



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

A-22

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Social Services
Department No.: 044
For Agenda Of: 5/21/13
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Ted Myers, Interim Director (805) 346-7101 *Marie Gardner for*
Director(s)
Contact Info: Lauren Moore, DP Manager Sr. (805) 681-4529

SUBJECT: Amendment III to the Welfare Client Data Systems Consortium Information Technology Agreement for the Maintenance and Operation of CalWORKs Information Network (CalWIN) with HP Enterprise Services, LLC (HP) formerly known as Electronic Data Systems (EDS)

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

- Approve and authorize the Chair to execute Amendment No. III to extend the current Agreement between Welfare Client Data Systems (WCDS) consortium and HP Enterprise Services, LLC (HP) formerly known as Electronic Data Systems Corporation (EDS). Santa Barbara County and 17 other counties belong to the WCDS consortium. The WCDS has authorized the extension of the agreement for CalWORKs Information Network (CalWIN) Maintenance and Operation Services by twenty four (24) additional months effective August 1, 2013 through July 31, 2015 and increase Santa Barbara County's share of the consortia amount of the contract by \$3,382,334, for a 15 year cumulative total not to exceed \$20,148,440. The total cost of the HP agreement is shared by 18 California Counties.
- Determine under CEQA Guidelines Section 15061(b)(3) that this activity is exempt from review on the basis that it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment.

Summary Text:

On November 23, 1999, your Board approved the initial agreement with HP formerly known as EDS for CalWIN Development, Implementation, Maintenance and Operation Services for the 18 CalWIN counties. On January 8, 2008, your Board approved Amendment I to extend services through July 31, 2010 and to increase the maximum reimbursable amount of the Agreement to cover additional

maintenance and operation costs. Subsequently, on September 15, 2009, your Board approved Amendment II to extend services through July 31, 2013. The HP agreement exceeded contractual caseload growth cap which forced the Consortium and EDS into contract negotiations. The extension of services allowed the consortium to: resolve the caseload cap issue (the blended rate will be \$0.75 per active case; address business needs within current fiscal constraints (for example hardware and software upgrades, new SLA's, CC maintenance, RT Maintenance); develop, issue, and award a maintenance & operation RFP; and provide continuity of current operations, while potential pre-transition improvements are made (for example, system documentation, system defect backlog clean-up).

Through the addition of Amendment III, the CalWIN counties agree to extend the Agreement from August 1, 2013 through July 31, 2015 along with a total maximum reimbursable amount of \$124,218,402, consortium wide, during this period. Santa Barbara County's portion of this contract is approximately 2.7%. The rate per case will remain at the current blended rate of \$0.75 per active case through Fiscal Year 2014-15. This extension is a result of the federally-driven delay in approving the maintenance & operation Request For Proposal (RFP) to replace the existing maintenance & Operation agreement with HP. The total maximum reimbursable amount of the HP agreement is \$806,380,442 consortium wide.

The CalWIN System was implemented in Santa Barbara County in March 2006 and requires ongoing maintenance and operation services provided by HP. Each of the 18 CalWIN counties costs are based on their individual share of the consortium caseload along with anticipated expenditures. As with all CalWIN expenses, there is a mandated county share of 6.92% with the remaining costs being funded by federal and state funds.

Welfare Client Data Systems Consortium (WCDS) has requested that the respective Boards for the 18 counties separately approve and sign Amendment III.

Background:

The CalWIN system is used by a consortium of eighteen (18) counties comprised of the seventeen (17) counties who previously used the WCDS plus Ventura County. The WCDS Consortium was faced with Federal and State mandates to establish a Statewide Automated Welfare System (SAWS) to meet public assistance reporting requirements and to manage the demands of administering increasingly complex public assistance programs. As a result, the WCDS Consortium contracted with HP to replace the thirty (30) year old WCDS mainframe system with the CalWIN Windows-based system.

CalWIN implementation began with Placer County as the first pilot county in January 2005 and was fully rolled out with Fresno County in July 2006. The Santa Barbara County Department of Social Services (DSS) implemented CalWIN in March 2006. It is used by 75% of DSS staff and affects 100% of DSS clients applying for and/or receiving public assistance.

CalWIN is an online, real-time computer system that automates eligibility determinations and benefit calculations for the California Work Opportunity and Responsibility to Kids (CalWORKs), Food Stamps, Medi-Cal, General Relief and Foster Care programs and supports case management functions for Employment Services. It generates accounting and management reports, interfaces with the State, satisfies the Federal and State mandates and, most importantly, has created an opportunity for the Department of Social Services to provide better accountability, customer-focus and efficiency.

Performance Measure:

Performance Measures are outlined in Exhibit C, System Architecture, Technical and Hardware Requirements, of the original Agreement and remain unchanged. Performance measures are specified for the following business requirement areas:

- General System Architecture: Graphical User Interface; Application Software Language; Distributed Database; Audit Trails and History of Data Changes; Data Synchronization; Referential Integrity; Report Printing; General Hardware Requirements; Network Management and Control System; Internet Access
- County Office Equipment: Work Stations; Laptop Computers; Local Area Networks (LAN) and Wide Area Networks; Frame Relay Support; Routers; Local Servers; LAN Connectors (Active Hubs); Local Office Printers
- System Performance: On-line Transaction Response Time; Print Initiation Response Time; Batch Processing Window; System Availability; Performance Testing
- Operational Requirements: Processing Support; County Databases; Back-up and Disaster Recovery; Database Management System; Ease of Use
- Security Requirements
- Service Requirements: Hardware and System Software Maintenance; Database Maintenance
- System Manageability
- County Access to Data

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Funding Sources	Current FY Costs	August 1, 2013 - July 31, 2015 Costs	Prior Fiscal Year Costs
General Fund	\$ 93,189.00	\$ 234,332.00	\$ 745,116.30
State	\$ 494,725.00	\$ 1,106,894.00	\$ 6,044,056.34
Federal	\$ 928,278.00	\$ 2,041,108.00	\$ 8,460,741.36
Total	<u>\$ 1,516,192.00</u>	<u>\$ 3,382,334.00</u>	<u>\$ 15,249,914.00</u>

Narrative:

Approval and execution of this contract amendment, \$3,382,334, will result in a 15 year cumulative total contract amount of \$20,148,440 for the period 2/2000 thru 7/2015 for Santa Barbara County which represents approximately 2.7% of the total consortium extension obligation of \$806,380,443.

Funding for this contract is approximately 60.35% Federal 32.73% State and 6.92% County General Fund. Appropriations for FY 2012-13 have been included in the Department's approved budget. Appropriations for future fiscal years will be included in future budget requests.

Staffing Impacts:

Legal Positions:

0

FTEs:

0

Special Instructions:

Please send one (1) duplicate original Amendment III to the Information Technology Agreement, and a copy of the minute order to:

Contracts Unit

C/O Linda Rodriguez

2125 S. Centerpointe Parkway, 3rd Floor

Santa Maria, CA 93455

Attachments:

Amendment III to the Information Technology Agreement
Exhibit L-1

Authored by:

Terrie Concellos, Deputy Director

Contract Summary Form:

Contract Number: BC 00-231

Complete data below, print, obtain signature of authorized departmental representative, and submit this form (and attachments) to the Clerk of the Board (>\$100,000) or Purchasing (≤\$100,000). See also "Contracts for Services" policy. Form not applicable to revenue contracts.

