

**ELEVENTH AMENDMENT TO THE  
MASTER SERVICES AGREEMENT**  
**between**  
**THE STATE OF TEXAS, ACTING BY AND THROUGH**  
**THE TEXAS DEPARTMENT OF INFORMATION RESOURCES**  
**and**  
**INTERNATIONAL BUSINESS MACHINES CORPORATION**

This Eleventh Amendment is to the Master Services Agreement (“**Agreement**”), executed November 22, 2006, between the State of Texas, acting by and through the Texas Department of Information Resources (“**DIR**”), with its principal place of business at 300 West 15<sup>th</sup> Street, Suite 1300, Austin, Texas 78701, and International Business Machines Corporation, a New York corporation (“**Service Provider**”), with a principal place of business at Route 100, Somers, New York 10589.

**RECITALS**

WHEREAS, the Parties desire to amend the Agreement to: (1) modify Sections 21.3(a), Primary Notices; (2) modify Section 21.3(b), Other Notices; (3) modify Attachment 5-E, Key Service Provider Personnel; (4) modify Exhibit 4, Charges, Section 5.1 and 5.4; (5) replace Attachment 7-B, Service Provider Facilities; (6) modify Exhibit 8, Technology Architecture and Standards; (7) modify Exhibit 21, Subcontractors; (8) modify Exhibit 2.8, Co-Location Services and Section 2.7, Co-Location Floor Space Capacity; (9) modify Attachment 4-J.2, Co-Location Baselines and Attachment 4-J.1 Service Provider Pricing Forms – Co-Location Services; (10) modify Exhibit 6, Governance Model; and (11) modify Exhibit 4, Charges.

NOW, THEREFORE, in consideration of the promises and covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend the Agreement as follows:

1. Section 21.3(a), Primary Notices, is amended to replace the notification addresses for Service Provider with the following:

“In the case of Service Provider:

International Business Machines Corporation  
400 W. 15<sup>th</sup> Street, 12<sup>th</sup> Floor  
Austin, Texas 78701  
Attention: Cynthia McLean, Vice President & Global Project Executive, State of Texas  
Data Center Services  
Telephone: (512) 469-8240  
Fax: (512) 473-8069  
E-mail Address: [csmclean@us.ibm.com](mailto:csmclean@us.ibm.com)

With a copy to:

International Business Machines Corporation  
9229 Delegate's Row  
Precedent Office Park, Building 81  
Indianapolis, Indiana 46240-3810  
Attention: Mark S. Hicks, Esq.  
Telephone: (317) 942-4048  
E-mail Address: [marhicks@us.ibm.com](mailto:marhicks@us.ibm.com)

2. Section 21.3(b), Other Notices, is amended to replace the notification address for Service Provider with the following:

“In the case of Service Provider:

International Business Machines Corporation  
400 W. 15<sup>th</sup> Street, 12<sup>th</sup> Floor  
Austin, Texas 78701  
Attention: Cynthia McLean, Vice President & Global Project Executive, State of Texas  
Data Center Services  
Telephone: (512) 469-8240  
E-mail Address: [csmclean@us.ibm.com](mailto:csmclean@us.ibm.com)  
Facsimile Number: (512) 473-8069”

3. The table set forth in Attachment 5-E, Key Service Provider Personnel, is amended to replace Ken Weiss, Service Provider Account Executive, with Cynthia McLean, Service Provider Account Executive; to replace Jim Anderson, Service Provider Operations Integration Manager, with Donna Purzycki; to replace John M. Denmark, Service Provider Transition and Transformation Manger, with Donovan Davis; to replace Robert Jones, Service Delivery Manager, with Robert A. Andrejko; and to change the data in the associated cell of the “Committed Period” column from March 31, 2009 to March 31, 2011.

4. Exhibit 4, Section 5.1 (a), MVS Application CPU Hours is amended to replace Paragraph 4 with the following:

“One (1) Application CPU hour equals one (1) RU. Resource usage for Mainframe CPU will be rounded to the nearest whole hour for measurement, tracking and reporting purposes. For billing purposes, the CPU hour should be rounded to the nearest minute. A more finite measurement may be used if agreed to in writing by DIR and Service Provider.”

Section 5.1 (c)(i), Mainframe Allocated Application DASD is amended to replace paragraph 1 with the following:

“Mainframe Allocated Application DASD” shall be a Resource Unit Category. There will be a Resource Unit Category for IBM DASD and an RU for Unisys

DASD. The Resource Unit for Mainframe Allocated Application DASD is one (1) gigabyte. Resource Unit usage for this category will be measured as the peak number of gigabytes of DASD allocated by or to Applications and Authorized Users each month. One gigabyte will be equal to 1,000,000,000 bytes. The sum of partial Resource Unit usage in this Resource Category during a calendar month will be rounded to the nearest whole gigabyte for measurement, tracking, reporting and billing purposes. A more finite measurement may be used if agreed to in writing by DIR and Service Provider. Mainframe Allocated Application DASD will be measured using DCOLLECT, or another mutually agreeable substitute, where DASD is shared, and will include:”

