

CLOUD SOLUTIONS 2016-2026

Led by the State of Utah

Master Agreement #: AR3710

Contractor: **KYNDRYL, INC.**

Participating Entity: **STATE OF TENNESSEE**

The following products or services are included in this contract portfolio:

All products and accessories listed on the Contractor page of the NASPO ValuePoint website.

Participating Addendum Terms and Conditions:

1. Scope: This addendum covers **Cloud Solutions** led by the State of *Utah* for use by state agencies and other entities located in the Participating State [authorized by that State's statutes to utilize State contracts with the prior approval of the State's Chief Procurement Official.
2. Participation: The NASPO ValuePoint Master Agreement referenced above may be only used by Department of Finance and Administration, Strategic Technology Solutions (STS). Issues of interpretation and eligibility for participation are solely within the authority of the State Chief Procurement Official.
3. Access to Cloud Solutions Services Requires State CIO Approval: Unless otherwise stipulated in this Participating Addendum, specific services accessed through the NASPO ValuePoint cooperative Master Agreements for Cloud Solutions by state executive branch agencies are subject to the authority and prior approval of the State Chief Information Officer's Office. The State Chief Information Officer means the individual designated by the state Governor within the Executive Branch with enterprise-wide responsibilities for leadership and management of information technology resources of a state.
4. Primary Contacts: The primary contact individuals for this Participating Addendum are as follows (or their named successors):

Contractor

Name:	Kyndryl, Inc. - Robert Burgess
Address:	1 Vanderbilt Ave - 15th Floor
Telephone:	585-267-6348
Fax:	
Email:	Robert.Burgess@kyndryl.com

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Participating Entity

Name:	Stephanie Landmark
Address:	901 Rep. John Lewis Way N.
Telephone:	615-906-6810
Email:	Stephanie.M.Landmark@tn.gov
Name:	David Swaney
Address:	901 Rep. John Lewis Way N.
Telephone:	615-741-1424
Email:	David.Swaney@tn.gov

5. PARTICIPATING ENTITY MODIFICATIONS OR ADDITIONS TO THE MASTER AGREEMENT

These modifications or additions apply only to actions and relationships within the Participating Entity.

Participating Entity must check one of the boxes below.

☐ No changes to the terms and conditions of the Master Agreement are required.

☒ The following changes are modifying or supplementing the Master Agreement terms and conditions.

6. Incorporated Documents. This Participating Addendum includes the supplemental Tennessee State specific terms and conditions attached as Attachment A, "Standard Terms and Conditions and Special Terms and Conditions" and Attachments B and C., (collectively this Participating Addendum and Attachment A shall be the "the Participating Addendum"). The Participating Addendum's Attachment A shall control in the event of a conflict between any of the documents comprising this Participating Addendum.

Additionally, in accordance with Section 1 of the Master Agreement Order of Precedence as set forth in Attachment A to the NASPO ValuePoint Master Agreement AR3710 Terms & Conditions, the contract as between Kyndryl and the State of Tennessee shall consist of the following documents and in the event of a conflict in the terms of the documents, the terms of the documents will control in the following order of precedence:

- a. This Participating Addendum;
 - b. NASPO ValuePoint Master Agreement AR3710 Terms & Conditions, including Exhibit 1: Infrastructure-as-a-Service ("NASPO MSA"); and
 - c. Any mutually agreed Statements of Work, ("SOW") and Data Processing Agreements (DPA), and/or Data Security and Privacy Principles for Kyndryl Cloud Services (DSP) which are attached to the SOW.
7. Subcontractors: All contactors, dealers, and resellers authorized in the State of Tennessee, as shown on the dedicated Contractor (cooperative contract) website, are approved to

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provide sales and service support to participants in the NASPO ValuePoint Master Agreement. The contractor's dealer participation will be in accordance with the terms and conditions set forth in the aforementioned Master Agreement.

8. Orders: Any order placed by a Participating Entity or Purchasing Entity for a product and/or service available from this Master Agreement shall be deemed to be a sale under (and governed by the prices and other terms and conditions) of the Master Agreement unless the parties to the order agree in writing that another contract or agreement applies to such order.
9. Onshore Resources: The Contractor shall limit contractor resources which provide services ordered under this Participating Addendum to US-based (onshore) resources only.
10. SOW Execution and Termination.
 - a. SOW Execution. Orders placed under this Participating Addendum will be documented in separate Statements of Work, the form of which shall be substantially as set forth in Attachment C hereto, which shall describe the services and deliverables, timeline or term of service, charges and pricing methodology, service level agreements, and any assumptions associated with the work. Once executed by Contractor and the State, such Statement of Work (the "SOW") shall be binding upon the parties thereto. Each SOW shall specifically reference this Participating Addendum. Except for those items described in the foregoing sentence, a SOW cannot conflict with or seek to add to or delete the terms and conditions of the Participating Addendum. In the event of a conflict, the Participating Addendum shall prevail. SOWs shall not contain any other legal terms and conditions. Prior to execution of a SOW, each party shall notify the other if it believes that any provision in the SOW conflicts with the parameters set forth in this Section 9.a.
 - b. SOW Change Orders. Either party may request changes to the services, deliverables, and/or any other aspect of a SOW through a written change request ("Change Request") that are necessary, within the scope of this Participating Addendum, but were not specified in the SOW. Promptly thereafter the parties shall discuss what impact the Change Request will have on the services and deliverables and on pricing, timing, and other terms of the applicable SOW. Any changes to a SOW agreed upon by the parties as a result of the foregoing process shall be set forth in a change order signed by the parties ("Change Order"). Once a Change Order is signed it shall amend, and become part of, the applicable SOW. Neither party is obligated to change the services, deliverables, or any other aspect of a SOW unless a Change Order for such change has been signed by the parties. Subsequent to the execution of a Change Order, the Contractor shall complete the required services. Unless otherwise provided in the Change Order, work performed under a Change Order shall be subject to acceptance in accordance with the Participating Addendum's Attachment A Section 16, Inspection and Acceptance, of the Special Terms and Conditions.

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The State will remunerate the Contractor only for acceptable work (i.e., work performed in accordance with the requirements of the applicable Change Order). All acceptable work performed pursuant to an approved Change Order, without a formal amendment of this Participating Addendum, shall be remunerated in accordance with and further limited by this Participating Addendum, PROVIDED THAT, the State shall be liable to the Contractor only for the agreed price of the actual goods or services provided to complete the necessary work, not to exceed the maximum cost for the change detailed in the Change Order. In no instance shall the State be liable to the Contractor for any amount exceeding the maximum price specified by the Change Order authorizing the goods or services. Upon State approval of the work, the Contractor shall invoice the State in accordance with the relevant provisions of this Participating Addendum.

c. SOW Termination.

i. Notwithstanding anything in the NASPO MSA or this Participating Addendum to the contrary, the State may not terminate a SOW for convenience or for any other reason except as set forth below.

ii. If a party to a SOW ("SOW Breaching Party") fails to properly perform its obligations under the SOW, or if a party to a SOW materially violates any terms of the applicable SOW ("SOW Breach Condition"), the other party to the SOW ("SOW Non-breaching Party") may provide written notice to the SOW Breaching Party specifying the SOW Breach Condition. If within thirty (30) days of notice, the SOW Breaching Party has not cured the SOW Breach Condition, the SOW Non-breaching Party may terminate the applicable SOW. In the event the SOW Non-breaching Party is the State, Contractor shall be entitled to compensation for satisfactory, authorized services completed as of the termination date but the State may withhold payments under the applicable SOW in excess of compensation for completed services or provided goods. The SOW Breaching Party shall not be relieved of liability to the SOW Non-breaching Party for damages sustained by virtue of any breach of the applicable SOW, and the SOW Non-breaching Party may seek other remedies allowed at law or in equity for breach of the applicable SOW.

iii. Subject to Funds Availability. All SOWs shall be subject to the appropriation and availability of State or federal funds. In the event that the funds are not appropriated by the State legislature or are otherwise unavailable due to a reason which could not be avoided by the State, the State reserves the right to terminate an SOW upon written notice to the Contractor. The State's exercise of its right to terminate an SOW pursuant to this subsection shall not constitute a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the SOW. If the State terminates this SOW due to lack of funds availability, the Contractor shall be

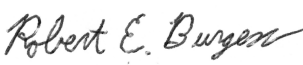
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entitled to compensation for all conforming goods requested and accepted by the State and for all satisfactory and authorized services completed as of the termination date. Should the State exercise its right to terminate an SOW due to unavailability of funds, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages of any description or amount.

iv. This Section shall not limit the State's right to terminate the Contract for convenience or cause in accordance with Sections 4 and 5 of the Participating Addendum's Attachment A's Standard Terms and Conditions, however pursuant to Section 17 of the Participating Addendum's Attachment A's Special Terms and Conditions an SOW will survive the expiration or termination of the Contract , unless separately terminated in accordance with this Section. Likewise, if any SOW is terminated pursuant to this Section, this Contract shall continue to apply to all SOWs that have not been terminated.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date of execution by both parties below.

Participating Entity: Department of Finance and Administration, Strategic Technology Solutions	Contractor: Kyndryl, Inc.
Signature:  Digitally signed by Michael F. Perry DN: cn=Michael F. Perry, o=State of TN CPO, ou=Department of General Services, email=Mike.Perry@tn.gov, c=US Date: 2024.06.07 11:17:59 -05'00'	Signature: 
Name: Michael F. Perry	Name: Robert Burgess
Title: Chief Procurement Officer	Title: Customer Partner
Date: 6/7/2024	Date: 6/7/2024

**Please email fully executed PDF copy of this document
to
PA@naspovaluepoint.org
to support documentation of participation and posting
in appropriate data bases.**

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Attachment A

State of Tennessee
("State," "Participating Entity," or "Purchasing Entity")

NASPO ValuePoint Cloud Solutions

All references to "Contract" hereinbelow shall collectively refer to the "NASPO ValuePoint Master Contract AR3710", the "Participating Addendum between Kyndryl and the State of Tennessee", and these "Supplemental Terms and Conditions" as attached and identified as Attachment A

Supplemental Terms and Conditions



Standard Terms and Conditions

1. Required Approvals. The State is not bound by this Contract until it is duly approved by the Parties and all appropriate State officials in accordance with applicable Tennessee laws and regulations. Depending upon the specifics of this Contract, this may include approvals by the Commissioner of Finance and Administration, the Commissioner of Human Resources, the Comptroller of the Treasury, and the Chief Procurement Officer. Approvals shall be evidenced by a signature or electronic approval.
2. Modification and Amendment. This Contract may be modified only by a written amendment signed by all parties and approved by all applicable State officials.

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3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State or federal funds. In the event that the funds are not appropriated by the State legislature or are otherwise unavailable due to a reason which could not reasonably be avoided by the State, the State reserves the right to terminate this Contract upon written notice to the Contractor. The State's exercise of its right to terminate this Contract shall not constitute a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. If the State terminates this Contract due to lack of funds availability, the Contractor shall be entitled to compensation for all conforming goods requested and accepted by the State and for all satisfactory and authorized services completed as of the termination date. Should the State exercise its right to terminate this Contract due to unavailability of funds, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages of any description or amount.
4. Termination for Convenience. The State may terminate this Contract for convenience without cause and for any reason. The State shall give the Contractor at least thirty (30) days written notice before the termination date. The Contractor shall be entitled to compensation for all conforming goods delivered and accepted by the State or for satisfactory, authorized services completed as of the termination date. In no event shall the State be liable to the Contractor for compensation for any goods neither requested nor accepted by the State or for any services neither requested by the State nor that do not meet the acceptance criteria established in a SOW. In no event shall the State's exercise of its right to terminate this Contract for convenience relieve the Contractor of any liability to the State for any damages or claims arising under this Contract.
5. Termination for Cause. If the Contractor fails to materially perform its obligations under this Contract in a timely or proper manner, or if the Contractor materially violates any terms of this Contract ("Breach Condition"), the State shall have the right to immediately terminate the Contract and withhold payments in excess of compensation for completed services or provided goods. The Contractor shall be entitled to compensation for satisfactory, authorized services completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered.

The State will provide notification of termination for cause in writing. This notice will: (1) specify in reasonable detail the nature of the breach; and (2) provide the Contractor with no less than thirty (30) days for an opportunity to cure.

 - a) Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any Breach Condition and the State may seek other remedies allowed at law or in equity for breach of this Contract.
6. Assignment and Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the goods or services provided under this Contract without the prior written approval of the State. Notwithstanding any use of the approved subcontractors, the Contractor shall be the prime contractor and responsible for

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compliance with all terms and conditions of this Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving an assignment of this Contract in whole or in part or the use of subcontractors in fulfilling the Contractor's obligations under this Contract. For the purposes of this Section 6, the Contractor may assign accounts receivable to a third-party, including those related to this Agreement provided that (1) in no case shall the State be obligated to make payments to any party except the Contractor; (2) there is no change to the State's obligations under this Agreement; (3) the Contractor shall continue to administer, bill and collect the payments it is due in accordance with the terms of the Agreement and (4) the Contractor shall not assign accounts receivable to any party that is disqualified from doing business with the State under Tennessee law.

7. Conflicts of Interest. The Contractor warrants that no part of the Contractor's compensation shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed under this Contract.

The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six (6) months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six (6) months has been, an employee of the State of Tennessee.

8. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion, sex, national origin, or any other classification protected by federal or state law. The Contractor shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

9. Prohibition of Illegal Immigrants. The requirements of Tenn. Code Ann. § 12-3-309 addressing the use of illegal immigrants in the performance of any contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.

