EXHIBIT (LETTER) SERVICE LEVEL AGREEMENT [SLA]

FOR

VENDOR HOSTED SERVICES

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1. **INTRODUCTION.**

Purpose and Objectives. This *Exhibit ( ) [Service Level Agreement]* sets forth and describes the provided Services to be performed by Contractor under the Contract and certain deliverables to be provided by Contractor in connection therewith.

The value of an SLA is two-sided; the State has an assurance that it is covered in times of emergency and this Exhibit provides a written description of how, when, and what Services will be provided by the Contractor during Business and Non-Business Operating Hours. For the Contractor, the Contract states what it is expected to support and in what time frames; clarifying roles and responsibilties and helping to set mutual expectations.

1.1 Definitions, Acronyms, and Abbreviations. The capitalized terms in this Exhibit shall have the same meaning as set forth in of the Contract. In addition, the following terms when used in this Exhibit shall have the meaning set forth below:

a. "**Available**" has the definition given in **Section 15.1 (Service Availability Calculation)** below.
b. "**Support Business Hours**" **6:00 a.m. – 10:00 p.m**. MT, Monday – **Sunday**, excluding State holidays
c. "**Business Days and Business Operations Window**" **7:00 a.m. – 6:00 p.m**. MT, Monday – Friday, excluding State holidays.
d. "**Credit**" has the definition given in **Section 3.5 (Service Level Credits)** below.
e. "**DR/BCP**" has the definition given in **Section 12 (Disaster Recovery / Business Continuity Plan)** below.
f. "**End User**" means the ultimate consumer of a product, function, and/or System; the one for whom the product has been designed.
g. "**Error**" means any Failure or any other reproducible error, outage, or other condition that results in the System or any of the Services failing to meet any of the documentation, specifications, or other requirements set forth in the Agreement.
h. "**Failure**" has the definition given in **Section 3.3 (Service Failures)** below.
i. "**Force Majeure Event**" means any event that is caused by a factor beyond the reasonable and foreseeable control of a party, including, without limitation, a natural disaster, civil disturbance, war, fire, flood, provided that the factor could not have been prevented by reasonable and customary precautions, including, in the case of Contractor, implementation of and compliance with the DR/BCP.
j. "**Incident**" has the definition given in **Section 22** below.
k. "**Maintenance Services**" has the definition given in **Section 6 (Support and Maintenance)** below.
l. "**Measurement Interval**" means the applicable interval of time over which a Service Level is measured.
m. "**Month**" means the period commencing 12:00:00 a.m., Eastern Time, on the first day of each calendar month and ending 11:59:59 p.m., Mountain Time, on the last day of such calendar month.
n. "**Monthly Status Report**" means each of the Reports specified in **Section 4.2 (Reporting)** below.
o. "**Priority Level**" has the definition given in **Section 24 (Priority Level)** below.
p. "**Regulatory Update**" means any Update to the System necessary to enable the State to comply with applicable Law.
q. "**Request**" has the definition given in **Section 22 (Requests for Support)** below.
r. "**Scheduled Maintenance**" means maintenance Services occurring outside of Business Hours following at least [10] business days' notice to the State.
s. "**Service Level**" has the definition given in **Section 3** to this document.
t. "**Service Level Credit**" has the definition given in **Section 3.5 (Service Level Credits)** below. Credits will be applied for a failure to provide contracted services and are a remedy specifically called for in the Master Agreement under the section regarding Liquidated Damages.
u. "**System Availability**" has the definition given in **Section 15.1 (System Availability Calculation)**.
v. "**Ticket**" has the definition given in **Section 5 (Tracking System)** below.

w. **"Transaction"** a single add; change; inquiry; or delete unit of work initiated through the System. End Users through the System may initiate one or more requests based on system requirements.

x. "**Transaction Response Time**" has the definition given in **Section 16.1 (Transaction Response Time Calculation)**.

y. "**Update**" means any subsequent release of any Software within the System designated by a change in the numeral in the version to the right of the decimal point (e.g. #.X).

z. "**Upgrade**" means any subsequent release of any Software within the System designated by a change in the numeral in the version to the left of the decimal point (e.g. #.X).

2. OVERVIEW.

2.1 Services. Contractor will host, provide, maintain, and make available the System to the State and its respective End Users. Contractor will also provide support and other Services in connection with the operation of the System, in accordance with the terms and conditions of this Agreement.

2.2 Roles and Responsibilities. Each Party will perform the roles and responsibilities set forth in *Attachment 1 (RACI Matrix)* to this SLA. The following codes are used in defining roles and responsibilities:

R = Responsible to execute the activity, the role(s)/person responsible for getting the job done. At least one role/person must be responsible.