D1.	Fiscal Year	:	FY 13/14 FY 14/15
D2.	Budget Unit Number (plus -Ship/-Bill codes in paren's):	:	044
D3.	Requisition Number	:	N/A
D4.	Department Name	:	Social Services
D5.	Contact Person	:	Linda Rodriguez
D6.	Phone	:	(805) 346-7294
K1.	Contract Type (check one): <input checked="" type="checkbox"/> Personal Service <input type="checkbox"/> Capital Project/Construction		
K2.	Brief Summary of Contract Description/Purpose: Maintenance and Operation of CalWIN		
K3.	Original Contract Amount	:	\$8,860,131
K4.	Contract Begin Date	:	2/2000
K5.	Original Contract End Date	:	5/31/08
K6.	Amendment History (leave blank if no prior amendments):		
	<u>Seq#</u>	<u>EffectiveDate</u>	<u>ThisAmndtAmt</u> <u>CumAmndtToDate</u> <u>NewTotalAmt</u> <u>NewEndDate</u> <u>Purpose (2-4 words)</u>
	1	7/1/07	\$3,713,888 \$3,713,888 \$12,574,019 7/31/10 Extend term and increase amount
	2	8/1/10	\$4,192,087 \$7,905,975 \$16,766,106 7/31/13 Extend term and increase amount
	3.	8/1/13	\$3,382,334 \$11,288309 \$20,148,440 7/31/15 Extend term and increase amount
K7.	Department Project Number	:	N/A
B1.	Is this a Board Contract? (Yes/No)	:	Yes
B2.	Number of Workers Displaced (if any)	:	None
B3.	Number of Competitive Bids (if any)	:	None
B4.	Lowest Bid Amount (if bid)	:	\$
B5.	If Board waived bids, show Agenda Date	:	
B6.	... and Agenda Item Number	:	#
B7.	Boilerplate Contract Text Unaffected? (Yes / or cite <u>¶¶</u>):		
F1.	Encumbrance Transaction Code	:	1701
F2.	Current Year Encumbrance Amount	:	\$ n/a
F3.	Fund Number	:	0055
F4.	Department Number	:	044
F5.	Program Number	:	1325
F6.	Account Number	:	7322
F7.	Org. Unit Number	:	5270
F8.	Payment Terms	:	Net 30
V1.	Vendor Numbers (A=uditor; P=urchasing)	:	A=247725
V2.	Payee/Contractor Name	:	HP Enterprise Services, LLC formerly known as Electronic Data Systems, LLC
V3.	Mailing Address	:	PO Box 848433
V4.	City State (two-letter) Zip (include +4 if known) :	:	Dallas, TX 75284
V5.	Telephone Number	:	(916) 6083223
V6.	Contractor's Federal Tax ID Number	:	75-1093604
V7.	Contact Person	:	Steve Maciel
V8.	Workers Comp Insurance Expiration Date	:	9/30/13
V9.	Liability Insurance Expiration Date[s] (G=enl; P=rofl):	:	9/30/13
V10.	Professional License Number	:	
V11.	Verified by (name of County staff)	:	Linda Rodriguez
V12.	Company Type (Check one): <input type="checkbox"/> Individual <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Educational Institution <input type="checkbox"/> Private for Profit		

I certify: information complete and accurate; designated funds available; required concurrences evidenced on signature page.

Date: 3/20/13

Authorized Signature: 

1 **AMENDMENT III TO INFORMATION TECHNOLOGY AGREEMENT**

2 THIS AMENDMENT, hereinafter referred to as Amendment III, is made and entered into
3 this 21st day of May, 2013, by and between the Counties of Alameda, Contra
4 Costa, Fresno, Orange, Placer, Sacramento, San Diego, San Francisco, San Luis Obispo, San Mateo,
5 Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Tulare, Ventura and Yolo (collectively the
6 "COUNTIES" and individually, a "COUNTY") and HP Enterprise Services, LLC, a limited liability
7 company chartered under the laws of the State of Delaware (hereinafter referred to as "HPES"),
8 formerly known as Electronic Data Systems, LLC , referred to hereinafter as "VENDOR" or "HPES."

9 WHEREAS, the parties entered into that certain Agreement, identified as INFORMATION
10 TECHNOLOGY Agreement No. 0530-95, effective February 28, 2000, ("Agreement") whereby
11 VENDOR agreed to provide goods and services required to design, develop, implement, operate and
12 maintain the new CalWORKs Information Network (CalWIN) and to maintain the existing system
13 until it is replaced with CalWIN for COUNTIES; and

14 WHEREAS, the parties desire to amend the Agreement regarding changes as stated below and
15 restate the Agreement in its entirety.

16 NOW, THEREFORE, in consideration of their mutual promises, covenants and conditions,
17 hereinafter set forth, the sufficiency of which is acknowledged, the parties agree as follows:

18 1. Pursuant to Section 2.0 of the Agreement, the Counties hereby extend the Agreement
19 No. by one additional two-year period commencing on August 1, 2013 and ending on July 31, 2015.
20 As a result, Section 2.2 of the Agreement as previously modified by Amendment II is hereby deleted
21 in its entirety and the following is inserted in its place:

22 **2.2 Extensions.**

23 2.2.1 Extension of Initial Term of Agreement. This Agreement is extended beyond the
24 Initial Term for one three-year period, which extension period shall commence on August 1,
25 2010 and expire on July 31, 2013 and be referred to in Exhibit L-II as "Extension Term".

26 2.2.2. Further Extension. Counties hereby extend the Extension Term, as defined in
27 Paragraph 2.2.1, for a successive two-year period. Such extension shall commence on August
28 1, 2013 and expire on July 31, 2015.

1
2 2. Section 18. of the Agreement is hereby deleted in its entirety and the following is inserted
3 in its place:

4 **18. GENERAL INDEMNIFICATION.**

5 VENDOR agrees to indemnify, defend and hold harmless COUNTIES and COUNTY
6 Special Districts, and their elected and appointed officers, employees, and agents, from
7 and against any and all third party claims, damages, losses, liability and expense,
8 including without limitation defense costs and legal fees, caused by gross negligence or
9 willful misconduct connected with the VENDOR or any of its Subcontractors.

