

Candy Hancock
Purchasing

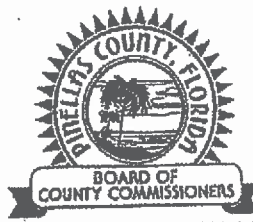
No. 17
BCC 12-05-06
9:33 A.M. PENHALE/Schmidt/Kennare

#17 Final negotiated contract for Software, Customer Information System (CIS) for Utilities with ADS Alliance Data Systems, Inc. approved for execution (Contract No. 056-30-P) (negotiated maximum proposed fee of \$13,825,241.00, including one-time purchase of software licenses and implementation and five years of total operating costs and funds for one major software release upgrade); Chairman authorized to execute service and software license agreements and Clerk to attest.

Director of Utilities Customer Services Tim Wiley conducted a slide presentation titled *Utilities - CIS Project*, a copy of which has been filed and made a part of the record; and responding to queries by Commissioner Stewart, indicated that the target date to commence the project is January 2007; that the system is expected to go live in January 2008; and that there will be no current impact on rates.

Motion	-	Commissioner Latvala
Second	-	Commissioner Seel
Vote	-	6 - 0

RECEIVED
DEC 13 2006
PURCHASING



BOARD OF COUNTY COMMISSIONERS

BOARD APPROVED

12/5/06

DATE

ITEM # 17

DATE: December 5, 2006
AGENDA ITEM NO. 17

Consent Agenda

Regular Agenda

Public Hearing

County Administrator's Signature *[Signature]*

Subject:

Approval of Final Negotiated Contract - Software, Customer Information System
Contract No. 056-30-P(JL)

Department:

Utilities / Purchasing

Staff Member Responsible:

Pick Talley / Joe Lauro

Recommended Action:

I RECOMMEND THE BOARD OF COUNTY COMMISSIONERS (BOARD) APPROVE THE FINAL NEGOTIATED CONTRACT FOR PURCHASE OF A CUSTOMER INFORMATION SYSTEM (CIS) FOR UTILITIES WITH ADS ALLIANCE DATA SYSTEMS, INC, (ALLIANCE DATA), DALLAS, TEXAS.

IT IS FURTHER RECOMMENDED THAT AFTER PROPER EXECUTION OF THE SERVICE AND SOFTWARE LICENSE AGREEMENTS BY THE CHAIRMAN, THE CLERK BE AUTHORIZED TO ATTEST.

Summary Explanation/Background:

On June 20, 2006, the Board approved the ranking of firms for the purchase of a CIS for Utilities and authorized staff to negotiate with the number one ranked firm, Alliance Data. All hardware, operating systems, application software, operational, technical and hosting services will be provided by Alliance Data. Negotiation was centered on deliverables, contract terms schedule and fees. Major highlights of negotiation included but was not limited to:

- The negotiated maximum proposed fee of \$13,825,241.00 includes one-time purchase of software licenses and implementation and five (5) years of total operating costs and funds for one major software release upgrade.
- Full "Transition Approach" to provide for the successful transition of services with minimal interruption.
- Implementation services using a structured change management program for the provision of a full CIS solution to replace the existing 30-year legacy system.
- Staff training to ensure competencies necessary for using the features of the CIS solution.
- Integration of interfaces of the CIS solution with approximately 15 other software and/or subsystems to support the customer service functions.
- Identification of key personnel for implementation and operational services.
- Detailed time line with implementation and "go-live" dates established.
- Report development for business reports and data management.
- Service level agreements for system performance.
- Business continuity and disaster recovery support for system availability.
- Software point release coordination and implementation.
- Full bill printing and mailing services for existing operational requirements.

Upon Board consideration and approval of the final software and service agreements, staff will begin the process of project implementation with the assistance of our consultant, Langham Consulting Services (Langham). The services required from Langham will be addressed via a companion agenda memo.

The time line for project implementation is estimated at 385 days from notice to proceed. The contract also contains "operational services" which is defined as the hosting and bill print/mail functionality to be billed at \$.091 per active customer and \$.07 per mailed piece respectively. The term for operational services is for five (5) years from the go-live date with the potential of two (2), two-year contract renewals.

The CIS solution offered by Alliance Data synergizes the need for PCU to implement an "out-of-the-box" solution using mySAP CCS software with Alliance Data's proven and reliable CIS application implementation and hosting services. The approach used by Alliance Data and their partners targets an industry proven software application to meet PCU's mission critical customer service requirements combined with a rapid and low risk implementation approach to ensure project success. Alliance Data's core competencies include operating/hosting customer care and billing business processes with guaranteed service level commitments. This partnership includes training for users to become proficient in the features and performance of the system.

Fiscal Impact/Cost/Revenue Summary:

Application software costs for 6 years	\$1,652,082.00
Implementation costs fully loaded	\$4,032,985.00
Hosting services for 5 years	\$6,640,174.00
Contingency for one major software upgrade	\$1,500,000.00
Total cost of ownership for 6 years	\$13,825,241.00

The costs of this project have been budgeted and included in the current water and sewer rate structure.

Exhibits/Attachments Attached:

1. Contract Review
2. Software License Agreement; Matrices are Available for Review in Board Records
3. Professional Services Agreement; Exhibits are Available for Review in Board Records
4. Board Order and Agenda Form dated June 20, 2006
5. Detailed Cost Analysis



CONTRACT REVIEW TRANSMITTAL SLIP

OBJECT: Approval of Final Negotiated Contract - Software, Customer Information System

RFP NUMBER: 056-30-P (JL) REQ. NUMBER:

TYPE: Purchase Contract Construction-Less than \$100,000 One Time Other:

In accordance with the policy guide for Contract Administration, the attached documents are submitted for review and comment.

Upon completion of review, complete Contract Review Transmittal Slip and forward to the next Review Authority on the list. Please indicate suggested changes by revising, in RED, the appropriate section of the document reflecting the exact wording of the change.

RISK MANAGEMENT: Please enter required liability coverage on pages: PRODUCT ONLY
 This is an annual/semi-annual/one-time requirement contract. Estimated Expenditure: \$13,816,952.00 (6 year period)

REVIEW SEQUENCE	REVIEW AUTHORITY	REVIEW DATE	REVIEW SIGNATURE	COMMENTS (Attach Separate page if necessary)	COMMENTS INCORPORATED
1.	Purchasing Dept. Joe Lauro	10/17/06	<i>[Signature]</i>		
2.	Utilities Attn: Tim Wiley / Bob Mitchell	10/17/06	<i>[Signature]</i>	Correct delivery addresses SAP appendices 1, 2, 3. ADS Section A, had to complete definitions.	<i>[Signature] OK</i>

ing Dept please check attached vendor list. Circle vendors you want bids mailed to. Add additional vendors with complete information you would like solicited that are not on this list. We need Name, Address, Phone and Fax.

3.	Risk Management Attn: Loretta Hunter (Check applicable box at right)	10/17/06	<i>[Signature]</i>		HIGH RISK <input checked="" type="checkbox"/> NOT HIGH RISK
4.	Information Systems ^{10/27/06} <i>[Signature]</i> Attn: James Garoutsos	10/17/06	<i>[Signature]</i>	Don Lord & I reviewed comments inside	<i>[Signature] OK</i>
5.	BCC Finance Attn: Michelle Farmin	10/26/06	<i>[Signature]</i>		
6.	Asst. County Administrator Attn: Pick Talley	10/27/06	<i>[Signature]</i>		
7.	Asst. County Administrator Attn: Mark Woodard	11/1/06	<i>[Signature]</i>		
8.	Legal Attn: Michelle Wallace	1/13/06	<i>[Signature]</i>	1. Changes to ADS as <i>[Signature]</i> New by CA office. 2. Changes to AOB as <i>[Signature]</i> Negotiated by CA office.	<i>[Signature] OK</i>

RETURN TO PURCHASING *Joseph Mirrissa*

All inquiries should be made to: Joe Lauro, CPPO, Director at Extension 4-4710

der to meet the following schedule, please return your requirements to Purchasing by: **ASAP**

TENTATIVE DATES

Legal Ad-BID/RFP Mail Out:
BID/RFP Opening:
Board/County Admin/Purchasing Director Approval:

Candy Mancuso
Purchasing

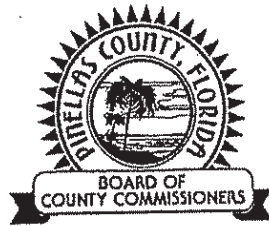
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PROFESSIONAL SERVICES AGREEMENT

BETWEEN

PINELLAS COUNTY, FLORIDA

AND

ADS ALLIANCE DATA SYSTEMS, INC.

DATED: 12/06/06

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PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (Master Agreement), dated as of Dec. 6, 2006 (the "Reference Date"), is entered into between Pinellas County, a political subdivision of the State of Florida, with offices located at 14 South Fort Harrison Avenue, Clearwater, Florida 33756 ("Client"), and ADS Alliance Data Systems, Inc., a Delaware corporation, with offices located at 17655 Waterview Parkway, Dallas, Texas 75252 ("Supplier").

RECITALS

- A. Client desires to contract with Supplier to receive the Work Products and Services (as defined herein) in accordance with the Service Levels (as defined herein), and the other requirements of this Master Agreement; and
- B. Supplier has represented that it has the professional skills, experience, personnel, technology and other resources necessary to provide the Services as required by the Client's RFP # 056-30-P (JL), hereby fully incorporated herein by reference, and this Master Agreement, and desires to contract with Client to provide the Services as set forth herein;

AGREEMENT

In consideration of the foregoing Recitals (which are incorporated herein) and the mutual covenants and agreements contained herein, the parties hereto agree as follows:

1. Term

This Master Agreement shall be effective as of the Reference Date and shall continue in effect for a period of five (5) years after the Go-Live Date (the "Initial Term"), unless earlier terminated as provided herein. At the end of the Initial Term, this Master Agreement is subject to two subsequent two (2) year renewal periods (each, an "Extended Term"), at the request of Client no later than one-hundred eighty (180) days prior to the expiration of the Initial Term or any Extended Term. As used herein, the word "Term" shall include the Initial Term and any Extended Terms. In addition, upon any expiration or termination of this Master Agreement, the Term shall be extended as set forth in Section 24 (Termination/Expiration Assistance Services).

2. Services

2.1 Transition Services

2.1.1 Supplier shall provide to Client the transition services described in, and in accordance with the Exhibit G (Services) and Exhibit J (Transition Approach). Supplier shall use commercially reasonable efforts to provide the transition services without (i) disrupting or adversely impacting the business or operations of Client or Client Authorized Users, (ii) degrading the Services being provided, or (iii) interfering with the ability of Client or Client Authorized Users to obtain the full benefit of the Services, except as may be otherwise provided in the Project Plan.

2.1.2 Client understands that it will be integral to the Project Plan and Supplier's activities depend on Client carrying out its roles and responsibilities. Supplier shall not be responsible for its obligations that are dependent on Client's performance of its obligations to the extent Client has failed to carry out their obligations.

2.2 Services

As of the Reference Date and continuing throughout the Term, the Supplier shall provide the Services to Client and the Authorized Users. Supplier shall provide the Services to Client as

an integrated service offering in accordance with this Master Agreement and without regard to the lines of business, intra-Affiliate relationships, or geographic locations within Supplier's organization from which such Services are offered, or the internal profit center within Supplier's organization to which the financial accounting for a Service is ultimately attributed.

2.3 Supplier Systems

Except as specifically set forth in this Master Agreement, Supplier shall provide all Supplier Systems, Supplier Intellectual Property, Supplier Third Party Intellectual Property, Supplier Personnel, and other resources necessary to provide the Services in accordance with Exhibit G (Services), Service Levels and other performance requirements of this Master Agreement. To the extent specific Supplier Systems, Intellectual Property, tools, policies, procedures, and/or guidelines are identified, referenced, or referred to in the Master Agreement or any Exhibits, such Supplier Systems, Intellectual Property, tools, policies, procedures, and/or guidelines shall include any amendments, modifications, updates, and/or replacements to such items during the Term of this Master Agreement. Supplier shall be responsible for the proper performance and maintenance of the Supplier Systems. Supplier shall be responsible for the risk of loss of, and damage to, Supplier Systems. For all Supplier Systems, and specifically excluding SAP CCS, Supplier shall, upon reasonable notice to Client, and at no additional cost to Client, replace, upgrade, and provide additional Supplier Systems as may be necessary for Supplier to perform the Services in accordance with the Service Levels and as provided in this Master Agreement. For the SAP CCS application, Supplier shall, at no additional cost to Client, execute ongoing patch and release management for the SAP CCS application, associated third party software and database as well as one major technical upgrade/release upgrade during the Term of this Master Agreement. Notwithstanding the above, to the extent Client has requested that Supplier include any of Client Intellectual Property in the Supplier Systems, Supplier shall not be responsible for the performance, maintenance, replacements, or upgrades of such Client Intellectual Property. For clarification, the SAP CCS application shall not be considered Supplier or Client Intellectual Property. Except as otherwise provided herein, Supplier shall only perform such maintenance, replacements or upgrades to the SAP CCS application as requested by Client, and at Client's sole expense. Client and Supplier acknowledge and agree that Client has licensed the SAP CCS application from SAP, which license agreement is attached hereto as Exhibit R (SAP License and Maintenance Agreements) and all software warranties associated with this software license are held directly by Client. It is further agreed by the parties that since the SAP CCS application and its performance is absolutely critical and necessary for the Supplier to provide the Services contracted hereunder, the Supplier shall act as an authorized agent of Client for the purpose of providing Services as set forth in this Master Agreement and as needed in addressing warranty issues associated with the SAP CCS application. Notwithstanding the foregoing, Client maintains direct right to and responsibility for any legal action relative to the warranties and representations set forth in the SAP software license.

2.4 Supplier / Third Party Intellectual Property

Supplier shall procure any additional Supplier Intellectual Property and Supplier Third Party Intellectual Property required under this Master Agreement or, in its sole discretion, to provide the Services, meet Service Levels, or otherwise comply with this Master Agreement.

2.5 Licenses and Permits

Supplier is responsible for obtaining all licenses, approvals, permits and authorizations required by applicable federal, state, or local laws or regulations that Supplier is required to have in order to perform the Services and, except as otherwise agreed to in writing by the parties or as otherwise provided in this Master Agreement, Supplier is financially responsible for all fees, costs and taxes associated with such licenses, approvals, permits and authorizations. Supplier shall provide to Client, subject to the terms of Section 26 (Confidentiality), all such licenses, approvals, permits and authorizations within five (5) Business Days after Supplier's receipt of Client's written request.

2.6 Reporting Services

In order to monitor the status, performance, and quality of the Services provided to Client, Supplier shall provide Client with various written reports described in Exhibit L (Reports). Client may amend Exhibit L (Reports) in its sole discretion to modify, add or subtract reports, without additional charge or cost to Client, within the annual bank of 160 development hours as set forth in Exhibit C (Fees & Costs) of this Master Agreement. Unless stated otherwise in a Statement of Work or as directed by Client, each of such reports shall be comprised of one (1) hard copy and (1) electronic copy to be delivered to each of Client's Outsourcing Relationship Executive and any other individuals designated by Client, together with a formal transmittal letter executed by Supplier's Client Executive.

2.7 Data Protection and Privacy

Supplier shall comply with its data protection and privacy procedures which shall be consistent with industry practices. In addition, Supplier shall perform a reference and criminal background investigation on all Supplier Personnel with access to Client Data or Supplier Systems. Supplier shall not permit any Supplier Personnel who have been convicted of a crime of dishonesty, breach of trust, or money laundering to provide Services under this Master Agreement, or to have access to any Client Proprietary or Confidential Information or Client Data.

2.8 Change Management

The parties agree to follow the procedures set forth on Exhibit B (Change Control Procedures) with respect to any proposed changes to the Services.

2.9 New Services

A. Statement of Work Proposal for New Services

If Client requests that Supplier perform any New Services, Supplier shall promptly prepare a proposed Statement of Work for New Services for Client's consideration, in the format and structure designated by Client. Supplier shall prepare such proposed Statement of Work at no additional charge to Client. Supplier shall deliver such proposal to Client within no more than ten (10) Business Days of its receipt of Client's request (or such longer period as may be agreed upon by the parties in writing). A Statement of Work proposal shall comply with the Change Control Procedures set out in Exhibit B, and shall include, among other things: (i) a detailed project plan and fixed price or price estimate for the New Service; (ii) a detailed breakdown of such price or estimate, including labor, material, and other related financial components; (iii) a detailed description of the New Service and the service levels to be associated with such New Service; (iv) a schedule for commencing and completing the New Service, including a detailed transition or implementation plan; (v) a description of the new hardware or software to be provided by Supplier in connection with the New Service; (vi) a description of the software, hardware and other resources necessary to provide the New Service; and (vii) any additional facilities or labor resources to be provided by Client in connection with the proposed New Services. Client may accept or reject any New Services proposal in its sole discretion. Unless the parties otherwise agree in writing, if Client accepts Supplier's proposal, the parties shall execute the Statement of Work, and Supplier will perform the New Services and be paid in accordance with the Statement of Work and the provisions of this Master Agreement. Upon execution of a Statement of Work for New Services, the scope of the Services included in the Fees will be expanded and this Master Agreement will be modified to include such New Services. All New Services require prior Client Approval.

B. Competing Bids

Client may elect to solicit and receive bids from third parties to perform any New Services. If Client elects to use third parties to perform New Services, (i) such New Services shall not be deemed "Services" under the provisions of this Master Agreement and (ii) Supplier shall cooperate with

such third parties as necessary to implement such New Services, all in accordance with Section 26 (Confidentiality).

3. Client Approvals / Unapproved Work

Client shall have the right to reject, and not be obligated to pay for the performance of any services, that are not authorized by Client pursuant to a validly executed Statement of Work or Change Order (collectively, "Unapproved Services"). Supplier's monthly invoices shall detail separately Fees for New Services, with reference to the specific numbered Statement of Work or Change Order constituting the Client Approval. Client will promptly raise any disputes relating to Supplier's failure to obtain the necessary Client Approvals for the Services promptly upon discovery of such dispute.

4. Service Levels

4.1 Service Level Agreements

Supplier shall provide the Services in accordance with the Exhibit G (Services) and Exhibit E (Service Level Agreement) and other requirements of this Master Agreement. Such Service Level Performance Credits and Performance Incentives as set forth in Exhibit E (Service Level Agreement) shall not apply to failures occurring during the Burn-In Period as set forth in Exhibit E (Service Level Agreement), or to any failures resulting from: (i) components for which Client is responsible; (ii) the action or inaction of Client's personnel; (iii) changes made to the environment which are not made in accordance with the change management procedures set forth in Exhibit B (Change Control Procedures); (iv) Client's failure to perform Client's obligations under this Master Agreement to the extent such failure materially affects Supplier's ability to meet the applicable Service Levels; (v) the occurrence of an Extraordinary Event as set forth in Section 30 (Extraordinary Events); or (vi) any act or omission of a third party, excluding any Subcontractor of Supplier, or any other event beyond the control of Supplier.

4.2 Root-Cause Analysis and Resolution

Upon Supplier's failure to provide the Services in accordance with the Exhibit G (Services) and Exhibit E (Service Level Agreement), within ten (10) Business Days of Client's request (or as otherwise agreed by the parties), Supplier shall: (a) provide such services necessary to identify the cause of such failure or problem, (b) correct such failure or problem, (c) provide Client with a written report detailing the cause of, and procedures for correcting, such failure or problem, and (d) provide Client with reasonable evidence that such failure or problem will not reoccur. The foregoing does not limit other remedies available to Client.

5. Client Designee

Any third party outsourcing vendor contractor, agent, or other person or entity designated by Client in writing and approved by Supplier in writing, which approval shall not be unreasonably withheld, (the "Client Designee") shall be entitled to enforce and/or perform any responsibilities, obligations, or other provisions attributed to Client under this Master Agreement. Supplier shall fully cooperate, communicate, coordinate with, and respond to all the requests of the Client Designee, and Supplier will provide the Client Designee appropriate information in the possession of Supplier relating to the Services. Supplier shall be entitled to reasonably rely on the Client Designee, provided, however, that Client Approval shall be required for any work effort requested by a Client Designee that is reasonably anticipated to result in additional fees and/or expenses. Client shall be entitled to amend and/or terminate its use of the Client Designee at any time upon advance notice to Supplier. Client will require each Client Designee to enter into an agreement containing appropriate confidentiality and non-use provisions with respect to Supplier Proprietary or Confidential Information. Client shall remain responsible to Supplier for any and all performance required under this Master Agreement by Client. Client shall be entitled to

provide the Client Designee with Supplier Proprietary or Confidential Information as required for the Client Designee to provide its services to Client pursuant to this Section.

6. Service Locations

6.1 Service Locations

The material Services shall be provided at the Client Sites and the Supplier Service Locations as set forth on Exhibit I (Service Locations). Supplier may move its Supplier Service Locations upon notice to the Client.

6.2 Safety and Security Procedures

A. Supplier shall maintain and enforce at the Supplier Service Locations safety and security procedures in accordance with industry standards for such Supplier Service Locations.

B. At all Client Sites, Supplier shall comply with Client's Policies and Procedures as set forth in Exhibit F (Client Policies & Procedures). Supplier shall observe and comply with all Client rules (disclosed to Supplier or Supplier Personnel in writing or by other means generally used by Client to disseminate such information to employees or contractors) with respect to safety, health, security, and the environment, and shall take all commercially reasonable action necessary to avoid injury, property damage, spills or emissions of hazardous substances, materials or waste, and other dangers to persons, property or the environment. To the extent required by Client, Supplier Personnel shall receive prescribed training from Client without charge prior to entering certain Client Sites.

C. In addition to the foregoing requirements, and as more specifically described in any Statement(s) of Work, Supplier shall adopt security measures for itself and its employees which shall include, but not be limited to:

(i) The development, updating, monitoring, and enforcement of an information security, access, and confidentiality policy;

(ii) Prohibition of the disclosure of Proprietary or Confidential Information within Supplier's organization except to individuals identified as requiring access to such information solely to perform Supplier's obligations under this Master Agreement;

(iii) Precluding access to Proprietary or Confidential Information by any Supplier Personnel until such individual has been trained with regard to the handling of the Proprietary or Confidential Information, use of security measures identified herein, and has executed Supplier's form confidentiality agreement;

(iv) Requiring all new Supplier Personnel to execute Supplier's form confidentiality agreement;

(v) Providing each individual authorized to access Proprietary or Confidential Information with a unique access code and notifying such individual that disclosure of any password, access code, or security device shall result in disciplinary action, including termination;

(vi) Promptly canceling any password or security access code when an individual is terminated, transferred, or on a leave of absence;

(vii) In the event any Supplier Personnel is terminated involuntarily, ensuring that the individual's access to Proprietary or Confidential Information is blocked upon notifying the individual of the involuntary termination; and

(viii) Maintaining audit trails with regard to access by Supplier Personnel to the Supplier's Systems, Supplier shall investigate any security breach resulting in unauthorized access to such data, and provide additional security protections, at no additional charge to Client, to correct any security deficiencies identified by Client and attributable to Supplier.

7. Business Continuity and Disaster Recovery

Supplier shall maintain a plan to address business continuity and disaster recovery procedures (the "Business Continuity and Disaster Recovery Plan") with respect to the Supplier Systems, Supplier Service Locations, and Services, and shall implement such plan in the event of any unplanned interruption of the Services (including without limitation, any unplanned interruption of the use of, or access to, the Supplier Systems).

8. Disaster Avoidance

Supplier shall maintain disaster avoidance procedures designed to safeguard Client Data and the data processing capability, and availability of the Services, throughout the Term.

9. Communications Systems and Access to Information

To the extent required for Supplier to provide the Services, Supplier understands that Supplier may receive access to Client's computers and electronic communications systems ("Systems"), including voicemail, email, customer databases, and internet and intranet systems. Such Systems are intended for legitimate business use related to Client's business. Supplier acknowledges that Supplier does not have any expectation of privacy as between Supplier and Client in the use of or access to Client's Systems and that all communications made with such Systems by or on behalf of Supplier are subject to Client's scrutiny, use and disclosure (subject to the protections of Proprietary or Confidential Information herein), in Client's sole discretion. Client reserves the right, for business purposes, to monitor, review, audit, interpret, access, archive and/or disclose (subject to the protections of Proprietary or Confidential Information herein) materials sent over, received by or from, or stored in any of its Systems. This includes, without limitation, email communications sent by users across the Internet and intranet from and to any and all domain names maintained by Client. Client reserves the right to override any security passwords to obtain access to Client's Systems. Supplier also acknowledges that Client reserves the right, for legitimate business purposes related to investigations of wrongful use of Client's Systems, to search all work areas at Client Sites (for example, offices, cubicles, desks, drawers, cabinets, computers, computer disks and files) and all personal items brought onto Client Sites.

10. Services Team

10.1 Supplier Key Employees

As of the Reference Date and from time to time as Client and Supplier may agree during the Term, but no less frequently than annually, Client and Supplier shall designate certain employees of Supplier or Supplier's Subcontractors as key employees (collectively, the "Supplier Key Employees," and, individually, each "Supplier Key Employee"). The initial Supplier Key Employees shall be those individuals and or roles listed in Exhibit M (Supplier Key Employees). Any replacement(s) for such individuals shall also constitute Supplier Key Employees. For each of the Supplier Key Employees, Supplier shall (1) present each candidate for Supplier Key Employee positions for Client's review and approval, and (2) replace this individual when required or permitted pursuant to this Section 10.1 (Supplier Key Employees) or Section 10.2 (Supplier Personnel). Supplier shall not reassign or replace any Supplier Key Employees during the first year (1) year of his or her assignment unless: (1) Client consents in writing to such reassignment or replacement; or (2) the individual (a) voluntarily resigns from Supplier, (b) is dismissed by Supplier for (i) misconduct (e.g., fraud, drug abuse, theft) or (ii) unsatisfactory performance in respect of his or her duties and responsibilities to Client or Supplier, (c) is removed from the Supplier Personnel pursuant to Section 10.2 (Supplier Personnel), or (d) is unable to

work due to his or her death or disability (subparts (1) and (2) are collectively referred to as "Approved Reassignments"). Except for a replacement or reassignment of the Supplier Key Employees due to the occurrence of an Approved Reassignment, Supplier shall not reassign or replace any Supplier Key Employee, if such reassignment or replacement would materially disrupt Client's operations, until the completion of any projects to which the Supplier Key Employee is assigned. No Approved Reassignment of a Supplier Key Employee shall occur without at least thirty (30) days prior written notice to Client.

10.2 Supplier Personnel

Supplier shall appoint sufficient numbers of highly qualified Supplier Personnel with suitable training, education, experience, and skills to provide the Services. While at the Client Sites, the Supplier Personnel shall, at all times: (1) comply with reasonable requests, standard rules, and regulations of Client communicated to Supplier regarding personal and professional conduct (including the wearing of an identification badge and adhering to Client regulations and general safety practices or procedures) generally applicable to such Client Sites, (2) acknowledge in writing the receipt and reading of the applicable provisions of Client's Policies and Procedures, and (3) otherwise conduct themselves in a businesslike manner. Supplier shall maintain good working conditions and policies that advocate affirmative action and promote employee development.

Should Client reasonably be dissatisfied with the performance, competence, responsiveness, capabilities, cooperativeness, or fitness for a particular task of any Supplier Key Personnel assigned by Supplier to perform services under this Master Agreement, Client may request the replacement of that person. The replacement request shall be in writing specifically setting forth the reasons for such request. Upon receipt of the request, Supplier shall make commercially reasonable efforts to furnish a qualified replacement within fifteen (15) Business Days. In the event Supplier should ever need to remove any Supplier Key Employee from performing services under this Master Agreement, Supplier shall provide Client with adequate notice, except in circumstances in which such notice is not possible, and shall work with Client on a mutually agreeable transition plan so as to provide an acceptable replacement and ensure project continuity.

10.3 Unlawful Acts / Substance Abuse

Upon notice from Client, Supplier agrees to immediately remove any Supplier Personnel who (i) engage in any criminal or unlawful acts or (ii) engage in substance abuse while on Client Sites, in a Client vehicle, or while performing Services. Substance abuse includes the sale, attempted sale, possession or use of illegal drugs, drug paraphernalia, or alcohol, or the misuse of prescription or non-prescription drugs. Supplier shall adhere strictly to its own substance abuse policy in the event of any suspected substance abuse by any Supplier Personnel. Supplier represents and warrants that Supplier has and will maintain (at all times during the Term) a substance abuse policy and that such policy will be applicable to all Supplier Personnel performing Services under this Master Agreement.

11. Management And Control

11.1 Governance

Supplier shall comply with the governance model set forth on Exhibit H (Operational Governance Guidelines).