A = Accountable for the results, only one role/person can be accountable for each task.

C = Consulted to provide expertise and perspective, the people who are consulted and whose opinions are sought.

I = Informed to receive communication about the activity, the people who are kept up to date on progress.

3. SERVICE LEVELS AND FAILURES.

3.1 System Functionality. Contractor will provide the State and its respective End Users with access to and use of the System in accordance with all applicable specifications and documentation, at or above the levels of functionality set forth on *Exhibit A (SOW)* to the Contract.

3.2 Service Levels. The Services will be provided at or above the applicable Service Levels set forth in this Exhibit.

3.3 Service Failures. Upon any failure of the System or any of the provided Services to meet any applicable Service Level (a "**Failure**"), Contractor will follow all outlined procedures set forth in this Exhibit applicable to such Failure.

3.4 Service Level Credits. The State shall have the right to receive from Contractor all applicable credits for any Failure as specified in this Exhibit (each, a "**Service Level Credit**" or "**Credit**"); provided that: (a) no Credit shall be owed to the extent that the Failure giving rise to such Credit resulted from a Force Majeure Event; and (2) in no Fiscal Year will the aggregate Credits paid by Contractor exceed 25% of the total amount payable to Contractor under the Contract for such Fiscal Year. All SLAs and applicable Credits will remain in effect during and notwithstanding any efforts by Contractor to correct any Failure. Unless agreed to in writing by the State, Contractor will deduct any Credit from the next succeeding invoice under the Contract following the applicable Failure. Any unused Credits owed by Contractor pursuant to the Contract will be paid to the State within 15 days after the earlier of the expiration or termination of the Contract. The payment (or deduction from payment) of any Credit shall not constitute a waiver or release of any other remedy that the State may have under the Contract, including without limitation any termination right.

3.5 Calculation of Service Level Credits. In the event of a Failure with respect to any Service Level specified in this [*Service Level Agreement*], Contractor shall provide Credits as set forth herein for each such Failure.

3.6 Multiple Service Level Credits. If more than one Failure occurs in a single Month, the sum of the corresponding Credits shall be credited to the State.

3.7   Exclusions and Exceptions. The SLAs, and State's entitlement to Credits, shall not apply if a Failure was due solely to one of the following circumstances: (a) the performance of the portions of the public Internet controlled by companies other than Contractor; (b) any equipment supplied by the State (including but not limited to browsers, modems, telecommunications lines, or other communication software or equipment) which are not Contractor-managed and are used to access the System or the Provided Services. **System unavailability that corresponds to the time assigned for Scheduled Maintenance will not be counted as a Service Failure.**

4.   MEASUREMENT AND REPORTING.

4.1   Performance Metrics. Contractor will implement such systems, tools and procedures as specified in this Contract and as are otherwise necessary to: (1) measure, monitor, and verify Contractor's performance of the provided Services against the applicable SLAs and other requirements of this Contract; and (2) submit reporting to the State at a level of detail sufficient to verify compliance with the SLAs and other requirements of this Contract. Upon request of the State, Contractor will provide the State with information and access to such measurement and monitoring systems, tools and procedures for inspection and verification purposes. Contractor will revise and augment any such systems, tools, or procedures at the State's request if such systems, tools, or procedures fail to meet the requirements of this Contract but will not implement any change to such systems, tools and procedures without the State's prior approval.

4.2   Periodic Reporting. Contractor shall provide the State with the following reports regarding the provided Services:

(a)   Monthly Status Report. Intended to allow the State to monitor and track performance of all Services**,** this shall be provided within 7 business days after the end of each Month.

(b)   Quarterly Service Level Report. Shall be made available to the State for regularly scheduled quarterly Service Level Agreement performance reviews, within 15 business days after the end of each Quarter.

(c)   Annual Service Level Report - Shall be made available to the State for regularly scheduled annual Service Level Agreement performance reviews, within 20 business days after the end of each calendar year.

4.3   Reporting Criteria. In addition to any details specified above, the reports will summarize at minimum: (i) each Error occurring during the applicable period to which the report applies; (ii) any Failure with respect to any Service Level during the applicable period to which the report applies (including the applicable Service Level, root cause of the problem resulting in such Failure, immediate solution to such Failure, and proposed permanent correction of such Failure); (iii) all Credits, if any, imposed for any such Failures; and (iv) the raw calculation data for all such Service Levels and Credits.