10 3. Section 25.2 of the Agreement is hereby deleted in its entirety and the following is inserted
11 in its place:

12 **18.2 VENDOR**

13 18.2.1 EXCEPT FOR DAMAGES, COSTS, EXPENSES AND LIABILITIES
14 ARISING FROM REMEDIES SPECIFICALLY PROVIDED UNDER THIS
15 AGREEMENT IN SECTIONS 13.10, 16.13, 17, 18, 21, 22.5, 22.6, 24.6.7.2, 34.2 and 39
16 (PROTECTION FROM DAMAGE, COMPLIANCE WITH LAWS, INTELLECTUAL
17 PROPERTY INFRINGEMENT, GENERAL INDEMNIFICATION, LIQUIDATED
18 DAMAGES, ADDITIONAL RIGHTS AND REMEDIES, TERMINATION,
19 EMPLOYMENT ELIGIBILITY, AND COMPLIANCE WITH APPLICABLE LAWS),
20 IN NO EVENT SHALL VENDOR BE LIABLE FOR ANY INCIDENTAL,
21 INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES, INCLUDING
22 WITHOUT LIMITATION ANY LOST PROFITS, LOST GOODWILL, OR LOST
23 BUSINESS, REGARDLESS OF THE FORM OF ACTION AND EVEN IF VENDOR
24 HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

25 18.2.2 EXCEPT FOR DAMAGES, COSTS, EXPENSES AND LIABILITIES
26 ARISING FROM REMEDIES SPECIFICALLY PROVIDED UNDER THIS
27 AGREEMENT IN SECTIONS 13.10, 16.13, 17, 18, 34.2 and portions of 39
28 (COMPLIANCE WITH LAWS, INTELLECTUAL PROPERTY INFRINGEMENT,
GENERAL INDEMNIFICATION, ADDITIONAL RIGHTS AND REMEDIES,

1 TERMINATION, EMPLOYMENT ELIGIBILITY, AND COMPLIANCE WITH
2 APPLICABLE LAWS(excluding those covered by Sections 13.1, 13.2.3, and 13.3)),
3 VENDOR'S LIABILITY SHALL NOT EXCEED THE TOTAL MAXIMUM
4 CONTRACT SUMS HEREUNDER. HOWEVER, NOTWITHSTANDING
5 ANYTHING TO THE CONTRARY HEREIN, VENDOR'S LIABILITY FOR
6 DAMAGES, COSTS, EXPENSES, AND LIABILITIES ARISING FROM VENDOR'S
7 SIMPLE NEGLIGENCE UNDER SECTION 18 THAT DOES NOT CAUSE INJURY
8 OR DAMAGE TO PERSONS OR PROPERTY, OR DEATH, SHALL BE SUBJECT
9 TO THE TOTAL MAXIMUM CONTRACT SUMS HEREUNDER.

10 4. All references to "Exhibit G" or "Exhibit G-II " or Exhibit G-III' in the existing
11 INFORMATION TECHNOLOGY Agreement No. 0530-95 as modified by Amendment I and
12 Amendment II are hereby changed to read "Exhibit G-III," as appropriate.

13 5. All references to "Exhibit L" or "Exhibit L-I" or Exhibit L-II' in the existing
14 INFORMATION TECHNOLOGY Agreement No. 0530-95 as modified by Amendment I and
15 Amendment II are hereby changed to read "Exhibit L-III," as appropriate.

16 6. Exhibit G-III and Exhibit L-III are attached hereto and hereby incorporated by reference
17 into and made a part of the existing INFORMATION TECHNOLOGY Agreement No. 0530-95, as
18 amended.

19 7. The parties agree that separate copies of this Amendment III to the existing
20 INFORMATION TECHNOLOGY Agreement No. 0530-95 may be signed by each of the parties and
21 this Agreement will have the same force and effect as if the original had been signed by all the parties.

22 8. Except as otherwise provided in this Amendment III, all other provisions of
23 INFORMATION TECHNOLOGY Agreement No. 0530-95 as amended by Amendment I and
24 Amendment II remain unchanged and in full force and effect. This Amendment III shall become
25 effective upon execution.

1 IN WITNESS WHEREOF, the parties hereto have executed this Amendment III to the Agreement as
2 of the day and year first hereinabove written.

3 HP Enterprise Services, LLC
4 (formerly Electronic Data Systems Corporation)

5
6 Dated: 1/14/2013

7 By: [Signature]
8 Title: VP State & Local Health and Human Services

9
10 ATTEST:
11 _____

COUNTY OF SANTA CLARA
12 By: _____
Chairperson, Board of Supervisors

13 Dated: _____

14
15 ATTEST:
16 _____

COUNTY OF SAN MATEO
17 By: _____
Chairperson, Board of Supervisors

18 Dated: _____

19
20 ATTEST:
21 _____

COUNTY OF SAN MATEO
22 By: _____
Chairperson, Board of Supervisors

23 Dated: _____

24
25 ATTEST:
26 _____

COUNTY OF SAN DIEGO
27 By: _____
Chairperson, Board of Supervisors

28 Dated: _____

1 IN WITNESS WHEREOF, the parties hereto have executed this Amendment III to the Agreement as
2 of the day and year first hereinabove written.

3 HP Enterprise Services, LLC
4 (formerly Electronic Data Systems Corporation)

5
6 Dated: 1/17/2013

By: [Signature]

7 Title: VP State & Local Health and Human Services
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10 ATTEST:

COUNTY OF SANTA CLARA

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12 By: _____
Chairperson, Board of Supervisors

13 Dated: _____

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15 ATTEST:

COUNTY OF SAN MATEO

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17 By: _____
Chairperson, Board of Supervisors

18 Dated: _____

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20 ATTEST:

COUNTY OF SAN MATEO

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22 By: _____
Chairperson, Board of Supervisors

23 Dated: _____

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25 ATTEST:

COUNTY OF SAN DIEGO

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27 By: _____
Chairperson, Board of Supervisors

28 Dated: _____

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ATTEST:

COUNTY OF SONOMA

By: _____
Chairperson, Board of Supervisors

Dated: _____

ATTEST:

COUNTY OF TULARE

By: _____
Chairperson, Board of Supervisors

Dated: _____

ATTEST:

COUNTY OF SANTA CRUZ

By: _____
Administrator
Human Resources Agency

Dated: _____

APPROVED AS TO FORM:

County Counsel

ATTEST:

COUNTY OF FRESNO

By: _____
Chairperson, Board of Supervisors

Dated: _____

ATTEST:

COUNTY OF SOLANO

By: _____
Chairperson, Board of Supervisors

Dated: _____

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ATTEST:

CITY AND COUNTY OF SAN FRANCISCO

By: _____
President, Social Services Commission

COUNTY OF SAN LUIS OBISPO

By: _____
Chairperson, Board of Supervisors

By: _____
Deputy County Counsel

COUNTY OF CONTRA COSTA

By: _____
Chairperson, Board of Supervisors

COUNTY OF PLACER

By: _____
Chairperson, Board of Supervisors

COUNTY OF ALAMEDA

By: _____
Chairperson, Board of Supervisors

COUNTY OF YOLO

By: _____
Chairperson, Board of Supervisors

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Dated: _____

ATTEST: COUNTY OF ORANGE

By: _____
Chairperson, Board of Supervisors

Dated: _____

ATTEST: COUNTY OF SANTA BARBARA

By: _____
Chairperson, Board of Supervisors

Dated: _____

ATTEST: COUNTY OF SACRAMENTO

By: _____
Chairperson, Board of Supervisors

Dated: _____

ATTEST: COUNTY OF VENTURA

By: _____
Chairperson, Board of Supervisors

Dated: _____

1 IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the date
2 executed by COUNTY.

3 COUNTY OF SANTA BARBARA

4 By: _____

5 Salud Carbajal, Chair,

6 Board of Supervisors

7 ATTEST:

8 CHANDRA L. WALLAR

9 By: _____

10 Clerk of the Board

11 APPROVED AS TO FORM:

12 DENNIS MARSHALL

13 COUNTY COUNSEL

14 By: Celeste E. Andersen

15 Deputy County Counsel

16 APPROVED AS TO ACCOUNTING FORM:

17 ROBERT W GEIS, CPA

18 AUDITOR-CONTROLLER

19 By: [Signature]

20 Deputy Deputy Auditor-Controller
Gregory Eric Levin
Advanced and Specialty Accounting

21 APPROVED AS TO INSURANCE FORM:

22 RAY AROMATORIO

23 RISK MANAGEMENT

24 By: Marianne Rauer

25 Risk Manager

1 IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the date
2 executed by COUNTY.

3 COUNTY OF SANTA BARBARA

4 By: _____

5 Salud Carbajal, Chair,

6 Board of Supervisors

7 ATTEST:

8 CHANDRA L. WALLAR

9 By: _____

10 Clerk of the Board

11 APPROVED AS TO FORM:

12 DENNIS MARSHALL

13 COUNTY COUNSEL

14 By: Celeste E. Sholinger

15 Deputy County Counsel

16 APPROVED AS TO ACCOUNTING FORM:

17 ROBERT W GEIS, CPA

18 AUDITOR-CONTROLLER

19 By: [Signature]

20 Deputy Auditor-Controller

21 Gregory Eric Levin

22 Advanced and Specialty Accounting

23 APPROVED AS TO INSURANCE FORM:

24 RAY AROMATORIO

25 RISK MANAGEMENT

26 By: Marianne Rahn

27 Risk Manager

EXHIBIT L-III

CHARGES AND LIQUIDATED DAMAGES

I. CHARGES.

A. **Total Maximum Contract Sum.** Subject to any agreed upon adjustment pursuant to Section I.E.2., the Total Maximum Contract Sum during the Initial Term shall be determined by aggregating the Maximum Contract Sums specified in Exhibit L-III and shall not exceed \$540,044,415. The Total Maximum Contract Sum during the Three-year Extension Term ("Three-year Extension Term"), commencing August 1, 2010 and expiring July 31, 2013, shall not exceed \$142,117,625. The Total Maximum Contract Sum during the Two Year Extension Term ("Two-year Extension Term"), commencing August 1, 2013 and expiring on July 31, 2015, shall not exceed \$124,218,402.

B. Maximum Contract Sums.

1. **CalWIN Deliverables.** Subject to any agreed upon adjustment pursuant to Section I.E.2 the Maximum Contract Sum for Deliverables required hereunder for CalWIN, including without limitation the products of Development Services, Design, User Acceptance Test, Pilot Test, Training, Conversion, and Consortium-wide Implementation, e.g., all Deliverables to be provided under Tasks 1 through 9 in Section A4.0 (CalWIN Tasks and Deliverables) of Exhibit A for this Agreement during the Initial Term shall not exceed \$132,174,545.

2. **Determination of Fixed Rate Costs and Maximum Contract Sums for VENDOR-provided Local Office Hardware and any associated Third Party Software, Operations and Telecommunications, and CalWIN Application Software Modifications.** The parties acknowledge and agree that the Fixed Rate Prices for VENDOR-provided Local Office Hardware and any associated Third Party Software shall be based on COUNTIES' estimates of the number and location of CalWIN Workstations, for Operations and Telecommunications shall be based on the projected caseload volumes, and for CalWIN Application Software Modifications shall be based on a COUNTY's fixed number of hours, invoicing and

payment for these goods and Services. The parties further agree, however, that the actual Fixed Rate Price therefor shall utilize the Fixed Rates, but shall apply the Fixed Rates to actual quantities of goods and Services provided by VENDOR. Therefore, the procedures described below shall apply in establishing Maximum Contract Sums for the following goods and Services.

3. VENDOR-provided Local Office Hardware and any associated Third Party Software.

A. The Maximum Contract Sum for all VENDOR-provided Local Office Hardware and any associated Third Party Software during the Initial Term shall not exceed \$12,701,850.

B. COUNTIES will approve or disapprove payments based upon the number of individual VENDOR-provided Local Office Hardware and any associated Third Party Software items Approved prior to each invoicing period.

C. At the completion of Pilot Office installation and Approval and for each invoicing period thereafter throughout the Operational Period, VENDOR shall submit, as a part of its invoice, an accounting of the number of each type of VENDOR-provided Local Office Hardware and any associated Third Party Software items Approved during the invoicing period.

D. The amount of the payment per Device shall be the Fixed Rate for the category of VENDOR-provided Local Office Hardware and any associated Third Party Software in accordance with Schedule C, multiplied by the approved number of items in the category.

4. Operations and Telecommunications.

A. The Maximum Contract Sum for Operations and Telecommunications goods and Services for this Agreement during the Agreement's Initial Term shall not exceed \$144,399,291.

B. The Maximum Contract Sum for Operations and Telecommunications goods and Services for this Agreement during the Three-year Extension Term shall not exceed \$93,990,089.

WELFARE CLIENT DATA SYSTEM CONSORTIUM

CALWIN - DEVELOPMENT, IMPLEMENTATION, MAINTENANCE, AND OPERATION

C. The Maximum Contract Sum for Operations and Telecommunications goods and Services for this Agreement during the Two-year Extension Term shall not exceed \$84,148,994.

D. VENDOR shall provide, as part of each invoice for Facilities Management/Operations and Telecommunications, an accounting of the usage of Facilities Management/Operations and Telecommunications as categorized in Exhibit G-III.

5. Existing System Application Software Maintenance and Modification. Deleted by agreement of the parties

6. CalWIN Application Software Modifications.

A. The Maximum Contract Sum for CalWIN Application Software Modifications during the Initial Term shall not exceed \$202,637,261. Once the Maximum Contract Sum for CalWIN Application Software Modifications has been expended, VENDOR shall have no obligation to perform any further CalWIN Application Software Modifications unless additional funds for such work have been authorized by COUNTIES.

B. The Maximum Contract Sum for CalWIN Application Software Modifications (as defined in Section 9.3) during the Three-year Extension Term shall not exceed \$48,127,537.

C. The Maximum Contract Sum for CalWIN Application Software Modifications (as defined in Section 9.3) during the Two-year Extension Term shall not exceed \$40,069,408.

D. VENDOR shall determine the total monthly cost for CalWIN Application Software Modifications by adding together the costs for the following Services:

(1) Joint Services: The total monthly Joint Services charge shall be determined by using the following formula:

$J = A \times B$ where:

J = the total Joint Services charge

WELFARE CLIENT DATA SYSTEM CONSORTIUM

CALWIN - DEVELOPMENT, IMPLEMENTATION, MAINTENANCE, AND OPERATION

- A = the total number of person-hours actually worked and billed for each staff category
- B = the existing Services Billing Rate for each staff category

(2) Support Services: The total monthly change for agreed upon expenses including travel.

(3) VENDOR shall determine each COUNTY's share of these total Monthly Joint Services costs according to the following procedure:

(A) A base COUNTY share shall be established by using the following formula:

$B = \frac{J + S}{N}$ where:

B = the base COUNTY share

J = the total monthly Joint Services charge

S = the total monthly Support Services charge

N = the number of participating Counties

(B) The base COUNTY share shall then be modified for each participating COUNTY according to the following guidelines:

(i) For the small Counties (as defined by the WCDS Joint Committee and which currently consist of Placer, San Luis Obispo, Santa Cruz and Yolo), the actual COUNTY rate shall be computed using the following formula:

$R(s) = \frac{B}{2}$ where:

R(s) = the small COUNTY share

B = the base COUNTY share

(ii) For the medium-sized Counties (as defined by the WCDS Joint Committee and which currently consist of San Mateo, Santa Barbara, Solano, Sonoma and Ventura), the actual COUNTY share shall be the same as the base COUNTY share.

