor as set forth in this Section. The Vendor may not perform Other Services unless the Vendor has secured the County's express prior written approval of such Other Services. Other Services means any services that are not included as part of the base Services under the Agreement, and which are provided to the County using a fixed fee and/or time and materials rate structure for Services specified in a Work Order.



## 6.0 Other Services Fees

### a. General.

When the Vendor performs Other Services, the County will pay the Vendor a pre-negotiated fixed fee amount or for the Vendor's actual hours or months expended in performing such Services at the mutually agreed upon hourly or monthly Services Rates as set forth in the applicable Rate Schedule Table included in Appendix 3.1 or as mutually agreed upon in writing. The County may also request the Vendor to bid on Other Services at an alternative hourly or monthly rate to be agreed upon by the County and the Vendor in writing. Fees for Other Services will include the Services Rates, plus the Vendor's reasonable expenses incurred in providing such Other Services, provided that the County approves such expenses in advance. These Vendor reasonable expenses are limited to the following:

1. Materials charges (such as products, parts, shipping costs, applicable taxes); and
2. Actual travel and living expenses in accordance with the County Travel Policy, provided that the Vendor gives the County advance written notice if such expenses will apply and the County approves such expenses in writing in advance, except that travel time from the time or point of dispatch is not an allowed Other Services expense.

There shall be no charges to County under this Agreement or any Work Order for any entertainment, vacation, sick time, holidays, paid time off, or other similar costs or expenses in connection with the Vendor Personnel. Overtime, as required by applicable law, will be paid by County for Vendor Personnel performing staff augmentation Services, only upon prior written approval by County to Vendor for overtime eligible Services to be performed by Vendor Personnel.

### b. Other Services Rate Calculation

For hourly rates the Vendor will charge the County for the actual number of hours expended by the Vendor, rounded up to a quarter-hour, multiplied by the applicable Other Services rate. Any additional rates which include overtime or other special considerations are not applicable.

For monthly rates the Vendor will charge the County for the actual number of months expended by the Vendor multiplied by the applicable Other Services rate. Rates for partial months will be prorated based on the percentage of the month expended.

**7.0 Disentanglement Cost of Living Adjustment (COLA)**

In the event the County exercises its rights to terminate all or a portion of this Agreement and the Vendor is obligated to continue to provide Services under Disentanglement beyond the end of Term of the tenth (10th) year, The Vendor will be entitled to adjust the rates of the Services Resource Units and the Rate Card for any Services Resource Units or Hourly rates used by the County after any date that would be beyond the Term date of the second renewal option year. Such adjustment will be equal to the change in the U.S Bureau of Labor Statistics, Series ID CUSR0000SA0 from the last month of the ninth (9th) year of the Term (i.e., the first renewal option year and the last month of the tenth (10th) year of the Term (i.e., second renewal option year).



**8.0 Effective Dates for Fees**

**8.1 Recurring Fees Effective Table**

Fees for recurring Services are effective according to the following table:

**Table 5. Recurring Fees Effective Date Table**

Description	Effective Date
Annual Service Fees Effective Date	Service Commencement Date
Management Fees Effective Date	Service Commencement Date
Resource Unit Fees Effective Date	Service Commencement Date

**8.2 Variable Fees Effective Table**

Fees for recurring Services are effective according to the following table:

**Table 6. Variable Fees Effective Date Table**

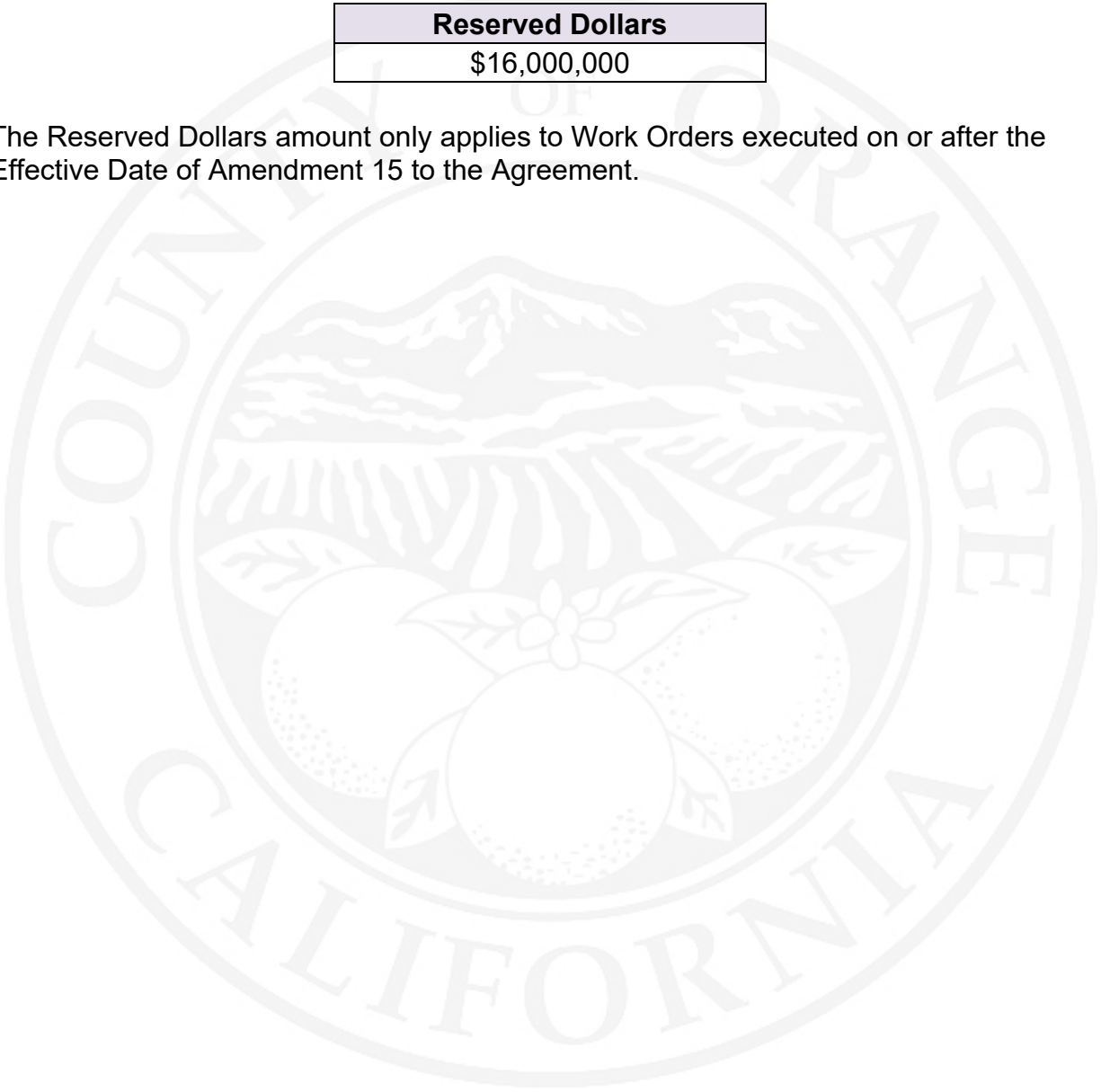
Description	Effective Date
Additional Resource Charges Effective Date	Service Commencement Date
Reduced Resource Credits Effective Date	Service Commencement Date

**9.0 Reserved Dollars for Work Orders**

Absent an Amendment to the Agreement approved by the Board in accordance with the terms of the Agreement, the maximum monetary amount payable by County under this Agreement in connection with the provision of the Change Management Process set forth in Section 7.4, shall be the Reserved Dollars amount set forth below.

Reserved Dollars
\$16,000,000

The Reserved Dollars amount only applies to Work Orders executed on or after the Effective Date of Amendment 15 to the Agreement.





**10.0 Referenced Appendices and Schedules**

<b>Appendix/Schedule</b>	<b>Description</b>
Appendix 3.1	Pricing Template
Schedule 1	Relationship Management Schedule
Schedule 2A	IT Service Management and Life Cycle Services SOW