Section 5.1 (c)(ii) Unisys DASD – GBs is amended to replace paragraph 1 with the following:

“UNISYS DASD” shall be a Resource Unit Category. One (1) Resource Unit for this Resource Unit Category shall equal one (1) gigabyte. Resource Unit usage for UNISYS DASD will be measured, tracked and reported as the total amount of DASD storage capacity installed on the Unisys Mainframes. One gigabyte will be equal to 1,000,000,000 bytes. The sum of partial Resource Unit usage in this Resource Category during a calendar month will be rounded to the nearest whole gigabyte for measurement, tracking, reporting and billing purposes. A more finite measurement may be used if agreed to in writing by DIR and Service Provider.

Section 5.1 (e) Application Tapes in Storage – Virtual Tape Storage is amended to replace paragraph 1 with the following:

“Application Tapes in Storage – Virtual Tape Storage” shall be a Resource Unit Category. One (1) Resource Unit for this Resource Unit Category shall equal one (1) gigabyte of (i) VTS internal high-speed cache storage of application data (disk or buffer), and/or (ii) VTS media storage. This Resource Unit will be measured as of the last day of the applicable month for purposes of determining the Resource Unit count for such month. The sum of partial Resource Unit usage in this Resource Unit Category during a calendar month will be rounded to the nearest whole gigabyte for measurement, tracking, reporting and billing purposes. One GB will be equal to 1,000,000,000 bytes. A more finite measurement may be used if agreed to in writing by DIR and Service Provider.

Section 5.1 (j) Optical Storage is amended to replace paragraph 1 with the following:

“Optical Storage” shall be a Resource Unit Category. One (1) Resource Unit for this Resource Unit Category shall equal one (1) gigabyte of optical storage capacity in the optical storage device or on-site (excluding blank platters) each month. The sum of partial Resource Unit usage in this Resource Category during a calendar month will be rounded to the nearest whole gigabyte for measurement, tracking, reporting and billing purposes. One GB will be equal to 1,073,741,824 bytes. A more finite measurement may be used if agreed to in writing by DIR and Service Provider.

Section 5.4 Server Storage Services is amended to replace paragraph 1 with the following:

There are five (5) distinct Resource Unit Categories for Server storage Services. Each of these Resource Unit Categories has separate Annual Base Charges, ARCs/RRCs, and Monthly Resource Baselines. These Annual Base Charges are set forth in **Attachment 4-A** and these Monthly Resource Baselines are set forth in **Attachment 4-D** and reflect the required resources to support DIR and the DIR Customers. Such Annual Base Charges, as adjusted by any ARCs and RRCs, for the Resource Unit Categories for Server storage Services will fully compensate Service Provider for the performance of the Server storage Services. The sum of partial Resource Unit usage during a calendar month for each of the Resource Unit Categories described in Subsections (a) through (d) of this Section shall be rounded to the nearest whole gigabyte for measurement, tracking, reporting and billing purposes. A more finite measurement may be used if agreed to in writing by DIR and Service Provider.

5. Exhibit 7, Attachment 7-B, Service Provider Facilities, is deleted and replaced in its entirety with the attached Attachment 7-B dated October 28, 2009.
6. Exhibit 8, Technology Architecture and Standards, Section 9 is amended by deleting the text shown below as struck out, and adding in the text shown below as italicized:

**“9. PRINT/MAIL**

“The current print environment is decentralized and is centered on individual agencies peak scheduling periods. As a result equipment utilization is high only for short periods of time in a 24 x 7 operational timeframe. Mail operations may be handled by individual agencies or through the ~~TBPC~~ *Comptroller of Public Accounts*. There are multiple metering machines, sorting equipment, and inserting equipment spread across the agencies. Inefficiencies and lost opportunity costs exist due to this dispersed environment.”

7. Exhibit 21, Subcontractors, the table set forth therein is amended (i) to remove Pitney Bowes as a listed subcontractor and renumber the subcontractor listing, and (ii) to add the phrase “Outbound Mail” to the Description of Services Performed column for Xerox.
8. Exhibit 2.8, Co-Location Services, Section 2.7, Co-Location Floor Space Capacity, is amended by adding the italicized text to sub-item 4 and deleting the struck out text:

“4. *Except as otherwise specified in **Attachment 4-J.2**, the amount of raised floor space occupied by the co-located equipment will expand no more than ten percent (10%) of the total resource baselines set forth in **Attachment Exhibit 4-J.2** (non-compounded) per year.”*
9. Attachment 4-J.2, Co-location Services Baselines, is deleted and replaced with the attached Attachment 4-J.2 dated October 28, 2009.