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(iii) For the large Counties (as defined by the WCDS Joint Committee and which currently consist of Alameda, Contra Costa, Fresno, Orange, San Diego, San Francisco, Santa Clara, Tulare and Sacramento), the actual COUNTY rate shall be computed using the following formula:

$$R(l) = B + (((\#S \times B) / 2) / \#L) \text{ where:}$$

R(l) = the large COUNTY share

B = the base COUNTY share

#S = the number of small participant
Counties

#L = the number of large participant
Counties

9. **Separate Services.** VENDOR shall determine each COUNTY's Charges for Separate Services performed pursuant to Section 12. Such Charges shall be itemized as to actual expenditures and will be based on person-hours at the Separate Services rate, Travel Expenses, and clerical Services required in performance of the requested Service. When more than one COUNTY participates in the same request for Separate Services, each COUNTY so participating shall be billed for its equal share of the cost for such Services or as COUNTIES agree. Travel Expenses shall be billed to the requesting COUNTY at cost.

C. **Project Facility-Related Costs.** The Maximum Contract Sum for Project facility-related costs during the CalWIN Development/Implementation Period shall not exceed \$48,131,468. This Maximum Contract Sum including all of VENDOR's costs for furnishing and operating an office to house COUNTIES' Project staff, including but not limited to lease or rental, furniture and fixtures, utilities, telephone, office equipment, security, janitorial services, and the like and will be provided pursuant to Section 4.2.6 (Project Site) of this Agreement and Schedule F of Exhibit G-III.

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D. **Applicable Taxes.** The Maximum Contract Sums set forth above of this section include all applicable taxes, including but not limited to sales, use, property and excise taxes. VENDOR shall be solely responsible for and shall pay all such taxes when due.

E. **Utilization Fixed Rate Adjustments**

1. WCDS Consortium and VENDOR reserve the right to renegotiate the Utilization Fixed Rates for VENDOR-provided Local Office Hardware, any associated Third Party Software or Operations and Telecommunications under either of the following conditions:

- Infrastructure needs exceed those established as defined in CR 6227
- The Sum of the Monthly Invoice Case Counts, as defined in Paragraph 2.9 and Appendix A of Change Request 6227 dated November 16, 2012, which is incorporated by reference per Paragraph 6.9 of the Master Services Agreement to which this Exhibit L-III is attached, for all Counties rises above 4,100,000 for any individual calendar month commencing August 1, 2013

2. At any time the Monthly Invoice Case Count exceeds 3,900,000, the parties shall meet as often as necessary to agree upon necessary adjustments to the environment and staffing reasonably necessary to support a Monthly Invoice Case Count that exceeds 4,100,000 for any individual calendar month ("Excess Volumes"). The fees for these adjustments would be agreed upon by both parties and would replace M&O fee, listed in Exhibit G, Tab D. To the extent the parties have not agreed and entered into a binding amendment and the COUNTIES Monthly Invoice Case Counts exceed 4,100,000 at any time, the Vendor shall not be required to expend any additional efforts or incur any additional costs or penalties associated with or as a result of the volumes exceeding 4,100,000 and the COUNTIES and Vendor will mutually agree to a reduction in services to continue to perform within the above provided budgets.

3. **Changes Prior to Approval of Detailed Systems Design Document.**

A. During the period from the Commencement Date to 30 Days prior to the delivery of the Detailed System Design Deliverables, VENDOR will provide, within the Charges for System Development shown on Schedule A of Exhibit G-III and/or as additional Charges, reasonable modifications to CalWIN that may be required by COUNTIES. Such modifications will only include minor changes required by:

- (1) COUNTIES' implementation of changes mandated by Federal, State or COUNTIES' statutes, rules, regulations or court decisions;
- (2) modifications to COUNTIES' procedures and policies; or
- (3) changes which may be required for the operation of the CalWIN.

B. Following is an example of a minor change to be made under the previous section: A recent California court decision made the following ruling that would require a change in the General System Design Deliverable. An unrelated child in a household was considered a separate budget unit, resulting in a grant of about \$300.00 per month. The court

decision upheld a California policy that such children be considered as being within the existing household budget unit, thereby reducing the grant for that child to about \$100.00 per month.

C. The parties will make good faith efforts to reduce the impact of such changes on the CalWIN and CalWIN Project. The parties recognize that such changes may have a cumulative adverse impact on the schedule set forth in the PCD, the CalWIN, CalWIN Project resources and other performance requirements of the CalWIN. Therefore the parties will periodically review the cumulative impact of such changes to determine whether the schedule set forth in the PCD, the CalWIN, CalWIN Project resources, other performance requirements of the CalWIN, and/or other functional or technical requirements of the CalWIN need to be modified, and any such modification shall be made using the modification control procedures set forth in Section 6.9.

II. LIQUIDATED DAMAGES.

A. Failure to Meet CalWIN Performance Standards.

1. The parties agree that it would be impracticable and infeasible to fix the actual damages which would result to COUNTIES in the event VENDOR fails to perform in accordance with the Performance Standards established in this Agreement. The parties therefore agree subject to the exclusions and provisions of I.E.2 above which shall take precedence, that, in accordance with California Government Code Section 53069.85 and the provisions of this Exhibit L-III, if VENDOR fails to maintain such Performance Standards, COUNTIES may impose as fixed and liquidated damages amounts not to exceed the amounts set forth in this Exhibit L-III.

2. Deleted by agreement of the parties.

3. Any liquidated damages assessed pursuant to - Section 21 of the Agreement may be credited by COUNTIES against VENDOR's next invoice.

4. Deleted by agreement of the parties.

5. Administration of liquidated damages will be accomplished through the parties jointly developed WCDS Liquidated Damages Internal Resolution Process.

B. **Key Personnel.** Subject to the exceptions specified in Section 6.7 of this Agreement and the provisions of I.E.2, in the event that VENDOR fails to provide all of the Key Personnel set forth in Section 6.7 of this Agreement, COUNTIES may, in addition to other remedies available in law, at equity or specified elsewhere in this Agreement, reduce VENDOR's monthly applicable Charges, \$500 for each workday and for each such Key Personnel member(s) not working under this Agreement until the earliest of (i) the return of such Key Personnel member(s) to the CalWIN Project, (ii) the COUNTIES' Project Manager's written Approval of a replacement for or the diversion of such Key Personnel member(s), or (iii) the return of such Key Personnel member(s) is prevented or excused by one or more of the reasons stated in Section 6.7 of this Agreement.