- a) The Contractor agrees that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation by submitting to the State a completed Attestation (accessible through the Edison Supplier Portal) and included at Attachment B semi-annually during the Term. If the Contractor is a party to more than one contract with the State, the Contractor may submit one attestation that

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applies to all contracts with the State. All Contractor attestations shall be maintained by the Contractor and made available to State officials upon request.

- b) Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the Term, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work under this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work under this Contract. Attestations obtained from subcontractors shall be maintained by the Contractor and made available to State officials upon request.
 - c) The Contractor shall maintain records for all personnel used in the performance of this Contract. Contractor's records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
 - d) The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Tenn. Code Ann. § 12-3-309 for acts or omissions occurring after its effective date.
 - e) For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not: (i) a United States citizen; (ii) a Lawful Permanent Resident; (iii) a person whose physical presence in the United States is authorized; (iv) allowed by the federal Department of Homeland Security and who, under federal immigration laws or regulations, is authorized to be employed in the U.S.; or (v) is otherwise authorized to provide services under the Contract.
10. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, for work performed or money received under this Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
11. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
12. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State in accordance with the mutually agreed upon schedule as between Contractor and the Purchasing Entity and documented in a SOW issued under this Contract as requested.
13. Strict Performance. Failure by any Party to this Contract to require, in any one or more cases, the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the Parties.
14. Independent Contractor. The Parties shall not act as employees, partners, joint venturers, or associates of one another. The Parties are independent contracting entities. Nothing in this Contract shall be construed to create an employer/employee relationship or to allow either Party

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to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one Party are not employees or agents of the other Party.

15. Patient Protection and Affordable Care Act. The Contractor agrees that it will be responsible for compliance with the Patient Protection and Affordable Care Act ("PPACA") with respect to itself and its employees, including any obligation to report health insurance coverage, provide health insurance coverage, or pay any financial assessment, tax, or penalty for not providing health insurance. The Contractor shall indemnify the State and hold it harmless from any costs to the State arising from Contractor's failure to fulfill its PPACA responsibilities for itself or its employees.
16. Limitation of State's Liability. The State shall have no liability except as specifically provided in this Contract. In no event will the State be liable to the Contractor or any other party for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Contract or otherwise. The State's total liability under this Contract (including any exhibits, schedules, amendments or other attachments to the Contract) or otherwise shall under no circumstances exceed the Maximum Liability as detailed in Section 2 of the Special Terms and Conditions below. This limitation of liability is cumulative and not per incident.
17. Limitation of Contractor's Liability. In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to the Maximum Liability amount detailed in Section 2 of the Special Terms and Conditions and as may be amended. Except as set forth below, in no event will the Contractor be liable to the State or any other party for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Contract. PROVIDED THAT in no event shall this Section limit the liability of the Contractor for: (i) intellectual property or any Contractor indemnity obligations for infringement for third-party intellectual property rights; (ii) any claims covered by any specific provision in the Contract providing for liquidated damages; or (iii) any claims for intentional torts, criminal acts, fraudulent conduct, or acts or omissions that result in personal injuries or death. . For clarity, except as otherwise expressly set forth in this Section, Contractor's indemnification obligations and other remedies available to the State under this Contract are subject to the limitations on liability set forth in this Section.
18. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all third-party claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State.

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In the event of any third-party suit or claim, the Parties shall give each other immediate notice and provide all necessary assistance to respond or defend. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. The Contractor shall have full right and obligation to conduct the Contractor's own defense thereof. This Section shall not grant the Contractor, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

19. **HIPAA Compliance.** The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Health Information Technology for Economic and Clinical Health ("HITECH") Act and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of this Contract.
 - a. Contractor warrants to the State that it is familiar with the requirements of the Privacy Rules, and will comply with all applicable requirements in the course of this Contract.
 - b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of the Contract so that both parties will be in compliance with the Privacy Rules.
 - c. The State and the Contractor will sign documents, including but not limited to a mutually agreed business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the State and Contractor in compliance with the Privacy Rules. This provision shall not apply if information received or delivered by the parties under this Contract is NOT "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the parties to receive or deliver the information without entering into a business associate agreement or signing another document.
20. **Tennessee Consolidated Retirement System.** Subject to statutory exceptions contained in Tenn. Code Ann. §§ 8-36-801, *et seq.*, the law governing the Tennessee Consolidated Retirement System ("TCRS"), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established under Tenn. Code Ann. §§ 8-35-101, *et seq.*, accepts State employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the Term.
21. **Tennessee Department of Revenue Registration.** The Contractor shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Contract.

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22. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
 - b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
 - c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
 - d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.
- The Contractor shall provide written notice within a reasonable time to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded, disqualified, or presently fall under any of the prohibitions of subsections a-d.
23. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Contract arising from a Force Majeure Event is not a default under this Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Contractor's representatives, suppliers, subcontractors, customers or business apart from this Contract is not a Force Majeure Event under this Contract. Contractor will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Contractor's performance longer than forty-eight (48) hours, the State may, upon notice to Contractor: (a) cease payment of the fees for the affected obligations until Contractor resumes performance of the affected obligations; or (b) immediately terminate this Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Contractor will not increase its charges under this Contract or charge the State any fees other than those provided for in this Contract as the result of a Force Majeure Event.

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24. State and Federal Compliance. The Contractor shall comply with all State and federal laws and regulations applicable to Contractor in the Contractor's performance of this Contract.
25. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to its conflict or choice of law rules. The Tennessee Claims Commission or the state or federal courts in Tennessee shall be the venue for all claims, disputes, or disagreements arising under this Contract. The Contractor acknowledges and agrees that any rights, claims, or remedies against the State of Tennessee or its employees arising under this Contract shall be subject to and limited to those rights and remedies available under Tenn. Code Ann. §§ 9-8-101 - 408.
26. Entire Agreement. This Contract is complete and contains the entire understanding between the Parties relating to its subject matter, including all the terms and conditions of the Parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the Parties, whether written or oral.
27. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions of this Contract shall not be affected and shall remain in full force and effect. The terms and conditions of this Contract are severable.
28. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.
29. Incorporation of Additional Documents. [RESERVED]
30. Iran Divestment Act. The requirements of Tenn. Code Ann. § 12-12-101, *et seq.*, addressing contracting with persons as defined at Tenn. Code Ann. §12-12-103(5) that engage in investment activities in Iran, shall be a material provision of this Contract. The Contractor certifies, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.
31. Insurance. Contractor shall maintain insurance coverage as specified in this Section. The State reserves the right to amend or require additional insurance coverage, coverage amounts, and endorsements required under this Contract. Contractor's failure to maintain or submit evidence of insurance coverage, as required, is a material breach of this Contract. If Contractor loses insurance coverage, fails to renew coverage, or for any reason becomes uninsured during the Term, Contractor shall immediately notify the State. All insurance companies providing coverage must be: (a) acceptable to the State; (b) authorized by the Tennessee Department of Commerce and Insurance ("TDCI"); and (c) rated A- / VII or better by A.M. Best. All coverage must be on a primary basis and noncontributory with any other insurance or self-insurance carried by the State. Contractor agrees to name the State as an additional insured on any insurance policy with the exception of workers' compensation (employer liability) and professional liability (errors and omissions) insurance. All policies must contain an endorsement for a waiver of subrogation in favor of the State. Any deductible or self insured retention ("SIR")

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over fifty thousand dollars (\$50,000) must be approved by the State. The deductible or SIR and any premiums are the Contractor's sole responsibility. The Contractor agrees that the insurance requirements specified in this Section do not reduce any liability the Contractor has assumed under this Contract including any indemnification or hold harmless requirements.

To achieve the required coverage amounts, a combination of an otherwise deficient specific policy and an umbrella policy with an aggregate meeting or exceeding the required coverage amounts is acceptable. For example: If the required policy limit under this Contract is for two million dollars (\$2,000,000) in coverage, acceptable coverage would include a specific policy covering one million dollars (\$1,000,000) combined with an umbrella policy for an additional one million dollars (\$1,000,000). If the deficient underlying policy is for a coverage area without aggregate limits (generally Automobile Liability and Employers' Liability Accident), Contractor shall provide a copy of the umbrella insurance policy documents to ensure that no aggregate limit applies to the umbrella policy for that coverage area. In the event that an umbrella policy is being provided to achieve any required coverage amounts, the umbrella policy shall be accompanied by an endorsement at least as broad as the Insurance Services Office, Inc. (also known as "ISO") "Noncontributory—Other Insurance Condition" endorsement or shall be written on a policy form that addresses both the primary and noncontributory basis of the umbrella policy if the State is otherwise named as an additional insured.

Contractor shall provide the State a certificate of insurance ("COI") evidencing the coverages and amounts specified in this Section. The COI must be on a form approved by the TDCI (standard ACORD form preferred). The COI must list each insurer's National Association of Insurance Commissioners (NAIC) number and be signed by an authorized representative of the insurer. The COI must list the State of Tennessee – CPO Risk Manager, 312 Rosa L. Parks Ave., 3rd floor Central Procurement Office, Nashville, TN 37243 as the certificate holder. Contractor shall provide the COI ten (10) business days prior to the Effective Date and again thirty (30) calendar days before renewal or replacement of coverage. Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that subcontractors are included under the Contractor's policy. At any time, the State may require Contractor to provide a valid COI. The Parties agree that failure to provide evidence of insurance coverage as required is a material breach of this Contract. If Contractor self-insures, then a COI will not be required to prove coverage. Instead Contractor shall provide a certificate of self-insurance or a letter, on Contractor's letterhead, detailing its coverage, policy amounts, and proof of funds to reasonably cover such expenses.

The State agrees that it shall give written notice to the Contractor as soon as practicable after the State becomes aware of any claim asserted or made against the State, but in no event later than thirty (30) calendar days after the State becomes aware of such claim. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor or its insurer, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

The insurance obligations under this Contract shall be: (1)—all the insurance coverage and policy limits carried by the Contractor; or (2)—the minimum insurance coverage requirements and policy limits shown in this Contract; whichever is greater. Any insurance proceeds in excess of or

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broader than the minimum required coverage and minimum required policy limits, which are applicable to a given loss, shall be available to the State. No representation is made that the minimum insurance requirements of the Contract are sufficient to cover the obligations of the Contractor arising under this Contract. The Contractor shall obtain and maintain, at a minimum, the following insurance coverages and policy limits.

a. Commercial General Liability ("CGL") Insurance

- 1) The Contractor shall maintain CGL, which shall be written on an ISO Form CG 00 01 occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from property damage, premises, and completed operations, bodily injury, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

The Contractor shall maintain single limits not less than one million dollars (\$1,000,000) per occurrence and in the aggregate. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this policy or location of occurrence or the general aggregate limit shall be twice the required occurrence limit.

b. Workers' Compensation and Employer Liability Insurance

- 1) For Contractors statutorily required to carry workers' compensation and employer liability insurance, the Contractor shall maintain insurance in accordance with the requirements of Tenn. Code Ann. §§ 50-6-101 – 103.

- 1) If the Contractor certifies that it is exempt from the requirements of Tenn. Code Ann. §§ 50-6-101 – 103, then the Contractor shall furnish written proof of such exemption for one or more of the following reasons:

- i. The Contractor employs fewer than five (5) employees;
- ii. The Contractor is a sole proprietor;
- iii. The Contractor is in the construction business or trades with no employees;
- iv. The Contractor is in the coal mining industry with no employees;
- v. The Contractor is a state or local government; or
- vi. The Contractor self-insures its workers' compensation and is in compliance with the TDCI rules and Tenn. Code Ann. § 50-6-405.

c. Automobile Liability Insurance

- 1) The Contractor shall maintain automobile liability insurance which shall cover liability arising out of any automobile (including owned, leased, hired, and non-owned automobiles).

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- i. For hired automobiles, coverage is limited to those amounts above already insured applicable rental car insurance.
 - ii. For non-owned automobiles, coverage is limited to those amounts not already insured by the vehicle's owner's own personal auto liability policy and only where Kyndryl is found liable for the accident.
 - 2) The Contractor shall maintain bodily injury/property damage with a limit not less than one million dollars (\$1,000,000) per occurrence or combined single limit.
- d. Technology Professional Liability (Errors & Omissions)/Network Security and Privacy Insurance
 - 1) The Contractor shall maintain technology professional liability (errors & omissions) which shall include coverage for network security and privacy liability appropriate to the Contractor's profession in an amount not less than ten million dollars (\$10,000,000) per occurrence or claim and ten million dollars (\$10,000,000) annual aggregate, covering all acts, claims, errors, omissions, negligence, infringement of intellectual property (including copyright); network security and privacy risks, including but not limited to unauthorized access, failure of security, information theft, damage to destruction of or alteration of electronic information, breach of privacy perils, wrongful disclosure and release of private information, collection, or other negligence in the handling of confidential information, and including coverage for related regulatory fines, defenses, and penalties.
 - 2) Such coverage shall include data breach response expenses, in an amount not less than ten million dollars (\$10,000,000) and payable whether incurred by the State or Contractor, including but not limited to consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file or identity monitoring or remediation services and expenses which are caused by Contractor's errors in the performance of services for the State or on behalf of the State hereunder.
- e. Crime Insurance
 - 1) The Contractor shall maintain crime insurance, which shall be written on a "loss sustained form" or "loss discovered form" providing coverage for loss of money, securities and other tangible property belonging to the State resulting directly from a fraudulent or dishonest act by a Contractor employee, by any means including a computer, while performing Contractor's professional services for the State. The State shall be included as a loss payee under this policy. This insurance shall have a minimum per claim limit of USD 5,000,000 (or local currency equivalent).

