# Statement of Work

This Statement of Work ("SOW") describes the work to be provided by IBM (the "Services") to Texas Comptroller of Public Accounts ("Client", also called "you" and "your" and "CPA") under the terms and conditions of the agreement identified in the signature block of this SOW, i.e., DIR Contract No. DIR-TSO-3996 (the "Agreement"). In addition, your responsibilities are listed.

## 1. Project Scope

Under this project IBM will:

a.   provide project management;

b.   perform IBM Information Server Install Preparation and Planning;

c.   install and configure IBM Information Server 11.7 in one (1) non-production and one (1) production environments;

d.   perform system administration hand-off; and

e.   provide up to eighty (80) hours to be delivered in two (2) consecutive weeks to assist with the migration of DataStage jobs from version 9.1 to version 11.7.


Activities may include:

### Activity 1 - Project Management

IBM will provide project management for the IBM responsibilities in the SOW. The purpose of this activity is to provide technical direction and control of IBM project personnel and to provide a framework for project planning, communications, reporting, procedural and contractual activity. This activity is composed of the following tasks:

**Planning**

a.   Review the SOW and the contractual responsibilities of both parties with your Project Manager.

b.   Maintain project communications through your Project Manager.

c.   Coordinate the establishment of the project environment.

d.   Establish documentation and procedural standards for deliverable Materials.

e.   Review with you the hardware required for the performance of the SOW.

**Project Tracking and Reporting**

a.   Review project tasks, schedules, and resources and make changes or additions, as appropriate. Measure and evaluate progress against the project plan with your Project Manager.

b.   Review the IBM standard invoice format and billing procedure to be used on the project, with your Project Manager.

c.   Work with your Project Manager to address and resolve deviations from the project plan.

d.   Report time spent on the project to your Project Manager.

e.   Administer the Project Change Control Procedure with your Project Manager.

f.   Coordinate and manage the technical activities of IBM project personnel.

*Completion Criteria:*

This is an ongoing activity which will be considered complete at the end of the Services.

*Deliverable Materials:*

•   Weekly Status Reports


### Activity 2 - Information Server Preparation and Planning

Planning and Preparation for the installation and configuration of Information Server is one of the keys to a successful implementation. In this activity, IBM will perform Services which include the following tasks:

a.   Provide the questionnaire to capture Client environment specification.

b.  Review the completed questionnaire.

c.  Determine appropriate Information Server Topology/Architecture based on current utilization as well as anticipated future utilization.

d.  Create the prerequisites checklist based on Client environment specification.

e.  Discuss authentication method (LDAP/Active Directory vs WAS registry) and implications for the installation.

**Completion Criteria:**

This activity will be complete when the Information Server Installation Planning Document is delivered and accepted by Client.

*Deliverable Materials:*

- Information Server Pre-Installation Questionnaire
- Information Server Installation Planning Document

### Activity 3 - Information Server Installation and configuration in one (1) non-production and one (1) production environments

Installation and configuration will quickly follow the Planning and Preparation Activity. The goal of this activity is to not only install and configure the product based on our years of experience but to also convey standard practices and methodology in that deployment. In this activity, IBM will perform Services which include the following tasks:

a.  Verify platform meets the Information Server minimum resource requirements.

b.  Validate that the Information Server pre-requisites for installation have been satisfied.

c.  Install IBM Information Server Platform with bundled WebSphere Application Server and the following Server components in one (1) non-production and one (1) production environments:

  (1)  DataStage.

d.  Install IBM Information Server client-side components on one (1) workstation:

  (1)  Metadata interchange agent and bridges; and

  (2)  DataStage/QualityStage client.

e.  Install appropriate Information Server patches and Fix Packs.

f.  Perform Post-Installation Configuration for the selected components:

- Configure Information Server Configuration files for the parallel processing engine;
- Configure up to a maximum of three (3) database connections;
- Configure LDAP/Active Directory for authentication and authorization within WebSphere Application Server services tier;
- Configure the Information Server Operations Console;
- Verify that all selected products are operational; and
- Create Information Server Installation Build Book Document.

**Completion Criteria:**

This activity will be complete when the Information Server Installation Build Book is delivered and accepted by Client.

*Deliverable Materials:*

- Information Server Installation Build Book

### Activity 4 - Administrative Hand-off / Turn-over

Once Information Server is installed and configured, it will be ready for turnover to your team. In this activity, IBM will perform Services which include the following tasks:

a.  Perform system administration hand-off:

    (1)    Review the Information Server configuration and installations parameters;

    (2)    Review maintenance procedures (backup, recovery, new users);

    (3)    Review administrative features and functions of Information Server;

    (4)    Discuss monitoring and problem reporting; and

    (5)    Discuss next step recommendations.