WELFARE CLIENT DATA SYSTEM CONSORTIUM**CALWIN - DEVELOPMENT, IMPLEMENTATION, MAINTENANCE, AND OPERATION****C. Failure to Meet CalWIN Due Dates.**

1. subject to the exclusions and provisions of I.E.2 above which shall take precedence VENDOR shall pay liquidated damages as noted in the following chart for its failure to receive Approval for the noted Deliverables or Tasks by the dates mutually agreed to in the PCD:

Name of Deliverable or Task	Amount of Liquidated Damages Per Day
Initial Project Control Document	\$500.00
Systems Development	
-Validation of CalWIN Functional and Technical Requirements Deliverables	\$1,000.00
-General System Design	1,000.00
-Detailed System Design	1,000.00
-Code and Unit Test	1,000.00
-System Test	\$5,000.00
Approval of User Acceptance Test	\$5,000.00
Pilot Test Completed	\$500.00
Consortium-wide Implementation Completed	\$5,000.00
CalWIN Telecommunications Design Deliverable	\$5,000.00
Consortium-wide Implementation Plan - Final Deliverable	\$500.00
Turnover/Transition Plan Deliverable	\$500.00
CalWIN Operations and Maintenance Plan Deliverable	\$500.00
CalWIN Training Plan Deliverable	\$5,000.00
Conversion Plan Deliverable	\$5,000.00
Conversion System Test Report Deliverable	\$500.00

D. Failure to Meet CalWIN System Performance Requirements.

1. Performance Standard. subject to the exclusions and provisions of I.E.2 above which shall take precedence VENDOR shall pay the liquidated damages described below due to failure by VENDOR to meet the System Performance Standard provided in Exhibit C, Section 3.0 (System Performance), i.e., that the CalWIN shall be available in accordance with its Specifications for on-line functions for the Tier 1 and Tier 2 on-line availability hours during each month.

2. Damages.

A. Subject to the exclusions and provisions of I.E.2 above which shall take precedence, Liquidated damages shall be assessed by each COUNTY for each month in which the on-line CalWIN Application Software failed to meet the Tier 1 Availability Standard (AS) and the Tier 2 Availability Standard (AS), provided in Exhibit C, Section 3.4 (System Availability). The Tier 1 measurement period shall be the period of on-line CalWIN availability each day between 7:00 AM and 6:00 PM, Pacific Time, Monday through Friday per week for each month other than County holidays. The Tier 2 measurement period shall be the period of on-line CalWIN availability each day between 6:00 AM and 7:00 AM, and 6:00 PM and 8:00 PM, Pacific Time, Monday through Friday and between 6:00 AM and 8:00 PM, Pacific Time, Saturday and Sunday per week for each month. The hours between 6:00 AM and 8:00 PM on each County Holiday shall be considered as part of the Tier 2 hours measurement period each month. The percentage of availability shall be determined in accordance with the following formula:

$$\text{Tier 1 COUNTY Availability (CA}_1\text{) \%} = (B_1 - UA_1) / B_1$$

$$\text{Tier 2 COUNTY Availability (CA}_2\text{) \%} = (B_2 - UA_2) / B_2$$

UA₁ = The sum of the monthly minutes for all incidents in the Tier 1 measurement period for a given COUNTY, that the on-line CalWIN Application Software was not available due to an unplanned outage. The minutes for each site incident will be multiplied by the number of impacted Full-time CalWIN users in sites with

greater than 5 users, divided by the total number of Full-time CalWIN users for the COUNTY excluding users in sites with less than 5 users;

UA_2 = The sum of the monthly minutes for all incidents in the Tier 2 measurement period for a given COUNTY, that the on-line CalWIN Application Software was not available due to an unplanned outage. The minutes for each site incident will be multiplied by the number of impacted Full-time CalWIN users in sites with greater than 5 users, divided by the total number of Full-time CalWIN users for the COUNTY excluding users in sites with less than 5 users;

B_1 = The maximum number of monthly minutes in the Tier 1 measurement period for the COUNTY, that the on-line CalWIN Application Software could be available (for example in the month of October, 2003, the value would be 660×22 or 14,520 minutes);

B_2 = The maximum number of monthly minutes in the Tier 2 measurement period for the COUNTY that the on-line CalWIN Application Software could be available (for example in the month of October, 2003, the value would be $(180 \times 22) + (840 \times 9)$ or 11,520 minutes);

T_1 = 99.5% is the Tier 1 Availability Standard (AS)

T_2 = 95.0% is the Tier 2 Availability Standard (AS)

Liquidated Damages for the COUNTY for the month would be:

If Tier 1 availability CA_1 falls below T_1 then Tier 1 liquidated damages are

$$LD_1 = (T_1 - CA_1) \times \$10,000$$

If Tier 2 availability CA_2 falls below T_2 then Tier 2 liquidated damages are:

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$$LD_2 = (T_2 - CA_2) \times \$10,000$$

The following definitions apply to the examples given below.

Unplanned Outage: An unplanned outage is an event that affects all or a group of CalWIN users, such as a router, hub, switch, server, database becoming unavailable, or batch program processing, causing the CalWIN application to become unavailable for a group of users. For Vendor provided Local Office Hardware that the Vendor maintains, time measurements for outages, will be the amount of time beyond the agreed on service time provided in Exhibit C, Section 6.0 (Service Requirements), that the Vendor has to repair or replace the CalWIN Device. For devices or programs at the Vendor data center operations and/or development sites, such as a router, hub, switch, server, database or batch programming causing the CalWIN application becoming unavailable, the time measurement for the outage will commence from the time of the outage report until its repair. For example, at a local County office, a router that is the Vendor's responsibility is inoperable, and the Vendor has it back in operation 45 minutes under the agreed service time, then no outage would have occurred. However, if a router that is the Vendor's responsibility is inoperable, and it takes 32 minutes longer than the allotted service repair time to restore it to operation, then a 32 minute outage would have occurred. Vendor data center and/or development site examples would be, a County database being unavailable for 24 minutes, then a 24 minute outage has occurred, or the Vendor supplied communications line, or router, is inoperable for 45 minutes, then a 45 minute unplanned outage has occurred.

Planned Outage: A planned outage is a period of unavailability affecting all or a group of CalWIN users that has been planned 24 hours in advance of the event. The COUNTIES or the affected individual COUNTY and the VENDOR will negotiate in good faith the length of planned outages 24 hours in advance of the event.

Full-time CalWIN Users: A Full-time CalWIN user is defined in Attachment 3.2 as a user in categories: Mgt., Fiscal, Fair Hearing, Quality Control, IEVS, Fraud, Elig. Supvr., Elig. Worker, Elig. Clerk, GA/GR Supvr, GA/GR Worker, GA/GR Clerk, and Other-funded Worker.

For the following example, when using "inoperable" for Vendor supplied devices, it refers to the amount of time in

excess of the allotted service repair/replace times allowed.

Example:

The following outage reports were received for
October
2003:

Alameda County:

Database unavailable for 160
minutes during Tier 1 period
Vendor supplied router inoperable
at site 401 Broadway for 38 minutes
during Tier 1 period
401 Broadway has 19.5% of Alameda
Full-time CalWIN users

Therefore:

$$CA_1 = [(660 \times 22) - ((160 \times 100\%) + (38 \times 19.5\%))] / [(660 \times 22)] = 14,353 / 14,520 \\ = 98.8\%$$

$$CA_2 = [((180 \times 22) + (840 \times 9)) - 0] / \\ [(180 \times 22) + (840 \times 9)] = 11,520 / \\ 11,520 = 100\%$$

Since the Tier 1 availability CA_1 is less than the Tier 1 Availability Standard of 99.5%, the Tier 1 liquidated damages for CalWIN availability are:

$$LD_1 = [(99.5 - 98.8) \times \$10,000] = \$7,000$$

Since the Tier 2 availability CA_2 is greater than or equal to the Tier 2 Availability Standard of 95.0%, there would be no liquidated damages for October 2003, as far as Tier 2 CalWIN availability goes for Alameda County.