11.2 Meetings

B. Monthly Performance Reviews

Every month, Client and Supplier shall meet to discuss the status of the Master Agreement (the "Monthly Performance Reviews"). All Monthly Performance Reviews shall, at a minimum,

address the issues set forth in the Monthly Performance Review Agenda attached hereto as Exhibit N (Monthly Performance Review - Standing Agenda). Client and Supplier shall be entitled to designate specific members of its staff to attend the Monthly Performance Reviews; provided, however, the Client Outsourcing Relationship Executive and the Supplier Client Executive shall be required to attend all Monthly Performance Reviews in person at least once per quarter or by teleconference at an agreed upon location. Supplier shall prepare a written report addressing the standing agenda issues and be prepared to discuss the reports.

D. Meetings Cumulative

The meetings set forth in this Section 11.2 (Meetings) are in addition to, and cumulative with, all other meetings set forth in a Statement of Work or otherwise requested by Client from time to time.

11.3 Client Outsourcing Relationship Executive

Client's Outsourcing Relationship Executive for this Master Agreement shall be as set forth below (or his or her designee):

Tim Wiley
Director-Customer Service
14 South Ft. Harrison Ave.
Clearwater, FL 33756
Tel: 727-464-4732
Email: twiley@pinellascounty.org

Client shall notify Supplier in writing of any change in the name or address of Client's Outsourcing Relationship Executive. Client's Outsourcing Relationship Executive shall be (i) responsible for Client's performance of its tasks under the Statements of Work; (ii) meet or confer with the Supplier Client Executive on a regular basis; and (iii) have the right to inspect any and all Services provided by or on behalf of Supplier.

11.4 Client Personnel

Unless otherwise stated in this Master Agreement, all Client personnel assigned to this project shall be under the exclusive supervision of Client. Except as otherwise provided in this Master Agreement, Supplier understands and agrees that all such Client personnel are assigned only for the convenience of Client. Client shall assign qualified personnel to perform and fulfill its obligations pursuant to this Master Agreement.

12. Consents

12.1 Obtaining Consents

Supplier shall obtain all consents, assignments, amendments, modifications, and/or approvals necessary (1) to effectuate the proper use of the Supplier Intellectual Property, Supplier Systems, Services, or any other documents, technology assets, or instruments contemplated under this Master Agreement by Supplier or Client (as appropriate) and (2) to ensure the transactions contemplated by this Master Agreement shall not result in any default with respect to any law, rule, regulation, order, decree, license, agreement, contract, commitment or instrument to which Client or Supplier is a party or by which Client or Supplier is bound ((1) and (2) collectively the "Consents"). Client shall cooperate with Supplier in obtaining required Consents. Supplier shall perform all administrative activities associated with obtaining such Consents as part of the Services. Supplier shall pay all transfer, licensing, termination, and/or other fees or expenses associated with obtaining any Consents, or terminating any licenses or agreements from Third Party Vendors as to which Supplier is unable to obtain such Consents.

12.2 Consent Remedy

If, despite documented commercially reasonable efforts, Supplier is unable to obtain a Consent, then, unless and until such Consent is obtained, Supplier shall use commercially reasonable efforts to identify and implement, subject to Client Approval, such alternative approaches as are necessary and sufficient to provide the Services without such Consent. If such alternative approaches are required for a period longer than ninety (90) days following the Reference Date, the parties will reduce the Fees (1) by any additional expenses incurred by Client arising from such failure and (2) to reflect any Services not being received by Client or the impact of such Service being provided by Supplier in an alternative fashion. In addition, if Supplier fails to obtain a Consent within ninety (90) days of the Reference Date and such failure has a material adverse impact on the Services, whether as a whole or as to any part thereof, by Client or the Authorized Users, Client may terminate this Master Agreement or any affected portion thereof without any cost or other penalty. Except as otherwise expressly provided herein, failure to obtain any Consent shall not relieve Supplier of its obligations under this Master Agreement, and Supplier shall pay any additional costs incurred by Client arising from such failure.

13. Intellectual Property

13.1 Client Intellectual Property

Subject to Section 26 (Confidentiality), Client hereby grants to Supplier, solely for the performance of the Services under this Master Agreement, a non-exclusive, non-transferable right to access, operate and use the Client Intellectual Property necessary to provide the Services. Except as may otherwise be provided in a Statement of Work, Supplier shall only use the Client Intellectual Property in the form provided by Client, and solely in connection with this Master Agreement. Supplier shall not use the Client Intellectual Property for any other purpose. Upon expiration or termination of this Master Agreement for any reason, (i) the rights granted to Supplier and Supplier Personnel in this Section shall immediately revert to Client, and (ii) Supplier shall (a) deliver to Client, at no cost to Client, a current copy of all of the Client Intellectual Property in the form in use as of the date of such expiration or termination and (b) destroy or erase all other copies of the Client Intellectual Property in Supplier's or a Supplier Personnel's possession.

13.2 Custom Intellectual Property

Client and Supplier agree that good and marketable title to any Custom Intellectual Property shall remain with Supplier. At Supplier's request and expense, Client will provide assistance to perfect Supplier rights and title to such Custom Intellectual Property. Supplier will compensate Client for such assistance in accordance with the change control procedures as set forth in Exhibit B (Change Control Procedures). Supplier grants to Client, an irrevocable, royalty-free, non-exclusive, right to access, operate and use the Custom Intellectual Property solely for Client's business purposes related to its receipt of the Services during the Term of this Master Agreement. Following the expiration or termination of this Master Agreement, and subject to the confidentiality and other restrictions set forth in this Master Agreement, Supplier may grant to Client an irrevocable, perpetual, non-exclusive right to access, operate and use the Custom Intellectual Property, and to create Derivative Works thereof, to perform services that are the same as or similar to the Services solely for its internal use. Client shall not use the Custom Intellectual Property for any other purpose.

13.3 Supplier Intellectual Property

Supplier grants to Client, an irrevocable, royalty-free, non-exclusive, right to access, operate and use the Supplier Intellectual Property solely for Client's business purposes related to its receipt of the Services during the Term of this Master Agreement. Following the expiration or termination of this Master Agreement, and subject to the confidentiality and other restrictions set forth in this Master Agreement, Supplier hereby grants and agrees to grant Client an irrevocable, perpetual, non-exclusive right to access, operate and use the Supplier Intellectual Property, and to create Derivative

Works thereof, to perform services that are the same as or similar to the Services solely for its internal use. Client shall not use the Supplier Intellectual Property for any other purpose.

13.4 Supplier Third Party Intellectual Property

Supplier shall obtain and maintain all rights that may be necessary for Supplier to access, operate and use the Supplier Third Party Intellectual Property to provide the Services as required by this Master Agreement, at Supplier's sole cost and expense. If, in order to receive the Services during the term of this Master Agreement, Client needs the right to access, operate or use the Supplier Third Party Intellectual Property, Supplier shall also obtain and maintain such rights for Client at Supplier's sole cost and expense.

13.5 Proprietary Rights

13.5.1 Except as provided below, Supplier shall, at its own cost and expense, defend Client, its Affiliates, and its and their current and former directors, officers, agents, employees, successors-in-interest and assigns (the "Client Parties" or individually, a "Client Party") from and against any claim, demand, suit, proceeding or other action (in any case, an "Infringement Claim") brought against any Client Party if the Infringement Claim is based upon a claim or allegation that any Service, Supplier Intellectual Property, Supplier Third Party Intellectual Property or Custom Intellectual Property licensed, developed or provided pursuant to this Master Agreement infringes upon any patent, copyright, trade secret or other proprietary right of any third party. Supplier's obligations with respect to Custom Intellectual Property shall be excused hereunder if and to the extent any alleged infringement is necessarily caused by (and would have been avoided but for) specific designs, plans or instructions provided by Client to Supplier. Client shall promptly notify Supplier of any such Infringement Claim if Client is in receipt of such, and at Supplier's sole expense, shall reasonably provide cooperation, information, and assistance in connection therewith. Supplier shall have sole control and authority with respect to the defense, settlement, or compromise of any such Infringement Claim, except that Supplier shall not enter into any settlement or compromise of any such Infringement Claim containing either of the following terms: (i) any admission of liability on behalf of Client, or (ii) payment of any sort by Client. Supplier shall pay all losses, costs, damages, expenses, claims, demands or other liabilities, including attorneys' fees and other costs of defense, arising from or related to any such Infringement Claim.

Without limiting Supplier's obligations set forth above, if any Service, Supplier Intellectual Property, Custom Intellectual Property or Supplier Third Party Intellectual Property becomes or in Supplier's opinion, is likely to become, the subject of any Infringement Claim or injunction preventing its use as contemplated herein, Supplier may, at its option, (i) procure for Client the right to continue using such Intellectual Property or receive such Service, or (ii) replace or modify such Intellectual Property or such Service so that it becomes non-infringing without any material degradation of its features or functionality or other characteristics.

If Supplier (i) fails to procure the right for Client to continue to use the Service, Custom Intellectual Property, Supplier Intellectual Property, or Supplier Third Party Intellectual Property, or (ii) fails to complete the remedial acts set forth above within sixty (60) days of the date of the written notice of an Infringement Claim (or likely imposition of an Infringement Claim) from Client or any third party, Client shall have the right to take such remedial acts it determines to be reasonable to mitigate any impairment of its use of the Service, Supplier Intellectual Property, Custom Intellectual Property or Supplier Third Party Intellectual Property or damages (hereafter referred to as "Client's Remedial Acts"). Supplier shall reimburse Client for all amounts paid and direct and indirect costs associated with Client's Remedial Acts. Failure by Supplier to pay such amounts within thirty (30) days of invoice by Client shall, in addition to, and cumulative to all other remedies entitle Client to immediately withhold payments due to Supplier under this Master Agreement up to the amount paid in connection with Client's Remedial Acts.

13.5.2 Client shall, at its own cost and expense, defend Supplier, its Affiliates, and its and their current and former directors, officers, agents, employees, successors-in-interest and assigns (the "Supplier Parties" or individually, a "Supplier Party") from and against any claim, demand,

suit, proceeding or other action (in any case, an "Infringement Claim") brought against any Supplier Party if the Infringement Claim is based upon a claim or allegation that any Client Intellectual Property licensed, developed or provided pursuant to this Master Agreement infringes upon any patent, copyright, trade secret or other proprietary right of any third party. Supplier shall promptly notify Client of any such Infringement Claim if Supplier is in receipt of such, and at Client's sole expense, shall reasonably provide cooperation, information, and assistance in connection therewith. Client shall have sole control and authority with respect to the defense, settlement, or compromise of any such Infringement Claim, except that Client shall not enter into any settlement or compromise of any such Infringement Claim containing either of the following terms: (i) any admission of liability on behalf of Supplier, or (ii) payment of any sort by Supplier. Client shall pay all losses, costs, damages, expenses, claims, demands or other liabilities, including attorneys' fees and other costs of defense, arising from or related to any such Infringement Claim.

Without limiting Client's obligations set forth above, if Client Intellectual Property becomes or in Client's opinion, is likely to become, the subject of any Infringement Claim or injunction preventing its use as contemplated herein, Client may, at its option, (i) procure for Supplier the right to continue using such Intellectual Property, or (ii) replace or modify such Intellectual Property so that it becomes non-infringing without any material degradation of its features or functionality or other characteristics.

If Client (i) fails to procure the right for Supplier to continue to use the Client Intellectual Property, or (ii) fails to complete the remedial acts set forth above within sixty (60) days of the date of the written notice of an Infringement Claim (or likely imposition of an Infringement Claim) from Supplier or any third party, Supplier shall have the right to take such remedial acts it determines to be reasonable to mitigate any impairment of its use of the Client Intellectual Property, (hereafter referred to as "Supplier's Remedial Acts"). Client shall reimburse Supplier for all amounts paid and direct and indirect costs associated with Supplier's Remedial Acts.

14. Pricing

14.1 General

During the Term of this Master Agreement, Client shall pay Supplier the Fees as set forth in Exhibit C (Fees & Costs) for the Services. The amounts paid by Client includes all Supplier costs, including Supplier overhead, profit margin, and all costs of service, product, and goods delivery within the definition of Services.

14.2 All Fees Stated

Except as provided in this Section 14 (Pricing) and Exhibit C (Fees & Costs), in any Statement of Work, or as otherwise Approved in advance by Client, there are no other rates or charges applicable to the Services provided under this Master Agreement, except for pre-Approved travel, living, and/or incidental expenses as set forth in Section 14.4 (Travel Procedures and Guidelines).

14.3 Taxes

Client represents that it is a tax exempt governmental entity and as such is not liable for any sales, use, excise, services, consumption or other taxes imposed by the United States, the State of Florida or local government, or other taxing authority on all items, goods and/or Services being provided to Client hereunder. Supplier shall be responsible for all other taxes existing as of the date of this Agreement, and the compensation of their respective employees and agents, including any expatriate benefits, reimbursement of expenses, and the payment of all payroll taxes. The parties agree to evaluate any newly imposed taxes upon their creation and to determine which party shall be responsible for such taxes. Supplier Personnel shall be responsible for all individual income taxes, including, any taxes

resulting from such Supplier Personnel performing Services in a nation other than the nation in which such Supplier Personnel is domiciled. The parties agree to cooperate with each other to minimize any applicable sales, use, or similar tax and, in connection therewith, the parties shall provide each other with any relevant tax information as reasonably requested (including, without limitation, resale or exemption certificates, multi-state exemption certificates, information concerning the use of assets, materials and notices of assessments).

14.4 Travel Procedures and Guidelines

On specific occasions during the operational period of this Master Agreement, the parties may specifically agree in writing that Client shall reimburse Supplier for its travel and living-related expenses, such travel and living expenses shall be incurred pursuant to the Florida Statute Section 112.061. Supplier shall submit invoices for reimbursable transportation and living expenses within thirty (30) days of completion of the travel events. Supplier shall list the transportation and living charges as separate items on each invoice for the period covered, which shall be in the same detail and accompanied by the same receipts as are required for Client's on-roll employees generally. All travel and living expenses included on invoices shall be approved by Client prior to submission for payment for compliance with (1) the pre-Approved travel and living expenses, and (2) Florida Statute Section 112.061. Supplier shall retain all such travel and living records for a period of not less than one (1) calendar year after the expiration of this Master Agreement.

15. Invoices and Payments

15.1 General

Supplier shall invoice Client monthly, within thirty (30) days following the end of the month, for the Services that have been provided by Supplier pursuant to the terms of this Master Agreement in such month. Supplier shall not invoice Client, and Client shall not be obligated to pay, any charges or other invoiced amounts (including pass through expenses) that are not properly invoiced within six (6) months after the end of the month in which such charges were incurred, unless a request for an extension is approved in writing by the Client Outsourcing Relationship Executive within the six (6) month window. All invoices are due and payable by Client on or before the forty-fifth (45th) day following Client's receipt of a correct invoice. Client agrees that it shall make all commercially reasonable efforts to pay each such invoice within thirty (30) days of Client's receipt of a correct invoice. Any bills not paid when due which are not based on a good faith dispute regarding such payment shall accrue interest at the rate of 12% per annum, in accord with Florida Statute Section 218.70 et. Seq. All invoices under this Master Agreement shall be submitted to the following address:

Pinellas County Utilities
14 South Ft. Harrison Avenue
Clearwater, FL 33756
Attn: Tim Wiley

15.2 Invoice Summary

Except as otherwise directed by Client in writing, each invoice submitted by Supplier shall be substantially similar to the invoice attached hereto as Exhibit P (Invoice Sample), and shall include a summary section that includes, at minimum, the following information:

- (1) Period of time covered by the invoice;
- (2) Total invoice amount for Client and Client department according to Service

type;

(3) Current month payments;

(4) Balance due;

(5) Calculations utilized to establish the Fees;

(6) Identification of all pass-through expenses for the month to which the invoice corresponds as well as providing Client with a copy of the third party invoice except for consumables and postage;

(7) Comprehensive activity summary, including a sufficiently-detailed breakdown that enables Client to Approve the Fees;

(8) Identification of the amounts of any taxes the Supplier is collecting from Client; and

(9) Such other details and billing information as is necessary to satisfy Client's internal accounting or as specified by Client to meet its Sarbanes-Oxley requirements, including as necessary to allow Client to accurately allocate Fees by legal entity, business unit, department, Client Site, Statement of Work, and/or any client.

15.3 Billing Adjustments

Supplier shall provide Client's Outsourcing Relationship Executive with a monthly summary of credit and debit billing adjustments. The summary shall include, but not be limited to, the number and types of adjustments identified, the number of adjustments resolved, and the number and types of adjustments that are outstanding. Supplier shall insure that all billing debits and credits, including associated taxes, are distributed on the billing reports and the invoice and are shown at the proper hierarchy level. These will include performance credits and incentives identified in Exhibit E.

15.4 Billing Disputes And Reports

Supplier and Client shall exercise good faith efforts to resolve all billing disputes to their mutual satisfaction within thirty (30) calendar days. Client shall be entitled to withhold amounts in dispute under this Section 15.4 (Billing Disputes and Reports) without Supplier claiming a default of a material duty or obligation by Client. A "billing dispute number" will be assigned by Supplier to all billing disputes. The billing dispute number will be used by Supplier and Client on all correspondence and reports to identify the dispute. Supplier shall provide Client's Outsourcing Relationship Executive and agency department(s) with a monthly report of the status of pending billing disputes.

16. Limitations of Liability and Damages

16.1 Damage Recovery Exclusion and Limitation

A. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING LOST PROFITS, REGARDLESS OF THE FORM OF THE ACTION OR THE THEORY OF RECOVERY, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

B. EACH PARTY'S TOTAL LIABILITY TO THE OTHER, WHETHER IN CONTRACT OR IN TORT (INCLUDING BREACH OF WARRANTY, NEGLIGENCE AND STRICT LIABILITY IN TORT) WILL BE LIMITED TO THE TOTAL FEES PAID TO SUPPLIER BY THE CLIENT PURSUANT TO THE AGREEMENT OVER THE PREVIOUS TWELVE MONTHS, NOT INCLUDING THE IMPLEMENTATION FEE. TO CALCULATE, THE PARTIES SHALL USE THE AVERAGE MONTHLY

FEE IN EFFECT FOR THE PERIOD BETWEEN THE REFERENCE DATE AND MONTH DURING WHICH THE EVENT THAT GAVE RISE TO THE CLAIM OCCURRED, NOT INCLUDING IMPLEMENTATION FEES, MULTIPLIED BY TWELVE (12).

C. SUPPLIER SHALL MAINTAIN A PERFORMANCE BOND IN THE AMOUNT OF: (I) FOR THE FIRST CONTRACT YEAR, \$4,000,000; AND (II) FOR THE FIVE YEARS FOLLOWING SUCH FIRST CONTRACT YEAR, \$1,000,000. THE PERFORMANCE BOND IS ATTACHED HERETO AS EXHIBIT S. SHOULD CLIENT BE UNABLE TO COLLECT DAMAGES FROM SUPPLIER FOR SUPPLIER'S BREACH, AS LIMITED HEREUNDER, OR IF CLIENT SUSTAINS DAMAGES IN THE FIRST CONTRACT YEAR IN EXCESS OF THE LIABILITY LIMITATIONS SET FORTH IN THIS SECTION 16 (LIMITATIONS OF LIABILITY AND DAMAGES), CLIENT MAY PURSUE RECOURSE FROM THE PERFORMANCE BOND UP TO THE MAXIMUM AMOUNT OF THE PERFORMANCE BOND. CLIENT AGREES THAT IT WILL OBTAIN FROM SUPPLIER ANY AVAILABLE RECOURSE, AS LIMITED HEREUNDER, BEFORE ATTEMPTING TO COLLECT FROM THE PERFORMANCE BOND.

16.2 Exclusions

The limitations of liability and exclusions of certain damages set forth in Section 16 (Limitations of Liability and Damages) above shall not apply to claims or liability arising from:

A. Either party's indemnity obligations under this Master Agreement and the obligations of each party under Section 13.5 (Proprietary Rights);

B. A material breach by Client or Supplier of the non-disclosure and confidentiality obligations set forth in Section 26 (Confidentiality);

C. Any infringement or misappropriation by Client of the Supplier Intellectual Property or Supplier Third Party Intellectual Property;

D. Any infringement or misappropriation by Supplier of Client Intellectual Property;

E. Fraud, willful misconduct or gross negligence of a party;

F. The improper or wrongful termination of this Master Agreement by either party, or the abandonment of the work performed or to be performed, or willful refusal to provide termination/expiration assistance services by Supplier as long as Client continues to pay Supplier; or

G. Violation of foreign and U.S., national, provincial, state, and local laws, rules, directives, and regulations by the other party.

IN ADDITION TO THE PROVISION OF SECTION 39 (FORCE MAJEURE), NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY DAMAGES TO THE EXTENT SUCH DAMAGES RESULT FROM THE NEGLIGENCE OR WILLFUL MISCONDUCT OF THE OTHER PARTY, INCLUDING BUT NOT LIMITED TO, INSTRUCTING THE OTHER PARTY TO ADHERE TO POLICIES AND PROCEDURES THAT NECESSARILY RESULT IN CLAIMS, LOSSES, LIABILITY OR PROCEDURES RECOMMENDED OR ESTABLISHED BY THE OTHER PARTY FOR COMPLIANCE WITH ANY FEDERAL, STATE OR LOCAL LAWS, RULES, REGULATIONS, JUDICIAL ORDERS; PROVIDED, HOWEVER, THAT EACH PARTY SHALL PROMPTLY NOTIFY THE OTHER PARTY IF IT BECOMES AWARE OF ANY SUCH NON-COMPLIANCE.

Each Party will have a duty to mitigate damages for which the other Party is responsible.

17. Supplier's Representations, Warranties, and Covenants

17.1 Product(s) & Services Warranty

Supplier represents, warrants and agrees that during the Term of this Master Agreement, Supplier will provide the Services in a prompt, diligent and workmanlike manner, in accordance with the best practice standards used in well-managed operations performing services similar to the Services. Supplier further represents, warrants and agrees that Supplier will provide the Services in accordance with the Service Levels. Additionally, the Supplier warrants and agrees that if the Client notifies the Supplier that specified Services and/or work products provided hereunder were provided in material error or contain material errors, the Supplier shall re-perform such specified Services and/or reproduce such specified work products and/or take necessary corrective action(s) where such specified Services, work products or material errors are reasonably subject to being re-performed, reproduced or corrected at the Supplier's sole expense until the Client reasonably determines that the errors have been corrected. The Supplier is further responsible for correcting any associated data errors or data corruption that may have occurred as a result of the specified work product or Service errors in accordance with the issue resolution priorities set forth in Exhibit E (Service Level Agreement).

Supplier represents, warrants and agrees that the work products, Supplier Systems and Services provided hereunder all conform in all material respects to the Supplier's RFP response offering the SAP product dated 12-20-2005, which is hereby fully incorporated by reference as if attached hereto, to the Client's RFP # 056-30-P (JL), which is also hereby fully incorporated by reference as if attached hereto. Supplier further warrants that the Services provided hereunder are necessary and sufficient to implement the CIS Solution for the Client's business use.

17.2 Litigation Warranty

Supplier represents, warrants and agrees that as of the Reference Date there is no existing, threatened or contemplated claim, litigation, proceeding, arbitration, investigation or material controversy that would have a material adverse effect upon: (i) its ability to enter into, or perform its obligations under, this Master Agreement; or (ii) its financial condition or operations.

17.3 Services Not to be Withheld

Supplier represents, warrants and agrees that during the Term of this Master Agreement it will not withhold support for Services provided hereunder, for any reason except for nonpayment of services for more than four (4) months, including, a dispute between the parties arising under this Master Agreement, except as may be specifically authorized herein.

17.4 Assignment of Warranties

Supplier represents, warrants and agrees that it shall assign and deliver, and agrees to assign and deliver, to Client all representations and warranties received by Supplier from Third Party Vendors, to the extent such warranties are assignable and relate to the Services, including rights to recovery. Supplier shall, upon Client' request and at Client's cost, enforce such warranties that are not assignable, and track and notify Client of each warranty, and deliver to Client, subject to the terms of Section 26 (Confidentiality) and to any contractual restrictions preventing Supplier from disclosing such information, any documentation issued by a warrantor evidencing such warranty.

17.5 Viruses

Supplier represents, warrants and agrees that it shall use commercially reasonable efforts to ensure that no forms of harmful or surreptitious code, including, malware, trojan horses, system monitors/keyloggers, dialers, adware, and adware cookies (collectively, "Virus(es)") are introduced into the Supplier Systems or into any Client software or other technology through the Supplier

Systems. If a Virus is found to have been introduced into any Supplier System or into any Client software or other technology via the Supplier Systems, Supplier shall promptly notify Client in writing and, at no additional charge to Client, shall assist Client in reducing the effects of, and mitigating the losses and restoring any Deficiencies resulting from, the Virus. If a Virus is found to have been introduced into any Supplier System by means of the Client Intellectual Property, Supplier shall promptly notify Client in writing, and at no charge to Supplier, Client shall assist Supplier in reducing the effects of and mitigating the losses and restoring any Deficiencies resulting from the Virus.

17.6 Disabling Devices

Supplier represents, warrants and agrees that it shall not cause any unplanned interruption of the operations of, or accessibility to the Supplier Systems through any device, method or means including, the use of any "virus," "lockup," "time bomb," "key lock" device program, or disabling code, for which a purpose is to: (1) cause any unplanned interruption of the operations of (other than devices that are necessary to safeguard the device or the Supplier Systems) the Supplier Systems to Client or any Authorized User, (2) alter, destroy, or inhibit the use of the Supplier Systems, or (3) block access to, or prevent the use/accessibility of, the Supplier Systems by Client or Authorized Users (collectively referred to for purposes of this Section as "Disabling Device(s)"). Supplier agrees that it has not, and will not, place any Disabling Device in the Supplier Systems, nor shall it invoke any Disabling Devices contained on the Supplier Systems at any time (including upon expiration or termination of this Master Agreement for any reason). In the event of a breach of this Section by Supplier, Supplier shall remove the Disabling Device and restore the Supplier Systems at no cost to Client.

17.7 Insurance Premiums

Supplier represents, warrants and agrees that it will pay all premiums, deductible amounts, and other costs required to maintain all insurance policies in accordance with Section 25 (Insurance and Indemnity) herein.

17.8 Compliance with Laws

Supplier represents, warrants and agrees that it shall comply with all foreign and U.S., national, provincial, state, and local laws, rules, directives, and regulations relating to, Supplier's activities under this Master Agreement (collectively "Supplier Regulatory Requirements"). Supplier shall identify, obtain and pay for permits, certificates, approvals, and inspections required under such Supplier Regulatory Requirements. Supplier agrees to provide Client with reasonable information regarding the Services, and the Fees relating to the Services, as necessary to comply with the Sarbanes-Oxley Corporate Reform Act. Client shall comply, and shall require its subcontractors to comply, as applicable, with all foreign and U.S., national, provincial, state, and local laws, rules, directives, and regulations relating to Client business energy regulations related to the provision of Client products and services to its end users (collectively "Client Regulatory Requirements").

17.9 Changes in Law and Regulations

Supplier represents, warrants and agrees that it shall identify the impact of changes in Supplier Regulatory Requirements on its ability to deliver the Services and perform its obligations under the Master Agreement. Supplier shall notify Client of such Supplier Regulatory Requirements within thirty (30) days after enactment of any such Supplier Regulatory Requirements and shall work with Client to identify the impact of such changes on how Client uses the Services or on how Supplier delivers the Services. If Client becomes aware of such Supplier Regulatory Requirements and such requirements have not previously been identified or discussed with Supplier, Client shall notify Supplier. Client and Supplier shall promptly make any resulting modifications to the Services as reasonably necessary as a result of such Supplier Regulatory Requirements through Client's Policies and Procedures. Subject to the foregoing, upon Approval by Client of a change request, Supplier shall implement Client Regulatory Requirements, and shall implement any necessary modifications to the

Services, and/or an applicable Statement of Work. Except as provided in this Section, Supplier shall have no obligation to identify regulatory changes.

17.10 Inducements

Supplier represents, warrants and agrees that it has not and will not violate foreign and U.S., national, provincial, state, and local laws, rules, directives, and regulations, or any Client policies of which Supplier has been given notice, regarding the offering or receiving of unlawful inducements in connection with the Master Agreement.

17.11 Representations and Warranties Throughout Master Agreement

It is understood and agreed by the parties that Supplier's representations and warranties are set forth throughout this Master Agreement and are not confined to this Section 17 (Supplier's Representations, Warranties, and Covenants).

18. Client Representations, Warranties, and Covenants

18.1 Litigation Warranty

Client represents, warrants and agrees that as of the Reference Date there is no existing, threatened or contemplated claim, litigation, proceeding, arbitration, investigation or material controversy that would have a material adverse effect upon: (i) its ability to enter into, or perform its obligations under, this Master Agreement; or (ii) its financial condition or operations.