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The policy must allow for reporting of circumstances or incidents that may give rise to future claims, so Contractor will maintain the coverage for no less than two (2) years after expiration of the Term to cover events which occurred but were not reported during the term of the policy, and not contain a condition requiring an arrest or conviction.

- 2) Any crime insurance policy shall have a limit not less than one million dollars (\$1,000,000) per claim and one million dollars (\$1,000,000) in the aggregate. Any crime insurance policy shall contain a Social Engineering Fraud Endorsement with a limit of not less than two hundred and fifty thousand dollars (\$250,000). This insurance may be written on a claims-made basis, but Contractor will continue this insurance coverage for the Term of this Contract and no less than two years after expiration as long as such coverage remains commercially available in the market place or the Contractor shall purchase an extended reporting or "tail coverage" of at least two (2) years after the Term.
32. Major Procurement Contract Sales and Use Tax. Pursuant to Tenn. Code Ann. § 4-39-102 and to the extent applicable, the Contractor and the Contractor's subcontractors shall remit sales and use taxes on the sales of goods or services that are made by the Contractor or the Contractor's subcontractors and that are subject to tax.
33. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State that is regarded as confidential under state or federal law shall be regarded as "Confidential Information." Nothing in this Section shall permit Contractor to disclose any Confidential Information, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties. Confidential Information shall not be disclosed except as required or permitted under state or federal law. Contractor shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law.

The obligations set forth in this Section shall survive the termination of this Contract.
34. Boycott of Israel. The Contractor certifies that it is not currently engaged in, and covenants that it will not, for the duration of the Contract, engage in a Boycott of Israel, as that term is defined in Tenn. Code Ann. § 12-4-119.
35. Prohibited Contract Terms. The prohibited contract terms and conditions enumerated in Tenn. Code Ann. § 12-3-515, shall be a material provision of this Contract. The Contractor acknowledges, understands, and agrees that the inclusion of a term or condition prohibited by Tenn. Code Ann. § 12-3-515, shall be null and void and the Contract shall be enforceable as if the Contract did not contain such term or condition.

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Special Terms and Conditions

1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, the special terms and conditions shall be subordinate to the Contract's other terms and conditions.
2. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Fifty-Five Million Dollars (\$55,000,000.00) ("Maximum Liability"). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.
3. Payment Methodology. The Contractor shall be compensated based on the payment methodology for goods or services authorized by the State in a total amount as set forth in a mutually agreed SOW and the Special Terms and Conditions Section 2 above and which is based on the NASPO Valuepoint Contractor catalog found at:

<https://www.naspovaluepoint.org/portfolio/cloud-solutions-2016-2026/kyndryl>
4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel time, travel expenses, meals, or lodging.
5. Invoice Requirements. The Contractor shall invoice the State only for goods delivered and accepted by the State or services satisfactorily provided at the amounts stipulated in Section 3 of the Special Terms and Conditions. Contractor shall submit invoices and necessary supporting documentation, no more frequently than once a month, and no later than thirty (30) days after goods or services have been provided to the following address:

State of Tennessee
Department of Finance and Administration
Billing Services
21st Floor, WRS TN Tower
312 Rosa L. Parks Ave.
Nashville, TN 37243
Billing.Services@tn.gov

- a. Each invoice, on Contractor's letterhead, shall clearly and accurately detail all of the following information (calculations must be extended and totaled correctly):
 - (1) Invoice number (assigned by the Contractor);
 - (2) Invoice date;
 - (3) Contract number (assigned by the State);
 - (4) Customer account name: Finance & Administration, Strategic Technology Solutions
 - (5) Customer account number (assigned by the Contractor to the above-referenced Customer);

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- (6) Contractor name;
- (7) Contractor Tennessee Edison registration ID number;
- (8) Contractor contact for invoice questions (name, phone, or email);
- (9) Contractor remittance address;
- (10) Description of delivered goods or services provided and invoiced, including identifying information as applicable;
- (11) Number of delivered or completed units, increments, hours, or days as applicable, of each good or service invoiced;
- (12) Applicable payment methodology (as stipulated in the Special Terms and Conditions) of each good or service invoiced;
- (13) Amount due for each compensable unit of good or service; and
- (14) Total amount due for the invoice period.

b. Contractor's invoices shall:

- (1) Only include charges for goods delivered or services provided as described in Master Agreement AR-3710 and in accordance with payment terms and conditions set forth in Section 3 of the Special Terms and Conditions;
- (2) Only be submitted for goods delivered or services completed and shall not include any charge for future goods to be delivered or services to be performed;
- (3) Not include Contractor's taxes, which includes without limitation Contractor's sales and use tax, excise taxes, franchise taxes, real or personal property taxes, or income taxes; and
- (4) Include shipping or delivery charges only as authorized in this Contract.

c. In accordance with Tenn. Code Ann. S. 12-4-701, payment shall be made by the State within forty-five (45) days following the State's receipt of a correct invoice covering the delivered goods or services. Interest will accrue for all over-due payments in accordance with the interest rate set forth in Tenn. Code Ann. § 12-4-704. The timeframe for payment (or any discounts) begins only when the State is in receipt of an invoice that meets the minimum requirements of this Section 5(c).

6. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or other matter. A payment by the State shall not be construed as acceptance of goods delivered, any part of the services provided, or as approval of any amount invoiced.

7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment that is determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, to not constitute proper compensation for goods delivered or services provided.

8. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee, any amounts that are or shall become due and payable to the State of Tennessee

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by the Contractor. Notwithstanding the foregoing, the State shall provide notice to Contractor of those amounts and a reasonable opportunity to pay those amounts prior to any deductions made under this subsection.

9. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following, properly completed documentation.
- a. The Contractor shall complete, sign, and present to the State the "Authorization Agreement for Automatic Deposit Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once this form is received by the State, payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee, may be made by ACH; and
 - c. The Contractor shall complete, sign, and return to the State the State-provided W-9 form. The taxpayer identification number on the W-9 form must be the same as the Contractor's Federal Employer Identification Number or Social Security Number referenced in the Contractor's Edison registration information.
10. Additional lines, items, or options. At its sole discretion, the State may make written requests to the Contractor to add lines, items, or options that are needed and within the Scope but were not included in the original Contract. Such lines, items, or options will be added to the Contract through a Memorandum of Understanding ("MOU"), not an amendment.
- a. After the Contractor receives a written request to add lines, items, or options, the Contractor shall have ten (10) business days to respond with a written proposal. The Contractor's written proposal shall include:
 - (1) The effect, if any, of adding the lines, items, or options on the other goods or services required under the Contract;
 - (2) Any pricing related to the new lines, items, or options;
 - (3) The expected effective date for the availability of the new lines, items, or options; and
 - (4) Any additional information requested by the State.
 - b. The State may negotiate the terms of the Contractor's proposal by requesting revisions to the proposal.
 - c. To indicate acceptance of a proposal, the State will sign it. The signed proposal shall constitute a MOU between the Parties, and the lines, items, or options shall be incorporated into the Contract as if set forth verbatim.
 - d. Only after a MOU has been executed shall the Contractor perform or deliver the new lines, items, or options.
11. State Ownership of Work Products. The State shall have ownership, right, title, and interest, including ownership of copyright, in all work products, including computer source code, created, designed, or developed, exclusively for the benefit of the State under this Contract subject to the next subsection and full and final payment for each "Work Product." The State shall have royalty-free and unlimited rights and license to use, disclose, reproduce, publish, distribute, modify, maintain, or create derivative works from, for any purpose whatsoever, all said Work Products.

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- a. To the extent that the Contractor uses any of its pre-existing, proprietary or independently developed tools, materials or information ["Contractor's Materials"], the Contractor shall retain all right, title and interest in and to such Contractor Materials, including any modifications or enhancements thereto, and the State shall acquire no right, title or interest in or to such Contractor Materials.
- b. Nothing in this Contract shall prohibit the Contractor's use for its own purposes of the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of providing the services requested under this Contract.
- c. Nothing in the Contract shall prohibit the Contractor from developing for itself, or for others, materials which are similar to and/or competitive with those that are produced under this Contract.
- d. The State grants to the Contractor, during the Term, solely for purposes of providing Services under this Contract: (i) a limited, non-exclusive, worldwide, paid-up, revocable license to use, execute, operate, access, copy, maintain, reproduce, display, perform, distribute copies of, modify, and enhance any of the State's pre-existing, proprietary or independently developed tools, materials or information ("State Materials") used in the provision of Services or in the Work Product, and (ii) the right to authorize its Subcontractors retained for the performance of the Services to do any of the former

12. Intellectual Property Indemnity. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all third-party claims or suits for infringement of any laws regarding patents or copyrights which may arise from the Contractor's Materials or Work Product in the performance of this Contract. This indemnification obligation does not apply to the extent the infringement is caused by any of the following: (i) modifications made by the indemnified party; (ii) combination operation or use by the indemnified party of otherwise non-infringing items with items not furnished or specified by Contractor; (iii) items provided, required, or used by the State; (iv) use of the Materials or Work Product; or (iv) the distribution, operation, or use of Materials or Work Product for the benefit of a third-party outside the State's responsibilities, except as specifically contemplated by this Contract. In any such claim or action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any settlement approved by the Contractor or final judgment of infringement. Contractor further agrees it shall be liable for the reasonable fees of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State subject to notice. The State shall give the Contractor written notice of any such claim or suit and full right and opportunity to conduct the Contractor's own defense thereof, however, the State's failure to give such notice shall only relieve Contractor of its obligations under this section to the extent Contractor can demonstrate actual prejudice resulting from such failure to give notice. If such a claim is made or appears likely to be made, the State agrees to permit Contractor to first attempt to enable the State to continue to use the Materials or Work Product. If such attempt is determined by the Contractor not to be reasonably available, the State agrees to permit Contractor, in its discretion, to attempt to modify the Materials or Work Product or replace it with one that is at least functionally equivalent. This Section shall not grant the Contractor, through its attorneys, the right to represent the State of Tennessee in any legal matter, as provided in Tenn. Code Ann. § 8-6-106.

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11. Software Support and Maintenance Warranty. Contractor shall pass on any software upgrades, modifications, bug fixes, or other improvements in accordance with the schedule included in a mutually agreed SOW.
12. Extraneous Terms and Conditions. Contractor shall fill all orders submitted by the State under this Contract. No purchase order, invoice, or other documents associated with any sales, orders, or supply of any good or service under this Contract shall contain any terms or conditions except as otherwise authorized in the Contract. Any such extraneous terms and conditions shall be void, invalid and unenforceable against the State. Any refusal by Contractor to supply any goods or services under this Contract conditioned upon the State submitting to any extraneous terms and conditions shall be a material breach of the Contract and constitute an act of bad faith by Contractor.
13. Contractor Hosted Services Confidential Data, Audit, and Other Requirements.
 - a. "Confidential State Data" is defined as data deemed confidential by State or Federal statute or regulation. The Contractor shall protect Confidential State Data as follows:
 - (1) The Contractor shall ensure that all Confidential State Data is housed in the continental United States, inclusive of backup data.
 - (2) The Contractor shall encrypt Confidential State Data at rest and enable the usage of encryption in transit. All communications over a wide-area network will utilize encryption at the current version of Federal Information Processing Standard ("FIPS") 140-2 or 140-3 (current applicable version) validated encryption technologies. Upon written request by the State, the Contractor shall disable the ability to utilize unencrypted traffic. The State will remain responsible for the enablement of encryption in transit and Contractor shall be not be responsible for any outage or down town that occurs as a result of this change. The State shall control all access to encryption keys. The Contractor shall provide installation and maintenance support at no cost to the State.
 - (3) The Contractor's information technology structure shall adhere to the FBI's Criminal Justice Information Services ("CJIS") standard. The State agency may request and conduct CJIS compliance audits upon reasonable notice and at any reasonable time, using a standardized approach to security assessment, authorization, and continuous monitoring for cloud products and services, and may validate that the Contractor meets CJIS standards. Information technology "Infrastructure" shall mean the Contractor's entire collection of hardware, software, networks, data centers, facilities, and related equipment used to develop, test, operate, monitor, manage, and/or support information technology services. No additional funding shall be allocated for

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these certifications, authorizations, or audits as these are included in the Maximum Liability of this Contract.

- (4) The Contractor must annually perform Penetration Tests and Vulnerability Assessments against its Processing Environment. "Processing Environment" shall mean the combination of software and hardware on which the Application runs. "Application" shall mean the computer code that supports and accomplishes the State's requirements as set forth in this Contract. "Penetration Tests" shall be in the form of attacks on the Contractor's computer system, with the purpose of discovering security weaknesses which have the potential to gain access to the Processing Environment's features and data. The "Vulnerability Assessment" shall be designed and executed to define, identify, and classify the security holes (vulnerabilities) in the Processing Environment. The Contractor shall allow the State, at its option, to perform Penetration Tests and Vulnerability Assessments on the Processing Environment.
- (5) Upon State request, the Contractor shall provide a copy of all Confidential State Data it holds. The Contractor shall provide such data on media and in a format determined by the State
- (6) Upon termination of this Contract and in consultation with the State, the Contractor shall destroy all Confidential State Data it holds (including any copies such as backups) in accordance with the current version of National Institute of Standards and Technology ("NIST") Special Publication 800-88. The Contractor shall provide a written confirmation of destruction to the State within ten (10) business days after destruction.

b. Minimum Requirements

- (1) The Contractor and all data centers used by the Contractor to host State data, including those of all Subcontractors, must comply with the State's Enterprise Information Security Policies as amended periodically. The State's Enterprise Information Security Policies document is found at the following URL:
<https://www.tn.gov/finance/strategic-technology-solutions/strategic-technology-solutions/sts-security-policies.html>.
- (2) The Contractor agrees to maintain the Application so that it will run on a current, manufacturer-supported Operating System. "Operating System" shall mean the software that supports a computer's basic functions, such as scheduling tasks, executing applications, and controlling peripherals.
- (3) If the Application requires middleware or database software, Contractor shall maintain middleware and database software versions that are at all times fully compatible with the State's current implemented versions of the Operating System and Application to ensure that security vulnerabilities are not introduced.