Each report shall include all detail and back-up information reasonably required for the State to verify the cause, impact, extent, and resolution of any Failure. Contractor shall be responsible for the cost of all software, hardware, and other equipment necessary to perform the required measurements necessary to generate all reports and for all labor and other personnel costs associated with measuring and reporting performance of the System and the Services against all Service Levels and in accordance with all documentation, specifications and other requirements in this Contract. Contractor shall provide detailed supporting information for each report to the State electronically (in a form agreed to by the State) as well as in hard copy format.

5.   GOVERNANCE. Following the completion of each calendar quarter, Contractor will meet with the State to: (1) review the previous period's service level results; (2) review prior Monthly Status Reports; (3) review the Service delivery process; (4) discuss improvements in the Service delivery process; (5) review the status of outstanding Failures, Errors, and System concerns; (6) review commendable performance; and (7) discuss possible improvements or other revisions to the Service Levels. In addition to such scheduled meetings, the State may call a review of the Services as needed to ensure compliance with any Service Levels.

6. **MAINTENANCE AND SUPPORT.** Contractor will, at no cost to the State, provide the support Services and maintenance services for the System. The maintenance and support Services will include all such Services as are required to maintain and support the System, including, without limitation, any pre-existing software comprising the System, such that the System continues to perform in accordance with all SLAs and all documentation, specifications and other requirements in this Contract. Without limiting the foregoing, maintenance and support Services will include, without limitation: (a) weekly maintenance; (b) regular checks for database integrity issues (corruption, invalid data, etc.); (c) reorganization and/or rebuild of indexes based on state of fragmentation; updates of all database statistics information; (d) full backups of all user and system databases; (e) clean-up of backups over 2 weeks old; (f) daily maintenance; (g) updates of modified statistics; (h) rebuilds of highly fragmented table indexes; (i) backup of day-over-day changes since the last full backup; (j) cleanup of daily backups over 3 days old; (k) intra-day maintenance; (l) backup of all transactions every 15 minutes; and (m) cleanup of transaction backups over 3 days old.

7. **Service Interruptions.** Contractor will promptly investigate and use best efforts to correct all Errors (including, without limitation, any Failures) in accordance with this Contract at no charge to the State.

8. **UPDATES; UPGRADES; BUILDS.**

8.1 **Updates.** Contractor will notify the State at least [30] days in advance of each Update as it becomes available for commercial release. At the request of the State, Contractor will provide the Update to the State in a test environment for testing, evaluation, and acceptance in accordance with the Contract. Following acceptance of the Update by the State, Contractor will implement such Update in the System according to a plan agreed to in advance by the State at no charge, which Update shall become part of the System, pre-existing software, specifications or documentation, as applicable, for purposes of the Contract.

8.2 **Upgrades.** Contractor will notify the State at least [90] days in advance of each Upgrade as it become available for commercial release and the applicable price to include such Upgrade in the System. At the request of the State, Contractor will provide the Upgrade to the State in a test environment for testing, evaluation, and Acceptance in accordance with the Contract. Following acceptance of the Upgrade by the State, Contractor will implement such Upgrade in the System according to a plan agreed to in advance by the State, which Updates shall become part of the System, pre-existing software, specifications or documentation, as applicable, for purposes of the Contract.

8.3 **Build Schedule Implementation Timeline**. A build is the end result of the process of converting source code file change resulting from Updates, Upgrades, and/or Enhancements into standalone software artifacts that can be run on a system. Implementation is the period of time alloted to complete the system transactional process to fully execute the system update. If the time required to complete the update falls outside the established window; the Build implementation is considered late. This is measured in the number of minutes, hours, days that a Build implementation is not completed on time. Contractor shall provide the State with schedule of standard windows for introductions of changes to the System.

9. **CHANGE MANAGEMENT.** The change management process in systems engineering is the process of requesting, determining attainability, planning, implementing, and evaluating changes to a system. Contractor will establish with the State processes for communicating upcoming System changes. Changes to the System will not be implemented into a production environment until Contractor has received formal written acceptance of proposed changes from the State.

10. **DOCUMENTATION AND SPECIFICATIONS.** Prior to the commencement for the delivery of Services, and again prior to the implementation of any Updates, Upgrades, or Enhancements to the System or Services, Contractor shall provide the State and free of charge with all documentation and specifications for the System and such Updates, Upgrades, or Enhancements.

11. **TRAINING.** Prior to the commencement for the delivery of Services, and again prior to the implementation of any Updates, Upgrades, or Enhancements to the System or Services, Contractor shall provide the State free of charge with all training necessary for End Users to operate the System and Services.