**Completion Criteria:**

This activity will be complete when the above activities have been reviewed with the Client and marked as complete on the weekly status reports upon Client's acceptance of this activity.

***Deliverable Materials:***

● None

### Activity 5 - DataStage Migration Assistance

Under this activity, IBM will perform Services which include the following tasks:

a.    Provide up to eighty (80) hours to be delivered in two (2) consecutive weeks assistance to:

    (1)    Assist with the migration of DataStage/QualityStage 9.1 jobs to the new Information Server 11.7 environment.

    (2)    Review deprecated stages and remediation for those stages, if required.

    (3)    Review the utilization of the Connector Migration Tool.

    (4)    Review the utilization of Balance Optimization.

    (5)    Assist with the testing and remediation of the Information Server 11.7 jobs during the Texas Comptroller of Public Accounts led testing.

    (6)    Additional topics/activities mutually agreed upon by both IBM and Texas Controller of Public Accounts.

**Completion Criteria:**

This activity is time-boxed at 80 hours and will be complete when 80 hours over two consecutive weeks have been delivered and accepted by Client.

***Deliverable Materials:***

● None

## 1.2    Key Assumptions

IBM's estimated charges and schedule are based on performance of the Services described above. This SOW and IBM's estimates are based on the following key assumptions. Deviations that arise during the proposed project will be managed through the Project Change Control Procedure described in Appendix A-1: Project Change Control Procedure, and may result in adjustments to the Project Scope, Estimated Schedule, Charges, and other terms. These adjustments may include charges on a time-and-materials basis using IBM's standard rates in effect from time to time for any resulting additional work or waiting time.

a.    IBM reserves the right to subcontract services in accordance with DIR Contract No. DIR-TSO-3996 to technically qualified Consultants.

b.    Texas Comptroller of Public Accounts will have full project management responsibility, and as such will manage the day to day project interactions and will direct the IBM resources on priorities which may impact ultimate deliverables – including potential depth and span. IBM is staffing a part-time project manager to direct the IBM resources. Should additional time/effort be required, you will initiate a project change request to add additional hours as required.

c.    Any materials provided will be delivered in an IBM template format.

d.    Additional scope of work and requirements over and above those listed in Section 1. Project Scope will be supported as an additional statement of work and/or Project Change Request (PCR).

e.  The time allocated for the Information Server installation is predicated on the following assumptions. If, during the Information Server install planning and prerequisites activity, Texas Comptroller of Public Accounts changes the assumptions or if the required architecture to support Texas Comptroller of Public Accounts business requirements necessitates a change to these assumptions, an additional statement of work and/or Project Change Request (PCR) will be required for the additional work.

(1)  All Information Server installations/deployments/configurations will be performed on documented and supported database and operating system platforms.

(2)  Information Sever 9.1 does not provide for an upgrade in-place to Information Server 11.7. This will be a net new installation on new hardware.

(3)  Texas Comptroller of Public Accounts is responsible for procuring and deploying the appropriately sized hardware prior to the start of the installation.

(4)  Texas Comptroller of Public Accounts is responsible for completion of all Information Server installation prerequisites prior to start of the installation.

(5)  Texas Comptroller of Public Accounts will provide on-demand Server Administrators, Network/Systems Administrators, Database Administrators, and System Security experts as needed in support of the installation, deployment and configuration efforts.

(6)  Root Access, not sudo, is required for the installation, deployment and configuration of Information Server 11.7. Root access, again not sudo, will need to be granted or a system administrator with root access will need to be available for the entire installation and configuration.

(7)  Information Server 11.7 will be installed in one (1) non-production and one (1) production environments. IBM will perform the first installation with CPA resources observing. The second installation will be performed by CPA resources with IBM assisting. Any subsequent installations will be performed by CPA resources.

(8)  The Information Server 11.7 framework products that are in-scope of this engagement are:

(a)  DataStage

(b)  DataStage/QualityStage Windows Client

(c)  Metadata Asset Manager (IMAM)

(d)  Operations Console

(9)  The Information Server 11.7 framework products that are out-of-scope of this engagement are:

(a)  QualityStage

(b)  Data Quality Exception Console

(c)  Information Analyzer

(d)  Information Server Enterprise Search

(e)  Unified Governance

(f)  InfoSphere Change Data Delivery (CDD)

(g)  BigIntegrate/BigQuality

(h)  IBM BigInsights

(i)  IBM BigReplicate

(j)  IBM BigMatch

(k)  Information Governance Catalog including Information Governance Dashboard

(l)  Information Services Director

(m)  FastTrack

(n)  Change Data Delivery

(o)  DataClick

(p)  Cognos

(q)  Watson Data Explorer

        (r)    InfoSphere Discovery

        (s)    Optim Data Masking

        (t)    Stewardship Center including the Business Process Manager (BPM)

        (u)    InfoSphere Data Architect

(10)   Linux will be utilized as the operating system for the server tiers (Services, Repository, Engine).