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c. Comptroller Audit Requirements

Upon reasonable notice and at any reasonable time, the Contractor and Subcontractor(s) agree to allow the State, the Comptroller of the Treasury, or their duly appointed representatives to perform information technology control audits of the Contractor and all Subcontractors used by the Contractor. Contractor will maintain and cause its Subcontractors to maintain a complete audit trail of all transactions and activities in accordance with this Contract. Contractor will provide to the State, the Comptroller of the Treasury, or their duly appointed representatives access to Contractor and Subcontractor(s) personnel for the purpose of performing the information technology control audit.

The information technology control audit may include a review of general controls and application controls. General controls are the policies and procedures that apply to all or a large segment of the Contractor's or Subcontractor's information systems and applications and include controls over security management, access controls, configuration management, segregation of duties, and contingency planning. Application controls are directly related to the application and help ensure that transactions are complete, accurate, valid, confidential, and available. The audit shall include the Contractor's and Subcontractor's compliance with the State's Enterprise Information Security Policies and all applicable requirements, laws, regulations or policies as set forth in this Contract.

The audit may include interviews with technical and management personnel, physical inspection of controls, and review of paper or electronic documentation.

For any audit issues identified, the Contractor and Subcontractor(s) shall provide a corrective action plan to the State within 30 days from the Contractor or Subcontractor receiving the audit report.

Each party shall bear its own expenses incurred while conducting the information technology controls audit.

d. Business Continuity Requirements. The Contractor shall maintain set(s) of documents, instructions, and procedures which enable the Contractor to respond to accidents, disasters, emergencies, or threats without any stoppage or hindrance in its key operations ("Business Continuity Requirements"). Business Continuity Requirements shall include:

- (1) "Disaster Recovery Capabilities" refer to the actions the Contractor takes to meet the Recovery Point and Recovery Time Objectives defined below. Disaster Recovery Capabilities shall meet the following objectives:

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- i. Recovery Point Objective ("RPO"). The RPO is defined as the maximum targeted period in which data might be lost from an IT service due to a major incident: 24 Hours
 - ii. Recovery Time Objective ("RTO"). The RTO is defined as the targeted duration of time and a service level within which a business process must be restored after a disaster (or disruption) in order to avoid unacceptable consequences associated with a break in business continuity: 72 Hours
 - (2) The Contractor and the Subcontractor(s) shall perform at least one Disaster Recovery Test every three hundred sixty-five (365) days. A "Disaster Recovery Test" shall mean the process of verifying the success of the restoration procedures that are executed after a critical IT failure or disruption occurs. The Disaster Recovery Test shall use actual State Data Sets that mirror production data, and success shall be defined as the Contractor verifying that the Contractor can meet the State's RPO and RTO requirements. A "Data Set" is defined as a collection of related sets of information that is composed of separate elements but can be manipulated as a unit by a computer. The Contractor shall provide written confirmation to the State after each Disaster Recovery Test that its Disaster Recovery Capabilities meet the RPO and RTO requirements.
14. Prohibited Advertising or Marketing. The Contractor shall not suggest or imply in advertising or marketing materials that Contractor's goods or services are endorsed by the State. The restrictions on Contractor advertising or marketing materials under this Section shall survive the termination of this Contract.
15. Personally Identifiable Information. While performing its obligations under this Contract, Contractor may have access to Personally Identifiable Information held by the State ("PII"). For the purposes of this Contract, "PII" includes "Nonpublic Personal Information" as that term is defined in Title V of the Gramm-Leach-Bliley Act of 1999 or any successor federal statute, and the rules and regulations thereunder, all as may be amended or supplemented from time to time ("GLBA") and personally identifiable information and other data protected under any other applicable laws, rule or regulation of any jurisdiction relating to disclosure or use of personal information ("Privacy Laws"). Contractor shall, and shall cause its employees, agents and representatives to: (i) keep PII confidential and may use and disclose PII only as necessary to carry out those specific aspects of the purpose for which the PII was disclosed to Contractor and in accordance with this Contract, GLBA and Privacy Laws; and (ii) implement and maintain appropriate technical and organizational measures regarding information security to: (A) ensure the security and confidentiality of PII; (B) protect against any threats or hazards to the security or integrity of PII; and (C) prevent unauthorized access to or use of PII which is under control of the Contractor. Contractor shall immediately notify State: (1) of any disclosure or use of any PII by Contractor or any of its employees, agents and representatives in breach of this Contract; and (2) of any disclosure of any PII to Contractor or its employees, agents and representatives where the purpose of such disclosure is not known to Contractor or its employees, agents and representatives. The State reserves the right to review Contractor's policies and procedures used to maintain the security and confidentiality of PII and Contractor shall, and cause its employees, agents and representatives to, comply with all reasonable requests or directions from the State to

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enable the State to verify or ensure that Contractor is in full compliance with its obligations under this Contract in relation to PII. Upon termination or expiration of the Contract or at the State's direction at any time in its sole discretion, whichever is earlier, Contractor shall immediately return to the State any and all PII which it has received under this Contract and shall destroy all records of such PII.

The Contractor shall report to the State any instances of unauthorized access to, disclosure, misuse, or misappropriation by a third-party of PII in the custody or control of Contractor ("Unauthorized Disclosure") that come to the Contractor's attention. Any such report shall be made by the Contractor within twenty-four (24) hours after the Unauthorized Disclosure has come to the attention of the Contractor. Contractor shall take all necessary measures to halt any further Unauthorized Disclosures. To extent the Unauthorized Disclosure was caused by a failure of the Contractor to meet its obligations under the Contract and subject to the limitation of liability set forth above in Section 17 of the Standard Terms and Conditions, the Contractor, at the sole discretion of the State, shall (1) provide no cost credit monitoring services for individuals whose PII was affected by the Unauthorized Disclosure for up to twelve months or a longer period of time if required by applicable law; and (2) shall bear the cost of notification to all individuals affected by the Unauthorized Disclosure, including individual letters and public notice to the extent required by applicable law. The remedies set forth in this Section are not exclusive and are in addition to any claims or remedies available to this State under this Contract or otherwise available at law. The obligations set forth in this Section shall survive the termination of this Contract.

The State agrees that no PII that is subject to the European General Data Protection Regulation (EU/2016/679) (GDPR) or any other data protection laws which require an additional artifact or additional contractual terms, and are not explicitly identified within this Contract, will be provided to Contractor for processing on behalf of the State. The Contractor acknowledges that CJIS data, SSA data, PII data, and HIPAA data will be processed as part of this Agreement and to the extent such processing requires an additional artifact or contractual terms not set forth herein, the Parties will work in good faith to execute any necessary artifacts relating to such data.

16. Inspection and Acceptance. The State shall have the right to inspect all goods or services provided by Contractor under this Contract. If, upon inspection, the State determines that the goods or services do not meet the acceptance criteria or procedure in a mutually agreed SOW, the State shall notify Contractor, and Contractor shall re-deliver the goods or provide the services at no additional cost to the State. If after a period of thirty (30) days following delivery of goods or performance of services the State does not provide a notice of any Defects, the goods or services shall be deemed to have been accepted by the State.
17. Term of Contract. This Contract shall be effective on July 1st, 2024 ("Effective Date") and extend for a period of twenty-nine (29) months after the Effective Date ("Term"). The term of all SOWs shall be set forth therein and expiration of this Contract will not affect SOWs that are outstanding at the time of termination provided an SOW was entered into or amended prior to the expiration of the Master Agreement. All such SOWs whose performance and payment time frames extend beyond the term of the Master Agreement shall remain in effect for performance and payment purposes (limited to the time frame and services established per each SOW. All Services which require payment must be paid in accordance with the invoice even after the expiration of the

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Master Agreement. The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date or after June 30, 2027.

18. Term Extension. The parties may, upon mutual agreement, extend the Term an additional period of time, not to exceed one hundred-eighty (180) days beyond the expiration date of this Contract, under the same terms and conditions, at the State's sole option. In no event, however, shall the maximum Term, including all renewals or extensions, exceed a total of sixty (60) months or extend beyond the term of the Master Agreement.

19. Warranty. Contractor represents and warrants that goods or services provided under this Contract shall conform to the mutually agreed acceptance criteria or procedures and the terms and conditions of this Contract at the time of delivery or performance.

Contractor represents and warrants that the State is authorized to possess and use all equipment, materials, software, and deliverables provided under this Contract as set forth in the mutually agreed SOW.

Contractor represents and warrants that all goods or services provided under this Contract shall be provided in a timely and professional manner, by qualified and skilled individuals, and in conformity with standards generally accepted in Contractor's industry.

If Contractor fails to provide the goods or services as warranted, then Contractor will re-provide the goods or services at no additional charge. If Contractor is unable or unwilling to re-provide the goods or services as warranted, then the State shall be entitled to recover the fees paid to Contractor for the goods or services which do not conform to the mutually agreed acceptance criteria or procedures and the terms and conditions of this Contract. Any exercise of the State's rights under this Section shall not prejudice the State's rights to seek any other remedies available under this Contract or applicable law.

Contractor does not warrant uninterrupted or error-free operation of the goods or services or that Contractor will correct all defects. While Contractor endeavors to provide security measures to keep all data secure, Contractor does not warrant Contractor can prevent third party disruptions or unauthorized third party access to services. These warranties are the exclusive warranties from Contractor and replace all other warranties, including the implied warranties or conditions of satisfactory quality, merchantability, non-infringement, and fitness for a particular purpose. Contractor warranties will not apply if there has been misuse, modification, damage not caused by Contractor, or failure to comply with written instructions provided by Contractor. Contractor will pass through any available warranties provided by third parties for the third-party software and hardware provided under the Contract.

Contractor does not operate as a provider of services regulated by the Federal Communications Commission (FCC) or state regulatory authorities (State Regulators) and does not intend to provide any services which are regulated by the FCC or State Regulators. If the FCC or any State Regulator imposes regulatory requirements or obligations on any of the services, the Parties agree to work in good faith to execute a Change Order to (1) change the way in which such Services are provided to the State to bring those Services into compliance with those regulatory requirements or obligations.

PARTICIPATING ADDENDUM

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ATTACHMENT B

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	
EDISON VENDOR IDENTIFICATION NUMBER:	

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

CONTRACTOR SIGNATURE

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. Attach evidence documenting the individual's authority to contractually bind the Contractor, unless the signatory is the Contractor's chief executive or president.

PRINTED NAME AND TITLE OF SIGNATORY

DATE OF ATTESTATION

ATTACHMENT C



Contract 31701-83220

**Department of Finance & Administration – Strategic
Technology Solutions**

**Statement of Work
SOW ID SFT#03563**

**For
Managed Extended Cloud Infrastructure as a Service (IaaS)
by Kyndryl**

07-01-2024

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1.0 STATEMENT OF WORK

1.1 Managed Extended Cloud IaaS (zCloud)

This Statement of Work ("SOW") is being executed between Kyndryl, Inc. ("Contractor") and the State of Tennessee Department of Finance and Administration, Strategic Technology Solutions ("State" or "Client") for Managed Extended Cloud Infrastructure as a Service (IaaS) for Z Services ("zCloud" or the "Services") including the management continuation of State's z/OS application workloads and data (support and steady state services) currently residing in Kyndryl's zCloud Data Center in Boulder, CO with disaster recovery located in Sterling Forest, NY ("NYDC"). This SOW governs services provided to all Authorized Users of the State. Kyndryl will oversee the management of the zCloud Service Types below, along with the relevant Kyndryl and ISV products (as identified in Appendix A and C) hosted on zCloud hardware. Kyndryl will establish and maintain a properly trained and adequately staffed Data Center population (e.g., management and support staff) to provide Mainframe Services to State. This SOW is effective as of July 1, 2024 ("SOW Effective Date").

This SOW constitutes an Order under Contract 31701-83220 between the Contractor and the State ("Contract") and incorporates by reference the terms and conditions, specifications, and other incorporated documents of the Contract. In case of any conflict between this SOW and the Contract, the Contract shall prevail.

1.2 Background

This SOW is a renewal and update of the existing services, pricing, and objectives based on the current services being provided to the State by the Contractor. The intention of this SOW is to maintain the same level and scope of services being provided along with the provision of managed hardware and software.

1.3 Reference to other applicable documents

The following documents are hereby incorporated by reference into this SOW:

- [Appendix A: zCloud Base Components and Maintenance Schedule](#)
- [Appendix B: zCloud Contractual Baselines, Summary of Charges](#)
- [Appendix C: Client Components](#)
- [Appendix D: Definition of Terms](#)
- [Appendix E: Service Level Agreement](#)
- [Appendix F: In-House Developed Procedures](#)
- [Appendix G: Mainframe Services – Responsibility Matrix](#)
- [Appendix H: Mainframe Services – Shared/Agency Responsibility Matrix](#)
- [Appendix I: Contractor Service Reports](#)

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1.4 Project Change Request Procedure

Changes to this SOW will be processed via a Project Change Request (PCR) to document a change and the effect the change will have on the Services. The investigation and the implementation of changes may result in modifications to the schedule, charges, deliverables, and other terms of this SOW. PCRs will be submitted in writing by either Kyndryl or State. Both State and Kyndryl Project Managers will review the PCR and agree in writing to:

1. approve the PCR for implementation. Upon such approval and agreement on charges, the PCR will be executed and the change(s) will be initiated; or
2. recommend the PCR for further investigation. Kyndryl will specify any charges for such investigation; or
3. reject the PCR.