B. The total amount of liquidated damages for a COUNTY for a month shall be deducted from the total COUNTY invoice amount for Facilities Management Operations and Telecommunications for the following month. The amount of the monthly liquidated damages for an individual COUNTY shall not

exceed the total COUNTY invoice amount for Facilities Management Operations and Telecommunications for the following month. In the event that COUNTIES notify VENDOR that COUNTIES are terminating the Agreement due to VENDOR's default, COUNTIES would be entitled to the liquidated damages in excess of such monthly invoice amounts, beginning on receipt by VENDOR of the notice of termination. After such termination is effective COUNTIES shall be entitled to pursue their actual damages.

C. Notwithstanding COUNTIES' right to assess liquidated damages, if, pursuant to Section 21, COUNTIES determine that the failure to meet the availability requirement constitutes a breach of this Agreement, COUNTIES may elect to terminate this Agreement pursuant to Section 24.

E. Failure to Meet CalWIN Application Performance Requirements.

Subject to the exclusions and provisions of I.E.2 above which shall take precedence, all Performance Standards in Section E become effective with the first Major Release in the planning stage at the time of signature of this amendment.

1. Definitions. For purposes of this Section II, E, the following definitions shall apply:

- o Defect is a subset of "Error" as defined in Section 1.35 of the agreement and is defined as a failure of the CalWIN application to perform according to the approved specifications.
- o Joint WCDS and VENDOR testing is defined as testing in which system test and UAT are performed simultaneously utilizing the same test environment.
- o KLOC is defined as the industry standard reference of one thousand lines of code
- o Major Release is defined as a culmination of one or more work packages combined in a release of over 5,000 hours of modifications and enhancements resulting in an increment of the Major Release version number.
- o Priority 0, 1, 2, 3, and 4 defects are defined as set forth in the Central Help Desk Procedures.

2. **Release Quality.** Release Quality, calculated by the density of Unique Defects introduced in application modifications and enhancements in a Major Release or through a Major Release, shall be a performance measurement during only the UAT phase of each Major Release. A Unique Defect is defined as the first ticket entered for a specific defect. Subsequent tickets entered for defect(s) to the same specification shall not be considered Unique Defects, and shall be excluded from the Release Quality calculation. If subsequent tickets are entered for the same specification, then they shall be labeled as child tickets and the first ticket entered for the defect shall be labeled as the parent ticket. In addition, the following shall not be considered Unique Defects, and shall be excluded from the Release Quality calculation:

- o Priority 3 and 4 defects;
- o Child tickets;
- o Tickets entered for defects that existed prior to the applicable Major Release;
- o Functions as Designed Defects - Tickets entered for defects where the coding has been completed according to approved specifications in the requirements and the detailed design documents; and
- o Tickets entered for defects related to changes (a) added to a release 14 days after the planning phase as defined in the Release Project Schedule or (b) due to requirement changes that occur after completion of the Detail Design Phase.
- o Any Defects associated with an application modification or enhancement in which WCDS Consortium has agreed to exclude from this calculation.

The duration of the UAT phase of each Major Release shall be specified in the Release Project Schedule approved by WCDS during the Release Planning Process. The Release Quality shall be measured as a ratio of the total number of Unique Defects introduced in a Major Release divided by KLOC modified or added in the Major Release.

Legend

V = Quantity of defects above or below the performance standard

W = Maximum allowable defects to remain within the performance standard

X(1) = Performance Standard for Defect Density

X(2) = Actual Defect Density

Y = Total number of unique defects introduced in the Major Release (after subtracting all tickets/defects that are not unique or are to be excluded from the unique defect density calculation)

Z = Total Function Points or lines of code in the Major Release

Formula

Defect Density

$$X(2) = Y/Z$$

Maximum allowable defects to remain within the performance standard

$$W = X(1) * Z$$

Quantity of defects above or below the performance standard

$$V = Y - W$$

a. Performance standard - The Release Quality performance standard is established based on the IEEE industry standard of no more than 2 Unique Defects per KLOC introduced by the Vendor in a Major Release in UAT.

b. Reporting - Within 15 calendar days of the completion of the UAT phase of each Major Release, Vendor shall produce a Release Quality Report.

Example 1 of a Major Release Quality Report:

Release 22 Defect Density Report	
Defect Density Performance Standard	07
Actual Defect Density	06
Maximum Allowable Quantity of Defects	15
Actual Quantity of Defects	14

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Quantity of Defects Above or (Below) Performance Standard	(1)
Total Liquidated Damages Eligible for Assessment	\$0

Example 2 of a Major Release Quality Report:

Release 23 Defect Density Report	
Defect Density Performance Standard	07
Actual Defect Density	08
Maximum Allowable Quantity of Defects	15
Actual Quantity of Defects	18
Quantity of Defects Above or (Below) Performance Standard	3
Total Liquidated Damages Eligible for Assessment	\$15,000

c. Damages - The COUNTIES may assess liquidated damages for each Major Release in which actual Release Quality has exceeded the Release Quality performance standard. Damages may be assessed up to \$5,000 per Unique Defect in excess of the Maximum allowable defects to remain within the performance standard with a maximum, not to exceed penalty of \$50,000 per Major Release and \$150,000 per calendar year.

3. Defect Resolution Timeliness. subject to the exclusions and provisions of I.E.2 above which shall take precedence The timeframe for the resolution of priority 0, 1, and 2 defects introduced into production in a Major Release and found in the first 90 calendar days after implementation into Production shall be measured as a CalWIN performance standard. The resolution of a defect is defined as a Service Request ticket, in which the coding, unit test, and system test for the defect has been successfully completed and the ticket has been assigned to an upcoming work package with the ticket in at least the "Resolved Pending Software Release" state of the Service Request Lifecycle. Tickets shall be resolved based upon the problem as reported at the time of its original submission by the County. Additional issues not reported in the original ticket shall require the entry of a new ticket with the resolution timeframe measured independently of the original ticket. Tickets entered for defects that existed prior to the applicable Major Release shall be excluded from the defect resolution

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timeliness standard. Time, measured in calendar days, in which a ticket or a defect introduced into production in a Major Release, assigned to County or WCDS during the ticket resolution cycle shall not be counted against the acceptable service level performance standard.

a. Performance Standard - All priority 0, 1 and 2 defects specifically introduced into the Production environment in a Major Release and found in the first 90 calendar days after implementation into Production shall be resolved prior to the Production go-live of the next Major Release or within 60 days after entry into the SR database, whichever is greater.

b. Performance Standard - All priority 3 and 4 defects specifically introduced into the Production environment in a Major Release and found in the first 90 calendar days after implementation into Production shall be resolved within 150 days after entry into the SR database.

b. Reporting - Vendor shall produce a report of the defect resolution timeliness for each Major Release within 175 calendar days after the implementation into Production.