(11)   The WebSphere Application Server (WAS) that is bundled with the Information Server Software will be installed as the Services Tier. The WAS implementation of WebSphere Application Server will be installed in a single-node configuration and not be installed or configured as a cluster. The WAS Liberty profile will not be configured.

(12)   DB2 will be utilized for the Repository Tier. The DB2 database that is bundled with the Information Server Software will be installed as the Repository Tier.

(13)   The metadata interchange agent and bridges (InfoSphere Metadata Asset Manager (IMAM)) will be installed on a single Windows server.

(14)   A maximum of three (3) source/target connections will be configured for Information Server as part of this engagement. If the connections are expected to utilize native database client connections, that native database client software will need to be installed on the engine tier of Information Server prior to the installation of Information Server.

(15)   LDAP/active directory will be utilized for authentication and security in conjunction with the WebSphere Application Server (WAS) services tier.

(16)   Installation of Information Server client tools is limited to single (1) Windows based desktop environment.

(17)   All the Information Server browser-based clients supports single sign-on (SSO). Information Server utilizes Secured Socket Layers (SSL) to provide communication security for all client interfaces. Self-signed certificates are created during installation, but Texas Comptroller of Public Accounts can choose to install their own CA-verified certificate after the install. The installation of Texas Comptroller of Public Accounts CA-verified certificates and any up-front Servers required to support this solution is out of scope for this engagement.

f.    This installation does not include repairs, corrections or troubleshooting of performance degradation, data corruption, errors and faults that are discovered during the process due to hardware failures, or non-qualified hardware or operating systems. Repairs, corrections or troubleshooting of such errors and faults will be your responsibility; any IBM involvement will require a PCR and will be charged on a Time and Materials (T&M) basis and are not part of this fixed fee engagement.

g.    IBM has included up to a maximum of eighty (80) hours to be delivered in two (2) consecutive weeks for migration, testing and remediation assistance. Depending on the number of jobs and projects, this may not be enough time to migrate and test all jobs. It is recommended that a sample which represents the larger implementation be executed to test functionality. Texas Comptroller of Public Accounts will be responsible for further testing of the system. This includes System Test, Integration Test, Regression Test, and User Acceptance Test. IBM will assist you with testing and remediation up to the maximum of 80 hours allocated.

h.    The following activities/tasks are not in scope for this engagement:

(1)   Formal Product Training

(2)   Capacity Planning and Sizing

(3)   Creation of custom reports within Information Server

(4)   Assistance with Data Modeling

(5)   Operating system installation, fixes or configuration

(6)   Assistance with the installation and configuration of the Information Server in a clustered or GRID environment

(7)   Assistance with the installation and configuration of the InfoSphere Information Server Enterprise Edition software in a High Availability (HA) or Disaster Recovery (DR) environment

(8)   Assistance with the clustered implementation of WebSphere Network Deployment

(9) Assistance with the DB2 HADR and Oracle RAC installation/configuration for the metadata repository

(10) Assistance with the installation and configuration of Information Server Client Software components on a Citrix based and/or virtualized desktop environment

(11) Kerberos configuration

(12) Installation of 3rd party non-IBM software and/or database clients

(13) Database Administration to create schemas and execute scripts for remote Repository Tier installations

(14) Configuration of Hadoop and unstructured data sources

(15) Configuration of Workload Management queue in Operations Console to define system policies, jobs execution order, job count thresholds, manage CPU/memory use etc.

(16) Installation and configuration of data masking tools and any add-on packs (e.g. SAP, SFDC, Siebel, JD Edwards, SAS, Hyperion, Address Verification Interface (AVI), U.S. Address Certification (USAC), SERP, DPID, GNR)

(17) Integration with third party version control applications

(18) Database or virtual environment (VMWare) performance tuning.

(19) Business process implementation consulting

(20) Remediation and corrective action of data quality issues

(21) Backup of any current Information Server in whole or in part

(22) Firewall and network accesses required

(23) Configuration of Exception Stage Database

(24) Product based mentoring or knowledge transfer on how to utilize individual suite components such as DataStage, QualityStage, Information Analyzer, Information Governance Catalog.