1.5 Overview of zCloud Service Features Contracted For

The following table outlines the zCloud service features that Kyndryl will provide for the State as part of this contract:

zCloud Service Features	zCloud Service Units
Processing Capacity	<i>597 MIPS</i>
zCloud Processing Service Type(s)	<i>High Availability</i>
DASD Storage Capacity	<i>19,705 GB</i>
zCloud DASD Service Type(s)	<i>Standard</i>
Virtual Tape Storage Capacity	<i>792,756 GB</i>
zCloud Virtual Tape Service Type(s)	<i>Standard</i>
Logical Partitions (LPARs)	<i>2</i>
zCloud S/W stacks	<i>z/OS, DB2, CICS, WAS, MQ</i>
Disaster Recovery	<i>Kyndryl – Sterling Forest, NY</i>

2.0 STAFFING AND ROLES

2.1 Staffing

Project Manager – State
Dean Pecce
Dean.Pecce@tn.gov
Office: 615-253-5444
Mobile: 615-426-8402

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2.2 State Staff and Roles:

David Swaney | Executive Director
Data Center Services
901 Rep. John Lewis Way N., Nashville, TN 37243
Office: 615.741.1424 Mobile: 615.686.8716
David.Swaney@TN.gov

2.3 Contractor Staff and Roles:

Contractor's Point of Contact:

Name: Robert E Burgess
Address: 80 Oleyline Road
City: Douglassville
State & Zip: PA 19518
Cell: 585-267-6348
Email: Robert.Burgess@kyndryl.com

- Client Partner – Key relationship owner and final decision-maker with full approval to act on behalf of the Contractor to oversee all Contractor services. Delivers and presents management level reporting and communication between Contractor and the State.
- Delivery Partner – Key delivery owner and operational decision-maker with full approval to provide and manage all services being delivered by the Contractor. Manages daily activities of all delivery staff, oversees service excellence, ensures deliverables are provided according to the Service Level Metrics, and manages any risks, issues, problems, or incidents to impact the delivery of services to the State.
- Additional non-Contractor Key Personnel staff will include Project Managers, Advanced Mainframe Programmer Analysts, Data Administrators/Database Administrators, Information Systems Analysts, and Mainframe Computer Operators

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3.0 PROGRAM MANAGEMENT SERVICES

This section describes the duties and responsibilities of Kyndryl and State related to Kyndryl's provision of the z/OS Managed Services for Kyndryl zCloud services.

3.1 Kyndryl Program Management Responsibilities

Kyndryl shall designate a Kyndryl Delivery Partner as Kyndryl's focal point during performance of the Services who shall:

- a. coordinate and manage the technical activities of Kyndryl's personnel;
- b. establish and maintain project communications;
- c. participate in project kick-off, assist in the preparation and participate in scheduled review status meetings;
- d. have overall responsibility for Kyndryl service delivery with a focus toward alignment of delivery with State short-term and long-term business objectives. Other responsibilities include: managing overall relationship with State executives and strategic business unit leadership; service delivery responsibility with a view to drive efficiencies and synergies amongst the in-scope processes; responsible for State satisfaction and achievement of Service Level Metrics; and understanding and addressing operation issues within the various State business units;
- e. review and administer project procedures;
- f. provide, update and maintain a list of key Kyndryl personnel necessary to provide the Services and shall ensure such Kyndryl personnel are available to provide the Services;
- g. be responsible day-to-day for contract compliance, transition, financial reporting and reconciliation, human resource management, and service performance; and
- h. ensure Kyndryl shall comply with State's reasonable rules and regulations communicated in writing to Kyndryl regarding personal and professional conduct while at State premises.
- i. assume responsibility of In-House Developed Procedures. The State has ROSCOE and TSO procedures that have been developed "in house" and that are used for application and system administration purposes ("In-House Developed Procedures") [see Appendix F]. The Contractor shall assume responsibility for the functionality provided by these procedures on the service start date. The Contractor can provide the functionality either through (1) continued use of the In-House Developed Procedure(s) or (2) replacement of the functionality with software and/or procedures of the Contractor's choosing. In either case, the Contractor shall be responsible for the following:
 - i. Maintenance, enhancements, and fixes to the procedures or software;
 - ii. Training, if an enhancement/modification to, or substitution of, the procedure or software results in the need to train State staff;

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iii. Any required licensing of Third-Party Vendor products.

3.2 State Program Management Responsibilities

Prior to the start of the Services, State will designate a State Program Manager to whom all communications relative to the Services will be addressed, and who will have the authority to act on State's behalf in all matters regarding this SOW. State Program Manager will:

- a. complete and return any questionnaires or checklists within five (5) days of receipt. Kyndryl reserves the right to create a PCR to cover any delays due to outstanding checklists or questionnaires;
- b. serve as the interface between Kyndryl's project team and all State departments participating in the Services;
- c. attend status meetings;
- d. obtain and provide reasonable and accurate information, data, consents, decisions and approvals as required by Kyndryl to perform the Services;;
- e. help resolve Services issues, and escalate issues within State's organization, as necessary. Resolution of conflicts that arise between the parties during the services, including issues relating to billing and payment, will be handled in accordance with the Escalation Procedure in section 3.3;
- f. administer the Change Management Process and PCR process with the Kyndryl Project Manager;
- g. manage all State personnel, State directly contracted third-party service providers, and their responsibilities for this project;
- h. participate in project kick-off and assist in the preparation and participate in scheduled review status meetings;
- i. review with the Kyndryl Client Partner any State invoice or billing requirements.
- j. provide resources as needed, including State directly contracted third-party service providers, in a timely manner to support the project, including access to key State resources and supplier contacts;
- k. assign dedicated State participants to work as part of the total project team to provide support in completing of all deliverables and achievement of project objectives as agreed by the parties; and
- l. communicate to the Kyndryl Client Partner any problems, changes, or issues known that may affect Kyndryl's provision of the Services. Schedule and secure attendance of State personnel as required for interviews, meetings, and work sessions.

3.3 Escalation Procedure

State and Kyndryl shall meet to resolve issues relating to the Services:

- a. If an issue is not resolved within three

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- b. (3) business days, State's Program Manager will meet with Kyndryl management to resolve the issue.
- c. If the issue is resolved, the resolution may be addressed through the Project Change Request Procedure.
- d. While an issue is being resolved, Kyndryl shall provide Services relating to items not in dispute, to the extent practicable, pending resolution of the conflict.
- e. While an issue is being resolved, the Client will continue to pay for the Services related to items not in dispute, pending resolution of the conflict.

3.4 Kyndryl General Responsibilities

Kyndryl shall:

- a. Subject to any change control process, be responsible for compliance with State's policies, practices, and processes relating to the Services of which the Contractor has been made aware; ;
- b. be responsible for compliance with the applicable laws, regulations, and statutes which regulate the Contractor as an IT services provider and the Services provided hereunder, , ensure the systems, programs, and data meet the requirements of as set forth in the Contract.
- c. execute backup, recovery, and stored data processes based on mutually agreed upon process and schedule.

3.5 State General Responsibilities

Kyndryl's performance is dependent upon State's fulfillment of its responsibilities, at no charge to Kyndryl. Any delay in performance of State's responsibilities may result in additional charges or delay of the completion of the Services and will be handled in accordance with the Project Change Request Procedure. State shall:

- a. make appropriate personnel available to assist Kyndryl in the performance of its responsibilities;
- b. provide safe access, suitable office space, supplies, furniture, high speed connectivity to the Internet, and other facilities for Kyndryl's personnel while working at State's location; The State will not provide personal computing devices (desktops, laptops, etc.), software licenses, or personal communication devices (cell phones, pagers, etc.).
- c. provide, update and maintain a list of State personnel assigned to assist Kyndryl with the Services, as required, and will ensure such State personnel are available to interface with Kyndryl, as necessary, for issues affecting Kyndryl's provision of the Services (including in-scope databases);
- d. obtain any necessary consent and take any other actions required by applicable laws, including but not limited to data privacy laws, prior to disclosing any of its employee information or other personal information or data to Kyndryl;

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- e. be responsible for the content of any database, the selection and implementation of controls on its access and use, backup and recovery and the security of the stored data. This security shall also include any procedures necessary to safeguard the integrity and security of software and data used in the Services from access by unauthorized personnel;
- f. be responsible for compliance with applicable laws, regulations, and statutes. It is State's responsibility to ensure the systems, programs, and data meet the requirements of those laws, regulations and statutes;
- g. be responsible for compliance with State's policies, practices, and processes;
- h. Provide Kyndryl access to a Service Management Platform (currently ServiceNow) to perform service management responsibilities outlined in Section 4.3 with appropriate licensing for Kyndryl usage;
- i. acknowledge that for any type of State purchase made that is not within Kyndryl's scope of responsibility in this SOW, that the terms of such purchase are through agreements solely between State and supplier. Kyndryl is not responsible for the quality, safety or function of any goods or services purchased from such a supplier. Kyndryl does not participate in any financial transaction nor handle payments between State and their suppliers. Issues that may arise relating to purchases made, shipment or receipt of purchases, or payments for such purchases, or any contractual or agreement issues whatsoever are solely between State and supplier; and
- j. pursuant to any applicable export compliance laws and regulations, State confirms they will not provide or give access to source code or technology (e.g., specific technical information, including technical data, necessary for the development, design, production, or use of a product) without a legitimate business need. State will notify Kyndryl and obtain written agreement prior to providing or enabling any such access.

3.6 Contractor Key Personnel

It is critical to the overall success of the project that the Contractor Key Personnel not remove or reassign, without the State's prior written approval, which shall not be unreasonably withheld, any of the Contractor Key Personnel until such time as the Contractor Key Personnel have completed their planned and assigned responsibilities in connection with performance of the Contractor's obligations under the Contract.

In the event any one of the Contractor Key Personnel is reassigned, becomes incapacitated, or ceases to be employed by Contractor and therefore becomes unable to perform the functions or responsibilities assigned to him or her, Contractor shall (a) within two (2) Business Days, temporarily replace such individual with another individual properly qualified to perform the functions of such replaced individual, and (b) within twenty (20) Business Days, permanently replace such replaced individual with another individual approved by the State and properly qualified to perform the functions of such

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replaced individual.

The State shall have the right to approve the assignment and replacement by the Contractor of Contractor Key Personnel assigned to provide services, including, without limitation, any individuals named or described in the Contractor's Proposal, and individuals assigned significant managerial responsibilities as mutually agreed by the Parties. Before assigning an individual to any of these positions, the Contractor shall notify the State of the proposed assignment, shall introduce the individual to the appropriate representatives of the State, and shall provide to the State a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting approval.

The State reserves the right to require the Contractor to replace Contractor and/or subcontractor Contractor personnel whom the State judges to be incompetent, careless, unsuitable or otherwise objectionable, or whose continued use is deemed contrary to the best interests of the State. Before a written request is issued, authorized representatives of the State and the Contractor will discuss the circumstances. Upon receipt of a written request from an authorized representative of the State, the Contractor shall be required to proceed with the replacement. The replacement request will include the desired replacement date and the reason for the request. The Contractor shall use its best efforts to effect the replacement in a manner that does not degrade service quality. This provision will not be deemed to give the State the right to require the Contractor to terminate any Contractor employee's employment. Rather, this provision is intended to give the State only the right to require that the Contractor discontinue using an employee in the performance of services for the State.

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4.0 STEADY STATE SERVICES

4.1 Kyndryl zCloud

This section describes the services responsibilities of Kyndryl and Client with respect to the use of the Kyndryl zCloud described herein.

4.1.1 Contractor Service Provision Responsibilities. The Contractor shall be fully responsible to provide all of the services listed under the header "CONTRACTOR RESPONSIBILITY" in SOW Appendix G, *MAINFRAME SERVICES – RESPONSIBILITY MATRIX* (the "Responsibility Matrix"), with the exception of services that are shared between the Contractor, STS, and/or a State Agency. For purposes of this SOW, "State Agency" refers to Tennessee Department of Corrections (TDOC) requiring Mainframe Services. The State Agency shall be responsible for the services listed under the header "STATE AGENCY RESPONSIBILITY" in Appendix G, *MAINFRAME SERVICES – RESPONSIBILITY MATRIX* (the "Responsibility Matrix").

4.1.2 Shared/Agency Service Provision Responsibilities. Certain Mainframe Services are provided by a combination of the Contractor, STS, and/or a State Agency. The relevant responsibilities shall be as listed for each service under the appropriate header ("CONTRACTOR RESPONSIBILITY," "STS RESPONSIBILITY," and "AGENCY RESPONSIBILITY") in SOW Appendix H, *MAINFRAME SERVICES – SHARED/AGENCY RESPONSIBILITY MATRIX*.

4.1.3 zCloud LPAR Service Types

Kyndryl shall provide zCloud LPAR Service Types to Client as set forth in Appendix B: zCloud Contractual Baselines.

Changes in the zCloud Service Type assigned to an LPAR shall be handled in accordance with the Change Management Process.

Each Client LPAR shall be assigned to a specific named Server within the zCloud Complex (the "Primary Server"). Kyndryl reserves the right to change the Primary Server via the Change Management Process.

The following z/OS LPAR Service Types are available in zCloud:

Standard LPAR

A Standard LPAR is the zCloud Service Type in which the Client workload is hosted on a single Server within the zCloud Complex for which there is no Alternate Server to run the workload during a zCloud Server Outage.