Example:

Release 22 - Defect Resolution Timeliness Report		
Service Request #	Resolved Within Performance Standard Timeframe	Not Resolved Within Performance Standard Timeframe
34567	X	
45678	X	
56789		X
67890	X	
Total	3	1
Total Liquidated Damages Eligible For Assessment		\$1,000

c. Damages - The COUNTIES assess liquidated damages charges for each Major Release in which resolution of all priority 0, 1 2, 3 and 4 defects specifically introduced into the Production environment in a Major Release and found in the first 90 calendar days after implementation into Production are not resolved within the time frame set forth in the applicable performance standard. Damages may be assessed in the amount of \$1,000 per applicable defect exceeding the resolution performance standard with a maximum penalty of \$35,000 per Major Release and \$105,000 per calendar year.

4. Release to UAT on Schedule. Achievement of the scheduled delivery date to UAT for Change Requests included in a Major Release other than such Change Requests planned for joint WCDS and VENDOR testing shall be measured as a CalWIN performance standard. The UAT release schedule for each Change Request is recorded in the Release Project Schedule. A Change Request is considered delivered to UAT when all approved system test scripts have been passed, all priority 0, 1 and 2 defects have been resolved and the code has been deployed to the UAT environment. Notwithstanding the aforementioned, script failures due to the following shall be excluded from the release timeliness measurement:

- o Defects that existed prior to the applicable Major Release;
- o Functions as Designed Defects -Tickets entered for defects where the coding has been completed according to approved specifications in the requirements and the detailed design documents and
- o Any Defects associated with an application modification or enhancement in which WCDS Consortium has agreed to exclude from this calculation.

The scheduled delivery date to UAT for Change Requests included in a major Release shall be modified if any of the following occurs:

- o WCDS or the CalWin Counties cause delays; or
- o After the approval of the functional business requirements there are changes to the scope of the Change Request.

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a) Performance Standard - Change Requests included in a Major Release other than Change Requests planned for joint WCDS and VENDOR testing shall be delivered to UAT no later than the "baseline planned release to UAT date" set forth in the Release Project Schedule.

b) Reporting - The Vendor shall produce a report within 15 calendar days of the conclusion of the UAT phase of each Major Release, as defined in the Release Project Schedule.

Example:

Major Release 22 - Release to UAT Delivery Report			
Change Request #		Delivered as Scheduled	Delivered Late
5678		Yes	No
6789		Yes	No
7890		No	Yes
Total Number of Change Requests		2	1
Total Liquidated Damages Available for Assessment			\$5,000

c) Damages - The COUNTIES may assess liquidated damages for each Change Request included in a Major Release, other than Change Requests planned for joint WCDS and VENDOR testing, that does not meet the performance standard set forth in Section II,E,4,a) above. Damages may be assessed in the amount of \$5,000 per Change Request not meeting the Release to UAT Schedule performance standard with a maximum penalty of \$15,000 per Major Release and \$45,000 per calendar year.

5. **Performance Credit.** Vendor may earn performance credits based on each Major Release where no penalty is assessed for a given performance standard. The performance credit is 25% of the maximum penalty amount associated with the performance standard set forth in Section II,E of

this Exhibit L-III. The maximum credit amount that can be achieved based on performance credits accumulated over multiple Major Releases is 50% of a Major Release total penalty amount, or \$50,000. Credits earned would be applied to future penalties.

6. **Exclusive Remedy.** To the extent the COUNTIES assess any liquidated damages set forth in Section II,E of this Exhibit L-III, such assessment shall be the COUNTIES' sole and exclusive remedy.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
09/28/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER MARSH RISK & INSURANCE SERVICES CA LICENSE #0437153 777 S. FIGUEROA STREET LOS ANGELES 90017 Attn: Fax 213-346-5886 J33445-Main-ALL-12-13	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL: ADDRESS:	
	INSURER(S) AFFORDING COVERAGE INSURER A: Old Republic Insurance Co INSURER B: Tall Tree Insurance Co INSURER C: INSURER D: INSURER E: INSURER F:	
INSURED HEWLETT-PACKARD COMPANY HP ENTERPRISE SERVICES, LLC. 3000 HANOVER STREET, MS 1041 PALO ALTO, CA 94304-1181	NAIC # 24147	

COVERAGES**CERTIFICATE NUMBER:**

LOS-001443595-11

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			MWZY 59745	09/30/2012	09/30/2013	EACH OCCURRENCE \$ 2,500,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 2,500,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,500,000 GENERAL AGGREGATE \$ Not Applicable PRODUCTS - COMP/OP AGG \$ Not Applicable
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			MWTB 21679	09/30/2012	09/30/2013	COMBINED SINGLE LIMIT (Ea accident) \$ 2,500,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB DED RETENTION \$			470-1XL0076 *****XS \$2.5M SIR***** *****OR UNDERLYING POLICY*****	09/30/2012	09/30/2013	EACH OCCURRENCE \$ 2,500,000 AGGREGATE \$ 2,500,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				WC STATUTORY LIMITS E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Certificate Holder is included as an additional insured as it respects to operations of the named insured but only to the extent required by contractual agreements with various counties in California for maintenance of computerized welfare case data systems.
Counties Included: Alameda, Contra Costa, Fresno, Orange, Placer, Santa Cruz, Solano, Yolo, Sacramento, Tulare, Sonoma, Santa Clara, Santa Barbara, San Mateo, San Luis Obispo, San Francisco, San Diego, & Ventura.

CERTIFICATE HOLDERCalWIN
950 Iron Point Road, Suite 160
Folsom, CA 95630**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
of Marsh USA Inc.

Cynthia Glist

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AGENCY CUSTOMER ID: J33445

LOC #: Los Angeles



ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

AGENCY MARSH RISK & INSURANCE SERVICES		NAMED INSURED HEWLETT-PACKARD COMPANY HP ENTERPRISE SERVICES, LLC. 3000 HANOVER STREET, MS 1041 PALO ALTO, CA 94304-1181
POLICY NUMBER		
CARRIER	NAIC CODE	
EFFECTIVE DATE:		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
 FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

Hewlett Packard will provide thirty (30) days prior written notice of cancellation.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
09/28/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Marsh Risk & Insurance Services CA License #0437153 777 South Figueroa Street Los Angeles, CA 90017 J33445-MAIN-E&O-12/13	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL: ADDRESS: INSURER(S) AFFORDING COVERAGE INSURER A : CHARTIS SPECIALTY INS CO INSURER B : INSURER C : INSURER D : INSURER E : INSURER F : NAIC # 26883
INSURED HEWLETT-PACKARD COMPANY HP ENTERPRISE SERVICES, LLC 3000 HANOVER STREET, MS 1041 PALO ALTO, CA 94304-1181	

COVERAGES**CERTIFICATE NUMBER:**

LOS-001375583-08

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COM/POP AGG \$ \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	TECH E&O			1-274-17-56	09/30/2012	09/30/2013	Per Claim/Aggregate 5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Coverage under this policy is effective June 20, 2009 for EDS and subsidiaries.

This certificate references the WCDS Information Technology Agreement for CalWIN.

Insurance coverage not canceled or materially changed without 30 day advance written notice

CERTIFICATE HOLDERCalWIN
950 Iron Point Road
Folsom, CA 95630**CANCELLATION**

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AUTHORIZED REPRESENTATIVE
of Marsh Risk & Insurance Services

Anna Kohli

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