## 2. IBM Responsibilities

IBM will:

a. perform the work remotely with written consent of CPA or at your facility in Austin, Texas in order to complete its responsibilities under this SOW.

b. provide the Services under this SOW during normal business hours, 8:30 AM to 5:15 PM, local time, Monday through Friday, except holidays. If necessary, you will provide after-hours access to your facilities to IBM personnel. Out-of-town personnel may work hours other than those defined as normal business hours to accommodate their travel schedules.

c. IBM may use personnel and resources in locations worldwide and third party suppliers to support the delivery of products and services. Client data shall not be accessed from, stored at or transported to locations outside of the continental United States.

d. Comply with all of your reasonable security policies and procedures of which IBM is made aware.

## 3. Your Responsibilities

You will:

a. make appropriate personnel available to assist IBM in the performance of its responsibilities;

b. provide safe access, suitable office space, furniture, high speed connectivity to the Internet, and other facilities needed by IBM personnel while working at Client's location;

c. supply all prerequisite hardware and software to be used during the performance of this SOW. This does not include any hardware or software normally used by IBM consultants in the performance of their day-to-day responsibilities with IBM;

d. provide information and materials IBM requires to provide the Services. IBM will not be responsible for any loss, damage, delay, or deficiencies in the Services arising from inaccurate, incomplete, or otherwise deficient information or materials supplied by you or on behalf of you;

e. [intentionally left blank]

f. ensure that current maintenance, license, and other applicable agreements are in place with third parties whose work may affect IBM's ability to provide the Services. Unless specifically agreed to otherwise in writing, Client is responsible for the management and performance of the third parties, and for any third party hardware, software or communications equipment used in connection with the Services;

g. be responsible for the identification of, interpretation of, and compliance with, any applicable laws, regulations, and statutes that affect your existing systems, applications, programs, or data to which IBM will have access during the Services, including applicable data privacy, export, import laws and regulations, and product safety and regulatory compliance for non-IBM products including those recommended by IBM. You are solely responsible for obtaining advice of legal counsel as to the compliance with such laws, and regulations;

h. allow IBM to cite your company name and the general nature of the Services IBM performed for you to IBM's other Clients and prospective Clients;

i. obtain all necessary permissions for IBM to use, provide, store and process data to which Client gives IBM access to perform the Services. Client is responsible for the security and privacy of such data. Client will not give IBM access to data subject to governmental regulation or requiring security measures beyond those specified in this SOW unless IBM has first agreed in writing to implement additional required security measures.

j. if IBM requires access to your production systems, provide the required hardware (either an assigned desktop or laptop system) for such access. Any hardware provided for this access will be secured at your location when not in use by IBM.

## 4. Deliverable Materials

The following deliverables are provided to Client as part of the Services:

**Type II Materials**

a. Weekly Status Reports

b. Information Server Pre-Installation Questionnaire

c. Information Server Installation Planning Document

d. Information Server Installation Build Book

**Supplemental Notes - Deliverables**

See the Materials Appendix for a description of each deliverable.

Deliverables marked with an asterisk (*) are exempt from the Deliverable Materials Acceptance Procedure and will be considered accepted by Client upon delivery to the Client Point of Contact.

In the event a deliverable is inadvertently omitted from the list above, IBM will notify Client of the identity and the appropriate designation of the deliverable through the Project Change Control Procedure.

## 5. Completion Criteria

IBM will have fulfilled its obligations under this SOW when any one of the following first occurs:

a. IBM completes the IBM responsibilities, including provision of the deliverables, if any; or

b. the Services are terminated in accordance with the provisions of this SOW and the Agreement.

## 6. Estimated Schedule

The Services will be provided after mutual contract execution, between a start date to be determined by both parties and an estimated end date of November 30, 2018 ("End Date"), or on other dates mutually agreed to between you and IBM in writing.

## 7. Charges

The Services will be conducted on a fixed price basis. The fixed price for performing the Services defined in the SOW will be $118,000.00. This fixed price is inclusive of any travel and living expenses and other reasonable expenses incurred in connection with the Services. All charges are exclusive of any applicable taxes.