In the event of a zCloud Server Outage on the Server hosting a Client Standard LPAR, that LPAR shall be unavailable until the event has completed unless a Hot Standby or High Availability LPAR has been ordered as part of this Service.

For each Standard LPAR Kyndryl shall perform Service Build activities described in Section 4.4 to create a Standard LPAR on the Primary Server to meet Client's zCloud Contractual Baseline MIPS set forth in Appendix B: zCloud Contractual Baselines.

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4.1.4 zCloud Disk Storage Service Types

Kyndryl shall provide zCloud Disk Storage Service Types available to Client according to the zCloud Contractual Baselines as set forth in Appendix B: zCloud Contractual Baselines, Summary of Charges). Changes in the zCloud Disk Storage Service Types shall be handled in accordance with the Change Management Process. The following zCloud Disk Storage Service Types are available to Client.

Standard Disk is the zCloud Disk Service Type in which the Client data shall reside in a storage sub-systems connected to the zCloud via fiber connection (FICON) with no mirroring. In the event of a zCloud Storage Outage on the disk sub-systems hosting Client's Standard Disk allocation, the data on those disk sub-systems shall be unavailable until service has been restored. In the case of an unplanned outage, Kyndryl shall, if necessary, recover the data from a back-up copy. For each Standard Disk footprint, Kyndryl shall perform the activities described in the Service Build section below to create a Standard Disk allocation on the primary disk sub-system to meet Client's zCloud Contractual Baselines for Gigabytes as set forth in zCloud Contractual Baselines.

4.1.5 zCloud Tape Service Types

Kyndryl shall provide zCloud Tape Services to Client as per the zCloud Contractual Baselines set forth in Appendix B: zCloud Contractual Baselines, Summary of Charges. Changes to the zCloud Tape Service Type shall be handled in accordance with Change Management. The following zCloud Tape Services are available to Client.

Virtual Tape

Virtual Tape is the zCloud Tape Service Type where tape data is hosted on a physical storage device that virtualizes tape processing. This device is shared among zCloud Clients and isolated by unique volume serial number range with each Client's Virtual Tape allocation sized according to the number of Gigabytes required. This Service Type includes HW encryption by default.

For each Virtual Tape Service, Kyndryl shall perform the applicable activities further described in the Service Build Section 4.4 to:

- a. assign a Virtual Tape volume serial range within the Virtual Tape server to Client;
- b. set up the necessary security profiles to isolate the assigned volumes and serial numbers; and
- c. assign the contracted space within the Virtual Tape server as per the zCloud Contractual Baselines.

4.1.6 zCloud Service Plan

The zCloud Service Plan is the document owned and maintained by Kyndryl. Kyndryl shall send the current 2024 version of the zCloud Service Plan to the State as a separate document. Kyndryl does not provide an external website that includes this document due to potential security vulnerabilities that exposing this document to the public may present.

This document defines:

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- a. the supported zCloud IBM Hardware Levels and any planned changes;
- b. the supported zCloud IBM Software Levels and any planned changes;
- c. the current zCloud HW Maintenance Schedule; and
- d. the zCloud Service Criteria.

The zCloud Hardware Levels, z/OS Software Levels and z/OS HW Maintenance Schedule current at the time of the SOW Effective Date of this SOW are listed in zCloud Base Components and Maintenance Schedule.

4.1.7 zCloud Service Tasks

The zCloud Complex is a shared mainframe computing environment. This section outlines the tasks Kyndryl and Client shall perform as it relates to general services in the zCloud environment.

Kyndryl Responsibilities

To maintain consistent service delivery for all zCloud users Kyndryl shall:

- a. manage the zCloud Complex within an Kyndryl Data Center;
- b. provide, operate, maintain and support the Base Components as listed in zCloud Base Components and Maintenance Schedule as defined by Kyndryl in the zCloud Service Plan;
- c. retain exclusive access and control of all Hardware Management Console (HMC) Operations;
- d. provide no less than three months' written notice to Client of any changes to the zCloud Service Plan;
- e. at least once a year, publish the required zCloud Software Levels and any planned upgrades in the zCloud Service Plan;
- f. provide reasonable prior notice to Client of any change to the servers in the zCloud Complex which are likely to require new or replacement software keys;
- g. publish and be responsible for managing changes to the zCloud HW Maintenance Schedule as defined by Kyndryl in the zCloud Service Plan
- h. only support devices connected to Client's LPARs that are supported by the published levels of hardware and software described in the current zCloud Service Plan;
- i. reserve the right to use the hardware within the zCloud Complex, in the sole discretion of Kyndryl, to host LPARs which are owned and used by Kyndryl, or by other clients of Kyndryl, including competitors of a Client, and notwithstanding any other provision of this SOW, Client irrevocably waives any right to object to, or to prevent the hosting of any internal Kyndryl or Kyndryl Client LPARs on any Server in the zCloud Complex, and agrees to share the zCloud Complex with such LPARs;
- j. reserve the right to perform, in Kyndryl's sole discretion, dynamic hardware changes (i.e., those which are non-disruptive and do not require Client's LPARs to be re-started or otherwise interrupted), during normal business hours; and
- k. reserve the right to change Client's Primary Server to another Server within the same zCloud Complex at Kyndryl's cost.

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Client Responsibilities

In order to be eligible to board and continue utilizing the zCloud, by signing this SOW Client agrees:

- a. that Client's applications and data shall be hosted in an Kyndryl zCloud service enabled Data Center;
- b. to share the zCloud Complex with other clients;
- c. to maintain ability to run on the current Kyndryl hardware and software levels defined in the zCloud Service Plan as provided by Kyndryl;
- d. to allow Kyndryl to perform hardware maintenance of the hardware within the zCloud Complex in accordance with such zCloud HW Maintenance Schedule in the zCloud Service Plan and to perform non-disruptive hardware changes during normal business hours;
- e. if Hot Standby or High Availability Service Types are part of the Client's Service, agree to
 - (1) ensure that the Clients service failover processes are compatible with the zCloud maintenance schedule;
 - (2) ensure that all LPARs use Virtual Network Addressing
- f. to comply with the Kyndryl zCloud Security Guidelines as defined in the zCloud Service Plan;
- g. that all Hardware Management Console (HMC) Operations shall be provided by Kyndryl;
- h. that all hardware LPAR names must comply with Kyndryl naming standards
- i. that Kyndryl shall retain exclusive ownership of the following controlling functions:
 - (1) BCPii RACF (or ISV equivalent) profiles
 - (2) GDPS Control LPAR system level privileges and shall remove Client access to system level privileges;
- j. to maintain all application software owned by the State:
 - (1) all software at levels supported by the vendor;
The Client is responsible for any software component which is no longer supported and must maintain it to a level which does not interfere with the operation, maintenance or upgrading of the zCloud Complex. The Client is responsible for the risk of running such unsupported software.
 - (2) for software other than the zCloud Kyndryl software:
 - (i) at a level which is compatible with the zCloud Kyndryl Software Levels as described in the zCloud Service Plan.
 - (3) for all ISV software for which Client is the licensee, listed in Appendix C, :
 - (i) ensure that the license to use such ISV software includes access and use rights for Kyndryl;

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- (ii) ensure that the license to use such ISV software permits use on any of the Servers within the zCloud Complex, and charging is based on aggregated use across the zCloud Complex including, if applicable, use across multiple Servers in a load balancing sysplex;
 - (iii) ensure that the software authorization process to use such ISV software is not dependent on keys or other mechanisms that are dependent on hardware specific information such as hardware model, software model or serial number. Where this is not possible and software keys containing hardware specific information are required to execute ISV software, make available to Kyndryl at all times, keys for each of the Servers in the zCloud Complex; and
 - (iv) ensure that the license to use such ISV software, if based on capacity pricing, is in compliance with the Sub Capacity License requirements of zCloud and provides for aggregated sub-capacity usage charging based on the Kyndryl Sub-Capacity Reporting Tool (SCRT)'s E5 reporting metrics with capacity controlled by group soft caps and/or LPAR soft caps.
- k. to the installation on all zCloud hosted LPARs of the current versions of the following Program Products as defined in the latest version of the zCloud Service Plan;
 - MOUNTMON
 - BVIR (Bulk Volume Information Retrieval)
 - HIS (Hardware Instrumentation Services)
 - Tivoli Asset Discovery for z
 - Netview File Transfer Program (FTP)
- I. Agree to Kyndryl connecting their LPARs to the Kyndryl infrastructure network to:
 - (1) Support mandated processes:
 - (a) Systems Management Facilities (SMF) data collection traffic for billing purposes
 - (b) BVIR (Bulk Volume Information Retrieval)
 - (c) MOUNTMON
 - (d) Kyndryl Tivoli Asset Discovery for z/OS (TAD4z) data collection traffic for asset management purposes
 - (2) Enable Kyndryl recommended services, delivered as part of the Services that come at no additional cost to the State:
 - (a) World Wide Automated Operations (WWAO) focal point traffic for systems automation purposes
 - (b) Global Service Delivery (GSD) platform data collection traffic for software maintenance purposes

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- m. Agree to the transmission of the following data to an Kyndryl zCloud Management focal point LPAR to enable zCloud to manage performance and software license compliance:
 - (1) SMF type 70 to 79, 89, 113 and 194 records
 - (2) Hardware Instrumentation Services (HIS) Extended Counters
- n. agree that fixed block disk architecture is not supported and the minimum supported disk geometry is model 9;
- o. The Client assumes financial and technical responsibility for running software, which is licensed by the Client, that is either unsupported or requires separate version licenses than provided by zCloud;
- p. that within thirty (30) days of receipt by Client of an updated zCloud HW Maintenance Schedule, Client may raise any reasonable concerns it has such zCloud HW Maintenance Schedule and Kyndryl shall give due consideration to any such objection and may, but shall not be obliged to, make changes to the zCloud HW Maintenance Schedule provided that the updates to the maintenance schedule shall not negatively impact the Services for the State;
- q. ensure that Client Components, listed in Appendix C, are compatible with the Base Components;
- r. to procure and provide Client Components, listed in Appendix C, and be responsible for all applications software related services, such as:
 - (1) acquisition and asset management;
 - (2) maintenance (including upgrades as required to maintain applications software currency) in accordance with the Base Components currency requirements;
 - (3) performance and tuning;
 - (4) testing and user acceptance;
 - (5) help desk support for Client's end users;
 - (6) problem management and root cause analysis;
 - (7) change management and scheduling including coordinating applications software change management and the associated integration with zCloud shared environment change management and zCloud HW Maintenance Windows; and
 - (8) third party supplier and associated contract management including vendor interface for incident management/resolution;
- s. to register all Client Components with the applicable vendors, in accordance with the applicable vendor's license terms and conditions and adhere to all vendor license terms and conditions;
- t. on the termination or expiration of this SOW, to remove and/or erase Client Components from any Servers and disk space that Kyndryl provides as Base Components. If Client does not remove and/or erase Client Components within such period, Kyndryl may:

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- (1) move any and all Client Components to storage and charge Client all associated costs; and
 - (2) erase all Client Components from such Servers and disk space without any liability to Kyndryl;
- u. to the use of zCloud pre-approved change records in the Change Management Process to notify Client of changes which can occur throughout the day. The content of the change record shall indicate the components, but shall not specify exact nature of the change; and

4.1.8 Ongoing Services and Support Responsibilities

4.1.8.1 zCloud Capacity Management

- a. Kyndryl shall, when requested via the Change Management Process, increase or decrease Assigned Resource Units as set forth herein.
- b. Kyndryl shall provide recommended LPAR capacity controls (Hard, Soft, Group, Absolute) and configuration for Client's LPARs
- c. Client will in partnership with Kyndryl:
 - (1) provide a forecast of anticipated monthly capacity needed which will include forecasted usage of zCloud Resource Units including:
 - (a) decreases and increases in expected total MIPS capacity;
 - (b) decreases and increases in expected in the disk capacity;
 - (c) decreases and increases in expected in the tape capacity; and
 - (d) growth in requirements for any other components of the zCloud solution.
 - (2) accept Kyndryl's recommended LPAR capacity controls and configuration or provide alternate guidance; and
 - (3) request any increase or decrease in Resource Units or changes in capping or other resources via the Change Management Process.

4.1.8.2 zCloud HW Maintenance Schedule and Outages

The zCloud HW Maintenance Schedule represents Kyndryl's plan for performing non-disruptive HW maintenance and shall be made available to Client by Kyndryl in the zCloud Service Plan and reviewed by Client and Kyndryl as needed during scheduled service review meetings.

A zCloud Server Outage occurs whenever any Server within the zCloud Complex on which one or more of Client's LPARs resides is to undergo maintenance in accordance with the zCloud HW Maintenance Schedule and is performed without service interruption to Client's LPARs. A disruptive outage occurs when any Server within the zCloud Complex; suffers a hardware failure which prevents or materially hinders the running of one or more of Client's LPARs; or is stopped at the request of Client for their LPARs. At the commencement of a disruptive zCloud Server Outage, Kyndryl shall:

- (1) for a Standard LPAR without a Hot Standby LPAR, shut down the Standard LPAR on the Server affected by the outage which shall then be unavailable for the duration of the outage;

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- (2) for a Standard LPAR with a Hot Standby LPAR, shut down the Standard LPAR on the Primary Server affected by the outage and start the Hot Standby LPAR on an Alternate Server; and
- (3) for a High Availability LPAR, suspend workload on the Server affected by the outage and restart workload on a non-impacted active High Availability LPAR within the same sysplex

4.1.8.3 zCloud Resource Units (RU)

The following Resource Units are used to measure zCloud resources assigned to Client.