18.2 Viruses

Client represents, warrants and agrees that it shall use commercially reasonable efforts to ensure that no forms of harmful or surreptitious code, including, malware, trojan horses, system monitors/keyloggers, dialers, adware, and adware cookies (collectively, "Virus(es)") are introduced into the Supplier Systems or into any Supplier software or other technology through the Client systems. If a Virus is found by Client to have been introduced into any Supplier System or into any Supplier software or other technology via the Client systems, Client shall promptly notify Supplier in writing, and at no charge to Client, Supplier shall assist Client in reducing the effects of and mitigating the losses and restoring any Deficiencies resulting from the Virus.

18.3 Disabling Devices

Client represents, warrants and agrees that it shall not cause any unplanned interruption of the operations of, or accessibility to the Supplier Systems through any device, method or means including, the use of any "virus," "lockup," "time bomb," "key lock" device program, or disabling code, for which a purpose is to: (1) cause any unplanned interruption of the operations of (other than devices that are necessary to safeguard the device or the Supplier Systems) the Supplier Systems to Supplier or any Authorized User, (2) alter, destroy, or inhibit the use of the Supplier Systems, or (3) block access to, or prevent the use/accessibility of, the Supplier Systems by Supplier or Authorized Users (collectively referred to for purposes of this Section as "Disabling Device(s)"). Client agrees that it has not, and will not, place any Disabling Device in the Supplier Systems, at any time (including upon expiration or termination of this Master Agreement for any reason). In the event of a breach of this Section by Client, Client shall remove the Disabling Device and restore the Supplier Systems at no cost to Supplier.

18.4 Changes in Law and Regulations

Client represents, warrants and agrees that it shall identify the impact of changes in Client Regulatory Requirements to suppliers that affect Supplier's ability to deliver the Services and

perform its obligations under the Master Agreement. Client shall notify Supplier of such Client Regulatory Requirements within thirty (30) days after enactment of any such Client Regulatory Requirements and shall work with Supplier to identify the impact of such changes on how Supplier provides the Services. If Supplier becomes aware of such Client Regulatory Requirements and such requirements have not previously been identified or discussed with Client, Supplier shall notify Client. Supplier and Client shall promptly make any resulting modifications to the Services as reasonably necessary as a result of such Client Regulatory Requirements through the change control process. All costs associated with identification and compliance with the Client Regulatory Requirements shall be borne by Client.

18.5 Representations and Warranties Throughout Master Agreement

It is understood and agreed by the parties that Client's representations and warranties are set forth throughout this Master Agreement and are not confined to this Section 18 (Client's Representations, Warranties, and Covenants).

19. Warranty Disclaimer

THE WARRANTIES SET FORTH IN THIS AGREEMENT ARE MADE TO, AND FOR THE BENEFIT OF, SUPPLIER AND CLIENT EXCLUSIVELY. EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY MAKES AND NEITHER PARTY RECEIVES ANY WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

20. Remedies

This Master Agreement utilizes a number of "interim remedies" (including service level remedies, dispute resolution processes, payment withholds, credit assessment mechanisms and correction of material errors pursuant to Section 17.1 (Product(s) & Services Warranty)) to assist the parties in effectively addressing performance issues that may arise during the Term. Client deems the various remedies as essential tools to its management of this Master Agreement. Nevertheless, Supplier's effective ongoing performance is the critical behavior such remedies are designed to achieve. Consequently, recognizing that circumstances may arise in which the imposition of the interim remedies as structured may not fairly reflect corrective and other efforts made by Supplier, subject to Section 32 (Waiver), the Client Outsourcing Relationship Executive, may, in such individual's sole discretion waive, in an individual occurrence, Client's right to use, or collect a credit resulting from, such interim remedies. Factors that will be considered by the Client Outsourcing Relationship Executive in assessing whether to waive an interim remedy include: (1) Supplier's proactive involvement in identifying a problem before operational impacts are manifested; (2) the timing, quality, and accuracy of communications from Supplier relating to a problem; (3) the speed with which corrective actions are taken and the problem is fixed; (4) the quality of Supplier's root cause analysis and the likelihood that appropriate steps have been taken to prevent a reoccurrence of the problem; (5) the quality of Supplier's overall performance at the time the remedy right accrues and during the Term; and (6) the impact of other causal factors, including Client's actions or inaction relating to the problem.

21. Internal Dispute Resolution

21.1 Intent

The parties shall resolve their disputes informally to the maximum extent possible in accordance with the procedures set forth in Exhibit Q (Dispute Resolution). The parties shall negotiate all matters of joint concern in good faith, with the intention of resolving issues between them in a mutually satisfactory manner. Only disputes within the scope of this Master Agreement are subject to this Section. However, nothing in this Section shall preclude the parties from exercising their termination rights pursuant to Section 23 (Termination). Each party shall bear its own costs associated with internal dispute resolution (including without limitation, any attorney's fees or costs). The parties agree all statements

made in connection with internal dispute resolution efforts shall not be considered admissions or statements against interest by either party. The parties further agree that they will not attempt to introduce such statements at any later trial, arbitration, or mediation between the parties.

22. Injunctive Relief

Either party may seek immediate injunctive relief if it makes a good faith determination that a breach is such that the damages to the party resulting from the breach will be so immediate, so large, or so severe, and so incapable of adequate redress after the fact, that a temporary restraining order or other immediate injunctive relief is the only adequate remedy. Each party shall bear their own fees and costs.

23. Termination

23.1 Termination for Cause by Client

- a) Client may terminate this Master Agreement, in whole or in part, if Supplier materially breaches any of its duties or obligations under the Master Agreement and Client provides written notice of such breach to Supplier, unless within fifteen (15) days after such written notice from Client of such breach, Supplier proposes a reasonable plan to cure such breach: (i) within thirty (30) days after written notice specifying the alleged breach; or (ii) if such breach is not reasonably capable of being cured within thirty (30) days, within a commercially reasonable time subject to Supplier's continuous, diligent efforts to cure such breach throughout such extended cure period. Any such plan to cure proposed by the Supplier shall be subject to Client's review and approval. Client's approval will not be unreasonably withheld. Client agrees that it shall exercise any termination right pursuant to this Section 23.1(a) within ninety (90) days of the time Client first becomes entitled to terminate this Agreement.
- b) Client may terminate this Master Agreement, in whole or in part with thirty (30) days prior written notice, if Supplier fails to meet any Significant Service Level Agreement set forth in Exhibit E (Service Level Agreement) by more than 10 percentiles below the designated Service Level Target percentage for the applicable Significant Service Level Agreement at least four (4) times within any rolling six (6) month period and Client notifies Supplier within thirty (30) days of the occurrence of such fourth failure in the applicable rolling six month period. Client agrees that it shall exercise any termination right pursuant to this Section 23.1(b) within the ninety (90) days following such fourth applicable failure by Supplier to meet any Significant Service Level Agreement. This right to terminate shall not apply to failures occurring during the Burn-In Period as set forth in Exhibit E (Service Level Agreement), or to any failures resulting from: (i) components for which Client is responsible; (ii) the action or inaction of Client's personnel; (iii) changes made to the environment which are not made in accordance with the change management procedures set forth in Exhibit B (Change Control Procedures); (iv) Client's failure to perform Client's obligations under this Master Agreement to the extent such failure materially affects Supplier's ability to meet the applicable Service Levels; (v) the occurrence of an Extraordinary Event as set forth in Section 30 (Extraordinary Events); or (vi) any act or omission of a third party, excluding any Subcontractor of Supplier, or any other event beyond the control of Supplier. For example, with regard to the Interface Availability Significant Service

Level Agreement, the Service Level Target is greater than or equal to 98%. Therefore, delivery by Supplier of less than 88% Interface Availability would be considered an individual Significant Service Level Agreement failure for purposes of this Section 23.1(b).

23.2 Termination for Cause by Supplier

In the event that Client fails to pay undisputed amounts when due under this Master Agreement, Supplier shall promptly provide Client with written notice specifying the alleged material breach. Client shall have thirty (30) days within which to cure such breach or propose a reasonable plan to cure such breach. In the event of Client's failure within such thirty (30) day period as the case may be to cure such breach or to propose a reasonable plan for the cure thereof, Supplier may terminate this Master Agreement upon written notice to Client.

23.3 Termination for Convenience or Non-Appropriation

Client may terminate this Master Agreement for convenience by giving Supplier notice of the termination at least ninety (90) days prior to the termination date specified in the notice and paying to Supplier on the effective date of termination the applicable amounts and Early Termination Fee as set forth below. Further, in the event funds are not allocated by Pinellas County for the continued purchase of Services hereunder, this Master Agreement may be terminated by Client at the end of the period for which funds are available. Client will provide written notification to Supplier of such non-appropriation of funds immediately following such non-appropriation decision and pay to Supplier on the effective date of termination the applicable amounts and Early Termination Fee set forth below.

In the event Client terminates for convenience or non-appropriation prior to the Go-Live Date, Client shall pay: (i) an Early Termination Fee of \$4,560,000; (ii) the applicable amount set forth in Exhibit C (Fees & Costs) for all Milestones achieved; and (iii) for all other work completed by Supplier prior to the actual termination date on a time and materials basis at Supplier's current rates.

In the event Client terminates for convenience or non-appropriation on or after the Go-Live Date, Client shall pay: (i) the applicable Early Termination Fee as set forth below, (ii) any unpaid portion of the Implementation Fee; and (iii) for Services satisfactorily performed by Supplier under this Master Agreement through the date of actual termination in accordance with the rates set forth in Exhibit C (Fees & Costs).

Months Following Go-Live Date	Early Termination Fee
0-6	\$ 4,560,000
7-12	\$ 4,270,000
13-18	\$ 3,930,000
19-24	\$ 3,560,000
25-30	\$ 3,170,000
31-36	\$ 2,730,000
37-42	\$ 2,270,000
43-48	\$ 1,760,000
49-54	\$ 1,220,000
55-60	\$ 630,000

23.4 Termination for Insolvency

In addition to Client's rights under Section 28 (Bankruptcy and Liquidation), in the event that Supplier becomes or is declared insolvent, becomes subject to a voluntary or involuntary

bankruptcy or similar proceeding, or makes an assignment for the benefit of all or substantially of all of its creditors, then in such event Client may terminate this Master Agreement on ten (10) days written notice to Supplier.

23.5 Payment of Fees

In the event of any termination under this Section 23 (Termination), Client agrees to pay to Supplier the Fees for Services satisfactorily performed by Supplier under this Master Agreement through the date of actual termination, but shall not pay other Fees or fees related to such termination, unless specifically described in this Section 23 (Termination) or elsewhere in this Master Agreement. In addition, Client accepts responsibility for paying any outstanding Software License Fees due to SAP in accordance with the terms of the SAP License and Maintenance Agreement.

23.6 Cumulative Remedies

The parties understand and agree that the rights and remedies available to Client at law, in equity and/or under this Master Agreement shall be cumulative and nonexclusive in nature.

23.7 Treatment of Credits Upon Termination

Any and all credits that have accrued under this Master Agreement, but have not yet been issued to Client as of the termination or expiration of this Master Agreement, shall be paid to Client by Supplier within thirty (30) days of the Supplier's cessation of Services under this Master Agreement.

24. Termination/Expiration Assistance Services

24.1 Termination/Expiration Schedule

Supplier understands and agrees that Client's business operations are dependent on the Services, and that Client's inability to receive the Services would result in irreparable damages to Client. Therefore, upon the expiration of this Master Agreement or its termination by either party for any reason, including the breach of this Master Agreement by the other party, Termination Assistance Services shall be provided as set forth in this Section 24 (Termination/Expiration Assistance Services). Within fifteen (15) days of either party's receipt of any notice of termination or notice of non-renewal, the parties shall work together in good faith to develop a Termination Schedule that is consistent with the requirements of this Section 24 (Termination/Expiration Assistance Services). If no Termination Schedule has yet been agreed to at the time of termination, the rights of Client upon any expiration or termination of this Master Agreement shall be as set forth in this Section 24 (Termination/Expiration Assistance Services). If a Termination Schedule has been agreed to, then the rights of Client upon any expiration or termination of this Master Agreement shall be as set forth in the most recent approved Termination Schedule, and also as set forth in this Section 24 (Termination/Expiration Assistance Services). In the event of any inconsistency between this Section 24 (Termination/Expiration Assistance Services) and the applicable Termination Schedule, the Termination Schedule shall govern. If no Termination Schedule has been agreed to by the parties at the time of any termination of this Master Agreement, then Supplier shall provide the professional services staff necessary to provide (1) the Services (as requested by Client) at performance standards and Service Levels in effect at the time of termination or expiration, and (2) the Termination Assistance Services as described below in Section 24.2 (Performance of Services).

24.2 Performance of Services

Supplier and Client acknowledge and agree that their mutual cooperation is important to an effective transition of technology services provided by Supplier to Client or its designated provider(s). As requested by Client, Supplier shall provide Client with all of the Services, including all of

the Termination Assistance Services set forth in this Section 24 (Termination/Expiration Assistance Services) and as set forth in the then most recent version of the Termination Schedule. Supplier shall have no right to withhold or limit any of the Services (including the Termination Assistance Services) on the basis of any alleged breach of this Master Agreement by Client, other than a failure by Client to timely pay the amounts due for Services (including Termination Assistance Services) rendered during the termination transition period (as set forth in Section 24.3 (Termination Assistance Period)). If the Master Agreement has been terminated by Supplier pursuant to Section 23.2 (Termination for Cause by Supplier), 23.3 (Termination for Convenience) or 23.4 (Termination for Non-Appropriation of Funds), Supplier may require Client to place up to two (2) months of Fees into the escrow, to be paid to Supplier upon the completion of Services. If and when such escrowed Fees are paid to Supplier, Supplier may again request the escrow of up to two (2) months of Fees into the escrow, and such process shall repeat itself (if requested by Supplier) until the Termination Assistance Period is complete. Client shall have the right to seek specific performance of this Section 24 (Termination/Expiration Assistance Services) in any court of competent jurisdiction and Supplier hereby waives and agrees to waive any defense that damages are an adequate remedy. In addition to the Services as set forth in this Master Agreement, the Termination Assistance Services shall include, at a minimum, (i) converting data; (ii) providing parallel services until transition to a new system, (iii) providing on-site technical support, (iv) cooperating with Client or its designated vendor in developing required interfaces, (v) meeting with Client as soon as practicable after a notice of termination or notice of a decision to not extend this Master Agreement has been given, to discuss any potential modifications to the then most current Termination Schedule; (vi) using all commercially reasonable efforts to assist Client in effecting a transition of the Services, in accordance with industry best practices, to Client or another vendor chosen by Client; (vii) providing the number and types of resources necessary to complete the transition in accordance with the Termination Schedule; and (viii) such other services as shall be necessary or appropriate to facilitate, without interruption to the Services, the orderly transition of Services to Client or its new provider of services in accordance with industry best practices. Supplier acknowledges and agrees that all Client Data shall remain the sole and exclusive property of Client. If Supplier is providing any Services hereunder at the time of such transition utilizing any software license from a Third Party Vendor, Supplier shall, at the request of Client and expense of Client subject to any Third Party Vendor license restrictions, transfer such license to Client or sublicense such software to Client. Notwithstanding anything in this Master Agreement to the contrary, Client and Supplier may increase and/or decrease the scope of the Services and Termination Assistance Services during any termination transition period; provided that any increased scope shall be agreed upon by the parties, and such agreement shall not be unreasonably withheld. Supplier shall be compensated for all Services by payment by Client in accordance with the rates set forth in this Master Agreement for Services.

24.3 Termination Assistance Period

Unless otherwise directed by Client, commencing: (i) six (6) months prior to the expiration of the Master Agreement; (ii) upon any notice of termination or non-renewal of the Master Agreement; or (iii) six (6) months prior to any other ceasing of Service under the Master Agreement, and continuing for a period defined in the Termination Schedule but in no event less than twelve (12) months following the expiration or termination of this Master Agreement, unless a shorter time period is requested by Client (the "Termination Assistance Period"), Supplier will continue to provide the Services (including the Termination Assistance Services) as requested by Client. After such twelve (12) month period (or such shorter time period as requested by Client), unless otherwise directed by Client, Supplier shall provide extensions of the Services (including the Termination Assistance Services) as requested by Client in serial thirty (30) day extension terms for up to an additional six (6) months. The total Termination Assistance Period shall not exceed eighteen (18) months.

25. Insurance and Indemnity

25.1 Required Insurance Coverage

Supplier shall obtain, pay for, and maintain in full force and effect during the term of this Master Agreement insurance as follows:

A. Workers' compensation insurance with limits to conform with the amount required by applicable law;

B. Commercial general liability insurance with limits of not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) in the aggregate for bodily injury, death, and property damage, including personal injury, contractual liability, independent contractors, broad-form property damage, and products and completed operations coverage;

C. Professional Liability Insurance (Errors and Omissions) with limits not less than five million dollars (\$5,000,000) per occurrence and in the aggregate; and

25.2 Claims Made Coverages

To the extent any insurance coverage required under this Section 25 (Insurance and Indemnity) is purchased on a "claims-made" basis, such insurance shall cover all acts of Supplier during the term of this Master Agreement, and such insurance shall be continuously maintained until at least one (1) year and up to three (3) years beyond the expiration or termination of this Master Agreement, or Supplier shall purchase "tail" coverage, effective upon termination of any such policy or upon termination or expiration of this Master Agreement, to provide coverage for at least one (1) year and up to three (3) years from the occurrence of either such event, in either case subject to Supplier's ability to obtain or renew such coverage on an annual basis and at commercially reasonable rates.

25.3 Certificates of Insurance

Certificates of insurance evidencing all coverages described in this Section 25 (Insurance and Indemnity) shall be furnished to the Client prior to the Reference Date. The certificates of insurance shall state the amount of all deductibles. Such insurance shall (i) name Client, its Affiliates, and its and their directors, officers, agents and employees as additional insureds (and shall contain no special limitations on the scope of its protection afforded to the above-listed insureds); and (ii) provide that each of the policies is primary with respect to any other insurance available to Client or Supplier as to any claim for which coverage is afforded under the policy. Such Client shall be named Pinellas County Board of County Commissioners.

25.4 Subcontractors to be Insured

Supplier shall require all of its subcontractors to carry the insurance required to be carried by Supplier pursuant to this Section.

25.5 Cancellation or Lapse of Insurance

Supplier shall give thirty (30) days prior written notice to Client of cancellation, non-renewal, or material change in coverage, scope, or amount of any policy. Should Supplier fail to keep in effect at all times the insurance coverages required under this Section 25 (Insurance and Indemnity), Client may, in addition to and cumulative with any other remedies available at law, equity, or hereunder withhold payments to Supplier required under this Master Agreement in an amount sufficient to procure the insurance required herein.

25.6 Other Insurance Requirements

Whenever commercially reasonable or possible, insurance policies required hereunder shall be issued by insurance companies: (i) authorized to do business in the State of Florida; and (ii) with a financial rating of at least an AVIII status as rated in the most recent edition of Best's Insurance Reports. Upon written request by Client, Supplier will make policies and associated policy

information available for review in Supplier's offices, and Supplier will also provide to Client policy extracts and policy form numbers to clarify an insurance certificate or as otherwise needed in the course of Client's business activities. Supplier agrees that all insurance coverages required under this Section 25 (Insurance and Indemnity) shall be provided through policies obtained from unaffiliated third parties, and not through any form of self-insurance; provided, however, that in the case of Worker's Compensation coverage, Supplier may only self insure if Supplier meets all state requirements for such self-insurance. Supplier shall maintain deductibles that are consistent with industry standards and practices.

25.7 General Indemnity

A. Supplier Indemnification of Client

Supplier shall indemnify and hold harmless the Client Parties (as defined in Section 13.5 (Proprietary Rights) above), on demand from all losses, costs, damages, expenses, claims, demands and other liabilities, including attorneys fees and other costs of defense ("Losses"), arising from or relating to, and shall defend the Client Parties against, any claims or civil, criminal, administrative, arbitral or investigative action, suit or proceeding ("Claims"), arising out of or relating to:

- (i) all allegations or claims by employees of Supplier arising out of or relating to this Master Agreement or the Services, except to the extent caused primarily by the negligence and/or intentional misconduct of Client;
- (ii) all allegations or claims arising out of or resulting from the intentional misconduct or negligence of Supplier in connection with the Services;
- (iii) all allegations or claims for personal injuries, death or damage to tangible personal or real property to the extent caused by acts or omissions of Supplier;
- (iv) all allegations or claims arising from a violation of any federal, state, local or foreign law, rule, regulation or order by Supplier;
- (v) all allegations or claims arising from fraud committed by Supplier;
- (vi) all allegations or claims made by Affiliates, employees, agents, consultants, subcontractors and contractors of Supplier, and vendors to any of the foregoing arising out of or relating to this Master Agreement, the Services or the provision of the Services; and
- (vii) all allegations or claims arising out of the failure of Supplier to obtain, or cause to be obtained, during the term of this Master Agreement any consent or approval required for Client to receive and use the Services, or any component thereof which was Supplier's responsibility to obtain.

B. Indemnification Procedure

A party indemnified by the indemnifying party (an "Indemnitee") under this Section shall promptly notify the indemnifying party of any Claim with respect to which it seeks indemnity under this Section. An indemnifying party may participate, at its own expense, in the defense of such Claim. If it so elects within a reasonable time after receipt of such notice, an indemnifying party may, except as provided in the immediately following sentence and the last sentence of this paragraph, assume the defense of such Claim, with counsel reasonably satisfactory to the Indemnitee to represent the Indemnitee and any others the indemnifying party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any

Indemnitee shall have the right to retain its own counsel, but the fees and expense of such counsel shall be at the expense of such Indemnitee unless (i) the indemnifying party and the Indemnitee shall have mutually agreed to the retention of such counsel and the payment of such fees or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the Indemnitee and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in respect of the legal expense of any Indemnitee in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such Indemnitee and that all such fees and expenses shall be reimbursed as they are incurred. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there is a final judgment for the plaintiff, the indemnifying party agrees to indemnify the Indemnitee from and against any Loss by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the Indemnitee, effect any settlement of any pending or threatened proceeding in respect of which any Indemnitee is or could have been a party and indemnity could have been sought hereunder by such Indemnitee (i) if such settlement involves any form of relief other than the payment of money or any finding or admission of any violation of any law, regulation or order or any of the rights of any person or has any adverse effect on any other Claims that have been or may be made against the Indemnitee, or (ii) if such settlement involves only the payment of money, unless it includes an unconditional release of such Indemnitee of all liability on claims that are the subject of such proceeding. An Indemnitee may assume control of the defense of any Claim if (i) it irrevocably waives its right to indemnity under this Section, or without prejudice to its full right to indemnity under this Section, (ii) the indemnifying party fails to provide reasonable assurance to the indemnified party of its financial capacity to defend or provide indemnification with respect to such Claim, (iii) the Indemnitee determines in good faith that there is a reasonable likelihood that a Claim would materially and adversely affect it or any other indemnitees other than as a result of monetary damages that would be fully reimbursed by an indemnifying party under this Master Agreement, or (iv) the indemnifying party refuses or fails to timely assume the defense of such Claim. An indemnifying party required to provide an indemnity to an Indemnitee under this Section shall have no obligation for any Claim under this Article if:

- (i) the Indemnitee fails to notify the indemnifying party of such Claim as provided above, but only to the extent that the defense of such Claim is prejudiced by such failure;
- (ii) the Indemnitee fails to tender control of the defense of such Claim to the indemnifying party as provided in this Section; or
- (iii) the Indemnitee fails to provide the indemnifying party with all reasonable cooperation in the defense of such Claim (the cost thereof to be borne by the indemnifying party) but only to the extent that the defense of such Claim is prejudiced by such failure.

26. Confidentiality

Without limiting the generality of the following, Supplier understands that Client is a governmental entity and must adhere to Florida Statutes - Chapter 119, the Public Records Law. Client acknowledges and agrees that Supplier's RFP response offering the SAP product dated 12-20-2005 to Client's RFP #056-30-P (JL), this Agreement and all Exhibits and other documents created or executed pursuant thereto, may contain confidential and proprietary information belonging to Supplier, which information is secret, of value to Supplier, used in Supplier's business and which provides a competitive advantage to Supplier. Accordingly, all such documents will be treated as public according to Florida Statute Section 119, except to the extent such documents are exempt from disclosure, pursuant to Florida Statute Section 815.04(3) or otherwise. Without limiting the generality of the foregoing, in the event a public records request is made relating to any of the documents listed above, Client will follow the notification and other procedures set forth below in 26.5 in a timely manner, so as to allow Supplier to

obtain a protective order or other applicable protection for its confidential and proprietary information, and will provide reasonable cooperation and assistance to Supplier in obtaining and enforcing such protection.

26.1 Definition of Proprietary or Confidential Information

"Proprietary or Confidential Information" shall mean, with respect to a party hereto, all information or material that: (i) gives that party some competitive business advantage, gives that party the opportunity of obtaining some competitive business advantage, or the disclosure of which would be detrimental to the interests of that party; and (ii) is either (a) marked "Confidential," "Restricted," "Proprietary," or with some other, similar, marking, (b) known by the parties to be considered confidential and proprietary, or (c) from all the relevant circumstances should reasonably be assumed to be confidential and proprietary. Proprietary or Confidential Information includes, but is not limited to all source and object code, prices, trade secrets, mask works, databases, hardware, software, designs and techniques, programs, engine protocols, models, displays and manuals, and the selection, coordination, and arrangement of the contents of such materials; and (iii) any unpublished information concerning research activities and plans, customers, marketing or sales plans, product development or time to market, sales forecasts or results of marketing efforts, pricing or pricing strategies, costs, operational techniques, strategic plans, Client Data and unpublished financial information, including information concerning revenues, profits and profit margins will be deemed proprietary and confidential to the Disclosing Party, regardless of whether such information was disclosed intentionally or unintentionally or marked as "confidential" or "proprietary," provided, however, that such Proprietary or Confidential Information may also be used as otherwise expressly permitted by license or otherwise in this Master Agreement.

26.2 Exclusions

Proprietary or Confidential Information will not include any information or material, or any element thereof, whether or not such information or material is Proprietary or Confidential Information for the purposes of this Master Agreement, to the extent any such information or material, or any element thereof:

- (a) has previously become or is generally known, unless it has become generally known through a breach of this Master Agreement or a similar confidentiality or non-disclosure agreement;
- (b) was already rightfully known to the party receiving such information (the "Receiving Party") prior to being disclosed by or obtained from the party (or its agents or affiliates) disclosing such information (the "Disclosing Party") as evidenced by written records kept in the ordinary course of business of or by proof of actual use by the Receiving Party;
- (c) has been or is hereafter rightfully received by the Receiving Party from a third person (other than the Disclosing Party) without restriction or disclosure and without breach of a duty of confidentiality to the Disclosing Party; or
- (d) has been independently developed by the Receiving Party without access to Proprietary or Confidential Information of the Disclosing Party.

It will be presumed that any Proprietary or Confidential Information in a Receiving Party's possession is not within exceptions (b), (c) or (d) above, and the burden will be upon the Receiving Party to prove otherwise by records and documentation.

26.3 Non-disclosure and Non-Use

The parties agree, both during the Term of this Master Agreement and for a period of five (5) years after termination of this Master Agreement, to hold each other's Proprietary or Confidential Information in strict confidence, except for Client Data and the trade secrets of either party which shall be held in such confidence in perpetuity. Each party recognizes the importance of the other's Proprietary or Confidential Information. In particular, each party recognizes and agrees that the Proprietary or Confidential Information of the other is critical to their respective businesses and that neither party would enter into this Master Agreement without assurance that such information and the value thereof will be protected as provided in this Section 26 (Confidentiality) and elsewhere in this Master Agreement. Accordingly, each party agrees as follows:

- (a) The Receiving Party will hold any and all Proprietary or Confidential Information it obtains in strictest confidence and will use and permit use of Proprietary or Confidential Information solely for the purposes of this Master Agreement;
- (b) The Receiving Party may disclose or provide access to its responsible employees who have a need to know and may make copies of Proprietary or Confidential Information only to the extent reasonably necessary to carry out its obligations hereunder; and

The Receiving Party will notify the Disclosing Party immediately of any unauthorized disclosure or use, and will cooperate with the Disclosing Party to protect all proprietary rights in and ownership of its Proprietary or Confidential Information.

26.4 Treatment of Client Data

The Client Data is and shall remain the property of Client and Client shall retain exclusive rights and ownership of the Client Data. Without limiting any other warranty or obligation specified in this Master Agreement, and in particular the confidentiality provisions this Section 26 (Confidentiality), during the Term and thereafter in perpetuity, Supplier will not gather, store, log, archive, use or otherwise retain any Client Data in any manner and will not disclose, distribute, sell, share, rent or otherwise transfer any Client Data to any third party, except as expressly provided in this Master Agreement or as Supplier may be expressly directed in advance in writing by Client. Supplier represents, covenants, and warrants that Supplier will use Client Data only in compliance with (i) this Master Agreement, (ii) Supplier's then current privacy policies, and (iii) all applicable laws.