The total cost of this SOW shall not exceed ONE HUNDRED EIGHTEEN THOUSAND AND NO/100 DOLLARS ($118,000.00). IBM will invoice you in arrears for the Services performed in accordance with the table below, plus applicable taxes. Notwithstanding any provision of this SOW or the Agreement, Chapter 2251 of the Texas Government Code shall govern remittance of payment and remedies for late payment and non-payment.

| Milestone | Milestone Invoice Date | Total |
|---|---|---|
| Project Planning | October 31, 2018 | $17,000.00 |
| Project Management | October 31, 2018 | $8,000.00 |
| Preparation and Planning | October 31, 2018 | $17,000.00 |
| Installation and Configuration: Non-Production Environment | October 31, 2018 | $17,000.00 |
| Installation and Configuration: Production Environment | November 30, 2018 | $17,000.00 |
| Administrative Hand-off / Turn-over | November 30, 2018 | $17,000.00 |
| DataStage Migration Assistance | November 30, 2018 | $17,000.00 |
| Testing | November 30, 2018 | $8,000.00 |
| **Total Estimated Services Charges:** | | **$118,000.00** |

If your Client number indicates that you require a Purchase Order (PO) for payment purposes, you will need to provide a PO or a PO waiver for the charges specified in the Charges section. A PO waiver may be sent in hard copy or e-mail but must come from an authorized officer or your purchasing agent. Any different or added terms contained in any PO or other ordering documents that might be exchanged in relation to activities under this SOW will not be applicable or of any effect.

## 8. Additional Terms and Conditions

### 8.1 Compliance with Laws and Regulations

Each party is responsible for complying with: i) laws and regulations applicable to its business and content, and ii) import, export and economic sanction laws and regulations, including those of the United States that prohibit or restrict the export, re-export, or transfer of products, technology, services or data, directly or indirectly, to or for certain countries, end uses or end users.

## 8.2 Data Processing Protection

   a. The Client hereby represents and warrants, under its own responsibility that no Personal Data subject to GDPR are or will be processed by IBM as a Processor on behalf of the Client as part of the Service provision.

   b. The Client shall communicate to IBM in writing, without undue delay, any anticipated change affecting Client's representation and warranty in Section a. above. The parties then will agree to enter into a data processing agreement, which shall amend this Agreement, as is reasonably required (1) to reflect their obligations and risks under the GDPR and (2) for IBM to provide the Services in a manner that allows Client and IBM to comply with their respective obligations under the GDPR prior to the change affecting Client's representation and warranty in Section a., above.

   c. The Client agrees to assist IBM in any request or procedure by a national data protection supervisory authority, or in any lawsuit, relating to the processing of any Personal Data covered by the representation and warranty in Section a., above.

## 8.3 Offer Expiration Date

IBM agrees to provide the Services provided Client accepts this SOW, without modification, by signing in the space provided below on or before October 5, 2018.

## 8.4 Termination

In the event of early termination of this SOW, termination shall be in accordance with the Termination provision in Section 12 (Additional Terms and Conditions) of Appendix J (Statement of Work) of DIR Contract No. DIR-TSO-3996.

## 8.5 General

   a. Notwithstanding any provision of this SOW or the Agreement, the terms of an IBM invoice shall not prevail over the terms of any other contract document.

   b. To the extent applicable, IBM represents and warrants that it has read and understood and shall comply with Client's Anti-Fraud Policy, located on the website at https://comptroller.texas.gov/about/policies/ethics.php, as such Policy currently reads and as it is amended throughout the term of this SOW.

   c. As applicable, IBM shall comply with Client's reasonable security requirements of which IBM is made aware by Client relating to IBM's access to Client's data or systems. These security requirements include, but are not limited to, the use of passwords and user authentication to gain access to Client's data stored on Client's information resources or systems managed by IBM and a risk assessment of IBM's computing environment by Client's Information Security Officer for network to network connectivity requests. If access to Client's computer networks or data is to be provided, IBM and its IT service provider must secure its own systems and network in a manner consistent with Client requirements. Client reserves the right to immediately terminate access to Client's computer networks and data if these requirements are not met. Whenever communications with IBM necessitate the release of Client's sensitive or confidential information, if ever, Client's Confidential Treatment of Information Acknowledgement - CTIA form must be signed by each individual who will require access to that data. Information released to these individuals must be limited to the topics directly related to the involved project or business relationship.

   d. To the extent applicable to the work performed under this SOW and pursuant to Texas Business and Commerce Code § 521.053, IBM shall provide notice to Client's Information Security Officer as soon as possible following IBM's discovery or reasonable belief that sensitive personal information was acquired by an unauthorized person ("Security Incident"). Within twenty-four (24) hours of the discovery or reasonable belief of a Security Incident but subject to section 521.053(d), IBM shall provide a written report to Client's Information Security Officer detailing the circumstances of the incident, which includes at a minimum:

      a. A description of the nature of the Security Incident;
      b. The type of sensitive personal information involved;
      c. Who may have obtained the sensitive personal information;
      d. What steps IBM has taken or will take to investigate the Security Incident;

e. What steps IBM has taken or will take to mitigate the cause of the Security Incident; and

f. A point of contact for additional information.