- **Server Processor LPAR MIPS**

The RU for this resource is defined as the number of MIPS consumed by each Client's z/OS LPAR or LPAR's group in any consecutive peak four hours average measurement period over the course of the month.

Kyndryl shall use the Sub-Capacity Reporting Tool (SCRT) E5 metric, or another mutually agreeable replacement, to determine the Peak Four Hours Rolling Average monthly usage for MIPS utilized.

The SCRT monthly measurement period shall begin at 12:00 AM the second day of the month through 11:59PM on the first day of the following month.

Kyndryl reserves the right to re-baseline Client's LPAR MIPS

- **Disk Space (DASD) Gigabytes**

The RU for the disk space resource category is the number of DASD Gigabytes assigned by Kyndryl to Client LPARs. DASD Gigabytes include all space (e.g., assigned, used, free, work, system) and shall be viewed at the full volume level.

Kyndryl shall periodically run the z/OS DFSMS Data Collection Facility (DCOLLECT) to gather and report on Gigabytes assigned to Client.

The monthly measurement period shall begin at 12:00AM the first day of the month through 11:59PM on the last day of the month.

- **Tape Gigabytes**

The RU for the tape resource category is the number of Gigabytes assigned to Client.

Kyndryl shall use a tape management system (e.g., RMM or CA1) to collect and report tape Gigabytes usage and generate ARC charges when usage exceeds the z/OS Contractual Baseline.

The monthly measurement period shall begin at 12:00AM the first day of the month to 11:59 on the last day of the month.

- **Increments for Increases or Decreases in Resource Units**

The minimum increases/decreases for any change are as follows:

- a. MIPS are rounded to nearest MSU equivalent as per the MSU to MIPS conversion set forth below in the conversion of MSU to MIPS. The increment for increases or decreases shall be 1 MSU;

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- b. disk storage is allocated in volume boundaries. Increases or decreases shall be in increments of *100GB* rounded to the closest full volume boundary; and
- c. tape storage increases or decreases shall be in increments of *500 GB*, rounded to the closest Gigabyte.

4.1.8.4 Conversion of MSU to MIPS

The Peak Four Hours Rolling Average and Capping definitions are based on Millions of Service Units (MSU). In all cases where conversion from MSU to MIPS is required, Kyndryl's Large System Performance Reference (LSPR) table, based on running multiple LPARS, is used to determine the MSU to MIPS conversion ratio.

The following table provides the current conversion ratios based on the hardware configured for the production zCloud mainframe. These ratios may change overtime as IBM provides system updates and as Kyndryl upgrades the zCloud mainframe hardware.

IBM z15 T01						
(System z9 2094-701 = 1.00)						
Processor	#CP	PCI**	MSU***	Low*	Average*	High*
8561-401	1	267	33	0.48	0.48	0.45
8561-402	2	512	65	0.95	0.91	0.84
8561-403	3	750	95	1.4	1.34	1.22
8561-404	4	982	123	1.84	1.75	1.59
8561-405	5	1209	151	2.28	2.16	1.95
8561-406	6	1430	178	2.71	2.56	2.3
8561-407	7	1647	204	3.14	2.94	2.65
8561-408	8	1860	230	3.56	3.32	2.99
8561-409	9	2067	255	3.98	3.69	3.32
8561-410	10	2270	280	4.39	4.06	3.64
8561-411	11	2469	305	4.79	4.41	3.96
8561-412	12	2663	329	5.19	4.76	4.28
8561-413	13	2852	352	5.58	5.1	4.58
8561-414	14	3038	375	5.97	5.43	4.88
8561-415	15	3220	397	6.36	5.75	5.18
8561-416	16	3397	419	6.74	6.07	5.47
8561-417	17	3571	440	7.11	6.38	5.75
8561-418	18	3744	461	7.48	6.69	6.03
8561-419	19	3916	482	7.85	6.99	6.31
8561-420	20	4086	503	8.21	7.3	6.59
8561-421	21	4256	524	8.57	7.6	6.87
8561-422	22	4425	544	8.93	7.91	7.15
8561-423	23	4593	565	9.28	8.21	7.42
8561-424	24	4760	585	9.63	8.5	7.7
8561-425	25	4927	606	9.98	8.8	7.97
8561-426	26	5092	626	10.32	9.1	8.25
8561-427	27	5256	645	10.66	9.39	8.52
8561-428	28	5420	664	11	9.68	8.79
8561-429	29	5582	684	11.33	9.97	9.06

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8561-430	30	5744	704	11.66	10.26	9.33
8561-431	31	5905	724	11.99	10.55	9.6
8561-432	32	6065	743	12.31	10.83	9.86
8561-433	33	6224	763	12.63	11.12	10.13
8561-434	34	6382	782	12.95	11.4	10.39
8561-501	1	781	99	1.41	1.4	1.32
8561-502	2	1492	185	2.77	2.66	2.46
8561-503	3	2184	269	4.09	3.9	3.56
8561-504	4	2858	353	5.38	5.11	4.63
8561-505	5	3516	433	6.65	6.28	5.67
8561-506	6	4158	512	7.9	7.43	6.68
8561-507	7	4784	588	9.13	8.55	7.68
8561-508	8	5394	661	10.35	9.64	8.64
8561-509	9	5990	734	11.55	10.7	9.59
8561-510	10	6571	805	12.73	11.74	10.51
8561-511	11	7138	875	13.9	12.75	11.4
8561-512	12	7690	941	15.04	13.74	12.28
8561-513	13	8230	1007	16.17	14.7	13.13
8561-514	14	8756	1070	17.29	15.64	13.96
8561-515	15	9269	1129	18.39	16.56	14.78
8561-516	16	9770	1188	19.47	17.45	15.57
8561-517	17	10258	1247	20.54	18.33	16.34
8561-518	18	10743	1304	21.59	19.19	17.11
8561-519	19	11225	1361	22.64	20.05	17.88
8561-520	20	11703	1418	23.68	20.91	18.64
8561-521	21	12178	1475	24.71	21.75	19.39
8561-522	22	12649	1530	25.73	22.6	20.15
8561-523	23	13118	1585	26.74	23.43	20.9
8561-524	24	13583	1640	27.74	24.26	21.64
8561-525	25	14044	1695	28.73	25.09	22.39
8561-526	26	14503	1750	29.71	25.91	23.12
8561-527	27	14958	1803	30.69	26.72	23.86
8561-528	28	15410	1857	31.65	27.53	24.59
8561-529	29	15859	1910	32.61	28.33	25.32
8561-530	30	16305	1963	33.56	29.13	26.04
8561-531	31	16748	2014	34.5	29.92	26.76
8561-532	32	17187	2065	35.43	30.7	27.48
8561-533	33	17624	2116	36.35	31.48	28.19
8561-534	34	18057	2167	37.27	32.26	28.9
8561-601	1	1151	144	2.09	2.06	1.94
8561-602	2	2198	271	4.08	3.93	3.62
8561-603	3	3214	396	6.01	5.74	5.23
8561-604	4	4200	517	7.9	7.5	6.79
8561-605	5	5160	634	9.76	9.22	8.3
8561-606	6	6094	747	11.58	10.89	9.77
8561-607	7	7004	859	13.39	12.51	11.21

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8561-608	8	7890	966	15.16	14.1	12.6
8561-609	9	8753	1070	16.91	15.64	13.97
8561-610	10	9594	1170	18.63	17.14	15.29
8561-611	11	10412	1265	20.33	18.6	16.58
8561-612	12	11209	1359	22	20.02	17.84
8561-613	13	11985	1452	23.64	21.41	19.07
8561-614	14	12741	1541	25.26	22.76	20.26
8561-615	15	13477	1627	26.86	24.07	21.42
8561-616	16	14193	1712	28.43	25.35	22.56
8561-617	17	14891	1795	29.98	26.6	23.66
8561-618	18	15583	1878	31.51	27.84	24.75
8561-619	19	16269	1959	33.03	29.06	25.84
8561-620	20	16949	2037	34.53	30.28	26.92
8561-621	21	17624	2116	36.01	31.48	27.99
8561-622	22	18292	2195	37.47	32.68	29.05
8561-623	23	18955	2273	38.92	33.86	30.1
8561-624	24	19613	2351	40.36	35.04	31.15
8561-625	25	20265	2429	41.77	36.2	32.19
8561-626	26	20911	2506	43.18	37.35	33.22
8561-627	27	21552	2582	44.56	38.5	34.24
8561-628	28	22187	2655	45.93	39.63	35.26
8561-629	29	22817	2727	47.29	40.76	36.26
8561-630	30	23441	2798	48.63	41.88	37.26
8561-631	31	24061	2867	49.96	42.98	38.26
8561-632	32	24675	2934	51.27	44.08	39.24
8561-633	33	25283	3001	52.57	45.17	40.22
8561-634	34	25887	3068	53.85	46.24	41.19
8561-701	1	2055	253	3.72	3.67	3.46
8561-702	2	3907	481	7.26	6.98	6.44
8561-703	3	5711	700	10.71	10.2	9.3
8561-704	4	7467	914	14.08	13.34	12.04
8561-705	5	9170	1117	17.39	16.38	14.69
8561-706	6	10822	1313	20.65	19.33	17.27
8561-707	7	12425	1503	23.85	22.2	19.76
8561-708	8	13980	1687	27	24.97	22.19
8561-709	9	15488	1867	30.09	27.67	24.54
8561-710	10	16951	2037	33.13	30.28	26.82
8561-711	11	18369	2204	36.12	32.81	29.03
8561-712	12	19746	2367	39.05	35.27	31.17
8561-713	13	21081	2526	41.94	37.66	33.25
8561-714	14	22376	2677	44.78	39.97	35.27
8561-715	15	23632	2819	47.57	42.22	37.23
8561-716	16	24850	2953	50.31	44.39	39.13
8561-717	17	26032	3084	53.01	46.5	40.97
8561-718	18	27213	3213	55.69	48.61	42.81
8561-719	19	28392	3342	58.37	50.72	44.65

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8561-720	20	29569	3472	61.03	52.82	46.48
8561-721	21	30746	3605	63.68	54.92	48.31
8561-722	22	31920	3742	66.31	57.02	50.14
8561-723	23	33094	3880	68.94	59.12	51.97
8561-724	24	34266	4017	71.55	61.21	53.79
8561-725	25	35436	4154	74.16	63.3	55.61
8561-726	26	36606	4291	76.75	65.39	57.43
8561-727	27	37773	4428	79.33	67.48	59.25
8561-728	28	38940	4565	81.9	69.56	61.06
8561-729	29	40105	4702	84.45	71.64	62.87
8561-730	30	41268	4838	87	73.72	64.68
8561-731	31	42431	4974	89.53	75.8	66.49
8561-732	32	43591	5110	92.06	77.87	68.29
8561-733	33	44751	5246	94.57	79.94	70.09
8561-734	34	45909	5382	97.07	82.01	71.89
8561-735	35	47061	5517	99.56	84.07	73.68
8561-736	36	48206	5651	102.04	86.11	75.46
8561-737	37	49345	5785	104.52	88.15	77.23
8561-738	38	50478	5918	106.98	90.17	78.98
8561-739	39	51604	6050	109.43	92.18	80.73
8561-740	40	52724	6181	111.87	94.19	82.47
8561-741	41	53839	6312	114.3	96.18	84.2
8561-742	42	54947	6442	116.72	98.16	85.92
8561-743	43	56049	6571	119.13	100.12	87.62
8561-744	44	57144	6699	121.53	102.08	89.32
8561-745	45	58234	6827	123.92	104.03	91.01
8561-746	46	59318	6954	126.3	105.96	92.69
8561-747	47	60396	7080	128.67	107.89	94.36
8561-748	48	61468	7206	131.03	109.81	96.02
8561-749	49	62534	7331	133.39	111.71	97.67
8561-750	50	63594	7455	135.73	113.6	99.31
8561-751	51	64649	7579	138.06	115.49	100.94
8561-752	52	65697	7702	140.38	117.36	102.57
8561-753	53	66740	7824	142.7	119.22	104.18
8561-754	54	67777	7946	145	121.08	105.79
8561-755	55	68809	8067	147.3	122.92	107.38
8561-756	56	69834	8187	149.58	124.75	108.97
8561-757	57	70854	8306	151.86	126.57	110.54
8561-758	58	71869	8425	154.12	128.38	112.11
8561-759	59	72878	8544	156.38	130.19	113.67
8561-760	60	73881	8661	158.63	131.98	115.22
8561-761	61	74879	8778	160.87	133.76	116.76
8561-762	62	75871	8895	163.1	135.53	118.29
8561-763	63	76858	9010	165.32	137.3	119.82
8561-764	64	77839	9125	167.53	139.05	121.33
8561-765	65	78815	9240	169.73	140.79	122.84