26.5 Compelled Disclosures

To the extent required by applicable law or by lawful order or requirement of a court or governmental authority having competent jurisdiction over the Receiving Party, the Receiving Party may disclose Proprietary or Confidential Information, including Client Data, in accordance with such law or order or requirement, subject to the following conditions: As soon as possible after becoming aware of such law, order or requirement and prior to disclosing Proprietary or Confidential Information, including Client Data, pursuant thereto, the Receiving Party will so notify the Disclosing Party in writing and, if possible, the Receiving Party will provide the Disclosing Party notice not less than five (5) Business Days prior to the required disclosure. The Receiving Party will use reasonable efforts not to release Proprietary or Confidential Information, including Client Data, pending the outcome of any measures taken by the Disclosing Party to contest, otherwise oppose or seek to limit such disclosure by the Receiving Party and any subsequent disclosure or use of Proprietary or Confidential Information, including Client Data, that may result from such disclosure. The Receiving Party will cooperate with and provide assistance to the Disclosing Party regarding such measures. Notwithstanding any such compelled disclosure by the Receiving Party, such compelled disclosure will not otherwise affect the Receiving Party's obligations hereunder with respect to Proprietary or Confidential Information, including Client Data, so disclosed.

26.6 Return of Proprietary or Confidential Information

On either party's written request or upon expiration or termination of this Master Agreement for any reason, the other Party will promptly and in accordance with Client applicable record retention laws:

- (a) return or destroy, at the requesting party's option, all originals and copies of all documents and materials it has received containing the other party's Proprietary or Confidential Information, including Client Data if Client is the requesting Party; and
- (b) deliver or destroy, at Client's option, all originals and copies of all summaries, records, descriptions, modifications, negatives, drawings, adoptions and other documents or materials, whether in writing or in machine-readable form, prepared by Supplier, prepared under its direction, or at its request from the documents and materials referred to in subparagraph (a), and provide a notarized written statement to Client certifying that all documents and materials referred to in subparagraphs (a) and (b) have been delivered to Client or destroyed, as requested by Client.

The foregoing obligations of Client shall not apply to any Intellectual Property owned by Client or licensed by Client (for the duration of the license).

26.7 Nonexclusive Equitable Remedy

Each party acknowledges and agrees that due to the unique nature of Proprietary or Confidential Information of each party, including the Client Data, there can be no adequate remedy at law for any breach of its obligations hereunder, that any such breach or threatened breach may result in irreparable harm to such party, and therefore, that upon any such breach or any threat thereof, each party will be entitled to appropriate equitable and injunctive relief from a court of competent jurisdiction without the necessity of proving actual loss, in addition to whatever remedies either of them might have at law or equity. Any breach of this Section 26 (Confidentiality) in which material Proprietary or Confidential Information is disclosed will constitute a material breach of this Master Agreement and be grounds for immediate termination of this Master Agreement in the exclusive discretion of the non-breaching party.

27. Audit, Inspection, and Examination of Records

27.1 Maintenance of Books and Records

Supplier shall maintain accurate and complete financial records of its activities and operations relating to this Master Agreement. Supplier shall also maintain accurate and complete corporate documents, contractual agreements, employment agreements, and all other documents, agreements, and records relating to this Master Agreement.

27.2 Audits Authorized by Client

Supplier agrees that upon reasonable advance notice Client, or individuals or entities authorized by Client, shall have access to any Supplier Service Locations and Supplier's Subcontractors' locations, and any of Supplier's or Supplier's Subcontractor's agents, employees or representatives, and the right to examine and audit such Supplier Service Locations and Supplier's Subcontractors' locations, and to examine, audit, excerpt, copy or transcribe any and all pertinent documents, records, agreements, transaction, activity, or records relating to this Master Agreement for any reasonable business purpose, including: (a) the accuracy of Fees and invoices; (b) audits and examinations by Client's regulatory authorities; (c) validating performance as required by this Master Agreement; (d) the conduct of Supplier operations and procedures; (e) compliance with Section 17.8

(Compliance with Laws); (f) compliance with the Sarbanes-Oxley Corporate Reform Act; (g) the efficiency and costs of Supplier in performing the Services; (h) the functionality of the Supplier Systems; and (i) security. Supplier shall provide to such auditors and agents any assistance they may reasonably require in connection with such audits and inspections. All such material, including, all documents, agreements, financial records, time cards and other employment records shall be kept and maintained by Supplier and Supplier's contractors and shall be made available to Client during the Term and for a period of five (5) years thereafter unless Client's written permission is given to dispose of any such material prior to such time. Such audit shall only take place annually at the Client request.

27.3 Audit Settlements

Supplier and Client shall promptly meet to review the audit report, and shall mutually agree upon an appropriate and effective manner in which to respond to any identified deficiencies, and to discuss commercially reasonable methods to implement changes agreed upon between the parties. If, at any time during or after the Term, representatives of Client conduct an audit of Supplier regarding the work performed under this Master Agreement, and if such audit finds that Client's dollar liability for any such work is at least ten (10%) percent less than payments made by Client to Supplier for the work that is the subject of the audit, then the difference, together with Client's reasonable costs of audit and interest at the rate of one percent (1%) per month (calculated from the date of receipt by Supplier of the overcharged amount until the date of payment to Client), shall be deducted from any amounts due to Supplier from Client, whether under this Master Agreement.

27.4 SAS70

If Client requires or requests, Supplier shall, at Client's sole cost and expense, engage a nationally recognized independent third party auditor to conduct a SAS 70 Type II audit according to the standards established by the AICPA. The SAS 70 Type II audit will cover the Services provided to Client by Supplier. Supplier shall provide Client with a written copy of the SAS 70 Type II audit opinion within a reasonable time after completion of audit. Supplier will provide an update on any changes in the control environment from the end of the SAS 70 Type II audit period through the end of each calendar year, on or before January 31st of the following year. Client may add commercially reasonable control objectives to the SAS 70 Type II audit at Client's sole cost and expense.

28. Bankruptcy and Liquidation

Supplier and Client acknowledge and agree that in the event of either party's bankruptcy:

A. any and all property belonging to the non bankrupt entity of any nature whatsoever, including intellectual property, data and Proprietary or Confidential Information, in the bankrupt party's possession or under control shall not constitute part of the bankrupt party's estate in bankruptcy under Section 541 of the Bankruptcy Code; and

B. in addition to any other rights and remedies of the non bankrupt entity as stated herein, to the maximum extent permitted by law, the non bankrupt entity will have the immediate right to retain and take possession for safekeeping any and all property belonging to the non bankrupt entity of any nature whatsoever, including intellectual property, data and Proprietary or Confidential Information, in the bankrupt party's possession or under the bankrupt party's control until such time as the trustee or receiver in bankruptcy can provide the non bankrupt entity with adequate assurances and evidence to the non bankrupt entity that all of the non bankrupt entity's property will be protected from sale, release, inspection, publication or inclusion in any publicly accessible record, document, material or filing. Supplier and Client agree that without this material provision, Client would not have entered into this Master Agreement.

29. Assignment and Merger

29.1 Assignment

Neither party may assign this Master Agreement without the prior written consent of the other, except that either party may assign its rights and obligations under the Master Agreement without the approval of Supplier (i) to an entity which acquires all or substantially all of the assets of Client; or (ii) to any subsidiary or Affiliate; or (iii) to any successor in a divestiture, merger, or acquisition involving Client. Any assignment as permitted herein must: (1) be in writing; and (2) contain a written acknowledgement of the assignee that it is accepting all obligations of Client under this Master Agreement, and agrees to be bound by and discharge each of the Master Agreement's terms, conditions, and obligations as if it were the original party hereto.

29.2 Separation

In connection with the sale, transfer, or other disposition of any of Client's Affiliates, lines of business, or business units for which Supplier was providing Services at the time of sale, transfer, or other disposition, such successor entity shall be entitled to continue to receive Services under the terms of this Master Agreement, for a period of up to twenty-four (24) months after the closing date of such transaction. Client will remain liable for all of its obligations under the Master Agreement, including the payment of all Fees relating to such entity's use of the Services.

30. Extraordinary Events

30.1 Defined

As used in this Master Agreement, an "Extraordinary Event" shall mean a circumstance in which an event or discrete set of events has occurred or is planned with respect to the business of Client that results or will result in a change in the scope, nature or volume of the Services that Client will require from Supplier, and which is expected to increase or decrease Client's utilization of the Services by (10%) or more, and such changes persist or are expected to continue for three (3) or more months.

Examples of the kinds of events that might cause such substantial increases or decreases include:

- A. changes in products of, or in markets served by, Client;
- B. mergers, acquisitions or divestitures by Client;
- C. changes in the method of service delivery;
- D. changes in market priorities or market conditions; or
- E. changes in the number of business units being serviced by Supplier that were not anticipated as of the Reference Date.

30.2 Extraordinary Event Pricing

If an Extraordinary Event occurs, Supplier and Client shall determine the efficiencies, economies, additional costs and savings resulting from such Extraordinary Event and Supplier shall implement such efficiencies, economies, additional costs or savings in accordance with a mutually agreed to Statement of Work. Fee adjustments shall be based on Supplier's costs (including appropriate indirect and overhead costs) and related profit, and shall be phased in accordance with the

Statement of Work as required to pass through to Client the full benefit of the efficiencies, economies, and savings or additional costs as appropriate.

31. Amendment of Master Agreement

No alteration, amendment, or modification of the terms of this Master Agreement shall be valid or effective unless in writing and signed by Supplier and Client.

32. Waiver

All waivers under this Master Agreement shall be in writing in order to be effective. No waiver by a party of any breach of this Master Agreement or waiver of any warranty, representation, or other provision hereunder shall be deemed to be a waiver of any other breach, warranty, representation, or provision (whether preceding or succeeding, and whether or not of the same or similar nature), and no acceptance of performance by a party after any breach by the other party shall be deemed to be a waiver of any breach of this Master Agreement or of any representation, warranty, or other provision, whether or not the party accepting performance knows of such breach at the time of acceptance. No failure or delay by a party to exercise any right it may have by reason of the default of the other party shall operate as a waiver of default or modification of this Master Agreement or shall prevent the exercise of any right of the non-defaulting party under this Master Agreement.

33. Independent Contractor

Supplier acknowledges that it is at all times acting as an independent contractor under this Master Agreement and except as specifically provided herein, not as an agent, employee, or partner of Client. Supplier agrees to be solely responsible for all matters relating to compensation of its employees, including, compliance with local, state, federal, and foreign laws governing Supplier Personnel, including, the European Union Acquired Rights Directive and associated national implementing legislation, workers' compensation, Social Security, withholding and payment of any and all federal, state and local personal income taxes, disability insurance, unemployment, and any other taxes for such persons, including any related employer assessment or contributions required by law, and all other regulations governing such matters, and the payment of all salary, vacation and other employee benefits. At Supplier's expense as described herein, Supplier agrees to defend, indemnify, and hold harmless Client, its officers, agents, employees, members, subsidiaries, joint venture partners, and predecessors and successors in interest from and against any claim, action, proceeding, liability, loss, damage, cost, or expense, including, attorneys' fees as provided herein arising out of Supplier's alleged failure to pay, when due, all such taxes and obligations (collectively referred to for purposes of this Section as "Employment Claim(s)"). Supplier shall pay to Client any and all Supplier expenses or charges relating to or arising from any such Employment Claim(s) as they are incurred by Client.

34. Subcontractors

34.1 Request for Approval

If Supplier desires to subcontract any material portion of its performance, obligations, or responsibilities under this Master Agreement, Supplier shall notify Client prior to entering into the particular subcontract. Supplier's request to Client shall include:

- (a) The reason(s) for the particular subcontract;
- (b) A detailed description of the work to be performed by the proposed Subcontractor;
- (c) Identification of the proposed Subcontractor and an explanation of why and how the proposed Subcontractor was selected; and

- (d) Any other information reasonably requested by Client.

34.2 Supplier Obligations Remain Unchanged

Supplier shall remain responsible to Client for any and all performance required under this Master Agreement by Supplier or its approved Subcontractors, including, the obligation to properly supervise, coordinate, and perform all work required under the Services, and no subcontract shall bind or purport to bind Client or excuse Supplier of performance. Supplier shall be solely liable and responsible for any and all payments and other compensation to, and the performance of, all Subcontractors and their officers, employees, agents, and independent contractors. All agreements between Supplier and any Subcontractors shall include provisions at least as favorable to Client as those contained in this Master Agreement.

34.3 Subcontractor Personnel/Termination

Supplier shall have the right to subcontract any of its responsibilities under this Master Agreement. Supplier shall remain liable for all actions of Subcontractor, as between Supplier and Client, as if Supplier was performing the Services.

35. Interpretation of Master Agreement

35.1 Conflict Between Master Agreement and Exhibits

The Exhibits listed in the "Exhibit Index" on the page following the signature page of this Master Agreement are attached to, incorporated herein by reference, and form a part of this Master Agreement. Subject to the foregoing, in the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, subtask, deliverable, goods, service, or other work, or otherwise, between the body of this Master Agreement and the Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the body of this Master Agreement, then to the Exhibits attached hereto, then to Approved Statements of Work, then to Approved Change Orders, then to the Supplier's response to the Client's RFP # 056-30-P (JL) and then to the Client's RFP # 056-30-P (JL).

35.2 Choice Of Law, Venue and Jurisdiction

This Master Agreement and performance under it shall be governed by and construed in accordance with the laws of the State of Florida, without the application of its conflict of laws provisions. The parties agree that all actions or proceedings arising in connection with this Master Agreement shall be tried and litigated exclusively in the state or federal (if permitted by law and a party elects to file an action in federal court) courts located in Florida. This choice of venue is intended by the parties to be mandatory and not permissive in nature, and to preclude the possibility of litigation between the parties with respect to, or arising out of, this Master Agreement in any jurisdiction other than that specified in this Section. Each party waives any right it may have to assert the doctrine of forum non conveniens or similar doctrine or to object to venue with respect to any proceeding brought in accordance with this Section. Notwithstanding the foregoing, if any action or proceeding outside of the state or federal courts in Florida is necessary to collect or enforce any order, injunction, award or judgment of the courts set forth above, there shall be no contractual restriction on the jurisdiction or venue for such action or proceeding.

35.3 Master Agreement Drafted By All Parties

This Master Agreement is the result of arm's length negotiations between the parties and shall be construed to have been drafted by all parties.

35.4 Terminology

All personal pronouns used herein, whether used in the feminine, masculine, or neuter gender, shall include all other genders, and the singular shall include the plural and vice versa. Unless otherwise expressly stated, the words "herein," "hereof," and "hereunder" and other words of similar import refer to this Master Agreement as a whole and not to any particular Section, Subsection or other subpart. The words "include" and "including" shall not be construed as terms of limitation.

35.5 Section Headings

The Section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of this Master Agreement.

35.6 Counterparts

This Master Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and will become effective and binding upon the parties as of the Reference Date at such time as all the signatories hereto have signed a counterpart of this Master Agreement.

36. Notices

Any notices required or permitted to be given hereunder by either party to the other shall be given in writing: (1) by personal delivery; (2) by electronic facsimile with confirmation sent by United States first class registered or certified mail, postage prepaid, return receipt requested; (3) by bonded courier or by a nationally recognized overnight delivery Client; or (4) by United States first class registered or certified mail, postage prepaid, return receipt requested, in each case, addressed to the parties as follows (or to such other addresses as the parties may request in writing by notice given pursuant to this Section):

TO: Client

Tim Wiley
Director – Customer Service
14 South Ft. Harrison Ave.
Clearwater, FL 33756

And

TO: Supplier

Dwayne Tucker
President - Transaction Services
Alliance Data
17655 Waterview Parkway
Dallas, Texas 75252

With a copy to:

Alliance Data
17655 Waterview Parkway
Dallas, Texas 75252
Attn: General Counsel

Notices shall be deemed received on the earliest of personal delivery, upon delivery by electronic facsimile with confirmation from the transmitting machine that the transmission was completed, twenty-four (24) hours following deposit with a bonded courier or overnight delivery Client; or seventy-two (72) hours following deposit in the U.S. Mail as required herein.

37. Entire Agreement

This Master Agreement contains the entire agreement between Supplier and Client with respect to the subject matter of this Master Agreement, and with the exception of the Supplier's response to the Client's RFP # 056-30-P (JL) it supersedes all other prior and contemporary agreements, understandings, and commitments between Supplier and Client with respect to the subject matter of this Master Agreement.

38. Severability

If any provision of this Master Agreement is found to be invalid or unenforceable by any court, such provision shall be ineffective only to the extent that it is in contravention of applicable laws without invalidating the remaining provisions hereof.

39. Force Majeure

Neither party shall be liable for any delay or failure to perform (i) if and to the extent such delay or failure arises from an act of God or of the public enemy, act of civil disobedience, epidemic, war, or insurrection; and (ii) provided the non-performing party is without fault and the delay or failure could not have been prevented by reasonable precautions. In such event, the non-performing party is excused from further performance for as long as such circumstances prevail and the party continues to use its best efforts to recommence performance and mitigate the impact of its non-performance. Any party so delayed shall promptly notify the other party and describe the circumstances causing the delay. If an event substantially prevents or delays performance of the Services necessary for the performance of critical Client functions for more than seventy-two (72) hours, Client, at its sole discretion, may procure Services from an alternate source, and Supplier shall be liable for payment for such Services. The existence of a force majeure event shall not relieve Supplier of its obligation to use its commercially reasonable efforts to execute the Business Continuity and Disaster Recovery Plan for Client, except to the extent that execution of the Business Continuity and Disaster Recovery Plan is itself prevented by the force majeure event.

40. Liens

Supplier agrees to keep Client, all of the real and personal property of Client, and the services free and clear of all liens or lien claims. Should any lien or lien claim be asserted for any reason, Client may, at its sole discretion (i) pay the amount of such lien or lien claim; (ii) deduct such amounts from payments due to Supplier; and/or (iii) require Supplier to obtain a properly executed release of lien satisfactory to Client.

41. Promotions

41.1 Promotions Referring to the Parties

Each party agrees that the other party shall be entitled to review and approve any and all promotional materials prepared by one party that contain a reference to the other party as contemplated herein before publication or distribution of same. No public disclosures by either party relating to this Master Agreement, except for internal announcements or disclosures required to meet legal or regulatory requirements, shall be made without the prior written approval of authorized representatives of the other party.

IN WITNESS WHEREOF, the parties have executed this Master Agreement to become effective as of the Reference Date.

PINELLAS COUNTY, FLORIDA

By: Kenneth T. Wehl

Title: Chairman

Date: 12-06-06

ADS ALLIANCE DATA SYSTEMS, INC.

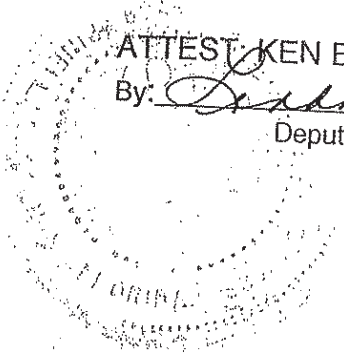
By: [Signature]

Title: PRESIDENT

Date: 11/28/06

ATTEST: KEN BURKE, CLERK

By: [Signature]
Deputy Clerk



APPROVED AS TO FORM:

By: [Signature]
County Attorney

Exhibit Index

- Exhibit A – Definitions
- Exhibit B – Change Control Procedures
- Exhibit C – Fees & Costs
- Exhibit D – Not Applicable
- Exhibit E – Service Level Agreement
- Exhibit F – Client Policies and Procedures
- Exhibit G – Services
- Exhibit H – Operational Governance Guidelines
- Exhibit I – Service Locations
- Exhibit J – Transition Approach
- Exhibit K – Client Approved Representatives
- Exhibit L – Reports
- Exhibit M – Supplier Key Employees
- Exhibit N – Monthly Performance Review Agenda
- Exhibit O – Not Applicable
- Exhibit P – Invoice Example
- Exhibit Q – Dispute Resolution
- Exhibit R – Client SAP License and Maintenance Agreement
- Exhibit S – Performance Bond

Exhibit A Definitions

The following terms, when used in this Agreement, shall have the following meanings:

1.1 “Acquired Entities”

“Acquired Entities” shall mean any entities acquired by Client and its affiliates as such entities may evolve over time.

1.2 “Active Customer Account Base”

“Active Customer Account Base” shall mean the aggregate number of Active Customer Accounts.

1.3 “Active Customer Account”

“Active Customer Account” shall mean a retail customer of Client whose bill for the provision of service is, pursuant to Client’s request, currently being prepared by Supplier as part of the Services rendered hereunder.

1.4 “Administrative Policies and Procedures”

“Administrative Policies and Procedures” shall mean those Policies and Procedures designated as Administrative Policies and Procedures on Exhibit F (Client Policies and Procedures).

1.5 “Affiliate”

“Affiliate” as to Supplier or Client, shall mean any corporation, partnership, limited liability company, or other domestic or foreign entity (a) of which a controlling interest is owned directly or indirectly by a party, or (b) controlled by, or under common control with, a party.

1.6 “AICPA”

“AICPA” shall mean the American Institute of Certified Public Accountants.

1.7 “Approve” or “Approval”

“Approve” or “Approval” shall mean the written authorization of the applicable Client Approval Representative.

1.8 “Approved Reassignments”

“Approved Reassignments” shall have the meaning set forth in Section 11.1 (Supplier Key Employees).

1.9 “Authorized User(s)”

“Authorized User(s)” shall mean any individual or entity authorized by Client to receive or use the Services under this Agreement, whether on-site or accessing remotely.

1.10 "Business Day(s)"

"Business Day(s)" shall mean Client's designated business days for Client or the Client Affiliate for which the Services are being provided.

1.11 "Business Continuity and Disaster Recovery Plan"

"Business Continuity and Disaster Recovery Plan" shall have the meaning set forth in Section 7 (Business Continuity and Disaster Recovery).

1.12 "Business Process Support Fee"

"Business Process Support Fee" shall be those Charges designated as Business Process Support Fees in Exhibit C (Fees & Costs).

1.13 "CCMS Monitoring"

"CCMS Monitoring" shall mean the monitoring of the Computing Center Management System within the SAP application. CCMS performs tasks in the areas of system monitoring, determining and displaying statistical data, and system management for starting and stopping systems, configuration, printing, background processing, resource management and database administration.

1.14 "Change"

"Change" shall mean any change to the Services described in Exhibit G (Services) and Exhibit J (Transition Approach), other than the addition of New Services.

1.15 "Change Control Procedures"

"Change Control Procedures" shall mean the process and procedures to be followed by Client and Supplier when either party wishes to make a Change, as set forth in Exhibit B (Change Control Procedures).

1.16 "Change Order"

"Change Order" shall have the meaning set forth in Exhibit B (Change Control Procedures).

1.17 "Change Proposal"

"Change Proposal" shall have the meaning set forth in Exhibit B (Change Control Procedures).

1.18 "Change Request"

"Change Request" shall have the meaning set forth in Exhibit B (Change Control Procedures).

1.19 "CIS Solution"

"CIS Solution" shall have the meaning set forth in Client's RFP # 056-30-P (JL).

1.20 "CIC Profile"

"CIC Profile" shall mean the Customer Interaction Center Profile in the SAP application that defines the view and functions accessible to an individual user or group of users of the CIS Solution.

1.21 "Claim"

"Claim" shall have the meaning set forth in Section 26.7(A) (Supplier Indemnification of Client).

1.22 "Client"

"Client" shall mean Pinellas County, Florida, a political subdivision of the State of Florida.

1.23 "Client Approval Representative"

"Client Approval Representative" shall mean the persons listed in Exhibit K (Client Approval Representatives). All changes to the Client Approval Representative shall be in accordance with Section 37 (Notices).

1.24 "Client Business Rule"

"Client Business Rule" shall mean a rule as determined by client that sets forth the parameters to be configured within the CIS Solution for automated or programmatic processing.

1.25 "Client Core Team"

"Client Core Team" shall mean those Client employees that will be assigned to key and dedicated roles as part of the implementation project.

1.26 "Client Data"

"Client Data" shall mean data, records, and information (1) processed by or input into the Supplier Systems, (2) utilized, accessed, or maintained by Supplier, or (3) which is otherwise provided to Supplier (including, any modifications to any such data, records and information, any Derivative Works created therefrom, and any sorting routines applied thereto) under this Master Agreement in connection with the Services.

1.27 "Client Designee"

"Client Designee" shall have the meaning set forth in Section 5 (Client Designee).

1.28 "Client Holidays"

"Client Holidays" shall mean the days when Client's employees are not required to be present at work.

1.29 "Client Intellectual Property"

"Client Intellectual Property" shall mean any Intellectual Property including software provided by Client to Supplier for use in connection with the Services.

1.30 "Client Outsourcing Contract Manager"

"Client Outsourcing Contract Manager" shall have the meaning specified in Exhibit H (Operational Governance Guidelines).

1.31 “Client Outsourcing Relationship Executive”

“Client Outsourcing Relationship Executive” shall have the meaning specified in Section 12.3 (Client Outsourcing Relationship Executive) and Exhibit H (Operational Governance Guidelines).

1.32 “Client Parties”

“Client Parties” shall have the meaning set out in Section 14.5.1 herein.

1.33 “Client Policies and Procedures”

“Client Policies and Procedures” shall mean the Client Documentation, policies, procedures, and guidelines as set forth in Exhibit F (Client Policies and Procedures), and as such Documentation, policies, procedures, and guidelines are amended, modified, and/or replaced by Client from time to time and made available to Supplier during the Term of this Master Agreement.

1.34 “Client’s Remedial Acts”

“Client’s Remedial Acts” shall have the meaning set forth in Section 14.5.1 herein.

1.35 “Client Regulatory Requirements”

“Client Regulatory Requirements” shall have the meaning set forth in Section 18.8 (Compliance with Laws).

1.36 “Client Sites”

“Client Sites” shall mean the Client or third party premises designated by Client from which Supplier may provide Services, and/or to which Supplier provides the Services, as set forth in Exhibit I (Service Locations), as such Exhibit may be amended from time to time by Client.

1.37 “Consents”

“Consents” shall have the meaning set forth in Section 13.1 (Obtaining Consents).

1.38 “Contract Year”

“Contract Year” shall mean the twelve (12) month period beginning with the Reference Date and each anniversary thereof.

1.39 “Custom Intellectual Property”

“Custom Intellectual Property” shall mean Intellectual Property made, conceived, or developed by Supplier after the Reference Date at the request of or on behalf of Client as part of the Services. Custom Intellectual Property does not include any of the following: (i) Supplier Intellectual Property, (ii) Client Intellectual Property, or (iii) Supplier Third Party Intellectual Property.

1.40 “Daily Transactions”

“Daily Transactions” shall mean those transactions that are mutually agreed during implementation as the transactions that are time sensitive and shall be measured to determine service level performance.

1.41 “Deficiencies”

“Deficiencies” or “Deficiency” shall mean and include defect(s) in design, materials, services, products, Software, Hardware, or workmanship; error(s), omission(s), or deviation(s) from any of the Specifications which result in the Services not performing, or the Services not being performed, in accordance with the provisions of this Agreement.

1.42 “Derivative Work”

“Derivative Work” means a work based on one or more pre-existing works, including a condensation, modification, transformation, expansion or adaptation, that, if prepared without authorization of the owner of the copyright of such pre-existing work, may constitute a copyright infringement.

1.43 “Detailed Business Case”

“Detailed Business Case” shall have the meaning set forth in Exhibit B (Change Control Procedures).

1.44 “Disabling Device(s)”

“Disabling Device(s)” shall have the meaning set forth in Sections 18.6 and 19.3 (Disabling Devices).

1.45 “Disclosing Party”

“Disclosing Party” shall have the meaning set forth in Section 27.2 (Exclusions).

1.46 “Documentation”

“Documentation” shall mean all policies and procedures relating to Services, training course materials (including knowledge transfer and computer based training programs or modules), technical manuals, logical and physical designs, application overviews, functional diagrams, data models, production job run documents, specifications, reports, or other written materials identified, provided, or developed under this Agreement (as to each, whether in hard or soft copy).

1.47 “Extended Term”

“Extended Term” shall have the meaning set forth in Section 1 herein.

1.48 “Extraordinary Event”

“Extraordinary Event” shall have the meaning set forth in Section 31.1 (Defined).

1.49 “Fee(s)”

“Fee(s)” shall mean the amounts set forth in Exhibit C (Fees & Costs) or elsewhere as charges for the Services.

1.50 "Functional Area Leads"

"Functional Area Leads" shall mean those Client employees designated as subject matter experts and will perform or support tasks as set forth in the project plan.

1.51 "Go-Live Date"

"Go-Live Date" shall mean the first date on which full operational Services are initiated for all Client customers by Supplier in a production environment following full performance and completion of implementation services and after successful completion of the tests and processes described in Exhibit J (Transition Approach).