Each day thereafter until the investigation is complete, IBM shall provide Client's Information Security Officer with a written report regarding the status of the investigation and the following additional information as it becomes available:

a. Who is known or suspected to have gained unauthorized access to the sensitive personal information;

b. Whether there is any knowledge if the sensitive personal information has been abused or compromised;

c. What additional steps IBM has taken or will take to investigate the Security Incident;

d. What steps IBM has taken or will take to mitigate the cause of the Security Incident; and

e. What corrective action IBM has taken or will take to prevent future similar unauthorized use or disclosure.

IBM shall confer with Client's Information Security Officer regarding the proper course of the investigation and risk mitigation. Client reserves the right to conduct an independent investigation of any Security Incident, and should Client choose to do so, IBM shall cooperate fully by making resources, personnel, and systems access available to Client and Client's authorized representative(s). Subject to review and approval of Client's Information Security Officer, if IBM is solely responsible for the cause of the Security Incident, at its own cost, IBM shall provide notice that satisfies the requirements of applicable law to individuals whose sensitive personal information was acquired by an unauthorized person as a result of the Security Incident.

e. INTERNAL REVENUE SERVICE DATA Reference Exhibit 7 (Contract Language for General Services) of IRS Publication No. 1075 posted 12-22-2016 - In performance of this SOW, IBM agrees to comply with and assume responsibility for compliance by its employees with the following requirements to the extent applicable to the work performed by IBM under this SOW:

(1) All work will be performed under the supervision of IBM or IBM's responsible employees.

(2) IBM and IBM's employees with access to or who use FTI must meet the background check requirements defined in IRS Publication 1075.

(3) Any Federal tax returns or return information (hereafter referred to as returns or return information) made available shall be used only for the purpose of carrying out the provisions of this SOW. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this SOW. Inspection by or disclosure to anyone other than an officer or employee of IBM is prohibited.

(4) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output and products will be given the same level of protection as required for the source material.

(5) No work involving returns and return information furnished under this SOW will be subcontracted without prior written approval of the IRS.

(6) IBM will maintain a list of employees authorized access. Such list will be provided to Client and, upon request, to the IRS reviewing office.

(7) Client will have the right to void this SOW if IBM fails to provide the safeguards described above.

Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as $5,000 or imprisonment for as long as five years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized future disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than $1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC Sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1. Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this SOW. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this SOW. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as $1,000.00 or

imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount equal to the sum of the greater of $1,000.00 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. The penalties are prescribed by IRC Sections 7213A and 7431 and set forth at 26 CFR 301.6103(n)-1. Additionally, it is incumbent upon IBM to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than $5,000. Granting IBM access to FTI must be preceded by certifying that each individual understands Client's security policy and procedures for safeguarding IRS information. IBM must maintain its authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in Client's files for review. As part of the certification and at least annually afterwards, IBM must be advised of the provisions of IRC Sections 7431, 7213, and 7213A (see Exhibit 4, Sanctions for Unauthorized Disclosure, and Exhibit 5, Civil Damages for Unauthorized Disclosure, of Publication 1075). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See Section 10 of Publication 1075) For both the initial certification and the annual certification, IBM should sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

The IRS and Client, with 24 hour notice, shall have the right to send its inspectors into the offices and plants of IBM to inspect the facilities and operations performing any work with FTI under this SOW for compliance with requirements defined in IRS Publication 1075. The IRS' right of inspection shall include the use of manual and/or automated scanning tools to perform compliance and vulnerability assessments of information technology (IT) assets that access, store process or transmit FTI. On the basis of such inspection, corrective action may be required in cases where IBM is found to be noncompliant with contract safeguards.

f.  No provision of the SOW or Agreement will constitute or be construed as a waiver of any of the privileges, rights, defenses, remedies, or immunities available to Client as an agency of the State of Texas or otherwise available to Client.

g.  Notwithstanding any provision of the SOW or Agreement to the contrary, IBM understands that Client is bound by the provisions of the Texas Public Information Act (formerly the Texas Open Records Act) as interpreted by judicial opinions and opinions of the Texas Attorney General's Office. In accordance with Section 2252.907, Texas Government Code, IBM is required to make any information created or exchanged with Client pursuant to this SOW and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to Client. In order to comply with such requirement, any information created or exchanged with Client shall be in word, excel, or pdf format, as applicable.

h.  This SOW may be executed in one or more counterparts, each of which is an original, and all of which constitute only one agreement between the parties.

i.  IBM represents and warrants that it is not engaged in business with Iran, Sudan, or a foreign terrorist organization, as prohibited by Section 2252.152 of the Texas Government Code.

This SOW, its Appendices and the Agreement identified below, are the complete agreement regarding Services, and replace any prior oral or written communications, representations, undertakings, warranties, promises, covenants, and commitments between you and IBM regarding the Services.