12. **DISASTER RECOVERY / BUSINESS CONTINUITY PLAN.** Identifies the State's exposure to internal and external threats and synthesizes hardware and software assets to provide effective prevention and recovery for the systems.

Contractor shall develop and provide to the State a Business Continuity and Disaster Recovery Plan ("**DR/BCP**"). The DR/BCP shall be approved by the State as part of the final acceptance of the System. Contractor shall fully implement and comply with the provisions of the DRP at all times. Contractor may propose changes to the DRP from time to time during the provided Services phase. All such changes will be subject to approval by the State in advance of such changes becoming effective or any implementation of such changes by Contractor.

The DR/BCP will provide for the requirements specified in *Attachment (_) (DR/BCP)*, including, at a minimum: (1) restoration of System functionality and all Provided Services within 4 hours of any service interruption, including, without limitation, any Failure or Error; (2) daily incremental backup of all application data; (3) full weekly backup of all application data; (4) data to be stored locally at Contractor premises and also stored remotely via disk based replication; (5) ability for the State's sites disk-based restoration on-demand; and (6) weekly back up of operating systems**.** The Contractor will provide an updated DR/BCP annually during the length of the contract that is inclusive of any changes to the System or the Contractor's hosting environment relevant to what must be done to recover the System and/or provide business continuity.

13. FORCE MAJEURE EVENT.

13.1 Contractor. Contractor shall not be liable for any Service Level Credit resulting from nonperformance or delay in performance of any obligation due to a Force Majeure Event, provided that Contractor: (a) provides the State with reasonable notice under the circumstances prior to (if possible) such nonperformance or delay; and (b) uses best efforts to resume performance as soon as possible despite such Force Majeure Event. In all cases, if such nonperformance or delay in performance persists for 30 days, the State may terminate the Contract upon notice Contractor. For the avoidance of doubt, (i) upon any such termination of this Contract by the State, the State may request and Contractor shall provide Transition Assistance as set forth in this "Contract and (ii) the existence of a Force Majeure Event will not excuse Contractor from the obligation to implement and comply with Contractor's DRP.

13.2 The State. The State shall not be liable for nonperformance or delay in performance caused by any Force Majeure Event, provided that the State: (a) provides Contractor with reasonable notice under the circumstances prior to (if possible) such nonperformance or delay; and (b) uses best efforts to resume performance as soon as possible despite such Force Majeure Event.

14. ROOT CAUSE ANALYSIS.

14.1 Procedure. Contractor shall develop and provide to a procedure for conducting root cause analyses of each Error (a "**Root Cause Analysis Procedure**"). The Root Cause Analysis Procedure shall be approved by the State as part of the Final Acceptance of the System and in any case prior to the commencement of the Services. Contractor's Root Cause Analysis Procedure shall include, at a minimum, the following actions at the request of the State:

(a) Convene a meeting of the State and Contractor management to identify the causes of the Errors and propose a solution to the Error;

(b) Develop a solution to the Error, including any measures required to prevent a recurrence of the Error;

(c) Obtain any outside consulting assistance, at its own expense, necessary to resolve the Error; and;

(d) Provide hourly updates (or as otherwise agreed) to both the State and Contractor senior management until the Error is resolved.

14.2 Analysis. To ensure the highest quality delivery of the Services, Contractor shall conduct a root cause analysis for each Failure in accordance with the Root Cause Analysis Procedure (each, a "**Root Cause Analysis**"), at Contractor's sole expense. Such Root Cause Analysis will conform to the requirements of this Contract and to the Root Cause Analysis Procedure. In addition, if requested by State, Contractor will also perform, at its expense, a root cause style analysis for any condition that State reasonably believes could result in a future Failure.

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15. SERVICE LEVEL FOR SYSTEM AVAILABILITY [UP TIME].

15.1   System Availability Calculation. For purposes of this Contract: (a) the System will be deemed "**Available**" when the System is available for access by End Users and (b) the "**System Availability**" is calculated each Measurement Interval as follows:

$$\text{System Availability} = \left[\frac{\text{(Minutes per Measurement Interval in which the System is Available)}}{\text{(Total minutes in the Measurement Interval} - \text{minutes of Scheduled Maintenance during such Month)}} \right] \times 100$$

15.2   System Availability Service Level. The System and all Services will be provided by Contractor at or above the following levels of System Availability in both production and non-production environments:

System Environment	Required System Availability Service Level	Measurement Interval
Non Production	**99.5000%, or all but 4 hours**	Month
Production	**99.99%, or all but 4 minutes**	Month