1.52 "Implementation"

"Implementation" shall mean the implementation of the CIS Solution for Client and the transition of application management and bill print, mail and archival services to Supplier.

1.53 "Implementation Fee"

"Implementation Fee" shall have the meaning set forth in Exhibit C (Fees & Costs).

1.54 "Implementation Services"

"Implementation Services" shall mean the Services designated as Implementation Services in Exhibit G (Services).

1.55 "Including"

"Including," and its derivatives (such as "include" and "includes"), shall mean "including without limitation." This term is as defined, whether or not capitalized in the Agreement.

1.56 "Indemnitee"

"Indemnitee" shall have the meaning set forth in Section 26.7(C) (Indemnification Procedure).

1.57 "Inflationary Index"

"Inflationary Index" shall have the meaning set forth in Exhibit C (Fees & Costs).

1.58 "Infringement Claim"

"Infringement Claim" shall have the meaning set forth in Section 14.5.1 and 14.5.2.

1.59 "Initial Term"

"Initial Term" shall have the meaning set forth in Section 1 herein.

1.60 "Integration Testing"

"Integration Testing" shall mean the testing of a group of transactions that, when executed in series, enable a business process. These transactions can move across multiple modules within the CIS Solution.

1.61 “Intellectual Property”

“Intellectual Property” shall mean all inventions (whether or not subject to protection under patent laws), works of authorship, information fixed in any tangible medium of expression (whether or not subject to protection under copyright laws), Moral Rights, trademarks, trade names, trade dress, trade secrets, publicity rights, know-how, ideas (whether or not subject to protection under trade secret laws), and all other subject matter subject to protection under patent, copyright, Moral Right, trademark, trade secret or other laws, including, all new or useful art, configurations, Documentation, methodologies, best practices, operations, routines, combinations, discoveries, formulae, manufacturing techniques, technical developments, artwork, Software, programming, applets, scripts, designs, or other business processes.

1.62 “Joint Steering Committee”

“Joint Steering Committee” shall have the meaning set forth in Exhibit J (Transition Approach).

1.63 “Law”

“Law” shall mean all federal, state and local laws, statutes and regulations applicable to the Services.

1.64 “Losses”

“Losses” shall have the meaning set forth in Section 26.7(A) (Supplier Indemnification of Client).

1.65 “Mandatory Change”

“Mandatory Change” shall have the meaning set forth in Exhibit B (Change Control Procedures).

1.66 “Market”

“Market” shall mean any geographical region whose boundaries are governed by the area of a specific utility Client’s distribution region.

1.67 “Master Agreement”

“Master Agreement” shall mean this Professional Services Agreement, together with the Exhibits, Documentation, future Client-Approved Statements of Work, and all other materials incorporated herein by reference.

1.68 “Migrated Services”

“Migrated Services” shall have the meaning set forth in Section 10 (Exclusive Relationship).

1.69 “Monthly Performance Reviews”

“Monthly Performance Reviews” shall have the meaning set forth in Section 12.2(B) (Monthly Performance Reviews).

1.70 “Moral Rights”

“Moral Rights” shall mean any personal or non-economic right to a work, including rights of attribution, integrity of the work, any right to object to any distribution or other modification of a work, and any similar right existing under the law of any country in the world or under any treaty.

1.71 “New Services”

“New Services” shall mean those services that are materially different in purpose from, and in addition to, the then-current Services as described in the Master Agreement and any subsequent Change Orders. All New Services require Client Approval.

1.72 “OSS Notes”

“OSS Notes” shall mean the service provided by SAP that provides Clients access to a previous notes database, news and information, problem reporting, patch downloads, and remote consulting.

1.73 “Operational Policies and Procedures”

“Operational Policies and Procedures” shall mean those Policies and Procedures designated as Operational Policies and Procedures on Exhibit F (Client Policies and Procedures).

1.74 “Operational Services”

“Operational Services” shall be those Services designated as Operational Services in Exhibit G (Services).

1.75 “Operational Year”

“Operational Year” shall mean the twelve (12) month period beginning with the Go-Live Date and each anniversary thereof.

1.76 “Production Readiness Assessment Criteria”

“Production Readiness Assessment Criteria” shall have the meaning set forth in Exhibit J (Transition Approach).

1.77 “Program Manager”

“Program Manager” shall mean the employee of Supplier assigned to lead the implementation project and perform those tasks as set forth in Exhibit G (Services).

1.78 “Project Manager”

“Project Manager” shall mean the employees of Supplier and Client assigned to lead specific implementation project tasks as set forth in Exhibit G (Services).

1.79 “Project Plan”

“Project Plan” shall have the meaning set forth in Exhibit J (Transition Approach).

1.80 “Proprietary or Confidential Information”

“Proprietary or Confidential Information” shall have the meaning set forth in Section 27.1 (Definition of Proprietary or Confidential Information).

1.81 “Receiving Party”

“Receiving Party” shall have the meaning set forth in Section 27.2 (Exclusions).

1.82 “Re-evaluation Meeting”

“Re-evaluation Meeting” shall have the meaning set forth in Exhibit B (Change Control Procedures).

1.83 “Reference Date”

“Reference Date” shall have the meaning set forth in the introductory paragraph of this Agreement.

1.84 “SAP CCS”

“SAP CCS” shall mean the CIS application licensed by Client from SAP.

1.85 “SD/PM/CS”

“SD/PM/CS” shall mean Service Delivery, Plant Management, and Customer Service.

1.86 “Service Level Agreement(s)”

“Service Level Agreement(s)” shall mean the service level agreement(s) attached hereto as Exhibit E (Service Level Agreement).

1.87 “Service Levels”

“Service Levels” shall mean those Supplier performance criteria as set forth in the Service Level Agreement.

1.88 “Services”

“Services” shall mean all functions, responsibilities, tasks, subtasks, deliverables, goods, products, work product, Software, Hardware, and other deliverables/services: (1) identified in the Statement(s) of Work or Specifications; (2) identified in this Master Agreement; (3) otherwise necessary to comply with the terms of this Master Agreement. Without increasing the scope of the Services, if any component task, subtask, service, or function is an inherent, necessary, or customary part of the Services defined in subparts (1), (2), or (3) of this Section 1.61 (Services), but is not specifically described in this Agreement, such service or function shall be deemed to be part of the Services. Any Supplier Systems, Supplier Intellectual Property, Supplier Third Party Intellectual Property and/or Custom Intellectual Property provided to Client by Supplier pursuant to this Agreement shall be deemed part of the Services.

1.89 “Significant Service Level Agreements”

“Significant Service Level Agreements” shall mean those Service Levels identified as Significant Service Levels in Exhibit E (Service Level Agreement).

1.90 “Software”

“Software” shall mean individually each, and collectively all, of the computer programs and/or software, licensed by Client or Supplier from a Third Party Vendor, or otherwise provided by Supplier or Client under this Agreement, including any: (1) embedded and/or re-marketed Third Party Vendor software and/or computer programs, (2) interfaces, (3) source code, and/or (4) object code.

1.91 “Software License Fee”

“Software License Fee” shall have the meaning set forth in Exhibit C (Fees & Costs).

1.92 "Specifications"

"Specifications" shall mean (1) the Statements of Work, as attached and as modified and appended, including all documents incorporated therein; (2) all other performance and other requirements and standards included or incorporated by reference into this Agreement, including without limitation, the Client Policies and Procedures (Exhibit F) and the Service Level Agreement (Exhibit E); and (3) to the extent it is not inconsistent with the above, the Documentation.

1.93 "Statement(s) of Work"

"Statement(s) of Work" shall mean the statement(s) of work set forth in Exhibit G (Services), as they shall be amended from time to time in accordance with this Master Agreement, and such other statements of work that Client and Supplier may enter into from time to time.

1.94 "Subcontractor"

"Subcontractor(s)" shall mean any person, entity, or organization to which Supplier proposes to delegate or has delegated any of its obligations hereunder in accordance with Section 35 (Subcontractors).

1.95 "Supplier"

"Supplier" shall mean ADS Alliance Data Systems, Inc. ("Alliance Data") and any Affiliates, Subcontractors, employees, consultants, agents, contractors, or other third parties providing services on behalf of Alliance Data under this Agreement.

1.96 "Supplier Client Executive"

"Supplier Client Executive" shall have the meaning specified in Exhibit H (Operational Governance Guidelines).

1.97 "Supplier Intellectual Property"

"Supplier Intellectual Property" shall mean Intellectual Property made, conceived, developed or owned by Supplier prior to the Reference Date, or independent and apart from its obligations under this Agreement, as well as all Derivative Works of such Intellectual Property that may be made, conceived or developed after the Reference Date, that is contained in, comprising, or otherwise necessary or used to provide the Services. Supplier Intellectual Property shall also include any other Intellectual Property that the parties mutually agree in writing constitutes "Supplier Intellectual Property."

1.98 "Supplier Key Employee"

"Supplier Key Employee" shall have the meaning set forth in Section 11.1 (Supplier Key Employees).

1.99 "Supplier Parties"

"Supplier Parties" shall have the meaning set forth in Section 14.5.2 herein.

1.100 "Supplier Personnel"

"Supplier Personnel" shall mean the employees, agents, contractors, subcontractors, or representatives of Supplier, Supplier Subcontractors, and Supplier Affiliates who provide an products or perform any Services under this Agreement.

1.101 “Supplier Regulatory Requirements”

“Supplier Regulatory Requirements” shall have the meaning set forth in Section 18.8 (Compliance with Laws).

1.102 “Supplier’s Remedial Acts”

“Supplier’s Remedial Acts” shall have the meaning set out in Section 14.5.2 herein.

1.103 “Supplier Service Locations”

“Supplier Service Locations” shall mean the premises occupied, owned, operated, or leased by Supplier to provide the Services and set forth on Exhibit I (Service Locations).

1.104 “Supplier Systems”

“Supplier Systems” shall mean individually and in the aggregate the (i) hardware, machines and other equipment owned or leased by Supplier; (ii) software licensed to the Client under this Master Agreement or software owned or licensed by Supplier; and (iii) other technology, all as set forth in this Agreement or as otherwise necessary to provide the Services as set forth in this Agreement, as well as the Supplier Intellectual Property and Supplier Third Party Intellectual Property.

1.105 “Supplier Third Party Intellectual Property”

“Supplier Third Party Intellectual Property” shall mean Intellectual Property licensed, made, conceived, or developed by a Third Party Vendor and used by Supplier in performing the Services.

1.106 “Systems”

“Systems” shall have the meaning set forth in Section 9 (Communications Systems and Access to Information).

1.107 “Term”

“Term” shall have the meaning set forth in Section 1 (Term).

1.108 “Termination Assistance Period”

“Termination Assistance Period” shall have the meaning set forth in Section 25.3 (Termination Assistance Period).

1.109 “Termination Assistance Services”

“Termination Assistance Services” shall mean those transition, information technology, and related services provided by Supplier to Client upon the termination or expiration of this Agreement for any reason as set forth in the Termination Schedule or in Section 25 (Termination/Expiration Assistance Services) of this Agreement (as applicable). The Termination Assistance Services shall be deemed part of the Services.

1.110 “Termination Schedule”

“Termination Schedule” shall mean an integrated plan developed by Client and Supplier to effectuate a seamless transition of the Services, from Supplier to Client (or another vendor) in the event of termination or expiration of this Agreement for any reason and as further set forth in Section 25.1 (Termination/Expiration Schedule).

1.111 “Third Party Vendor”

“Third Party Vendor” shall mean any person or entity (excluding Client or Supplier) contracting directly or indirectly with Client or Supplier to provide Supplier Systems, Intellectual Property, Services or other products or services that are used or provided under this Agreement.

1.112 “Transition Approach”

“Transition Approach” shall mean the plan attached hereto as Exhibit J (Transition Approach), containing services and timelines related to Client’s transition of responsibility for the Services to Supplier.

1.113 “Transition Period”

“Transition Period” shall mean the period of time encompassing implementation and post Go Live implementation support.

1.114 “Transition Program Team”

“Transition Program Team” shall have the meaning set forth in Exhibit J (Transition Approach).

1.115 “Unapproved Work”

“Unapproved Work” shall have the meaning set forth in Section 3 (Client Approvals/Unapproved Work).

1.116 “Unit Testing”

“Unit Testing” shall mean the testing of a specific transaction including a defined input, action, and output based on a specific data set within the CIS Solution.

1.117 “Virus(es)”

“Virus(es)” shall have the meaning set forth in Section 18.5 and 19.2 (Viruses).

1.118 “Work Products”

“Work Products” shall mean the documented output of specific Client-requested or Supplier-initiated changes to Supplier Systems or the CIS Solution.

Exhibit B – Change Control Procedures

1. Introduction

This Exhibit describes the process and procedures (the "**Change Control Procedures**") to be followed by Client and Supplier when either party wishes to make a Change. The parties may, by joint written agreement, amend or waive any part of the Change Control Procedures including, but not limited to, where the parties agree that shorter or longer time frames are more appropriate, provided that any modifications to the Change Control Procedures are recorded in a Change Proposal (as such term is defined in Section 1.1 below) and such Change Proposal is allocated a unique number by Supplier and is signed by duly authorized representatives of Client and Supplier. For purposes of this Exhibit, a Business Day means Monday through Friday, excluding Client Holidays (as defined in the Master Agreement). Capitalized terms used in this Exhibit but not otherwise defined herein will have the respective meanings set forth in the Master Agreement.

1.1 Objectives

The purposes and objectives of the Change Control Procedures are as follows:

- to review each request for a Change (a "**Change Request**") to determine whether such Change is appropriate;
- to determine whether a Change is within the scope of the Services or constitutes a New Service;
- to determine whether a Change fits into one of the categories listed below:
 - Market-required change, which is a change that is made to comply with a Law
 - Client-specific change
 - Includes, but not limited to, changes to Client business processes, Client Business Rules and rate development
 - Technology currency change:
 - Includes ongoing technology refresh to at all times operate using supported versions of the technology and systems for billing operations including the operating system, the database and billing system
 - Includes infrastructure to support four distinct environments: (1) production, (2) development (3) test, (4) disaster recovery/failover
 - Mandatory Change (as defined below), which may be a Market-required change or a Client-specific change
- to prepare a cost/benefit analysis to implement a Change Request (such proposal, a "**Change Proposal**");
- to prioritize all Change Requests and Change Proposals;
- to minimize the risk of exceeding both time and cost estimates, if any, associated with the requested Change by identifying, documenting, quantifying, controlling, managing and communicating: (i) Change Requests, (ii) the preparation of Change Proposals, and (iii) their disposition;

Exhibit B – Change Control Procedures

- to identify the different roles, responsibilities and actions that shall be assumed and taken by the parties to define and implement the Changes; and
- to document a Change whether or not such Change results in any extra Fees.

Each party shall be responsible for all costs and expenses incurred by its employees, agents and subcontractors with respect to its participation in, and responsibilities and obligations under, Change Control Procedures, unless expressly agreed otherwise in writing by both parties or unless otherwise set forth herein.

2. Change Control Procedures

Either Supplier or Client may initiate a Change Request by delivering to the other's responsible executive or his/her nominated representative a request that describes the Change and sets forth the reasons for it. Supplier shall assign a unique number to any such request and shall register the Change Request in the Change Request Log as described in Section 6 below.

Each party's respective responsible executive or his/her nominated representatives shall be responsible for reviewing and considering any Change Request, and shall approve it for further evaluation, if deemed necessary. If the parties agree that the Change Request requires further evaluation, the responsible executives shall authorize such evaluation, which shall be performed as required by Supplier and/or Client. The Supplier Client Executive shall be responsible for keeping an up to date status of each Change Request in the Change Request Log as well as the status of the Change Request changes through the Change Control Procedures.

2.1 Change Requests

For each Change Request that the parties have approved for further evaluation, regardless of which party has proposed the Change, Supplier shall prepare and submit to Client within seven (7) Business Days (or as otherwise agreed) a Change Proposal. Client shall provide reasonable cooperation and provision of any information reasonably requested by Supplier in support of Supplier's preparation of such Change Proposal.

Such Change Proposal shall contain:

- a single point of contact for each of the Supplier and Client, which contacts will control communications and changes;
- the work effort, hours and fully-loaded costs (inclusive of travel and living expenses) associated with the Change;
- the timeframe for implementing the Change (including any timing constraints);
- the preliminary technical or business case for making the Change, as well as any changes or additions to policies, standards and procedures of Supplier and/or Client as the case may be, in accordance with which the Change is to be implemented; the scope of the change, including any known out-of-scope items;
- the resources (including without limitation human resources, hardware, software and other equipment) required for implementing the Change;
- an initial analysis of the potential risks (if any) to Client or Supplier associated with implementing the Change;
- an initial analysis of the potential risks (if any) to Client or Supplier if the Change is not implemented; and

- all assumptions used in determining the Change Proposal.

Supplier shall bear the costs related to preparing the Change Proposal as set forth in this Section 2.1 subject to the conditions below. To the extent the work required by such Change Proposal exceeds Supplier's capacity to timely respond, the parties shall agree (i) to extend the timeframe for Supplier to prepare and submit such Change Proposal so that the work required thereby will not exceed the one (1) FTE allocated by Supplier for such work; (ii) if the timeframe to prepare and submit a Change Proposal cannot be extended and the work exceeds the one (1) FTE allocated by Supplier, Client will bear the additional costs related to Supplier's timely submission of the Change Proposal provided the parties agree to that in writing in advance of the preparation of the Change Proposal; or (iii) if the amount of time Supplier has had to allocate for Change Proposals over the prior six (6) month period has on average been less than the equivalent of one (1) FTE (40 hours per week), Supplier shall allocate two (2) FTEs to meet the timeframe at no additional cost to Client. Notwithstanding the foregoing, Supplier will not charge Client for the preparation of a Change Proposal if Client has signed a Change Order in the prior three (3) months. In addition, Client shall not be charged for the preparation of a Change Proposal that is associated with a Technology currency change or a Market-required change.

2.2 Change Proposal Review

Client and Supplier shall review the Change Proposal and Client shall, within seven (7) Business Days after delivery of such Change Proposal in writing, either (A) instruct Supplier to prepare a Detailed Business Case as set forth in this Section 2.2, (B) notify Supplier that it does not wish to proceed with the Change, or (C) proceed with the Change on the material terms set forth in the Change Proposal and other mutually-agreed terms as necessary to reasonably complete the Change Order (as defined in Section 2.4 below). Where Client has instructed Supplier to prepare a Detailed Business Case, within twenty (20) Business Days (or as otherwise agreed) after receiving such instruction, Supplier shall prepare and deliver to Client a Detailed Business Case including the following elements, to the extent relevant:

- scope of the Services;
- the Service Levels;
- the Fees for the Change (i.e., fixed price/time and materials, including an estimate of total costs) as well as changes to the Fees for existing Services, if any;
- the resources (including without limitation human resources, hardware, software and other equipment) required for implementing the Change;
- timeline, milestones, delivery dates, and consequences for not implementing the Change;
- evaluation testing, development, acceptance testing period, acceptance testing and acceptance criteria (which must be included in the final Change Order);
- changes to the Business Continuity and Disaster Recovery Plan;
- changes to Web site information, Client policies, scripting for customer representatives, etc;
- impacts to, additions or deletions of, third party agreements;
- any impacts on Client's, Supplier's or any third party's software, hardware, systems, business operations, personnel requirements or other services;
- any related technical or human resource systems/procedures;
- any legal and regulatory compliance issues;

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- any other matter reasonably requested by Client at the time of preparation of the impact analysis or reasonably considered by Supplier to be relevant;
- impact upon the Termination Schedule;
- any additional terms and conditions applicable to the Change;
- where the Change relates to a New Service to be provided, how the business objectives of Client and Supplier will be achieved in the provision of those services;
- any additional contractual terms and conditions which would apply to the Change, any changes to the contractual terms and conditions of the Master Agreement, together with details of the effect (if any) those terms and conditions shall have on the Master Agreement;
- a detailed analysis of the potential risks (if any) to Client or Supplier associated with implementing the Change; and
- a detailed analysis of the potential risks (if any) to Client or Supplier if the Detailed Business Case is not implemented.

Supplier shall bear the costs related to preparing the Detailed Business Case as set forth in this Section 2.2 subject to the conditions below. To the extent the work required by such Detailed Business Case exceeds Supplier's capacity to timely respond, the parties agree (i) to extend the timeframe for Supplier to submit such Detailed Business Cases so that the work required thereby will not exceed the one (1) FTE allocated by Supplier for such work; (ii) if the timeframe to prepare and submit a Detailed Business Case cannot be extended and the work exceeds the one (1) FTE allocated by Supplier, Client will bear the additional costs related to Supplier's timely submission of the Detailed Business Case; or (iii) if the amount of time Supplier has had to allocate for Detailed Business Cases over the prior six (6) month period has on average been less than the equivalent of one (1) FTE (40 hours per week), Supplier shall allocate two (2) FTEs to meet the timeframe at no additional cost to Client. Notwithstanding the foregoing, Supplier will not charge Client for the preparation of a Detailed Business Case if Client has signed a Change Order in the prior three (3) months. In addition, Client shall not be charged for the preparation of a Detailed Business Case that is associated with a Technology currency change or a Market-required change.

2.3 Required Action

Once submitted by Supplier, Client shall review the Detailed Business Case, and as soon as reasonably practicable, and in any event not more than fifteen (15) Business Days (or as otherwise agreed) after receipt of the Detailed Business Case, either:

- the parties may approve the Detailed Business Case. in which case the Detailed Business Case shall be signed by the responsible executives and the Change will be incorporated in accordance with Section 2.4 below;
- Client may notify Supplier that it does not wish to proceed with the Change, in which case no further action shall be taken in respect of the Detailed Business Case; or
- Client or Supplier may request that it and the other party meet to discuss the Change Proposal within ten (10) Business Days (such meeting to be referred to as the "**Re-evaluation Meeting**").

The Fees, if any, for implementing Changes shall be the fixed charges designated in the applicable Change Order. In the event that a Detailed Business Case covers multiple clients, Supplier shall offer to perform the Detailed Business Case for Client at a price which takes into account Client's proportional share of the pro-ratable costs. Costs for resources and effort unique to Client will not be subject to proration.

At the **Re-evaluation Meeting**, the parties shall use reasonable endeavors to agree to either:

- take no further action in respect of the proposed Change, in which case no further action shall be taken in respect of the Detailed Business Case;
- acquire further information before deciding whether to proceed with the Change;
- amend some or all of the contents of the Detailed Business Case, which Supplier will incorporate into a revised version of the Detailed Business Case; or
- proceed with the Change as detailed in the Detailed Business Case, in which case the Detailed Business Case shall be signed and the Change will be incorporated in accordance with Section 2.4 below.

In the event that the parties agree to proceed in accordance with one of the options detailed in Section 2.3 above, the parties shall either (a) gather any necessary information and/or (b) Supplier shall prepare a revised version of the relevant Detailed Business Case, upon which the parties shall decide whether to proceed in accordance with Section 2.3 above. The parties shall continue to go through the process detailed above until such time as a final resolution is made by the parties. The parties shall act in good faith at all times during such process.

If the parties' responsible executives agree to a Change prior to any investigation conducted by either party, Supplier shall in any event prepare a Detailed Business Case in accordance with Section 2.3 above and submit such Detailed Business Case for review and approval in accordance with Section 2.3 above.

2.4 Effectiveness of a Change

Upon the signature of a Change Proposal or Detailed Business Case by both responsible executives in respect of a Change, the contents of such Change Proposal or Detailed Business Case shall be deemed to be agreed and incorporated into the Master Agreement on the date of the last signature or as the parties may otherwise agree (each such accepted Change Proposal or Detailed Business Case shall become a "**Change Order**"). All services added or modified by a Change Order shall be "Services" under the Master Agreement, and the performance of Change Orders shall in all respects be governed by the Master Agreement. Except as expressly provided herein, no part of the discussions or interchanges between the parties shall obligate the parties to approve any Change or shall constitute an amendment or waiver of the Master Agreement unless and until reflected in a Change Proposal or Detailed Business Case and adopted in accordance with this Exhibit.

Neither party shall have any obligation to commence or comply with any Change, perform services that would be covered by any Change, or pay any Fees that would be covered by any Change, until such time as the parties' responsible executives have signed the appropriate Change Order. Disputes regarding a Change, including without limitation Changes initiated by Supplier to recover what it believes to be extra Fees due and owing, shall be subject to the Dispute Resolution process set forth in the Master Agreement.

Client's acceptance of, and payment for, work under other Change Orders will be subject to Client's approval that such work complies with the mutually agreed objective acceptance criteria during an acceptance period designated in the Change Order (or if no such acceptance period is specified in the Change Order, then it shall be thirty (30) calendar days). If Supplier's work under a Change Order does not comply with the applicable acceptance criteria for such Change Order, Supplier will correct such work and resubmit the Change for Client's acceptance. If, following one or more resubmissions, Supplier fails to fulfill its obligations to meet the Change Order acceptance criteria within a time period specified in the Change Order (or if no such period is specified in the Change Order, then it shall be thirty (30) calendar days), Client may terminate such Change Order and Client shall be entitled to relief from further payments under such Change Order and a credit or refund (at Client's option) for any advance payments previously made under the Change Order.

3. Change Management Reporting Requirements

Supplier shall provide Client a summary specifying the status of all pending Change Requests and Change Proposals.

4. Failure to Agree

In the event that the party initiating a Change Request believes that the requested Change is required or necessary, the requesting party shall inform the other party in writing of the reasons why the Change is required and the impact if it is not implemented or the reasons why a Change to the Fees is justified and equitable. In the event that the other party does not agree to implement the Change, the requesting party shall be entitled to consider the other party's failure to agree to implement the Change as a dispute, and the requesting party may escalate such dispute for resolution in accordance with the Master Agreement.

5. Critical Change Process; Mandatory Changes

In the event that either party requires a Change in order to respond to a critical change and such Change would, in the reasonable opinion of the requesting party, if it was not implemented until Change Control Procedures had been followed, have a detrimental effect generally on Client or specifically impacting Supplier's ability to meet its obligations pursuant to the Master Agreement, the requesting party shall make all commercially reasonable efforts to contact the other party's responsible executive. If the requesting party is unable to contact the other party's responsible executive after commercially reasonable efforts, the requesting party shall, where appropriate and practical, make all commercially reasonable efforts to contact the other party's designated member of the Joint Steering Committee. If the requesting party is unable to contact either the other party's responsible executive or the other party's designated Joint Governance Board member, the requesting party may make temporary Changes to the Services without the prior consent of the other party. The requesting party shall notify the other party as soon as practicable but no later than 48 hours after the event of such Change and shall, as soon as reasonably practicable (but no later than two (2) Business Days thereafter) document and report in writing on such Changes to the other party. Any agreed Change as a result shall be agreed in accordance with Change Control Procedures. Disputes regarding any extra Fees for Changes under this Section 5 are subject to the dispute resolution protocols set forth in the Master Agreement.

Notwithstanding the Change consideration and implementation process outlined in Article 2 of this Exhibit, but in all events subject to Section 4 above, if a Change requested by Client is a Mandatory Change (as defined hereafter), Supplier shall immediately begin implementing the Change upon request by Client. Supplier shall also prepare and deliver to Client a Change Proposal related to the Mandatory Change on an expedited basis, where appropriate, and the parties shall work together in good faith to determine the impact on the Master Agreement (including without limitation, any impact on the Fees) as a result of implementing the Mandatory Change. If the parties are unable to agree on the impact on the Master Agreement within thirty (30) calendar days after Client has received the Change Proposal from Supplier, either party may consider such failure to agree to be a dispute, and may escalate such dispute for resolution in accordance with the Master Agreement. A "**Mandatory Change**" shall be any Change requested by Client (a) that is reasonably required to comply with any Law or collective bargaining agreement; or (b) for Supplier to perform services critical to Client's business where such services are not within the scope of the Services, but are not materially different in nature or kind from the Services.

6. Change Request Log

6.1 Content

Each entry made in the Change Request Log shall consist of the following fields:

Exhibit B – Change Control Procedures

- serial number of the Change Request;
- name of the originating party, including name or specific requestor;
- a brief description of the Change, including key dates and milestones for implementation as they become available;
- the current status of the Change; and
- the date of registration of the Change Request in the Change Request Log.

6.2 Status

The status of the Change Request at any stage in Change Control Procedures shall be one of the following:

- submitted (i.e., that the Change Request has been entered in the Change Request Log, but no Change Proposal has been issued);
- pending (i.e., that the Change Request has been submitted and the Change Proposal has been issued);
- approved (i.e., awaiting implementation);
- closed (i.e., all implementation tasks have been completed); or
- rejected (i.e., closed and not implemented).

Exhibit C – Fees & Costs

**EXHIBIT C
FEES & COSTS**

All Fees and pricing terms set forth in this Exhibit, except those under the heading "Implementation Services" shall become effective as of the applicable Go-Live Date. Capitalized terms used in this Exhibit but not otherwise defined herein shall have the meanings set forth in the Master Agreement.