Each party accepts the terms of this SOW by signing this SOW (or another document that incorporates it by reference) by hand or, where recognized by law, electronically. Once signed, please return a copy of this document to the IBM address shown below. Any reproduction of this SOW made by reliable means is considered an original. If there is a conflict between the terms of this SOW and the Agreement, the terms of this SOW will govern.

**Agreed to:**

Texas Comptroller of Public Accounts

By:

_____
Authorized signature

Title: Deputy Comptroller

Name (type or print): Lisa Craven

Date: 9-25-18

CPA CMD No. 18-6692LV

SOW ID# CPA-000014

Hershel Becker
Hershel Becker
Chief Procurement Officer
Department of Information Resources
Date: 9/27/2018 | 11:35 AM CDT

**Agreed to:**

International Business Machines Corporation

By:

_____
Authorized signature

Title: Sr. Contracts Manager

Name (type or print): Dayle R. Aldrich

Date: September 24, 2018

Agreement name: IBM Customer Agreement

Agreement number/date: DIR-TSO-3996

Statement of Work number: GE-EFRWQNF

IBM Fax number: 845-491-5207

IBM E-mail address: emaschha@us.ibm.com

# Appendix A: Project Procedures

## A - 1: Project Change Control Procedure

A Project Change Request ("PCR") is used to document a change and the effect the change will have on the Services. Both parties will review the PCR and agree to implement it, recommend it for further investigation, or reject it.

IBM and you may determine that it is necessary to exceed the number of estimated hours for the Services as stated in the "Charges" section. In such event, you may authorize additional hours and funding by written request. The request must reference the SOW number. Through the end of the calendar year (i.e., December 31) during which this SOW is originally executed, additional hours, funding, and End Date extension may be requested in writing, at the originally contracted hourly rate, specified in the "Charges" section. All requested changes will require execution of a Project Change Request.

A PCR must be accepted by authorized representatives from both parties to authorize implementation of any agreed changes to the SOW and the Agreement. Until a change is agreed to, both parties will continue to act in accordance with the latest agreed version of the SOW.

PCR that has been signed by authorized representatives from both parties constitutes a change authorization for purposes of this SOW and the Agreement. The Deputy Comptroller is the authorized representative for the Texas Comptroller of Public Accounts for any PCR which results in a cost increase above the Total Estimated Charges set forth in Section 7 of the SOW.

## A - 2: Deliverable Materials Acceptance Procedure

Except for Status Reports and Project Plans/Schedules, deliverable Materials as defined herein will be reviewed and accepted in accordance with the following procedure:

a.     One printed draft of the deliverable Material will be submitted to your Project Manager. It is your Project Manager's responsibility to make and distribute additional copies to any other reviewers.

b.     Within five business days of receipt, your Project Manager will either accept the deliverable Material or provide the IBM Project Manager a written list of requested revisions. If IBM receives no response from your Project Manager within five business days, then the deliverable Material will be deemed accepted.

c.     The IBM Project Manager will consider your timely request for revisions, if any, within the context of IBM's obligations under this SOW.

d.     Those revisions agreed to by IBM will be made and the deliverable Material will be resubmitted to your Project Manager, at which time the deliverable Material will be deemed accepted.

e.     Those revisions not agreed to by IBM will be managed in accordance with Appendix A-1: Project Change Control Procedure.

## A - 3: Escalation Procedure

Client and IBM will meet to resolve issues relating to the Services.

a.     If an issue is not resolved within three (3) business days, Client's executive sponsor will meet with the IBM Project Manager to resolve the issue.

b.     If the conflict is resolved, the resolution will be addressed through the Project Change Control Procedure.

c.     While a conflict is being resolved, IBM will provide Services relating to items not in dispute, to the extent practicable pending resolution of the conflict; Client agrees to pay invoices per this SOW and the Agreement in accordance with the Texas Prompt Payment Act, Chapter 2251 of the Texas Government Code.

# Appendix B: Materials

### B - 1:  Weekly Status Reports

**Purpose:** This deliverable is intended to report consulting time used by IBM on a weekly basis.

**Content:** Activities completed during the week, activities next planned or in process, list of milestones and related status, issues or risks.