15.3   Credits for System Availability Service Level Failures. If either of the required System Availability Service Levels set forth in **Section 15.2 (Minimum System Availability Service Level)** are not met with respect to the State during the Measurement, the applicable Credit for such Month shall be calculated as follows:

Minutes per Month Beyond the Allowed Non-Available Minutes that the System or any Provided Services are not Available to State	Production, Credit Payable to State	Non Production, Credit Payable to State
0 - 15 minutes	**$2,500**	**$100**
16 - 45 minutes	**$5,000**	**$500**
46 - 60 minutes	**$7,500**	**$750**
61 minutes to 120 minutes	**$10,000**	**$1,000**
Over 2 hours	**$15,000**	**$1,500**

In addition to the Credits set forth above, if the System or Services are not Available to the State during Business Hours more than 3 times during any Month, Contractor shall pay a Credit to the State equal to $2,500 per incident in which the System or Services were not Available during Business Hours (including the 3 initial incidents), in addition to any other Credits related to lack of Availability.

16. SERVICE LEVEL FOR TRANSACTION AVAILABILITY [RESPONSE TIME].

16.1   Transaction Response Time Calculation. For purposes of this Contract, the "**Transaction Response Time**" is calculated each Month as follows:

Transaction Response Time	=	Duration = Time between receipt by the System of a User's web server request; Minus the System's transmission of the required response to such User request*

*Excludes large reports, uploading files, document images and interfaces external to the System and its own linked components and sub-systems.

16.2   Transaction Response Time Service Level. The System and all Services will be provided by Contractor at or above the following levels of Transaction Response Time:

Maximum Response Time	Required Transaction Response Time Service Level	Measurement Interval
<= 2 second	99% of transactions	Month

16.3   Credits for Transaction Response Time Service Level Failures. If the required Maximum Response Time set forth in **Section 16.2 (Minimum Transaction Response Time Service Level)** is not met in at least the percentage of transactions represented by the Required Transaction Response Time Service Level, the applicable Credit for such Month shall be calculated as follows:

Transaction Response Time in excess of Minimum Transaction Response Time Service Level	Credit Payable to State
95.0% to 98.9% of transactions	$2,000
90.0% to 94.9%% of transactions	$4,000
88.0% to 89.9% of transactions	$8,000
Less than 87.9% of transactions	$16,000

17.   SERVICE LEVEL FOR SYSTEM DATABASE MANAGEMENT.

17.1   Services Performed for Database Maintenance. The following maintenance Services will be performed by Contractor in compliance with maintenance requirements outlined in **Section 6**:

- Check for database integrity issues (corruption, invalid data, etc.).
- Reorganize and/or rebuild indexes based on impact of fragmentation.
- Update all statistics.
- Full backups of all user and system databases weekly.
- Cleanup backups over 2 weeks old.

17.2   Credit for Database Maintenance Service Level Failures. If the required Database Maintenance steps are not met according to defined Service Level, the applicable Credit for such Month shall be assessed at $**5000** per month.

17.3   Database Access. Where applicable Contractor shall make the System database and server available to external monitoring tools, to be performed by the State directly, or through the use of authorized third party.

18.   SERVICE LEVEL FOR PRODUCTION REPORT JOBS.

18.1   Performance Levels for Production Report Jobs. The following maintenance Services will be performed by Contractor in compliance with maintenance requirements outlined in *Exhibit A (SOW*:

- 95% of all report jobs run within the Non-Business Operations window.
- 100% of all report jobs completed prior to the next Non-Business Operations Window.

18.2   Credit for Production Report Service Level Failures. If the required delivery parameters for production Reports are not met according to defined Service Level, the applicable Credit for such Month shall be assessed at $5000 per month.

19.   SERVICE LEVEL FOR PRODUCTION BATCH JOBS.

19.1   Performance Levels for Production Report Jobs. The following maintenance Services will be performed by Contractor in compliance with maintenance requirements outlined in *Exhibit A (SOW*:

- 95% of all batch jobs run within the Non-Business Operations window.
- 100% of all batch jobs completed prior to the next Non-Business Operations Window.

19.2   Credit for Production Batch Service Level Failures. If the required delivery parameters for production Reports are not met according to defined Service Level, the applicable Credit for such Month shall be assessed at $5000 per month.