Business Process Support Fees

Effective as of the Go-Live Date and subject to satisfying the mutually agreed upon acceptance criteria, Supplier will bill Client for Business Process Support Fees according to the schedule below.

Description	Volume	Business Process Support Fee
Operational CIS Hosting Services	110,000 Active Customer Accounts	\$0.91 per Active Customer Account /month
	55,000 mailed pieces/month	

Operational Pricing Parameters

- * Pricing assumes a contract term of five (5) years from the Go-Live Date.
- * Pricing will not be adjusted for inflation for the first twenty four (24) months from the Go-Live Date. Each year thereafter through the end of the Term, the rate of inflation will be determined for the prior Contract Year as follows. The rate of inflation will be determined as the difference between the Inflationary Index on the anniversary of the Go-Live Date for the prior Contract Year and the Inflationary Index on the anniversary of the Go-Live Date in the current Contract Year. The Business Process Support Fees for the following year shall be increased by such rate of inflation. Excluding periods of where the difference between the two measures exceeds 10%, this increase shall be capped at three percent (3%) per year. Any increases above 10% will be added to the 3% cap for the final amount that pricing may be adjusted. For the purposes of the Master Agreement, the Inflationary Index will be the Consumer Price Index – Urban Consumer (CPI-U) as published by the U.S. Department of Labor, Bureau of Labor Statistics.
- * A minimum of 110,000 Active Customer Accounts will apply. In the event Client's customer base is below 110,000 Active Customer Accounts at any time during the term of the Master Agreement, Business Process Support Fees will be calculated by multiplying the applicable fees by 110,000 Active Customer Accounts.

In the event Supplier contracts for and manages network connectivity between Client facilities and Supplier facilities, applicable fees will be passed through to Client and are included in the costs herein. In the event Client contracts for and manages network connectivity between Client facilities and Supplier facilities, Client will be billed directly by its provider for these services.

~~Supplier shall not be responsible for any costs incurred by Client in connection with the implementation of the services hereunder. Supplier shall not be responsible for any costs incurred by Client in connection with the implementation of the services hereunder. Supplier shall not be responsible for any costs incurred by Client in connection with the implementation of the services hereunder.~~

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Exhibit C - Fees & Costs

Pricing assumes that Supplier is primarily responsible for and will perform the data mapping required to convert Client-provided data into the Supplier-required file format for conversion for the Implementation Fee set forth in this Exhibit. Client will assist and support Supplier in this effort.

Supplier shall be responsible for unit testing all modifications and interfaces before they are turned over to the Client for integration testing. Client is responsible for testing system functionality. Supplier will provide a methodology and framework for testing that Client may choose to utilize in executing the test of system functionality.

Client is responsible for formulating system acceptance criteria. Supplier will provide a framework and guidance in creating these criteria. Client's acceptance activities shall be conducted in a manner consistent with the then-current Project Plan.

While the Client will provide all current training materials and process documentation within ten (10) Business Days of signing the Master Agreement, both parties acknowledge that this documentation does not represent a comprehensive treatment of current processes nor does it contain the accurate or total content of the business processes to be utilized upon the implementation of the CIS Solution.

Exhibit C – Fees & Costs

Appendix A – Charges for Additional Print/Mail Services

The table below describes committed pricing by Supplier for additional work activities related to the Bill Print/Mail Process:

Bill Print/Mail Work Activity	Price
Duplex Bill	\$0.09/Mailed Piece
Additional Page	\$0.03/Additional Page
Additional Insert	\$0.01/Additional Insert
Color Printing	TBD

The table below describes current rates for consumables which are expected to be used in Supplier's performance of Operational Services for Bill Print/Mail. These prices are provided for information only, and are subject to change based on conditions within the consumables market:

Consumable Item	Price
Statement Form (continuous form)	\$8.61
Outgoing Statement Envelope	\$12.33
Business Reply Envelope	\$8.93
Inserts	Provided by Client

EXHIBIT E
SERVICE LEVEL AGREEMENT

1. Overview

This Schedule provides the Service Levels that Supplier shall meet during the Term of this Master Agreement and Performance Incentives to be paid to Supplier by Client or the Performance Credits to be provided to Client by Supplier based on the efficiency and quality with which Supplier performs the Operational Services and related tasks, and the mechanisms with which such performance will be measured.

2. Framework Overview

A portion of Supplier's total compensation for the delivery of the Operational Services shall be affected based on the Performance Credit and/or Performance Incentive framework described herein.

3. Business Rule

Supplier shall not be penalized for failing to meet any particular Service Level if such failure results from Supplier adhering to a Client Business Rule that directly conflicts with or contradicts a Service Level. In the event that such a failure occurs, Supplier and Client shall work together in good faith to modify the Service Level as appropriate.

4. Burn-in Period

No Performance Credits or Performance Incentives will apply during Implementation or for the first 3 months after Go-Live Date on Supplier systems.

5. Performance Credit and Performance Incentive Cap

No single Service Level will result in Performance Credits or Performance Incentives that are greater than 5% of the Business Process Support Fees. The Performance Credits and Performance Incentives will be netted each month and the net total of Performance Credit or Performance Incentive will not exceed 15% of the Business Process Support Fees. For the purpose of calculating Performance Credits and Performance Incentives, each measurement will be rounded to the nearest whole number unless specifically noted within the Performance Credit or Performance Incentive.

6. Designated Service Levels

Service Level Description	Service Level Calculation	Performance Credit	Performance Incentive	Measurement Period	Service Level Target
Bill Printing and Mailing Timeliness – statements mailed to customers within a specified period of time.	Number of bills and statements actually produced and distributed within each Measurement Period divided by the total number of billing records in the transmitted billing batch	0.25% of Business Process Support Fees for each month Bill Printing and Mailing Timeliness is less than 96%	N/A	Month to date on a weekly basis.	96% of billing records received by 2:00 a.m. on any Business Day will be delivered to the United States Postal Service that same Business Day. 100% will be delivered by the next Business Days.
Critical Processing Execution Significant Service Level	The total number of batch jobs and scheduled reports initiated in accordance with the timeframe set forth in the processing schedule divided by total number of batch jobs and scheduled reports initiated.	0.25% of Business Process Support Fees for each month Critical Processing Execution is less than 95%	0.25% of Business Process Support Fees for each month Critical Processing Execution is 100%.	Monthly	98% of batch jobs and scheduled reports initiated in accordance with the timeframe set forth in the processing schedule which will be mutually agreed during Implementation.

Exhibit E – Service Level Agreement

Service Level Description	Service Level Calculation	Performance Credit	Performance Incentive	Measurement Period	Service Level Target
<p>Access to Supplier Internal Network</p>	<p>A network monitoring application provided by Supplier Network Engineering will be utilized to send point-to-point ping transactions between the Supplier routers connecting Client and Supplier at regular intervals at a minimum frequency of 10 minutes to monitor uptime availability. This application calculates the uptime percentage by adding the intervals for successful ping transactions within the reporting period, which will be the calendar month, and dividing the sum by the sum of the period intervals. If a ping transaction is not sent for any interval, that transaction is counted as an unsuccessful transaction.</p>	<p>0.25% of Business Process Support Fees for each month Supplier does not meet the Service Level Target during the Measurement Period</p>	<p>N/A</p>	<p>Monthly</p>	<p>Network availability ≥ 99.5 (excluding scheduled outage periods)</p>
<p>System Availability</p>	<p>Supplier will track the time from any outage reported by Client to the Supplier help desk or any outage detected by the Supplier remote monitoring agents until the outage is determined resolved in accordance with business rules agreed to during Implementation. All outage times will be mutually reviewed by Supplier and Client and will be classified as either a) Supplier responsible outage or b) third party responsible outage.</p> <p>All time for Supplier responsible outages will be rounded to the nearest minute and summed to determine the total outage minutes for the calendar month. Total outage minutes will be divided by the total scheduled working minutes for the Measurement Period to determine the monthly application availability percentage.</p>	<p>0.25% of Business Process Support Fees for each month Supplier does not meet the Service Level Target during the Measurement Period</p>	<p>N/A</p>	<p>Monthly</p>	<p>System availability ≥ 99.5 (excluding scheduled outage periods)</p>

Exhibit E – Service Level Agreement

Service Level Description	Service Level Calculation	Performance Credit	Performance Incentive	Measurement Period	Service Level Target
<p>System Responsiveness Significant Service Level</p>	<p>Supplier will measure system responsiveness of Supplier hosted and supported systems during scheduled working hours in accordance with business rules agreed to during Implementation. Client will retain the right to independently measure and monitor responsiveness of Supplier hosted and supported systems from Client sites using mutually agreeable procedures.</p> <p>Supplier and Client will establish baseline responsiveness service level targets in accordance with agreed upon business rules. Service Level performance will be measured by comparing variance to the baseline target during the calendar month.</p> <p>Client will retain the right to audit the Supplier reporting of this variance, and if requested by Client the calculation of this variance may involve a combination of the Supplier measure variance and the Client measured variance. This exact calculation method must be in accordance with mutually agreeable business rules.</p>	<p>0.25% of Business Process Support Fees for each month System Response time is slower than the Service Level Target during the Measurement Period</p>	<p>0.25% of Business Process Support Fees for each month System Response time is faster than the Service Level Target during the Measurement Period</p>	<p>Monthly</p>	<p>95% of Daily Transactions ≤ one (1) second and 99% of Daily Transactions ≤ four (4) second</p>
<p>System Reports</p>	<p>All system generated report print files received must be printed, sorted and/or distributed during the same Business Day. Critical end of month accounting reports may have same day delivery requirements</p> <p>Calculated by dividing the total number of reports delivered in accordance with the report schedule by the total number of reports delivered.</p>	<p>0.25% of Business Process Support Fees for each month System Report delivery is late</p>	<p>N/A</p>	<p>Monthly</p>	<p>98% of reports delivered in accordance with the timeline established during implementation</p>
<p>Interface Availability Significant Service Level</p>	<p>Compliance to a schedule mutually agreed to during implementation for file delivery timing of critical daily and/or monthly file-based interfaces</p> <p>Calculated by dividing the total number of interfaces delivered in accordance with the interface timing schedule by the total number of interfaces delivered.</p>	<p>0.25% of Business Process Support Fees for each month that Interface Availability Service Level Target is not met.</p>	<p>N/A</p>	<p>Monthly</p>	<p>Interface batch file availability from CIS as per Exhibit G (Services) ≥ 98%</p>

Exhibit E – Service Level Agreement

Service Level Description	Service Level Calculation	Performance Credit	Performance Incentive	Measurement Period	Service Level Target
Disaster Recovery	Amount of time that elapses from the moment that Supplier operations staff declares a disaster at the primary processing site until the CIS Solution is operational at the disaster recovery site	0.50% of Business Process Support Fees for any disaster occurrence in which Supplier does not meet the Service Level Target	N/A	As occurred	Less than or equal to four (4) hours
Scheduled Downtime	Scheduled and/or required system downtime necessary for technical maintenance. Supplier to provide on a monthly basis a projected three (3) month maintenance schedule. Ten (10) days notice will be given to Client Outsourcing Contract Manager for any unscheduled maintenance. Any maintenance outside stated schedule will be considered as system downtime.	.25% of Business Process Support Fees for each instance of failure to adhere to schedule	N/A	As occurred	Scheduled Downtime occurs between 2:00 a.m. Sunday and 5:00 a.m. Monday Eastern time - Best Effort Downtime scheduled three (3) months in advance – 100%
CIS Solution Support - Emergency	1 business hour to begin problem determination and corrective action. All Emergency level trouble tickets shall be resolved (or appropriate “work around” given) in 24 business hours.	.25% of Business Process Support Fees for any month in which the average for all Emergency instances in any measured month exceeds the Service Level Target	N/A	Monthly	Average resolution, workarounds, or mutually agreed plan for resolution in 24 hours
CIS Solution Support - Critical Significant Service Level	Four (4) business hours to begin problem determination and corrective action. All Critical level trouble tickets shall be resolved (or appropriate “work around” given) in three (3) Business Days or less on average.	.25% of Business Process Support Fees for any month in which the average for all Critical instances in any measured month exceeds the Service Level Target	N/A	Monthly	Average resolution, workarounds, or mutually agreed plan for resolution in three (3) Business Days

Exhibit E – Service Level Agreement

Service Level Description	Service Level Calculation	Performance Credit	Performance Incentive	Measurement Period	Service Level Target
CIS Solution Support - Restricted	24 business hours to begin problem Determination and Corrective Action. All Restricted level trouble tickets shall be resolved (or appropriate “work around” given) in eight (8) Business Days or less on average.	.25% of Business Process Support Fees for any month in which the average for all Restricted instances in any measured month exceeds the Service Level Target	N/A	Monthly	Average resolution, workarounds, or mutually agreed plan for resolution in eight (8) business days
CIS Solution Support - Not Urgent	48 business hours to begin problem determination and corrective action. All Not Urgent level trouble tickets shall be resolved (or appropriate “work around” given) in fifteen (15) Business Days or less on average.	N/A	N/A	Monthly	Average resolution, workarounds, or mutually agreed plan for resolution in fifteen (15) business days

7. Review and Adjustment of Service Levels

On an annual basis Client and Supplier may agree to adjust or change the Performance Credit and Incentive framework, including the components and the weighting factors, and/or adjust or change the Service Level for any given Service. The parties shall jointly develop and agree to such changes, at which time the proposed changes will be incorporated into the Master Agreement.

8. Additional Service Levels

With respect to New Services that are added to the Agreement, or Services for which a Service Level in this Exhibit E does not apply, the parties may verify or establish, upon mutually agreement by the parties, the applicable Service Levels based upon actual past performance as demonstrated in an agreed format, using an agreed analytical method. The Service Level will be measured and monitored by both parties through a baseline period, after such time the actual Service Level will be set based on the average performance during the baseline period or a Service Level agreed upon by both parties.

After the Service Level is established and agreed upon by both parties, the Service Level may be added to the Service Levels and Performance Credit and Incentive framework as agreed by the parties and will be included in the next Measurement Period.

9. Performance Reporting Requirements

Within five (5) Business Days after each Measurement Period, during the Term, Supplier shall present to Client a report or set of reports electronically that details Supplier's performance against the Service Levels during the Measurement Period. Supplier shall also provide Client, as part of the Measurement Period reporting process, all calculation methods, database queries, and other sources of data used to reconcile Service Levels against actual performance. Calculation methods, database queries, or other sources of data shall not be changed without agreement of both parties. Changes may only be made according to the provisions outlined in this Master Agreement.

10. Right to Audit Reporting Process:

Client reserves the right to audit Supplier's method and process for Service Level data collection, measurement, and reporting. If any discrepancy or issue is identified that Client believes has a material or adverse effect on the determination of a Performance Credit and/or Incentive award, the Operational Joint Steering Committee shall be the final arbiter of such dispute.

Exhibit F – Client Policies and Procedures

Exhibit F – Client Policies and Procedures

Supplier agrees to adhere to Pinellas County employee policies and procedures as instructed by Client.

**Exhibit G
Services**

Implementation Services

1.0 Services Description

This Services Exhibit establishes the framework for the activities to be performed during Implementation of the CIS Solution for Client and the transition of application management and bill print, mail and archival services to Supplier. The primary purpose of this document is to ensure that the Client and Supplier teams have a clear understanding of the activities to be performed and the products to be delivered.

The purpose of this project is to replace the existing CIS system with a new CIS and to prepare the Client's organization to utilize the solution through a structured change management program. Pursuant to Client's license and maintenance agreement with SAP to be executed in conjunction with this Master Agreement and incorporated herein by reference and attached as Exhibit R, the CIS Solution that will be delivered and implemented as part of this project will include mySAP ERP 2005. In the event a new version of mySAP ERP is released prior to the completion of the Project Prep phase of the Project Plan, Client and Supplier will mutually agree to implement this newer version. This project will commence on or about November 2006 and will have an expected duration of approximately 16 months, including implementation, deployment, and transition activities. In addition, Supplier will transition CIS application management and support activities, including disaster recovery, as well as bill print, mail and archival services.

This Services Exhibit also describes the roles and responsibilities of Supplier and Client, the project Deliverables, the assumptions and the general management approach, including Deliverable acceptance procedures.

2.0 Scope of Services

Supplier will provide Client an Implementation of the CIS Solution. The areas of service delivery are listed below with an explanation of the service.

Program Management Office

Supplier will provide Program Management Office (PMO) services. The PMO will be responsible for the following:

- coordinating all project activities, including on-site functional activities and off-site infrastructure activities;
- ensuring the transition to Supplier's Bill Print and Mail Services is coordinated with project implementation activities;
- managing and documenting changes in the Client's business processes, policies and procedures associated with the Implementation of the CIS Solution;
- managing the Joint Steering Committee meetings and providing project communications; and,
- ensuring the successful transition from the implementation team to the production support team.

Project Management

Supplier will provide overall project management. The Supplier Program Manager, Project Managers and the Client Project Managers will work closely to monitor progress, develop status reports, resolve issues, and to manage any required escalations to the Joint Steering Committee.

Team Leadership

Supplier will provide the team level leadership required in each functional area of the Implementation. The Client Core Team will work closely with the Transition Program Team leads when making decisions around functional requirements and configuration decisions within the CIS Solution.

Functional Consulting

Process and Requirements Analysis

Supplier, in conjunction with the Client Core Team, will lead Blueprint sessions to identify requirements and define processes for work streams within Client operations. The combined Supplier-Client team will develop a functional specification document known as a Blueprint document. This document will outline all of the requirements as defined by Client and Supplier to configure the CIS Solution. Additionally, Supplier will maintain and document business process changes during Implementation.

Exhibit G – Services

Configuration/Testing

Supplier will provide functional consultants to configure the CIS. Configuration will be based on the Blueprint document as defined and approved during the process analysis and requirements gathering phase known as Blueprint. The Client Core Team will assist in the configuration of the CIS after attending Supplier-provided training. Supplier, the Client Core Team, and a subset of the Client business users will jointly test the CIS to ensure it meets the defined requirement in the Blueprint document. The scope of testing will include all functions provided by the CIS.

Data

Supplier will provide a data conversion and data analyst. These resources will work in conjunction with Client SMEs to execute the data mapping from the existing legacy environment to the new CIS. Supplier and Client will work jointly on the extraction, conversion, testing and loading of data into the new CIS.

Change Management / Training

Supplier will provide training and change management services during Implementation. Supplier will train the Client Core Team on the CIS Solution to prepare the Client Core Team to function as part of the implementation team with configuration and testing responsibilities. Supplier will coordinate with the Client Change Control designee and Supplier will train business users to ensure organizational readiness for Go-Live.

Technical Consulting

Basis Support

Supplier will provide the infrastructure and computing platform required to operate the CIS. Supplier will maintain the following environments during Implementation: development, test, production, training, and sandbox. Supplier will support change management

Exhibit G – Services

and apply any patches or OSS Notes as needed during the course of the Implementation. Supplier will provide performance tuning at the application, database, and operating system levels to achieve maximum efficiency.

Programming Support

The programming efforts for this Implementation will be focused on the development of interfaces to other applications required in the Client environment. For a complete list of the in-scope interfaces, please refer to Appendix A. No Customization of the mySAP ERP application is planned or included.

3.0 Assumptions

General

- Client will provide work space, telephone, and internet access for Supplier project team members working at the Client site.
- Client and Supplier team leads will provide weekly status reports to Supplier CIS Project Manager. Supplier CIS Project Manager will submit a consolidated status report to Client management and Executive Sponsor.
- Supplier will work closely with Client during the course of the CIS Implementation.
- Implementation Services will commence in November 2006.

CIS Implementation

- Client will provide a core team of subject matter experts fully dedicated to the CIS Implementation.
- Client will provide business users to participate in certain aspects of the project such as unit testing, integration testing, and design sessions during the Blueprint phase.
- Client will take an active role in the organizational change management activities.

Exhibit G – Services

Legacy System

- Client will provide systems programmers to participate in all aspects of the data migration from the Client's legacy CIS to the new CIS
- Client is not planning to implement in any major systems upgrade or fundamental change in the current CIS or in business processes that would affect the data structure of the legacy environment during the course of this Implementation.
- Client will continue efforts to cleanse data during the course of this Implementation to resolve as many data inconsistencies as possible in the current CIS.

4.0 Timeline and Milestones

The initial Project Plan is included as Appendix B to this Exhibit. The parties agree that the initial Project Plan will be updated over the course of the Implementation and the mutually agreed Project Plan in effect as of the most current date and time shall govern.

Exhibit G – Services

Roles and Responsibilities

Supplier Team

The Supplier responsibilities are broken out by phase and the major tasks within each phase.

Phase	Role	Tasks
Project Prep	Delivery Executive	Sign-off finalized Project Plan Attend Kick-off meeting
	Program Manager	Coordinate infrastructure activities with on-site project activities
	Project Manager	Assist in Project Plan finalization Attend Kick-off meeting
	Project Manager	Finalize Project Plan Develop Kick-off meeting materials Deliver Kick-off meeting in conjunction with Client management

Exhibit G – Services

Technical Lead/Basis Lead	Procurement and installation of development environment and solution manager
Change Management Lead	Setup and execute Core Team training
	Develop Change Management Plan and incorporate to overall Project Plan
Delivery Executive	Provide oversight and guidance to project.
	Participate in Joint Steering Committee
Program Manager	Coordinate all on-site and off-site activities.
	Provide oversight and project guidance
Project Manager	Manage daily activities of project, resolve issues, status reports, and report to Joint Steering Committee
Technical Lead/Basis Lead	Complete installation of development and solution manager, support Blueprint sessions as needed
Change Management Lead	Execute communication and training plan

Exhibit G – Services

FICA Lead	Lead Blueprint sessions, document findings, and input data into solution manager
Billing Lead	Lead Blueprint sessions, document findings, and input data into solution manager
Device Management Lead	Lead Blueprint sessions, document findings, and input data into solution manager
Customer Service Lead	Lead Blueprint sessions, document findings, and input data into solution manager
SD/PM/CS Lead	Lead Blueprint sessions, document findings, and input data into solution manager
Web Services Lead	Lead Blueprint sessions, document findings, and input data into solution manager
Business Warehouse Lead	Develop reporting and data archiving requirements
Data Lead	Begin data mapping and support Blueprint sessions as needed
Realization and Test	Delivery Executive Project oversight and review, attend Joint Steering Committee

Exhibit G – Services

Program Manager	Manage on-site and off-site coordination, organize Joint Steering Committee, provide project guidance
Project Manager	Manage daily project activities, develop status reports, resolve issues or escalate issues as needed
Technical Lead/Basis	Manage SAP systems, install QA and Prod, Transports, Security, and apply notes and patches as needed
Change Management Lead	Manage the development and delivery of end-user training, prepare communication deliverables
FICA Lead	Configure, document, test, and assist in end user training delivery
FICA Analyst	Configure, document, test, and assist in end user training delivery
Billing Lead	Configure, document, test, and assist in end user training delivery
Billing Analyst	Configure, document, test, and assist in end user training delivery
Device Management Lead	Configure, document, test, and assist in end user training delivery
Customer Service Lead	Configure, document, test, and assist in end user training delivery

Exhibit G – Services

SD/PM/CS Lead	Configure, document, test, and assist in end user training delivery
Web Services Lead	Configure, develop, document, test, and assist in end user training delivery
Business Warehouse Lead	Configure, document, test, and assist in end user training delivery
Data Lead	Finalize data mapping, extract data, convert data, and load data, execute mock conversions and report results to Project Manager
Data Analyst	Assist and support all data activities
Development Lead	Coordinate between on-site functional resources and off-shore development resources
Developer(s)	Develop all in scope interfaces and programs
Testing Lead	Develop testing plan, coordinate and manage all testing activities, report progress to Project Manager
Print Workbench Developer	Develop and test RDI file, coordinate testing with Supplier Bill Print and Mail Services
Final Prep Delivery Executive	Project oversight and review, attend steering committee

Exhibit G – Services

Program Manager	Manage on-site and off-site coordination, organize steering committee, provide project guidance
Project Manager	Manage daily project activities, develop status reports, resolve issues or escalate issues as needed, finalize cut-over plan
Technical Lead/Basis	Manage CIS, Transports, Security, client copies, client refresh and apply notes and patches as needed
Change Management Lead	Deliver final end-user training and assist in cut-over plan finalization
FICA Lead	Final Testing, cut-over, mock migration evaluation
FICA Analyst	Final Testing, cut-over, mock migration evaluation
Billing Lead	Final Testing, cut-over, mock migration evaluation
Billing Analyst	Final Testing, cut-over, mock migration evaluation
Device Management Lead	Final Testing, cut-over, mock migration evaluation
Customer Service Lead	Final Testing, cut-over, mock migration evaluation

Exhibit G -- Services

SD/PM/CS Lead	Final Testing, cut-over, mock migration evaluation
Web Services Lead	Final Testing, cut-over, mock migration evaluation
Business Warehouse Lead	Final Testing, cut-over, mock migration evaluation
Data Lead	Final Testing, cut-over, mock migration evaluation
Data Analyst	Final Testing, cut-over, mock migration evaluation
Development Lead	Final Testing, cut-over, mock migration evaluation
Developer(s)	Break-fix on all interfaces and programs as needed
Testing Lead	Final Testing, cut-over, mock migration evaluation
Print Workbench Developer	Final Testing, cut-over, mock migration evaluation
Go-Live Delivery Executive	Project oversight and review, attend steering committee
Program Manager	Manage on-site and off-site coordination, organize steering committee,

Exhibit G – Services

	provide project guidance
Project Manager	Manage daily project activities, develop status reports, resolve issues or escalate issues as needed, execute cut-over plan
Technical Lead/Basis	Manage CIS, Transports, Security, client copies, client refresh and apply notes and patches as needed
Change Management Lead	Monitor business change impact through observations and meeting with Business Process owners. Identify areas where supplemental training or retraining may be required
FICA Lead	Support Go-Live
FICA Analyst	Support Go-Live
Billing Lead	Support Go-Live
Billing Analyst	Support Go-Live
Device Management Lead	Support Go-Live
Customer Service Lead	Support Go-Live

Exhibit G – Services

SD/PM/CS Lead	Support Go-Live
Web Services Lead	Support Go-Live
Business Warehouse Lead	Support Go-Live
Data Lead	Support Go-Live
Data Analyst	Support Go-Live
Development Lead	Support Go-Live
Developer(s)	Support Go-Live
Testing Lead	Support Go-Live
Print Workbench Developer	Support Go-Live
Transition / Production Support	Oversight of project

Exhibit G – Services

Program Manager	Transition to Supplier Client Executive
Project Manager	Transition to Supplier Client Executive
Client Executive	Transition to active management of Client application management services and hosting
Technical Lead/Basis	Break-fix and Go-Live Support
FICA Lead	Break-fix and Go-Live Support
FICA Analyst	Break-fix and Go-Live Support
Billing Lead	Break-fix and Go-Live Support
Billing Analyst	Break-fix and Go-Live Support
Device Management Lead	Break-fix and Go-Live Support
Customer Service Lead	Break-fix and Go-Live Support

Exhibit G – Services

SD/PM/CS Lead	Break-fix and Go-Live Support
Web Services Lead	Break-fix and Go-Live Support
Business Warehouse Lead	Break-fix and Go-Live Support
Developer(s)	
Print Workbench Developer	Break-fix and Go-Live Support

Exhibit G – Services

Client Team

Core Team

The Client responsibilities are broken out by phase and the major tasks within each phase.