**Content: Delivery:** IBM will deliver one (1) copy of this document in softcopy format.

### B - 2:  Information Server Pre-Installation Questionnaire

**Purpose:** This document in intended to capture Client environment specification.

**Content:** This Deliverable will consist of questions related to Client environment.

**Delivery:**  IBM will deliver one (1) copy of this document in softcopy format.

### B - 3:  Information Server Installation Planning Document

**Purpose:** This document is intended to validate Client hardware and software specific prerequisites.

**Content:** This Deliverable will consist of prerequisites checklist based on Client's specific environment.

**Delivery:**  IBM will deliver one (1) copy of this document in softcopy format.

### B - 4:  Information Server Installation Build Book

**Purpose:** This deliverable documents the install process and/or results for the IIS install processes.

**Content:** This Deliverable will consist of the following, as appropriate:

- Step-by-step listing of the steps that were performed during the installation
- Values provided for configuration parameters used during the installation
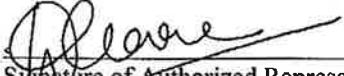- A list of any issues encountered during the installation and steps taken to overcome them.

**Delivery:**  IBM will deliver one (1) copy of this document in softcopy format.

## NONDISCLOSURE AGREEMENT FOR
## IBM STATEMENT OF WORK
## NUMBER GE-EFRWQNF

In consideration of Texas Comptroller of Public Accounts ("CPA") communicating with International Business Machines Corporation ("IBM") regarding IBM Statement of Work Number GE-EFRWQNF (the "Contract") and because of the sensitivity of certain information provided to IBM, both parties agree that all information regarding CPA or gathered, produced, collected or derived from or related to the Contract, or provided to IBM under the Contract ("Confidential Information") must remain confidential subject to release only upon prior written approval of CPA, and more specifically agree as follows:

1. The Confidential Information may be used by IBM only to assist IBM in connection with the business relationship contemplated in the performance of the Contract with CPA.

2. IBM shall not, at any time, use the Confidential Information in any fashion, form, or manner except in its capacity as independent contractor to CPA.

3. Unless otherwise provided in the Contract, IBM agrees to maintain the confidentiality of all Confidential Information in the same manner that it protects the confidentiality of its own materials of like kind, but in no event less than reasonable care. IBM shall take reasonable precautions to protect the Confidential Information including, but not limited to, not disclosing Confidential Information in any manner to any person, firm, or entity, except for authorized employees, agents, or contractors of IBM with a need to know who are bound by confidentiality obligations at least as stringent as those contained in this agreement prior to any disclosure of such Confidential Information.

4. The Confidential Information may not be copied, reproduced, disclosed, distributed, or otherwise divulged without CPA's prior written approval. Confidential Information and any copies thereof shall be CPA's exclusive property.

5. All Confidential Information made available to IBM, including copies thereof, must be returned to CPA upon the first to occur of (a) expiration or termination of the Contract, or (b) request by CPA.

6. The foregoing does not prohibit or limit IBM's use of the information (including, but not limited to, ideas, concepts, know-how, techniques and methodologies) (a) previously known to it, provided such prior knowledge was not subject to a confidentiality obligation, (b) independently developed by it, (c) acquired by it from a third party under no obligation of confidentiality to CPA, (d) which is or becomes part of the public domain through no breach by IBM of this nondisclosure agreement or other contractual obligations to CPA, or (e) approved by CPA in writing for unrestricted disclosure.

7. If IBM is required by applicable law, regulation, or legal process to disclose any Confidential Information, then IBM shall provide CPA with prompt notice of any such requirement prior to delivery of the Confidential Information to allow CPA a reasonable opportunity to seek a protective order or equivalent.

8. This nondisclosure agreement shall become effective as of the date Confidential Information is first made available to IBM and shall survive the expiration or termination of the Contract and be a continuing requirement until such time that IBM (i) returns or (ii) destroys, with CPA's written agreement, all such Confidential Information.

9. The breach of this nondisclosure agreement by IBM shall entitle CPA to immediately terminate the Contract with IBM upon written notice to IBM for such breach. The parties acknowledge that the measure of damages in the event of a breach of this nondisclosure agreement may be difficult or impossible to calculate, depending on the nature of the breach. IBM will be responsible for direct damages for which IBM is legally liable for disclosing CPA's Confidential Information. CPA does not waive any right to seek additional relief, either equitable or otherwise, concerning any breach of this nondisclosure agreement.

10. This nondisclosure agreement is governed by and construed under the laws of the State of Texas. Any and all obligations of this agreement are due in Travis County, Texas and venue is proper in only such county.

International Business Machines Corporation

Signature of Authorized Representative

DIVAKARAN PERMALLA
SERVICES DELIVERY MANAGER
Printed Name & Title of Authorized Representative

9|17|18
Date Signed

Texas Comptroller of Public Accounts

Signature of Authorized Representative

Lisa Craven, Deputy Comptroller
Printed Name & Title of Authorized Representative

9-25-18
Date Signed

CPA CMD No. 18-6692LV