20.   SERVICE LEVELS FOR ENHANCEMENT REQUEST RESPONSE. The following table sets forth the committed service levels, measurable event, and target levels for Contractor responses to Enhancement Requests:

Measurable Event	Service Level Requirement	Measurement Interval
The State's receipt of Contractor's written concurrence or disagreement with the State designation of an Enhancement Request as major or minor.	5 Business Days of Contractor's receipt of the applicable Enhancement Request	N/A
The State's receipt of Contractor's proposal for 95% of all Enhancement Requests designated as major.	10 Business Days of Contractor's receipt of the Enhancement Request.	Calendar Quarter
The State's receipt of Contractor's proposal for 95% of all Enhancement Requests designated as minor.	5 Business Days of Contractor's receipt of the Enhancement Request.	Calendar Quarter
The State's receipt of Contractor's proposal for all Enhancement Requests designated as urgent.	1 Business Days of Contractor's receipt of the Enhancement Request.	N/A
Completion of all mutually agreed upon Enhancement Requests in accordance with the applicable schedule	90% of all mutually agreed upon Enhancement Requests	Calendar Quarter

21.   SUPPORT SERVICES. Contractor shall provide Support Services to the State and their respective End Users as set forth in this agreement.

22.   REQUESTS FOR SUPPORT. The State will place requests for Support Services (each, a "Request") directly with the Contractor's Support Services group or Help Desk. The Contractor will provide support for user password reset and support for routine user-access problems to the System 24 hours a day, 7 days a week, 365 days a year. Contractor will ask, at a minimum, the following information in connection with each Request for Support Services:

- Name of End User or other person making the Request
- Name of person to be contacted with respect to the Request (if different from above)
- Telephone number/extension of contact person
- System(s) affected by the Error
- Brief description of the applicable Error
- Initial Severity Level for the Incident

If Contractor's Support Services group is not immediately available to answer the telephone, Contractor will provide the State an opportunity to leave a voice message. For voice messages received for password reset, routine System access problems, or for Level 1 incidents (defined below), the voice message shall generate a page or other immediate electronic notification to the on-call member of Contractor's Support Services group, so that the Contractor can provide immediate support.

23.   TICKETS. Upon becoming aware of an Error, whether through receipt of a Request or through any other means (in either case, such Error, an "**Incident**"), Contractor's Support Services group will assign the Incident a unique tracking number in their tracking system (a "**Ticket**").

24.   PRIORITY LEVEL. Each Incident subject to a Ticket will be assigned a priority level (the "**Priority Level**" of the Incident) based on the severity of the Incident and the effect of the Incident on the System, Services, and affected End User(s). The initial Priority Level for each Incident will be as specified by the State when making the applicable Request with Contractor. If no Priority Level is provided by the State when making a Request, Contractor will assign a Priority Level to the applicable Incident resulting from the Request based on the following criteria:

Severity Level	Incident Description
Level 1	The System, or any sub-System or function, is totally unusable or unavailable for multiple End Users.
Level 2	The ability to use the System, or a sub-System or Function, is severely limited.
Level 3	The System, or a sub-System or Function, is useable, but there is some degradation of a normally provided function. Impact on End Users is significant but not disabling or severe.
Level 4	The Error is apparent, but circumvention or alternative is available. Impact on End Users is minimal.

If the State disagrees with any Priority Level assigned to any Incident by Contractor, or if the State requires a change in any Priority Level at any time before Resolution of an Incident, the State may request a change to the Priority Level at any time by contacting Contractor, such change effective upon contacting the Contractor.

25.   ASSIGNED CONTRACTOR PERSONNEL. Contractor's Support Services group shall be used as a central contact point for Incident progression, escalation, and resolution.

26.   CONTRACTOR FOLLOW-UP. Upon becoming aware of each Incident, Contractor shall contact the State to establish the exact nature of the applicable Error and begin the incident resolution process. All Incidents shall be Resolved by Contractor as set forth herein. **REQUEST RESOLUTION AND CLOSURE PROCEDURE.**

   26.1   Priority 1 and 2 Incidents. When Contractor believes that a Priority Level 1 or Priority Level 2 Incident has been Resolved, Contractor will notify the State personnel required to be notified under **Section** 32. The State may verify that the underlying Error has been corrected to its satisfaction (for purposes of such Priority Level 1 or Priority Level 2 Incident, a "**Resolution**"). Upon such independent verification, the State will notify Contractor that the applicable Ticket may be closed on the Tracking System. Contractor may thereafter close the applicable Ticket on the Tracking System.

   26.2   Priority 3 and 4 Incidents. When Contractor believes that a Priority Level 3 or Priority Level 4 Incident has been resolved, Contractor will notify the applicable End User making the Request applicable to the Incident. The End User will verify that the underlying Error has been corrected to their reasonable satisfaction (for purposes of such Priority Level 3 or Priority Level 4 Incident, a "**Resolution**"). Upon such verification, such End User will notify Contractor that the applicable Ticket may be closed on the Tracking System. Contractor may thereafter close the applicable Ticket on the Tracking System

27.   SUPPORT RECORDS. The Contractor's tracking system will maintain a record of each reported Incident for a period of [12] months. Such records shall include, at minimum, the time and date such Incident was reported to Contractor, a brief description of the Resolution, and the date and times such Incident was closed by Contractor.