Phase	Role	Tasks
Project Prep	Executive Sponsor	Approve finalized project plan
		Approve kick-off meeting presentation and related materials
		Co-present at Kick-off meeting
	Project Manager	Refine and finalize project plan with Alliance PM
		Assist in development of kick-off meeting materials
		Participate in kick-off meeting
	Core Team Members	Attend training
		Attend and participate as required in kick-off

Exhibit G – Services

meeting	
Executive Sponsor	Provide any insights to Blueprint sessions, review Blueprint document and sign-off
Project Manager	Assist in managing daily operations, review status reports,
Customer Service Lead	Lead Blueprint sessions, document findings, and input data into solution manager
Billing Lead	Lead Blueprint sessions, document findings, and input data into solution manager
Device Management Lead	Lead Blueprint sessions, document findings, and input data into solution manager
FICA Lead	Lead Blueprint sessions, document findings, and input data into solution manager
SD/PM/CS Lead	Lead Blueprint sessions, document findings, and input data into solution manager
Data Lead	Work with Supplier Lead to complete data mapping and generate extraction scripts for legacy system

Exhibit G – Services

Realization and Test	Executive Sponsor	Chair steering committee, provide inputs on configuration issues, review status reports, and sign-off on all deliverables
	Project Manager	Manage daily project activities, develop status reports, resolve issues or escalate issues as needed
	Customer Service Lead	Configure, document, test, and assist in end user training delivery
	Billing Lead	Configure, document, test, and assist in end user training delivery
	Device Management Lead	Configure, document, test, and assist in end user training delivery
	FICA Lead	Configure, document, test, and assist in end user training delivery
	SD/PM/CS Lead	Configure, document, test, and assist in end user training delivery
	Data Lead	Execute data migration plan, run extractions for mock conversions, support data cleansing efforts

Exhibit G – Services

Final Prep	Executive Sponsor	Review and Sign-off cut-over plan, attend Steering Committee
	Project Manager	Manage daily project activities, develop status reports, resolve issues or escalate issues as needed, finalize cut-over plan
	Customer Service Lead	Final Testing, cut-over, mock migration evaluation
	Billing Lead	Final Testing, cut-over, mock migration evaluation
	Device Management Lead	Final Testing, cut-over, mock migration evaluation
	FICA Lead	Final Testing, cut-over, mock migration evaluation
	SD/PM/CS Lead	Final Testing, cut-over, mock migration evaluation
	Data Lead	Final Testing, cut-over, mock migration evaluation
Go-Live	Executive Sponsor	Give final approval to begin cut-over
	Project Manager	Execute and Manager cut-over activities

Exhibit G – Services

Customer Service Lead	Support Go-Live
Billing Lead	Support Go-Live
Device Management Lead	Support Go-Live
FICA Lead	Support Go-Live
SD/PM/CS Lead	Support Go-Live
Data Lead	Support Go-Live
Project Manager	Assess trends in issues and coordinate follow-up training and ongoing change management activities, triage issues, work with Client Executive to execute transition plan to production support services
Customer Service Lead	Assist end-users with system tasks, triage issues, and participate in break-fix activities as needed or possible
Billing Lead	Assist end-users with system tasks, triage issues, and participate in break-fix activities as needed or possible

Transition /
Production
Support

Device Management Lead	Assist end-users with system tasks, triage issues, and participate in break-fix activities as needed or possible
FICA Lead	Assist end-users with system tasks, triage issues, and participate in break-fix activities as needed or possible
SD/PM/CS Lead	Assist end-users with system tasks, triage issues, and participate in break-fix activities as needed or possible

Subject Matter Experts (SME)

The Client’s SMEs represent the business user group that will be involved in various aspects of the Implementation. This SMEs’ responsibilities are broken out by phase including the major tasks within each phase.

Phase	Role	Tasks
Project Prep	SMEs	Attend Kick-off meeting
Blueprint	SMEs	Attend Blueprint sessions
Realization	SMEs	Participate in testing evolutions
		Attend Supplier-provided CIS training
Final Prep	SMEs	Participate in cut-over activities as needed
		Attend Supplier-provided CIS refresh training, as needed

Oversight and Quality

The Supplier and Client responsibilities are broken out by phase and the major tasks within each phase.

Exhibit G – Services

Phase	Role	Participant	Tasks
Project Prep	None		
Blueprint	Quality Manager	Supplier	Review Blueprint document and all plans
Realization	Quality Manager	Supplier	Review all plans, project status, meet with Client to discuss satisfaction
	Technical Review	SAP	Environment certification
Final Prep	Quality Manager	Supplier	Review all plans and meet with Client to discuss satisfaction and go-live readiness
Go-Live	None	SAP	Go-Live Check
Transition / Production Support			

Deliverables

The following table outlines the Deliverables by stage to be produced by Supplier. Supplier will ensure that all Deliverables are completed in a satisfactory manner.

No	Phase	Deliverable Name	Description	Format	Owner	Support	Acceptance Required?
1.	Project Prep	Project Plan	Work plan that identifies the tasks, milestones, activities, resources, dependencies and deliverables required for all project phases. Subsequent revisions of this Project Plan will require Acceptance as set forth in the Master Agreement and the Exhibits.	MS Project	Supplier	Client	Y
2.	Project Prep	Project Governance	Completion of the activities that define project processes, including the project organization and roles and responsibilities, issue resolution, risk management, escalation, change control processes, status reporting, time tracking, etc. Deliverable sign off required.	MS Word	Supplier	Client	Y
3.	Project Prep	Project Templates	Defines project templates for status reporting, meeting minutes, vacation requests, memos, and other necessary or appropriate correspondence.	MS Word	Supplier	Client	Y
4.	Project Prep	Project Communication	Outlines the project communication channels and frequencies, including	MS Word	Supplier	Client	Y

Exhibit G -- Services

	Plan	the Party responsible for preparing and delivering the various communications.	MS Word or Excel	Supplier	Client	Y
5.	Project Prep	Initial project scope document based upon the RFP requirements and proposal/negotiations process.	MS Word	Supplier	Client	Y
6.	Project Prep	Defines the approach for conducting Quality Assurance reviews. Also includes the frequency of reviews and key participants.	MS Word	Supplier	Client	Y
7.	Project Prep	Kickoff presentation for the entire project team. Will cover project governance, processes, procedures, high level scope, organization structure, project plan, etc.	MS Powerpoint	Supplier	Client	N
8.	Project Prep	Completion of the activities to install the development system and perform the master data configuration of the SAP application. Deliverable sign off required.	MS Word	Supplier		Y
9.	Project Prep	Completion of the activities to install the Solution Manager. Deliverable sign off required.	MS Word	Supplier		Y
10.	Blueprint	Diagrams of Client's current business processes.	MS Visio	Supplier	Client	Y
11.	Blueprint	Document that details the final scope of work including: Finalized set of functional requirements	MS Visio and Word	Supplier	Client	Y

Exhibit G – Services

				Process maps for future state Interface Specifications					
				Report Inventory and Specifications Program Specifications Workflow Specifications					
12.	Blueprint	Business Blueprint Sign-off	MS Word	Review and Acceptance of Business Blueprint	Client	Supplier	Supplier	Y	
13.	Blueprint	Data Conversion Plan	MS Word MS Project	Identify all data sources, method for extraction, conversion, loading, and testing. Define timeline of events to coordinate with testing and mock conversion schedule.	Supplier	Client	Client	Y	
14.	Blueprint	Data Conversion Mapping	MS Word	Completion of the activities to map data elements from the legacy system into the SAP application.	Supplier	Client	Client	Y	
15.	Blueprint	Detailed Design – Data Conversion	MS Word	Detailed design specifications for data conversion programs required to extract, transform and load data from the legacy system into SAP application.	Supplier	Client	Client	Y	
16.	Blueprint	Detailed Design – Technical Architecture	MS Word	Detailed design specifications of the system's technical architecture.	Supplier	Client	Client	Y	
17.	Blueprint	Training Plan	MS Word	Detailed training plan, including training documentation to be developed, training schedule, list of participants and any special training requirements for key team members.	Supplier	Client	Client	Y	

Exhibit G – Services

18.	Blueprint	Security Approach and Role inventory	Security administration policies and procedures document that identifies all roles and the associated access rights for each role.	MS Word	Supplier	Client	Y
19.	Blueprint	QA System Installation	Completion of the activities to install the QA System and configure TMS. Deliverable acceptance is required.	MS Word	Supplier		Y
20.	Blueprint	QA Reports	Development of quality assurance reports, including interview summaries, key project risks and issues and recommendations. Deliverable acceptance is required. Subsequent versions of the QA reports will require Acceptance as set forth in the Master Agreement and the Exhibits.	MS Word	Supplier	Client	Y
21.	Realization & Testing	System Acceptance	Completion of configuration of the SAP application and delivery of Master Configuration Document.	MS Word	Supplier	Client	Y
22.	Realization & Testing	Unit Test Plan	Overall schedule for Unit testing activities.	MS Word	Supplier	Client	Y
23.	Realization & Testing	System Test Plan	Test plan for executing system test.	MS Word	Supplier	Client	Y
24.	Realization & Testing	System Test Scripts	Test scripts used to validate the system is functioning as designed.	MS Word, Excel or Test Tool	Supplier	Client	N
25.	Realization & Testing	Integration Test Plan	Test plan for executing integration tests.	MS Word	Supplier	Client	Y
26.	Realization	Integration Test Scripts and	Test conditions for validating system integration between processes and	MS Word, Excel or Test	Supplier	Client	N

Exhibit G – Services

& Testing	Conditions	functions.	Tool	Supplier	Client	Y
27. Realization & Testing	Performance and Stress Test Plan	Test plan to validate system performance and response during periods of peak activity.	MS Word	Supplier	Client	Y
28. Realization & Testing	Disaster Recovery Plan	Detailed plan for system recovery in the event of a disaster.	MS Word and MS Project	Supplier	Client	Y
29. Realization & Testing	Production Support Plan	Detailed plan for system support following go-live.	MS Word	Supplier	Client	Y
30. Realization & Testing	Interfaces	Completion of the activities to develop required interfaces. Deliverable acceptance is required to approve that all interfaces have been created and tested in accordance with an associated interface inventory checklist. Final sign-off is included in the Project Plan as part of Integration Test 2 Certify Complete	SAP application programs and MS Word	Supplier	Client	N
31. Realization & Testing	Reports	Completion of the activities to develop required reports. Deliverable acceptance is required to approve that all reports have been created and tested in accordance with an associated report inventory checklist. Final sign-off is included in the Project Plan as part of Integration Test 2 Certify Complete	SAP application reports and MS Word	Supplier	Client	N
32. Realization & Testing	Bill Design	Detailed layout, format and data of customer bill to be produced from the CIS Solution	MS Word	Client	Supplier	Y

Exhibit G – Services

33.	Realization & Testing	Detailed Design – Bill Print/Mail/Archival	Detailed design of the bill print/mail/archival solution, including integration with the SAP application.	MS Word	Supplier	Client	Y
34.	Realization & Testing	Bills and Letters	Completion of the activities to develop bills and letters. Deliverable acceptance required to certify bill readiness.	MS Word	Supplier	Client	N
35.	Realization & Testing	Data Conversion	Completed data conversion development. Full set of extraction scripts, conversion routines, and tested loading methodology. Accepted during final prep and required for decision on cut-over.	MS Project	Supplier	Client	N
36.	Realization & Testing	System Documentation	Technical documentation for all system development activities.	MS Word	Supplier	Client	Y
37.	Realization & Testing	Training Materials	Training instruction materials required for delivery of training program for end-users and support personnel.	MS Word	Client	Supplier	Y
38.	Realization & Testing	Training Schedule	Schedule of training program, specific to individual users and support personnel.	MS Excel or MS Outlook	Supplier	Client	Y
39.	Realization & Testing	Data Conversion Reports	Produce reports detailing conversion success rates. These reports will be updated for each Mock Conversion.	MS Word	Supplier	Client	N
40.	Realization & Testing	Integration Test Results	Final results from integration test activities.	MS Word	Supplier	Client	Y
41.	Realization	QA Findings	Produce quality assurance reports, including interview summaries, key	MS Word	Supplier	Client	Y

Exhibit G – Services

	& Testing				project risks and issues and recommendations.				
42.	Final Prep	Cut-over Plan		Detailed plan for cutover activities during go-live weekend, including system, data and other validation and audit activities.	MS Word	Supplier	Client		Y
43.	Final Prep	Mock Go-Live Plan		Detailed plan for conducting go-live dress rehearsal activities.	MS Word	Supplier	Client		Y
44.	Final Prep	System Test Results		Final results from system test activities mapped against functional and technical requirements.	MS Word	Supplier	Client		Y
45.	Final Prep	Performance and Stress Test Results		Final results from system performance and stress test activities.	MS Word	Supplier	Client		Y
46.	Final Prep	System Backup and Recovery Test Results		Final results from system backup and recovery test activities.	MS Word	Supplier	Client		Y
47.	Final Prep	End User Training		Completion of activities to deliver scheduled training for end-users. Deliverable acceptance required to validate training is complete.	MS Word	Supplier	Client		Y
48.	Final Prep	Contingency Plan		Contingency plan for go-live.	MS Word	Supplier	Client		Y
49.	Final Prep	Mock Go-Live(s) per Project Plan		Document dress rehearsal results, including bill comparisons and mock bill cycles (as necessary) and other go-live activities and findings.	MS Word	Supplier	Client		Y
50.	Final Prep	Production Support Readiness Assessment		Review of post-production support readiness.	MS Word	Supplier	Client		Y

Exhibit G – Services

51.	Final Prep	Go-Live Verification	Documentation of final verification of system go-live readiness, including any known issues or post-production activities required.	MS Word	Supplier	Client	Y
52.	Final Prep	SAP Go-Live Check	SAP executed and documented review of readiness to move forward with Go-Live	Hardcopy Report	SAP	Supplier Client	Y
53.	Final Prep	QA Reports	Produce quality assurance reports, including interview summaries, key project risks and issues and recommendations.	MS Word	Supplier	Client	Y
54.	Go-Live and Support	Execute Go-Live Plan	Completion of activities to conduct the final Go-Live conversion and move the CIS solution into production. Deliverable acceptance is required.	MS Word	Supplier	Client	Y
55.	Go-Live and Support	Post Go-Live Assessment	Documented assessment of post-go-live results and activities, including a review of billing, customer service, data conversion results, and system performance. Assessment will include informal interviews with the user community to verify business activities.	MS Word	Supplier	Client	Y

5.0 Acceptance Management

The Client's Project Manager(s) will be the point(s) of contact regarding the review and acceptance of the Deliverables as defined in the Supplier Deliverables list. If the individual assigned determines that additional people need to review and (or) approve a Deliverable, it will be the responsibility of that individual to solicit the review/approval. The Supplier's Project Manager will be responsible for the submittal of Deliverables. A sample *Deliverable Acceptance* form has been included as Appendix C.

Acceptance Procedure

The acceptance procedure for all Deliverables outlined in this project will be as follows:

- Supplier will work with Client personnel to create and review draft Deliverables.
- When deemed complete, Supplier will produce final Deliverables for Client review and approval with an attached Deliverable Acceptance form.
- The Deliverable Acceptance form should be signed indicating approval or disapproval by Client within five (5) business days provided that the aforementioned process for Client review is followed.
- If a Deliverable is neither approved nor rejected within five (5) business days, Supplier will assume approval and move forward with subsequent Deliverables.
- If a Deliverable is disapproved, a description of why it was rejected should be included on the form. If required, a meeting can be held to discuss the Deliverable in detail.
- Supplier will inform the Client's Project Manager if delays are to be incurred due to Deliverable Acceptance documents not being signed and returned in a timely manner. Supplier will indicate any potential impact to the project timeline for delayed acceptance.
- A project phase shall not be considered complete until all Deliverables within and associated with this phase are complete and accepted.

Operational Services

I. INTRODUCTION & SCOPE OF SERVICES

This section will set forth the Operational Services to be provided by Supplier to Client (in addition to those Services described elsewhere in the Agreement).

Supplier shall provide the following Services as further described herein and in accordance with the corresponding Service Level Agreements described in Exhibit E (Service Level Agreement):

- Cross Functional Responsibilities
- Application Management
- Infrastructure Services
- Bill Print & Mail Services

II. DESCRIPTION OF SERVICES

1. CROSS FUNCTIONAL RESPONSIBILITIES

The following are general responsibilities that shall be applicable to all Services provided by Supplier. As part of its general responsibilities, Supplier shall:

- a. Provide on-going operational expertise, support and presence as requested by Client to enable Client to effectively manage and support relationships with the various regulatory bodies, Client Affiliates, departments and business units.
- b. Develop and modify processes and systems as is necessary to accommodate and comply with regulatory changes and Client Policies and Procedures.
- c. Establish and report on business policies, practices, and rules, under which Supplier will implement, manage, and achieve or exceed the Service Levels or as required by internal and/or external audits.
- d. Propose processes, tools and training, subject to Client Approval, and provide all related services in accordance with such processes, tools and training.

- e. Retain and store records in accordance with Client Policies and Procedures.
- f. Participate in quarterly meeting on-site at Client to review operations, business results, performance and future strategies.
- g. Provide all Services in accordance with Client Policies and Procedures (both Administrative Policies and Procedures and Operational Policies and Procedures).

2. APPLICATION MANAGEMENT

Supplier is responsible for application management services for Client CIS Solution. As part of its application management responsibilities, Supplier shall support the following areas:

a. Configuration Management

Supplier will maintain the application and make changes based on requests from Client that are submitted through the change management process. These tasks will include but are not limited to the following:

- i. Make base configuration changes to improve processes and support the Client business goals.
 - ii. Manage rates and tax tables
 - iii. Create new document types such as service orders or sales orders.
 - iv. Manage routes and route optimization
 - v. Manage user roles and profiles
 - vi. Manage CIC profiles and interface
 - vii. Maintain interface components for all identified interfaces, see Appendix A (Interface Inventory)
 - viii. Maintain and support custom modifications and interfaces developed pursuant to this Master Agreement
- b. Application Troubleshooting / Break-Fix

Exhibit G – Services

Supplier will respond to all submitted trouble tickets based on priority to resolve issues identified and communicated by Client

c. Job Scheduling and Monitoring

The Supplier will schedule and monitor jobs for completion. Daily job will include but not be limited to the following:

- i. Account Maintenance – Captures unapplied debits and credits to reconcile all accounts. Run each night prior to billing job.
 - ii. Dunning – Run against all accounts to assess any dunning levels required.
 - iii. Create meter reading order – Creates meter reading order for Itron.
 - iv. Download meter reading orders to Itron – Downloads meter reading order file to a shared location to be picked up and uploaded to Itron
 - v. Upload meter reading results from Itron – Picks up the meter readings file from a shared location and uploads to SAP.
 - vi. Post meter reading results – Posts consumption data from meter reading file on accounts.
 - vii. Billing – Executes the calculation of consumption x rate for all accounts in group
 - viii. SAP Bill Print – Generates file of billing records from the CIS Solution to be printed
 - ix. Refund Notification – Identifies applicable refund due for Client processing, payment and CIS update
 - x. Bank Draft – Sends bank draft file to Client's depository bank
 - xi. Credit Card Payments – Receives confirmation file from credit card clearing house
 - xii. Job Monitoring – Monitors any ad hoc jobs launched by Client
- d. Technical Job Listing
- i. On-line data back-up

Exhibit G – Services

- ii. Off-line full data back-up
- e. Patch and Release Management

Supplier will apply patches and releases based on established best practices from the vendor. As part of this service tasks will include the following:

- i. Supplier will apply OSS Notes to fix issues based on trouble ticket reporting.
- ii. Supplier will submit periodic maintenance patches and releases to Client for evaluation upon release of patches and notes by SAP.
- iii. Supplier and Client will jointly test any applied notes or patches and will follow the three tier development architecture in place to move changes from development to production.
- iv. Client will acknowledge acceptance of notes and patches prior to deployment in production.

- f. Basis Support / Systems Administration

Supplier shall provide Basis support and system administration functions and duties for the Client CIS environment. Tasks will include:

- i. Analyzing resource utilization, through dialog instances and user loads across dialog instances
- ii. CCMS monitoring
- iii. Analyzing short dumps to assist functional teams in break-fix and testing evolutions
- iv. Routine examination of buffers
- v. Routine checks on outstanding update requests
- vi. Routine checks of job queue for failed jobs or job not completed

Exhibit G – Services

- vii. Monitoring of system logs
- viii. Periodic verification that no outstanding traces have been launched
- ix. Monitor operating system performance from the application on each physical server
- x. Monitoring database allocation
- xi. Review of database back-up log
- xii. Monitoring work process overview
- xiii. Scheduling and monitoring System/DB back-up jobs
- xiv. Periodic checks on table locks
- xv. Update and manage support patches, OSS notes, and releases
- xvi. Reboot systems, conduct spool clean ups, and perform offline back-ups within agreed upon downtime periods
- g. Application Programming
 - i. ABAP – Supplier will provide ABAP services to support maintenance of any programs developed during the CIS Implementation as set forth in this Exhibit.
 - ii. JAVA – Supplier will provide JAVA services to support the Biller Direct solution deployed during the CIS Implementation as set forth in this Exhibit.
- h. Help Desk
 - i. Supplier will retain end-to-end problem ownership and management using Supplier ticket management system
 - ii. Supplier will provide four levels of ticket classification as set forth in Exhibit E (Service Level Agreements)

Appendix A - Interface Inventory

PCU SAP Interfaces					
Application	Version	Type	Frequency	Direction	Data Elements
Oracle GIS		Real time	on demand	to and from CIS	Address validation for new service and move-ins
		Batch	Nightly	to CIS	Parcel ID tied to an installed device and customer account
		Batch	Monthly	to CIS	Evacuation code
		Batch	Monthly	from CIS	Owner allocation compare
		real time	on demand	from CIS	Open viewer and pass location or coordinate to view details
		Batch	Bi-Monthly	from CIS to BW	Consumption data around devices
Itron	7	Batch	Nightly	to CIS From CIS	standard
		Batch	Nightly	to CIS	work codes (broken meter box example)
Maximo	4i	Batch	Nightly	from CIS	meter data from CIS to Maximo
		Batch	Nightly	To CIS	backflow data
		Real time	on demand	from CIS	Customer data for work order header when created
		Batch	Nightly	To CIS	Work order status from Maximo to Cust record
NSF		Batch	Nightly	to CIS	inbound electronic file
ACH		Batch	Nightly	From CIS	Pre-notifications
		Batch	Nightly	From CIS	Payment Request
County GL		Report/Data File	Nightly	From CIS	Summary Postings
Lockbox		Batch	Nightly	To CIS	From Wachovia

Exhibit G -- Services

		Real time	on demand	from CIS	credit card authorizations
Merchant Account BofA		Batch	Nightly	from CIS	Recurring CC payments
IVR/VRU/ACD/Phone Master	Syntellect Vista Gem 4.1 going to 5.0	Real time		to CIS	CC Payments
	Syntellect Vista Gem 4.1 going to 5.1	Real time		from CIS	Account Data Inquiry
	Siemens Hi Path (ACD)	Real time	on demand	to CIS	call data being passed to SAP from ACD for screen pop and call wrap up code at end of call
	Phone Master	Batch		from CIS	Late Payment reminder
	Phone Master	Batch		to CIS	Call List results (answer, no answer)
Oracle Financials 11.x		Batch	Nightly	from CIS	Sub-ledger report
WebExtender		Real time	on demand	from CIS	User exit to open webextender and look up a doc based on customer data in CCS
Linko		Batch	Nightly	from CIS	Commercial Accounts created
			Nightly	from CIS	Change of occupancy at a property
			Nightly	to CIS	Permit disposition and fee for billing
			Nightly	from CIS	Permit Payment Status
Property Appraiser		real time	on demand	from CIS	account and balance info
PCU Website		real time	on demand	to CIS	authorization return from merchant account

- iii. Detailed ticket tracking with clear escalation and notification procedures for all support levels
- iv. Reporting and trending analysis of tickets for root-cause analysis and change management initiatives

3. INFRASTRUCTURE SERVICES

Supplier will be responsible for providing the technical environment, including the hardware and software necessary for the Supplier to deliver the Services. Supplier shall provide the Information Technology Installation, Configuration and Maintenance Services necessary to provide the Services, including the following areas:

- a. Server management - Supplier will provide and maintain the computing platform, operating system and data center resources sufficient to reliably and consistently deliver the Services. In doing so, the Supplier will maintain a secure environment that protects the integrity and confidentiality of Client customer and financial data. Supplier will provide necessary system administration and security management services.
- b. DASDI - Supplier will provide and maintain the database systems and data storage services required to organize and provide efficient access to Client customer and billing information.
- c. Network Management - Supplier will provide and maintain the appropriate WAN and LAN resources to allow the Services to be delivered in accordance with Service Levels and other requirements of the Agreement, and will maintain these network resources in a way that prevents unauthorized access to Client Data.
- d. Telecommunications - Supplier will provide and manage telecommunications circuits to provide point-to-point connectivity from Client to primary facility (Dallas) and secondary facility (Columbus).
- e. Disaster Recovery - Supplier will provide and maintain Disaster Recovery and Business Continuity strategies as set forth in the Agreement, so that the Services delivered by the Supplier are not unduly interrupted in the event of a disaster or unforeseen event. Supplier will test and maintain the integrity of these Disaster Recovery services so that they can be counted upon to reliably protect Client business.
- f. Oracle Database Management – Supplier will provide Oracle database administration support as needed to manage the Oracle databases installed to support the CIS Solution. Supplier will be responsible for establishing and managing the replication of data to the business continuity / disaster recovery site using the Oracle toolset. Supplier will perform all database management

functions required to maintain the Oracle database and meet or exceed the established service levels for response time and system availability.

4. BILL PRINT AND MAIL SERVICES

As part of its Bill Print/Mail responsibilities, Supplier shall:

- a. Receive an error-free bill print file transmitted to Supplier as a result of Client batch processing from Supplier's data center for formatting and creation of paper bills and electronic replicas of paper bills.
- b. Format and print hard copy bills including special instructions, messages and remittance stub,
- c. Enclose bills / inserts (based on Client's marketing and customer segmentation rules) into envelopes.
- d. Presort, USPS certify and mail. Client will provide all hard copy bill inserts to Supplier for inclusion with bills.
- e. Send electronic notification of new bill / invoice (if applicable).
- f. Promptly archive electronic bill images generated by Supplier and make available online for customers/CSRs, for the period of time Supplier is obligated to retain billing history, as described elsewhere in this Master Agreement.

Exhibit G – Services

Appendix B - Project Plan

Attached as Microsoft Project Plan.

Appendix C - Deliverable Acceptance Form

DELIVERABLE ACCEPTANCE FORM

Customer Name _____ Date Submitted: _____
Project Name _____ Project Phase _____
Deliverable Name _____ Deliverable No. _____

Deliverable Description:

PINELLAS ACCEPTANCE

Approve Disapprove

Approved By _____ Title _____ Date _____

Comments:

Approve Disapprove

Approved By _____ Title _____ Date _____

Comments:

ALLIANCE DATA ACCEPTANCE

Approve Disapprove

Approved By _____ Title _____ Date _____

Comments:

**EXHIBIT H
OPERATIONAL GOVERNANCE GUIDELINES**

1. Purpose

The goal of Operational Governance is to provide meaningful guidance for all stakeholders impacted by the Master Agreement between Client and Supplier. The purpose of this Exhibit H (Operational Governance Guidelines) is to clearly articulate the governance structure as it applies to the Master Agreement. It is intended as a framework that describes the Operational Governance-related principles, processes and procedures that shall be consistently applied under this Master Agreement, including:

- decision rights
- assignment of roles and responsibilities
- communication guidelines and protocol
- support Client’s business objectives, strategies and requirements
- continuous improvement.

2. Objectives of Operational Governance

The objectives of the governance procedures set forth in this Exhibit H (Operational Governance Guidelines) are:

- to provide a set of principles, guidelines and processes in support of the relationship between the parties;
- to maximize the benefits of changes in Services while minimizing the costs;
- to provide service level and compliance reporting;
- to facilitate change management with the stakeholders;
- to clearly define of decision rights, obligations, accountabilities, roles and responsibilities between the parties during the operational term;
- to ensure that all issues or exceptions impacting the Services are effectively and efficiently resolved; and
- to provide a centralized governance model for the parties.

3. Operational Governance Bodies and Individuals

The following Operational Governance Bodies and Individuals shall play key roles in the management of the relationship that exists between Client and Supplier.

Operational Governance Body/ Individual	Role
Operational Joint Steering Committee	The team comprised of Client Executive Sponsor, Client Outsourcing Relationship Executive, Client Outsourcing Contract Manager, Supplier Operations Executive, and Supplier Client Executive that meet on a quarterly basis or more frequently as agreed by the parties to review operational status, performance metrics and resolve outstanding escalated issues.
Client Outsourcing Relationship Executive	The Client Outsourcing Relationship Executive shall meet or confer with the Supplier’s Client Executive as required to ensure that Supplier is receiving adequate guidance in providing the Services. The Client Outsourcing Relationship Executive (along with Supplier’s Client Executive) will serve as the second point of escalation in the dispute resolution process. The Client Outsourcing Relationship Executive shall have the right to inspect any and all Services provided by or on behalf of Supplier.
Client Outsourcing Contract Manager	The Client Outsourcing Contract Manager will have oversight of the quality management approach and methodology as it relates to the Services covered by the Master Agreement and delivered by the Supplier. The individual assigned to this role shall be responsible for Client’s performance of its tasks under the Statements of Work. The Client Outsourcing Contract Manager will identify Service-related issues and trends; identify and recommend strategies to the Supplier for improving the customer experience. The Client Outsourcing Contract Manager, in co-ordination with the Supplier Client Manager will participate in projects to design standard operating processes and procedural improvement initiatives. The Client Outsourcing Contract Manager will work closely with other Client teams including Utilities, Finance, Legal, Regulatory and IT to provide feedback and issues to the Supplier Client Executive. The Client Outsourcing Contract Manager (along with Supplier’s Client Executive) will serve as the first point of escalation in the dispute resolution process.
Supplier Client Executive / Client Manager	The Supplier Client Executive’s role is to lead Supplier’s operations and support staff in developing a mutually beneficial partnership with Client. The individual that fills this role shall have significant senior leadership experience in delivering outsourced solutions to major utility clients. This individual shall serve as a single point of accountability and is directly accountable for the successful delivery of all applications, interfaces and Services that include, but which are not limited to, system administration, database management, application management, application and infrastructure hosting, and bill print and mail activities. The Supplier Client Executive shall manage and direct the efforts of the Supplier’s Key Personnel responsible for the delivery of Services to Client. The Supplier’s Client Executive (along with Client Outsourcing Relationship Executive) will serve as the first point of escalation in the dispute resolution process.