10. To update DIR functional titles to their current versions, the following modifications are made to Exhibit 6, "Governance Model":

- a) The title, "DIR Statewide Technology Operations Director," where it appears in the Table of Contents; the heading to Section 2.1.1; Section 2.1.4, subparagraph 6; Section 3.1.1; and Section 3.6.1 is hereby replaced by the title, "DIR Technology Center Operations Director."
- b) The title, "DIR Transition/Transformation Specialist," where it appears in the Table of Contents; the heading to Section 2.1.5 and the first paragraph of that section is hereby replaced by the title, "DIR Transition/Transformation Representative(s)." At the end of the first paragraph of Section 2.1.5, the title, "DIR Transition/Transformation Manager," is replaced by "DIR Transition/Transformation Supervisor."
- c) The title, "DIR Financial Contract Manager," where it appears in the Table of Contents, the heading to Section 2.1.7 and the first paragraph of that section, and Section 3.2.1 is hereby replaced by the title, "DIR DCS Financial Administrator."
- d) The title, "DIR Tower Specialist(s)," where it appears in the Table of Contents; the heading to Section 2.1.8 and the first paragraph of that section; and Section 3.0, subparagraphs 2 and 3 is hereby replaced by the title, "DIR Tower Lead(s)."
- e) The list of DIR representatives set forth at Section 3.1.1 is hereby modified by deleting the text shown below as struck out, and adding in the text shown below as italicized:

*DIR Deputy Executive Director – Data Center Services*  
*DIR Deputy Executive Director – Operations & Statewide Technology Sourcing*  
~~DIR Service Delivery Director~~  
DIR ~~Statewide~~ Technology Center Operations Director,  
DIR Chief Financial Officer,  
DIR General Counsel,  
DIR ~~Telecommunications~~ Communications Technology Services Director,  
DIR ~~Strategic Initiatives~~ E-Government and IT Policy Director,  
DIR ~~IT~~ Chief Information Security Officer Director,  
~~DIR Service Delivery Deputy Director~~  
Data Center Services Advisory Council Chair,  
Data Center Services Technical Steering Committee Co-chairs,  
Service Provider Account Executive,  
Service Provider Account Manager, and  
Other DIR and Service Provider personnel as deemed appropriate by the Parties.

f) The list of DIR representatives set forth at Section 3.3.1 is hereby modified by deleting the text shown below as struck out, and adding in the text shown below as italicized:

DIR Data Center Services Manager,  
DIR Customer IT Director (selected as co-chair),  
DIR Customer IT Directors (5 - selected by Data Center Services Advisory Council members),  
DIR Data Center Services Advisory Council Chair,  
~~DIR Service Delivery Representative,~~  
DIR ~~Strategic Initiatives~~ *E-Government and IT Policy Division* Representative,  
DIR ~~IT-Chief Information Security Office~~ *Division* Representative,  
DIR ~~Telecommunications~~ *Communications Technology Services* Division Representative,  
Service Provider Senior Technology Architect for the account,  
Service Provider Account Manager, and  
Other appropriate DIR and Service Provider subject matter experts as needed.

g) The list of DIR representatives set forth at Section 3.6.1 is hereby modified by deleting “DIR Delivery Service Representative.”

h) Section 5.0, subparagraph 4.2 is amended by deleting the words “Service Delivery Division” and replacing with the words “Technology Center Operations.”

11. Exhibit 4, Section 5.2(d), definition of “i” under “**HSMA Calculation**” is amended by deleting the text shown below as struck out and adding in the text shown below in italics.

“i” is equal to the *most recently published* International Swaps and Derivatives Association mid-market par 3-year swap rate as of the ~~actual date~~ *Service Provider generates the pricing for the Capital Expenditure date* plus 0.0256 (i.e., plus 2.56%) (Note: *Service Provider will include in each pricing proposal to DIR the date of the applicable rate that was used by Service Provider in calculating “i”*; ~~€~~current rates can be found at: <http://www.federalreserve.gov/releases/h15/update/>);

12. Capitalized terms not defined herein shall have the same meanings as set forth in the Agreement.

13. All other provisions of the Agreement not specifically amended hereby remain in full force and effect. In the event of conflict among provisions, the order of precedence shall be this Eleventh Amendment, then the Tenth Amendment, then the Ninth Amendment, then the Eighth Amendment, then the Seventh Amendment, then the Sixth Amendment, then the Fifth Amendment, then the Fourth Amendment, then the Third Amendment, then the Second Amendment, then the First Amendment and then the Agreement.

IN WITNESS WHEREOF, Service Provider and DIR execute this Eleventh Amendment to be effective upon the date of the last party to sign in the space provided below.

**THE STATE OF TEXAS,  
acting by and through  
THE TEXAS DEPARTMENT OF INFORMATION RESOURCES**

By: *signature on file*

Name: Cindy Reed

Title: Deputy Executive Director for Operations and Statewide Technology Sourcing

Date: 02/18/2010

Legal: *signature on file*

**INTERNATIONAL BUSINESS MACHINES CORPORATION**

By: *signature on file*

Name: Cynthia McLean

Title: Vice President & Global Project Executive, State of Texas Data Center Services

Date: 02/24/2010