28.   SERVICE LEVEL FOR FIRST CONTACT RESOLUTION RATE & CALL WAITING TIME.

   28.1   First Contact Resolution Rate and Call Waiting Time Calculation. For purposes of this Contract: (a) the "**First Contact Resolution Rate**" is equal to the percentage of Incidents resolved during the first contact between Contractor and the person placing the Request upon which the Incident is based or, if Contractor otherwise becomes aware of the Incident, the first contact between Contractor and the End User initially contacted by Contractor to resolve the Incident; and the (b) "**Call Waiting Time**" is equal to the period of time starting when a call by the State to make a Request is placed (or an email by the State to make a Request is sent) and when that call or email is answered by a live Contractor Support Services desk staff member.

   28.2   First Contact Resolution Rate Service Level. Contractor will achieve a First Contact Resolution Rate of not less than 75% for all Incidents during each Month.

   28.3   Call Waiting Time Service Level. Contractor will achieve a Call Waiting Time of not more than 2 minutes on 95% of all calls during Support Business Hours in each Month.

29.   SERVICE LEVEL FOR RESPONSE AND RESOLUTION TIMES.

   29.1   Response and Resolution Time Calculations. For purposes of this Agreement: (a) the "**Response Time**" is the period of time starting when a call by the State to make a Request is placed (or an email by the State to make a Request is sent) and when a Contractor Support Services staff member begins taking material action toward implementing a Resolution for the Incident; and (b) the "**Resolution Time**" is the period of time starting when a call by the State to make a Request is placed (or an email by the State to make a Request is sent) and when the Incident subject to that Request actually reaches Resolution and the applicable Ticket closed in accordance with the terms of this agreement.

   29.2   Response Time and Resolution Time Service Levels. Contractor will: (a) respond to each Request for Support Services within the applicable Response Time set forth below; and (b) arrive at a Resolution for and close the applicable Ticket for each Request for Support Services within the applicable Resolution Time set forth below. In each case the Response Time and Resolution Time will be based on the Priority Level of the Incident subject to the Request and the time period in which the Request is made, as set forth below.

Priority Levels	Response Time (During Support Business Hours)	Response Time (Outside of Support Business Hours)	Response Time (Holidays)	Resolution Time
Level 1	System not Available – 15 minutes	System not Available – 15 minutes	System not Available - 15 minutes	Defect/Fault Identified – 1 hour
	Major Component Failures – 15 minutes	Major Component Failures – 30 minutes	Major Component Failures – 30 minutes	Solution Agreed – 2 hours
	Minor Component Failures – 30 minutes	Minor Component Failures – 30 minutes	Minor Component Failures – 30 minutes	Ticket Closed – 3 hours
Level 2	System Down – 15 minutes	System Down – 30 minutes	System Down – 30 minutes	Defect/Fault Identified – 3 hours
	Major Component Failures – 15 minutes	Major Component Failures – 1 hour	Major Component Failures – 1 hour	Solution Agreed – 4 hours
	Minor Component Failures – 30 minutes	Minor Component Failures – 1 hour	Minor Component Failures – 1 hour	Ticket Closed – 5 hours
Level 3	System Down – 2 hours	System Down – 4 hours	System Down – Next Business Day	Defect/Fault Identified – 2 Business Days
	Major Component Failures – 2 hours	Major Component Failures – 4 hours	Major Component Failures – Next Business Day	Solution Agreed – 4 Business Days
	Minor Component Failures – 4 hours	Minor Component Failures – Next Business Day	Minor Component Failures – Next Business Day	Ticket Closed – 5 Business Days
Level 4	System Down – 2 hours	System Down – Next Business Day	System Down – Next Business Day	Defect/Fault Identified – 3 Business Days
	Major Component Failures – 2 hours	Major Component Failures – Next Business Day	Major Component Failures – Next Business Day	Solution Agreed – 5 Business Days
	Minor Component Failures – 4 hours	Minor Component Failures – Next Business Day	Minor Component Failures – Next Business Day	Ticket Closed – Mutually agreed upon date
Level 5	Reserved for problems that can only be addressed through Enhancement/Change Requests	Reserved for problems that can only be addressed through Enhancement/Change Requests	Reserved for problems that can only be addressed through Enhancement/Change Request	State and Contractor jointly determine a workaround and/or Resolution