4. Operational Governance -- Operating Principles

The following activities highlight the key functions that Supplier will provide.

Supplier will:

- (1) Provide a technically qualified account service delivery team.
- (2) Provide application and database maintenance and support.
- (3) Participate in cooperative strategy and planning.
- (4) Provide status reporting.
- (5) Attend and conduct regularly scheduled status and review meetings.
- (6) Provide contract change management.
- (7) Provide problem management.
- (8) Provide operational change management.
- (9) Ensure proper billing and invoicing.
- (10) Manage patches or technical upgrades.
- (11) Provide Client access for auditing purposes.

Desired Results

- (1) Effective and efficient communication between Client and Supplier
- (2) A common, efficient, equitable and consistent Change Control process.
- (3) Management of issues that are appropriately tracked and escalated in a timely and efficient manner.
- (4) Continuous improvement that can:
 - reduce costs;
 - improve quality of services; and/or
 - reduce complexities in existing processes.
- (5) Timely and accurate status meetings, status reports, and performance reporting.
- (6) Timely and orderly problem resolution.

Process Assumptions

- (1) Availability and commitment of competent Supplier resources.
- (2) Consistent and comprehensive Change Control Procedures.
- (3) Appropriate escalation for issue resolution.

5. Operational Governance Practices

Operational Governance practices consist of activities, events and procedures that, when consistently applied, can be expected to strengthen the relationship between Client and Supplier. These include the following:

A. Regularly Scheduled Meetings

Regularly scheduled meetings between stakeholders will be scheduled. Additional meetings will be scheduled as required.

B. Stakeholder Communications

Appropriate stakeholder communications (Client and Supplier) that may consist of written permissions and approvals, change-related communications (Change Requests, Change Proposals, Statement of Work), Supplier-provided reports and other communications, either as specified by the Master Agreement or as deemed necessary by the parties to ensure proper Operational Governance.

C. Performance Management

Performance Management will be achieved through a variety of mechanisms. Exhibit E (Service Level Agreement) defines the key performance requirements of the Services.

D. Change Management

Applicable changes will be managed in accordance with the provisions of Exhibit B (Change Control Procedures) and will be mutually agreed by the parties.

E. Dispute Resolution

Exhibit Q (Dispute Resolution) sets forth the approach to resolve issues efficiently and effectively.

F. Contract Management

Supplier's Client Executive and Client's Outsourcing Contract Manager will be primarily responsible for managing the Master Agreement and the relationship between the parties to properly deliver Services pursuant to this Master Agreement.

Exhibit I
Service Locations

This Exhibit I (Service Locations) identifies the Service Locations from which the Supplier shall provide the Services covered under this Agreement.

1. CIS Application Primary Hosting Location

Supplier shall host, support and maintain the CIS application, as such Services are described in this Master Agreement, from its Dallas, Texas Data Center.

2. CIS Application Backup / Business Continuity Location

Supplier shall maintain a full backup and business continuity in support of the Services as set forth in this Master Agreement from its Columbus, Ohio Data Center.

3. Disaster Recovery Site

Supplier shall maintain disaster recovery capabilities in support of the Services as set forth in this Master Agreement from its Boulder, Colorado Disaster Recovery site.

4. Bill Print and Mail Services Location

The Supplier shall provide Bill Print and Mail Services, as such Services are described in this Master Agreement, from its Atlanta, Georgia print and mail facility with backup and business continuity in support of the Services from its Dallas, Texas print and mail facility.

**EXHIBIT J
TRANSITION APPROACH**

1.0 Overview

1.1 This Transition Approach has been entered into pursuant to the Master Service Agreement between the Parties. This Transition Approach is hereby incorporated into the Master Agreement, which Master Agreement shall apply and have full force and effect with respect to the Services provided under the Master Agreement. In the event of any conflict between this Transition Approach and any incorporated Statement of Work, Services Exhibit, or Project Plan, the provisions of those more detailed documents (i.e. Statement of Work(s), Services Exhibit, or Project Plan) shall be controlling and prevail.

2.0 Schedule Description

2.1 This Transition Approach provides the framework for the successful transition of Services from Client to Supplier while continuing operations with minimal interruption. This Transition Approach provides criteria to be met with respect to key milestones, deliverables and key areas of responsibilities. For the purposes of this Transition Approach, "Services" means all the Services described in Exhibit G (Services) to be provided by Supplier pursuant to the Master Agreement.

2.2 The initial Project Plan for Implementation is attached to this Master Agreement. Supplier and Client may make amendments to the Project Plan to reflect updates to the Project Plan during the Transition Period.

3.0 Approach

3.1 Responsibility

Supplier is responsible for the development and execution of the Project Plan that delivers the operational capability and Services described in Exhibit G and that meets the Production Readiness assessment criteria described in Appendix 1 to this Exhibit.

Supplier is responsible for all tasks associated with or related to the transition of Services to Supplier's operations, except for the activities set forth below as Client responsibilities.

- Support for the Transfer of Operations
 - Client will provide a full-time Project Manager to support the transition.
 - Client will provide reasonable access to subject matter experts to facilitate a clear understanding of the documentation provided and to answer any relevant questions on gaps in the documentation.
 - Client will provide copies of all existing Client Business Rules, operations procedures and documentation used to support the Services being transitioned, as-is.
 - Client will be responsible for "winding down" current internal operations including any other Third Party Vendor supplier relationships that will no longer be utilized, as appropriate.

- Client will facilitate the transfer of data feeds, contact points and other notifications to third parties as appropriate.
- Support for the Integration with Client Systems
 - Client will provide skilled information services staff to participate in the design and development of system interfaces with the Supplier systems.
 - Client will make the necessary modifications to its systems to comply with the system interface specifications.
 - Client will participate in the testing and production deployment.
- Support for Use of Client Systems
 - Client will provide access to and support of all systems to be used by Supplier during the Transition Period, including the customer information system and other systems required to support the business.
 - Client will provide copies of its then current documentation and data for the system(s) to be used by Supplier in the performance of its services. Client will also provide access to subject matter experts during the Transition Period to facilitate the transfer of skills to Supplier's staff, as appropriate.
 - At Supplier's request, Client will facilitate the transfer of any Third Party Vendor relationships as required to support the operations.
- Support for Data Conversion
 - Client will be responsible for providing a copy of all data from its incumbent systems as defined in the Project Plan and Statement of Work.
 - Client will provide subject matter experts to assist the Supplier in the creation and loading of a database instance housing the copy of the incumbent system at the Supplier's data center.
 - Client will be primarily responsible for cleansing of all data integrity issues within its incumbent systems.
 - Client will provide subject matter experts to facilitate a clear understanding of the data and to address any anomalies, or data issues.
 - Client will provide subject matter experts to assist the Supplier in determination of business rules for changing data structures including: historical data, data consolidation and data values transformation.
 - Client will take steps to ensure that the backlog of billing transactions and related exceptions are minimized prior to Go Live.
- Other
 - Client will provide logos, artwork, graphics, standards and any necessary content to the Supplier to support the production of all customer facing print and web materials.

3.2 Project Plan.

3.2.1 The Project Plan submitted by Supplier shall mean a detailed plan which shall at a minimum, include a program schedule, in MS/Project format, that shows:

3.2.1.1 all tasks, task resources, deliverables, dependencies and responsible parties;

3.2.1.2 Client's tasks and responsibilities; and

3.2.1.3 all key milestones and executive level checkpoints, including key go/no-go decision points.

3.2.2 The Project Plan will be produced and managed in MS/Project format by Supplier.

3.2.3 The Project Plan will include the full scope and description of activities to be delivered by both Parties.

3.2.4 Supplier shall comply with this Exhibit and the Project Plan. Supplier shall notify Client immediately if it is unable to or not achieving the obligations, milestones and deadlines set forth in this Exhibit J and in the Project Plan. As agreed by the Parties, the Project Plan will be updated as required throughout the Implementation Services to reflect adjustment to activities, tasks, deliverables and schedule. No more often than once per week by close of business on Fridays during the Transition Period, Supplier will submit via email an updated Project Plan for review and approval by Client. By close of business on Mondays during the Transition Period, Client will approve via email the updated Project Plan or will indicate necessary corrections to the Project Plan. If corrections are required, Supplier will resubmit via email corrected Project Plan for Client review and approval. Upon Client approval, this will then be considered the most current version of the Project Plan for all purposes set forth in the Master Agreement.

3.3 Deliverables for Managing Transition

In addition to the Deliverables specified in Exhibit G (Services), Supplier shall develop, maintain and deliver in a mutually agreed upon format, the following documents during the transition of Services pursuant to this Exhibit:

- Project Plan
- Issues Log

3.4 Data Conversion

Data conversion is an integral component of Project Plan. Data conversion involves the extracting of data from all incumbent systems, transforming the data, and loading it into Supplier Systems.

Client will be responsible for providing the Supplier with copies of the incumbent system data as defined in the Project Plan and Statement of Work and assisting Supplier in creating and loading a copy of this data in Supplier's data center. Client

is responsible for the quality of the data within its incumbent system and is responsible for the correction of any data integrity issues within its incumbent system. Client will be responsible for providing tables and data that support current production systems. Supplier will load the data into the CIS system. Inability to deliver data in a timely manner may result in project delays. Furthermore, Supplier shall have no liability for any such Client-furnished data or supporting documentation or delays in data extracts provided by the Client.

4.0 Scope of Program

The activities provided by Supplier in support of the transition of Services from Client's current operations to Supplier include the following.

4.1 Commissioning of Buildings/Facilities

Supplier shall procure and make ready the facilities from which the Services will be provided.

4.2 Procurement and Implementation of the Telephony, Network and Systems Infrastructure.

Supplier shall implement the network to the demarcation and systems infrastructure required to support delivery of the Services:

- The architecture schedule and timing is subject to change as the details of the Project Plan are further developed.

4.3 Delivery of the Integration of the Business Applications

Supplier shall integrate all business applications and processes necessary to provide the Services. All tasks and deliverables associated with integration will be included in the Project Plan.

4.4 Network and System Testing.

Supplier shall provide the network and system testing in accordance with the Project Plan. All tasks and deliverables associated with network and system testing will be included in the Project Plan.

4.5 Transition Services

Supplier shall transition all Services from Client's current operations to Supplier as defined in Exhibit G (Services). Detailed implementation activities and key milestones will be included in the Project Plan.

4.6 Service Levels

During the period of and following the transition of Services, Supplier will be subject to, and will meet, the Service Level Agreements included in Exhibit E (Service Level Agreement).

5.0 Transition Program Management.

5.1 Transition Program Team.

The overall transition program team (“*Transition Program Team*”) shall be led and staffed by Supplier and Supplier’s partners and supported by Client personnel who will perform the tasks expressly assigned to such Client personnel in the Project Plan.

5.2 Supplier Transition Program Team .

Supplier will provide the personnel roles as described in Exhibit G (Services) to support the transition.

5.3 Client Transition Program Team

Client will provide a Project Manager and various team leads and staff (to be determined as part of the Project Plan) who will serve on the Transition Program Team for the sole purpose of performing the obligations expressly assigned to Client under the Project Plan.

The Transition Program Team structure and composition will be finalized prior to commencement of the transition of Services.

5.4 Transition Governance.

5.4.1 The Transition Governance model is as follows:

- All issues and risks will be raised first by Supplier with the Client Transition Program Team.
- Any outstanding or major risk issues that cannot be resolved by the Client Transition Program Team within five (5) calendar days or within three (3) calendar days of a deadline, whichever is less, will be reviewed and have decisions made by the Joint Steering Committee with senior representation from both Supplier and Client.
- Any issues requiring Client’s action that are not resolved by the Joint Steering Committee will be submitted to Client senior executives who will have final authority.
- Supplier will be responsible for tracking and reporting on issues and risks throughout the transition.
- Upon completion of transition and successful Go Live of Services under this Master Agreement, ongoing governance will be supported as described in Exhibit H (Operational Governance).

5.5 Key Roles and Responsibilities

5.5.1 Joint Steering Committee. The Joint Steering Committee will be the overall sponsors of the Project Plan and shall be responsible for:

- Providing leadership and direction
- Making critical decisions

- Resolving escalated issues
- Approving major change requests
- Presenting all phases of implementation to the executives of both parties for sign-off

The Joint Steering Committee will be comprised of the Client and Supplier senior executives, the Client executive sponsor, the Client Project Managers and the Supplier Program Manager.

5.5.2 Supplier Program Manager. The Supplier Program Manager will be the main point of contact for transitioning of Services. The Supplier Program Manager's responsibilities will include, without limitation:

- Delivery and execution of the Project Plan (including updating and reporting) to ensure that all milestones are delivered and the program fully implemented;
- Developing and managing the risks and issues register to ensure that risks are identified, mitigated and resolved;
- Developing and managing the action register to ensure that items are delivered or resolved;
- Documenting and managing all major decisions requested by Client or Supplier in the issues register;
- Facilitating weekly project team meetings
- Participating in Joint Steering Committee meetings;
- Managing the project library including all project documentation;
- Providing a point of escalation to the Joint Steering Committee; and
- Facilitating a formal close out of the Project Plan.

5.6 Communication and Key Meetings (Transition Program Governance)

The activities supported through Transition Program Governance and the Project Plan shall be governed as set forth herein.

Description	Frequency	Participants
Transition Program Team Meetings - Project status - Risks and Issues - Action items - Escalation route	weekly	Project Managers Functional Area Leads Supplier will lead the meeting and set the agenda. Client will participate in these meetings.
Program Status Report - Program Status - Activities planned and achieved - Activities planned and not achieved - Activities not planned and achieved - Activities planned for next period - Major risks or issues	weekly	Project Managers Supplier will provide these reports at least 4 business hours prior to the Transition Program Team meetings.
Joint Steering Committee - Status of Program - Major issues or risks - Milestone check points	monthly	Project Managers Senior management from both Client and Supplier Invited personnel Supplier will lead the meeting and set the agenda. Client will participate in these meetings.
Readiness Assessment (Go / No Go) meetings	Before any given transition from one project phase to the next	Program Sponsors Project Mangers Invited personnel Supplier will lead the meeting and set the agenda. Client will participate in these meetings.

6.0 Program Key Milestones and Assumptions

6.1 Key Milestone Principles

6.1.1 The key milestones and Deliverables shall be delivered by the completion dates set out in the Project Plan.

6.1.2 Prior to the completion of each project phase, a production readiness assessment will be conducted by Client and Supplier in accordance with Appendix 1 of this Exhibit J.

6.2 Schedule

The Project Plan key milestones and Deliverables and their planned completion dates are included in Exhibit G (Services).

6.3 Decision Responses

Unless otherwise agreed to in writing, Client shall respond to Supplier requests regarding decisions affecting the Go Live key milestone or acceptance of the Deliverables of any phase within the timeframe set forth in Exhibit G (Services).

6.4 Key Milestones

Supplier is responsible for delivering all the Deliverables in accordance with the Production Readiness Assessment Criteria set out in Appendix 1

6.5 Reports

During the transition of Services under this Exhibit, Client may identify additional reports that Supplier will be required to provide. These additional reports will be managed pursuant to Exhibits B (Change Control Procedures).

APPENDIX 1 – SAMPLE PRODUCTION READINESS ASSESSMENT CRITERIA

Supplier shall be responsible for ensuring completion of the tasks listed below as defined previously in the Project Plan.

1. ORGANIZATION & PEOPLE

This section details the areas of the organization to be confirmed before transition can take place.

1.1. Organizational Structure

- 1.1.1. The Supplier's ongoing operational organization and team are in place.
- 1.1.2. The handoffs between Client and Supplier have been documented by Supplier and are in place.
- 1.1.3. The appropriate resources of Supplier are in place to ensure that Service Level Agreements are met.

1.2. Training

- 1.2.1. A training plan has been delivered to Client's users.
- 1.2.2. Client users have passed the skills assessment.

1.3. Support

- 1.3.1. Supplier has identified and implemented plans for ongoing user support.
- 1.3.2. Supplier will provide post Go-Live support, which may include overlapping the Services performed during various milestones.
- 1.3.3. Supplier has developed a directory of contact names and numbers for Supplier support personnel and Client counterparts.

1.4. Communications

- 1.4.1. The communications process for change management has been documented by Supplier and is in place.

2. PROCESSES

- 2.1. Supplier has completed the Deliverables associated with Key Milestones, and there are no material outstanding issues regarding the transition.
- 2.2. Any outstanding Go-Live issues must be noted that they will be developed and maintained by Supplier with an agreed upon resolution plan and timeframe.

3. MANAGEMENT INFORMATION

- 3.1. Supplier is monitoring the Service Level performance as described in Exhibit E (Service Level Agreement).

4. SYSTEMS AND INFRASTRUCTURE

4.1. Applications

- 4.1.1. Supplier and Client have acquired the necessary licenses for the software products.
- 4.1.2. Supplier has implemented user ID and logon procedures as identified by Client.
- 4.1.3. Supplier has completed all file transfers within Client's systems.

Exhibit J – Transition Approach

4.2. Testing

- 4.2.1. Supplier and Client have completed testing in accordance with test conditions and procedures developed by Supplier and Client, with results reasonably satisfactory to Client.
- 4.2.2. Supplier has developed workarounds to address all outstanding issues.
- 4.2.3. Supplier has completed full reconciliation of financial transactions, which includes without limitation, all accounts receivables and billing transactions.

5. BUSINESS CONTINUITY

- 5.1. Supplier has implemented business recovery, disaster recovery, and incident management plans (collectively known as the “*Business Continuity and Disaster Recovery Plan*”).

6. REGULATORY COMPLIANCE

- 6.1. Supplier is complying with the Client Regulatory Requirements that relate to its performance of Services.

7. DOCUMENTATION

- 7.1. Supplier has developed business and technical process documentation, and has delivered such documentation to Client.

8. GO /NO GO RECOMMENDATION

- 8.1. Supplier has listed any caveats and outstanding issues or risks that need to be agreed upon in the Shared Issues Log, including recommendations for their resolution.

Exhibit K – Client Approval Representative

Authorized signatory for contract: Pinellas County Board of County Commissioners
Pinellas County Clerk

For Notices: Tim Wiley – Director Customer Service
14 South Ft. Harrison Ave.
Clearwater, FL 33756

Exhibit L – Reports

Exhibit L – Reports

Supplier will meet and support Reporting Requirements as set forth in Client's RFP # 056-30-P (JL), Exhibit 8.V (Reporting Requirements). All reporting requirements will be processed and reports generated in accordance with Exhibit E (Service Level Agreement).

**Exhibit M
Supplier Key Employees**

This Exhibit identifies the Supplier Key Employees who shall represent Supplier in providing the Services described in the Agreement.

Implementation Services

Delivery Executive – Todd Weisrock (Alliance Data)

The Supplier Delivery Executive is responsible for leading Supplier's ongoing operations and support staff in developing a mutually beneficial outsourcing relationship with Client. The individual that fills this role shall have significant senior leadership experience in delivering outsourced solutions to major utility clients. This individual shall serve as a single point of accountability for Client and is directly accountable for the successful delivery of all applications, interfaces and Services. The Supplier Client Executive shall manage and direct the efforts of the Supplier's Key Personnel responsible for the delivery of Services to Client. The Supplier Client Executive (along with the Client Outsourcing Relationship Executive) will serve as the second point of escalation in the Dispute Resolution Process.

Program Manager – Adam Cox (Alliance Data)

The Program Manager is the individual primarily responsible for the delivery of the hosted CIS application and related Services in accordance with the Agreement and its associated Statement of Work and Transition Plan.

Project Manager – Carole Lundin (Axon)

Technical Lead / Basis Lead – Phil Luna (Alliance Data)

Business Warehouse Lead – TBD (Alliance Data)

Device Management Lead – TBD (Axon)

Web Services Lead – TBD (Axon)

SD/PM/CS Lead – TBD (Axon)

Testing Lead – TBD (Alliance Data)

FICA Lead – Jonathan Best (Axon)

Billing Lead – Michael Peace (Axon)

Development Lead – Moses Yap (Axon)

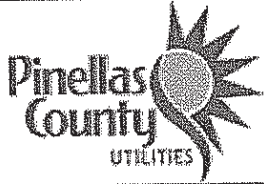
Training / Change Management Lead – Amy Anzalone (Axon)

Customer Service Lead – Joe Loo (Axon)

Operational Services

Client Executive – Clay McKemie (Alliance Data)

The Supplier Client Executive is responsible for leading Supplier's ongoing operations and support staff in developing a mutually beneficial outsourcing relationship with Client. The individual that fills this role shall have significant senior leadership experience in delivering outsourced solutions to major utility clients. This individual shall serve as a single point of accountability for Client and is directly accountable for the successful delivery of all applications, interfaces and Services. The Supplier Client Executive shall manage and direct the efforts of the Supplier's Key Personnel responsible for the delivery of Services to Client. The Supplier Client Executive will serve as the primary point of escalation in the Dispute Resolution Process.




Operations Review
Agenda



Date and time:	
Pinellas County Utilities Attendees	Outsourcing Contract Manager and other subject matter experts
Alliance Data Attendees	Client Executive and other subject matter experts

1. Go-Live Issues (temporary agenda item; Transition Manager will address these issues)
2. Service Level Performance
3. Continuous Process Improvement efforts
4. Department Performance Reviews
5. Review of Active Projects
6. Support Incident Reporting Results
7. Expectations Management Review
8. Outstanding PCU Issues
9. Outstanding Alliance Data Issues

Alliance Data Systems
 P.O.Box 100
 Dallas, Texas 75221

Invoice Number	Page	Payment Due Date	Invoice Date	Invoice Number
XXX	1	12/15/2006	11/15/2006	XXX
<p style="text-align: center;">  AllianceData Please remit payment to: Alliance Data P.O. Box 841133 Dallas, TX 75284-1133 </p>				
Service Description	Amount			
INVOICE DETAIL Milestone Payment for CIS Implementation Milestone - "Blueprint Document Sign-Off" Milestone Amount - 30% of Implementation Fee (30% * 4,032,985 = \$1,209,895.50)	\$ 1,209,895.50			

Alliance Data Systems
 P.O. Box 100
 Dallas, Texas 75221

B	Company Name	Invoice Date	Payment Due Date	Page	Invoice Number
I	Address	08/31/2007	09/30/2007	1	XXXX
L	City, State Zip Code	Please remit payment to:			
T	ATTN:	Alliance Data			
O		P.O. Box 841133			
		Dallas, TX 75284-1133			

Service Description

Service Description	Amount
INVOICE DETAIL	
CHARGES ASSESSED FOR PERIOD ENDING 08/31/2007	
<u>BUSINESS PROCESS SUPPORT FEES</u>	
ACTIVE CUSTOMER ACCOUNTS	
STATEMENT PRINT AND MAIL	
# of Accounts	Per Account
XXXXX	\$X
XXXXX	\$X
Total	\$X
<u>PROFESSIONAL SERVICES</u>	
Projects in Progress	
Project A	Hours
Project B	XX
Project C	XX
Rate	\$X
Rate	\$X
Rate	\$X
Total	\$X
<u>ADDITIONAL SERVICES</u>	
CURRENT PERIOD POSTAGE	Usage
TELEPHONY CHARGES	XX
NETWORK CONNECTIVITY CHARGES	XX
Rate	\$X
Rate	\$X
Rate	\$X
Total	\$X
<u>SALES TAX</u>	
APPLICABLE SALES TAX	Total
	\$X
	\$X
	\$X
	\$X
	\$X

Exhibit Q
Dispute Resolution

1. Certain Definitions

Capitalized terms used but not defined herein have the meanings ascribed to them in the Master Agreement.

2. General Procedure.

The parties shall resolve all disputes in accordance with this procedure:

2.1 If a party believes that a dispute exists prior to Go Live, that party will notify the other party. Immediately following such notice, the Supplier's Program Managers and Client's and Supplier's Project Managers shall act in good faith to attempt to resolve the dispute. If the Program Manager and Project Managers are not able to resolve the dispute within seven (7) days of notice of dispute, then immediately following the expiration of such seven (7) day period, the persons to whom the Program Manager and Project Managers respectively report will meet within fifteen (15) days, and act in good faith, to attempt to resolve the dispute. The specific format for such discussions will be left to the discretion of the designated executives but may include the preparation of agreed upon statements of fact or written statements of position furnished to the other party. No formal proceedings for the resolution of the dispute under Section 2.3 may be commenced until the earlier to occur of (a) a mutual good faith conclusion by the designated executives that amicable resolution through continued negotiation of the matter in issue does not appear likely or (b) the 22nd day after the initial request to negotiate the dispute.

2.2 If a party believes that a dispute exists after Go Live, that party will notify the other party. Immediately following such notice, the Supplier's Client Executive and the Client's Outsourcing Contract Manager shall act in good faith to attempt to resolve the dispute. If the Supplier's Client Executive and the Client's Outsourcing Contract Manager are not able to resolve the dispute within seven (7) days of notice of dispute, then immediately following the expiration of such seven (7) day period, the persons to whom the Supplier's Client Executive and the Client's Outsourcing Contract Manager respectively report will meet within fifteen (15) days, and act in good faith, to attempt to resolve the dispute. The specific format for such discussions will be left to the discretion of the designated executives but may include the preparation of agreed upon statements of fact or written statements of position furnished to the other party. No formal proceedings for the resolution of the dispute under Section 2.3 may be commenced until the earlier to occur of (a) a mutual good faith conclusion by the designated executives that amicable resolution through continued negotiation of the matter in issue does not appear likely or (b) the 22nd day after the initial request to negotiate the dispute.

2.3 Mediation.

Disputes regarding or related to the payment obligations under the Master Agreement shall not be subject to mediation. With respect to all other disputes between the parties that cannot be resolved between them in accordance with Section 2.1 or 2.2 above, the parties shall submit their dispute to non-binding mediation before a mutually agreeable mediator prior to initiating litigation. If the parties are unable to agree upon a mediator within fifteen (15) days of the conclusion of the activities listed in 2.1 or 2.2 above, the American Arbitration Association shall be empowered to appoint a qualified mediator. Each party shall bear its own costs and expenses for participating in the mediation (including without limitation, attorneys' fees) and each party shall bear one-half (1/2) of

the costs and expenses of the mediator. Unless otherwise agreed, the parties will hold mediation in the Tampa Bay area of Florida within fifteen (15) Business Days of the mediator being selected. The mediator and parties will have two (2) Business Days to resolve the disputed issue. In the event the matter is not resolved in the mediation, either party may bring any actions available to them at law or in equity. Any such action shall be brought in accordance with Section 2.4 (Litigation) below. Nothing in this Section 2.3 shall be deemed to limit a party's access to the court system to pursue a remedy that is limited to injunctive relief. If injunctive relief is granted, then the requirements of Section 2.1, 2.2 and this Section 2.3 will not apply, and the parties may proceed with litigation with respect to the dispute in question.

2.4 Litigation.

WITH RESPECT TO ANY AND ALL LITIGATION THAT MAY ARISE BETWEEN THE PARTIES RELATING TO THE TERMS OF, AND THE TRANSACTION AND RELATIONSHIPS CONTEMPLATED BY, THE MASTER AGREEMENT, THE PARTIES HEREBY CONSENT TO EXCLUSIVE VENUE IN PINELLAS COUNTY, FLORIDA, AND TO THE EXCLUSIVE JURISDICTION OF THE STATE COURTS OR FEDERAL COURTS IN PINELLAS COUNTY, FLORIDA, SUBJECT TO THE MEDIATION REQUIREMENTS SET FORTH HEREIN.

2.5 Continued Performance.

Each party will continue to perform its obligations under the Master Agreement during any dispute resolution (including the payment of fees for Services by Client unless and then only to the extent that such fees are the basis of the dispute in question) unless and until those obligations are terminated by the termination or expiration of the Master Agreement.

3. Confidentiality.

The proceedings of all negotiations and arbitrations shall be privately conducted. As a part of settlement of mediation, the parties shall mutually agree to a disclosure statement concerning the outcome of the proceedings.

Exhibit R – Client SAP License and Maintenance Agreement

Exhibit R – Client SAP License and Maintenance Agreement

Client's Software License and Maintenance Agreement shall be incorporated and attached as this Exhibit R.

Exhibit S – Performance Bond

Exhibit S – Performance Bond

Supplier Performance Bond shall be incorporated and attached as this Exhibit S.