30.   SERVICE LEVEL FOR RESOLUTION RATE. Contractor will achieve a Resolution of all Service Levels in each Priority Level at or above the following percentages:

Priority Level	Service Level Requirement	Measurement Interval
Level 1	A Resolution of 98% of Priority Level 1 Tickets will be reached within 3 hours of Incident creation or receipt	Monthly
Level 2	A Resolution of 98% of Priority Level 2 Tickets will be reached within 5 hours of incident creation or receipt	Monthly
Level 3	A Resolution of 90% of Priority Level 3 Tickets will be reached within 5 Business Days of Incident creation or receipt	Monthly
Level 4	A Resolution of 85% of Priority Level 4 Tickets will be reached within 30 calendar days of Incident creation or receipt	Monthly
All Levels	A Resolution of 90% of all Tickets (all Priorities) will be reached within the applicable Resolution time set forth in this chart	Monthly

31.   APPLICABLE CREDITS. If any of the Service Levels specified in this Exhibit are not met by Contractor during any Month, Contractor will issue the State a Credit of $5,000 for each instance in which an applicable Service Level is not met.

32.   ESCALATION PROCESS & PROCEDURES. To meet the service level requirements, Contractor shall implement an automated process to identify any Level 1, Level 2 or Level 3 Incident that has not reached Resolution within 75% of the applicable Resolution Time. Such process will notify via e-mail the State Contact for the specific Incident, as well as the Contractor staff that has been assigned the Incident. These notifications continue every 2 hours during Support Business Hours until the Incident has reached Resolution.

If a Ticket remains outstanding beyond the applicable Resolution Time set forth in this agreement, Contractor shall escalate the Incident to Contractor senior management, who will contact his/her counterpart within the State to agree to a course of action to be taken.

Contractor shall notify the identified State personnel if it is apparent that resolution of an Incident may result in a protracted timeframe. The State may escalate any Incident at any time should they deem it to be appropriate.

There are 2 levels of escalation as shown in the table below. As an Incident is escalated, regular contact will be maintained between Contractor and the State.

Priority Level	Escalation Levels	Resolution Time Target Exceeded by	Contractor Contact	State Contact
Level 1	Level 1	1 hour	*Insert name*	*Insert name*
	Level 2	4 hours	*Insert name*	*Insert name*
Level 2	Level 1	4 hours	*Insert name*	*Insert name*
	Level 2	8 hours	*Insert name*	*Insert name*
Level 3	Level 1	8 hours	*Insert name*	*Insert name*

	Level 2	24 hours	*Insert name*	*Insert name*
Level 4	Level 1	24 hours	*Insert name*	*Insert name*
	Level 2	48 hours	*Insert name*	*Insert name*

33. **EMERGENCY RESPONSE PROCESS.** If Contractor becomes aware of an Incident that has been reported as a priority one (1), the Contractor response shall include, at minimum, the following emergency escalation process: (1) the appropriate Contractor support personnel will be contacted by Contractor's support services group immediately via the Contractor's Tracking System and by phone if necessary; (2) the manager over the team responsible for resolving the Ticket will also be contacted; (3) if deemed appropriate by the manager, the Delivery Service Director and/or the State's Office of Behavioral Health Director of Information Management will also be informed; (4) Contractor shall update the tracking system detailing the issue, and notify the appropriate Institute contact at the State via phone; and (5) Contractor will require all required hands, including Subcontractors and other third party if necessary, to work to resolve the Incident until the Incident is resolved.

34. END OF CONTRACT SERVICES. Upon request by the State made before or within sixty (60) days after the effective date of termination of the Contract Contractor will make available to the State a complete and secure (i.e. encrypted and authenticated) download file of System data in XML format, including all schema and transformation definitions and/or delimited text files in their native format.

At no additional cost to the State, Contractor shall:

- Identify data classification of the Systems that have been deployed within the hosted solution.
- Identify all server and application service dependencies, including ports and protocols (an example of a service layout and dependency form has been attached).
- Identify all servers and current capacities at the time of transition (Compute [CPU/RAM], Storage [drives/capacity], Network [throughput capacity avg and peak] and Backup [current retention policy and capacity) via spreadsheet, word, and visio diagram.
- Identify underlying storage configuration (RAID group design for servers)
- List of all software versions and updates at the time of transition
- Hypervisor tool for migrating VM's from RackSpace to the State Infrastructure should be VMWare compatible.
- Support secure VPN transporting to the State
- Identify all monitoring and associated reporting for the systems