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8561-766	66	79786	9354	171.93	142.53	124.34
8561-767	67	80751	9467	174.11	144.25	125.83
8561-768	68	81711	9579	176.29	145.97	127.31
8561-769	69	82666	9691	178.45	147.67	128.78
8561-770	70	83616	9803	180.61	149.37	130.24
8561-771	71	84560	9913	182.76	151.06	131.7
8561-772	72	85502	10024	184.9	152.74	133.15
8561-773	73	86441	10134	187.03	154.42	134.6
8561-774	74	87378	10244	189.16	156.09	136.05
8561-775	75	88312	10353	191.28	157.76	137.49
8561-776	76	89244	10462	193.4	159.42	138.93
8561-777	77	90174	10571	195.5	161.08	140.36
8561-778	78	91101	10680	197.6	162.74	141.79
8561-779	79	92026	10789	199.69	164.39	143.22
8561-780	80	92948	10897	201.78	166.04	144.65
8561-781	81	93868	11004	203.86	167.68	146.07
8561-782	82	94786	11112	205.93	169.32	147.48
8561-783	83	95701	11219	208	170.96	148.9
8561-784	84	96614	11326	210.05	172.59	150.31
8561-785	85	97525	11433	212.11	174.22	151.72
8561-786	86	98433	11540	214.15	175.84	153.12
8561-787	87	99338	11646	216.19	177.46	154.52
8561-788	88	100242	11752	218.22	179.07	155.92
8561-789	89	101143	11857	220.24	180.68	157.31
8561-790	90	102042	11963	222.26	182.28	158.7
8561-791	91	102938	12068	224.27	183.89	160.09
8561-792	92	103832	12173	226.28	185.48	161.48
8561-793	93	104724	12277	228.28	187.08	162.86
8561-794	94	105613	12381	230.27	188.66	164.23
8561-795	95	106500	12485	232.25	190.25	165.61
8561-796	96	107385	12589	234.23	191.83	166.98
8561-797	97	108267	12692	236.2	193.41	168.35
8561-798	98	109147	12796	238.17	194.98	169.71
8561-799	99	110025	12899	240.13	196.55	171.07
8561-7A0	100	110901	13001	242.08	198.11	172.43
8561-7A1	101	111774	13104	244.02	199.67	173.78
8561-7A2	102	112645	13206	245.96	201.23	175.14
8561-7A3	103	113514	13308	247.9	202.78	176.48
8561-7A4	104	114381	13409	249.82	204.33	177.83
8561-7A5	105	115245	13511	251.74	205.87	179.17
8561-7A6	106	116107	13612	253.66	207.41	180.51
8561-7A7	107	116967	13712	255.57	208.95	181.84
8561-7A8	108	117824	13813	257.47	210.48	183.17
8561-7A9	109	118680	13913	259.36	212.01	184.5
8561-7B0	110	119534	14013	261.26	213.53	185.83
8561-7B1	111	120387	14113	263.15	215.06	187.16

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8561-7B2	112	121238	14213	265.04	216.58	188.48
8561-7B3	113	122088	14313	266.92	218.09	189.8
8561-7B4	114	122935	14412	268.8	219.61	191.12
8561-7B5	115	123782	14511	270.68	221.12	192.43
8561-7B6	116	124626	14610	272.55	222.63	193.74
8561-7B7	117	125469	14709	274.42	224.14	195.05
8561-7B8	118	126311	14808	276.28	225.64	196.36
8561-7B9	119	127150	14906	278.14	227.14	197.67
8561-7C0	120	127989	15005	280	228.64	198.97
8561-7C1	121	128825	15103	281.86	230.13	200.27
8561-7C2	122	129660	15200	283.71	231.62	201.57
8561-7C3	123	130494	15298	285.56	233.11	202.87
8561-7C4	124	131325	15396	287.4	234.6	204.16
8561-7C5	125	132156	15493	289.24	236.08	205.45
8561-7C6	126	132984	15590	291.08	237.56	206.74
8561-7C7	127	133812	15687	292.91	239.04	208.03
8561-7C8	128	134637	15784	294.74	240.51	209.31
8561-7C9	129	135461	15881	296.57	241.98	210.6
8561-7D0	130	136283	15977	298.39	243.45	211.88
8561-7D1	131	137104	16073	300.21	244.92	213.15
8561-7D2	132	137924	16169	302.03	246.38	214.43
8561-7D3	133	138741	16265	303.84	247.84	215.7
8561-7D4	134	139557	16361	305.65	249.3	216.97
8561-7D5	135	140372	16456	307.46	250.76	218.24
8561-7D6	136	141185	16552	309.26	252.21	219.51
8561-7D7	137	141997	16647	311.06	253.66	220.77
8561-7D8	138	142807	16742	312.86	255.11	222.04
8561-7D9	139	143615	16836	314.65	256.55	223.29
8561-7E0	140	144422	16931	316.44	257.99	224.55
8561-7E1	141	145227	17025	318.22	259.43	225.81
8561-7E2	142	146031	17120	320.01	260.87	227.06
8561-7E3	143	146834	17214	321.79	262.3	228.31
8561-7E4	144	147634	17308	323.56	263.73	229.56
8561-7E5	145	148434	17401	325.33	265.16	230.8
8561-7E6	146	149232	17495	327.1	266.58	232.05
8561-7E7	147	150029	17588	328.87	268.01	233.29
8561-7E8	148	150825	17682	330.63	269.43	234.53
8561-7E9	149	151620	17775	332.39	270.85	235.77
8561-7F0	150	152413	17868	334.14	272.27	237.01
8561-7F1	151	153206	17961	335.89	273.68	238.24
8561-7F2	152	153997	18054	337.64	275.1	239.47
8561-7F3	153	154788	18146	339.38	276.51	240.71
8561-7F4	154	155577	18239	341.12	277.92	241.93
8561-7F5	155	156365	18331	342.86	279.33	243.16
8561-7F6	156	157152	18423	344.59	280.73	244.39
8561-7F7	157	157938	18516	346.32	282.14	245.61

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8561-7F8	158	158723	18608	348.05	283.54	246.83
8561-7F9	159	159507	18700	349.77	284.94	248.05
8561-7G0	160	160289	18791	351.49	286.34	249.27
8561-7G1	161	161071	18883	353.21	287.73	250.49
8561-7G2	162	161852	18974	354.92	289.13	251.7
8561-7G3	163	162631	19066	356.63	290.52	252.92
8561-7G4	164	163409	19157	358.34	291.91	254.13
8561-7G5	165	164186	19248	360.04	293.3	255.34
8561-7G6	166	164962	19339	361.74	294.69	256.54
8561-7G7	167	165737	19430	363.44	296.07	257.75
8561-7G8	168	166511	19521	365.13	297.45	258.95
8561-7G9	169	167284	19611	366.82	298.83	260.15
8561-7H0	170	168056	19702	368.5	300.21	261.35
8561-7H1	171	168827	19792	370.19	301.59	262.55
8561-7H2	172	169596	19882	371.86	302.96	263.75
8561-7H3	173	170365	19972	373.54	304.34	264.94
8561-7H4	174	171132	20062	375.21	305.71	266.14
8561-7H5	175	171899	20152	376.88	307.08	267.33
8561-7H6	176	172664	20242	378.55	308.44	268.52
8561-7H7	177	173428	20332	380.21	309.81	269.7
8561-7H8	178	174191	20421	381.87	311.17	270.89
8561-7H9	179	174954	20510	383.52	312.53	272.07
8561-7I0	180	175715	20600	385.18	313.89	273.26
8561-7I1	181	176475	20689	386.82	315.25	274.44
8561-7I2	182	177233	20778	388.47	316.61	275.62
8561-7I3	183	177991	20866	390.11	317.96	276.79
8561-7I4	184	178748	20955	391.75	319.31	277.97
8561-7I5	185	179504	21044	393.39	320.66	279.14
8561-7I6	186	180258	21132	395.02	322.01	280.31
8561-7I7	187	181012	21221	396.65	323.36	281.48
8561-7I8	188	181765	21309	398.27	324.7	282.65
8561-7I9	189	182516	21397	399.9	326.04	283.82
8561-7J0	190	183267	21485	401.52	327.38	284.98

The conversion calculation from the LSPR table is: $PCI / MSU = MSU \text{ to MIPS Conversion Ratio}$
 Kyndryl and Client agree to use the above conversion process regardless of Client's exact workload mix (e.g., online vs. batch) or the processor model Kyndryl chooses to use as the zCloud host processor.

Over time, as new server hardware or operating system software is released, the ratios in LSPR tables may change. Kyndryl and Client agree to use the LSPR table most reflective of the current level of z/OS operating in Client LPARs.

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4.1.8.5 zCloud LPAR Definitions and Capping Options

Client may choose how Kyndryl shall define their LPAR's assigned processing capacity controls using either Hard Cap (initial capacity) or Soft Cap (defined capacity).

Soft Cap

- a. Client LPARs shall be configured using a defined capacity (Soft Cap) level which equates to their zCloud contracted MIPS baseline and shall allow instantaneous MIPS demand above the baseline if idle zCloud capacity is available and Client's rolling-four-hour-average is less than the baseline.
- b. Client LPARs shall be configured as a collection using Group Soft Cap that allows sharing of MIPS within the Soft Cap across all Client LPARs in that group.
- c. Monthly MIPS Resource Unit billing for processor usage shall be measured by the Kyndryl SCRT E5 reporting metric and based on either the Group Soft Cap or the Peak Four Hours Rolling Average; whichever is less.

Hard Cap

- a. One or more of the Client LPARs shall be configured using initial capacity (Hard Cap) such that usage for those LPARs shall not allow MIPS demand to exceed the capacity setting. Certain software vendors may require this type of capping.
- b. Client LPARs that do not require Hard Cap shall be configured as a collection using Group Soft Cap that allows sharing of MIPS within the Soft Cap across all Client LPARs in that group.
- c. Monthly MIPS Resource Unit billing for processor usage shall be measured by the Kyndryl SCRT E5 reporting metric and based on either the Group Soft Cap or the Peak Four Hours Rolling Average; whichever is less.

4.2 Asset Services

Kyndryl shall provide the following Asset Services to Client during the Service Hours, unless otherwise mutually agreed by Client and Kyndryl. Kyndryl shall implement the process for the acquisition of assets and for tracking the status as needed, location and ownership of such assets. Kyndryl shall also establish the asset database or repository, define and support the processes required for the capture of any changes and shall incorporate such changes into the asset repository.

4.2.1 Software License Management

Software License Management includes monitoring software license compliance, maintaining software license information.

Kyndryl Responsibilities

Kyndryl shall:

- a. implement with Client's assistance, the Kyndryl standard software license management process;
- b. perform an inventory of installed software in place as of the completion of phase 1;
- c. maintain valid software license inventory records as part of the asset repository to include the licenses existing as of the SOW Effective Date and for software:

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- i. ordered through Kyndryl; or
 - ii. procured through Client with notification to Kyndryl for inclusion in the asset database;
- d. maintain the data necessary to enable entitlement for the software such as upgrades, enhancements, refreshes, replacements, and maintenance provided by the vendor;
- e. periodically reconcile installed software data to the active valid installed software inventory specified in Client Components as such inventory listing may be updated under this Service;
- f. provide advice on the procurement of additional software licenses, as required; and
- g. administer and manage the software license, maintenance and support agreements as listed in Client Components

Client Responsibilities

Client will:

- a. assist Kyndryl with the development and implementation of the Kyndryl standard software license management process for software listed in Client Components, listed in Appendix C;
- b. provide Kyndryl with unique signatures, the license signature code to be used for the specific zCloud mainframe, for all licensable software products deployed by Client;
- c. review the software baseline and installed software scan information and notify Kyndryl of any missing licensable software products and discrepancies;
- d. provide Kyndryl with the information necessary to update the asset database for software Client procures directly;
- e. provide Kyndryl with the necessary information (i.e., software vendor license terms and conditions) including any updates as they occur to allow Kyndryl to periodically measure compliance with software license terms and conditions, including limitations on concurrent users;
- f. communicate applicable software license terms and conditions to end users;
- g. be responsible for end user compliance to all software license terms and conditions;
- h. be responsible for all ISV software license costs for which Client is the software licensee;
- i. and inform Kyndryl of any discontinued or transferred software licenses and maintenance, if applicable.

4.3 Mainframe Systems Management Services

Kyndryl shall provide Client the following server systems management services during the Service Hours.

4.3.1 Server Operations

Kyndryl Responsibilities

For major incident management, Kyndryl shall identify, record, track and manage the incident through service restoration by:

- a. determining the severity classification of the incident and executing the incident management process accordingly;

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- b. determining the scope of the incident;
- c. assigning the appropriate technical support representatives (other levels of support, across platforms as required);
- d. executing the Kyndryl and Client notification and escalation procedure;
- e. notify Client that the service has been restored; and
- f. participate in incident review meetings, as appropriate.

For system operation, Kyndryl shall:

- i. manage operating system resource availability;
- ii. execute recovery procedures, as required, for operating system resources; and
- iii. provide operating system status, as requested.

Client Responsibilities

Client will:

- a. notify Kyndryl of any planned or emergency changes to Client's environment affecting Kyndryl's provision of the Services.

4.3.2 Automated Operations Support

Kyndryl shall perform the following console automation activities:

- a. console monitoring and message filtration;
- b. system and application restart and recovery; and
- c. automated incident reporting and paging.

Client shall define requirements and schedules for application automated event processing.

4.3.3 Mainframe Server Planning Support Configuration Management

Kyndryl shall:

- a. design and implement hardware and software configuration changes; and
- b. maintain documentation for operating systems configuration, backup and restore processes, hardware configuration reports, and operations documentation.

4.3.4 Change Management

Kyndryl shall:

- a. with Client's assistance, develop the procedures to be followed so that all planned and emergency changes affecting the environment are reviewed, approved, communicated and properly documented;

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- b. communicate to the Client Program Manager, via the Change Management Process set forth in the Process Interface Manual, any changes Kyndryl makes that affect the environment;
- c. record and track approved change requests;
- d. schedule and manage testing and implementation of approved changes;
- e. evaluate planned changes to the environment and advise Client of any requirements to support such changes;
- f. track change history of managed resources; and
- g. provide standard change management reports.

Client will:

- a. notify Kyndryl of any planned or emergency changes to Client's environment affecting the Services.

4.3.5 Performance Management

Kyndryl shall:

- a. monitor, measure, analyze and tune system performance to meet agreed upon Service Level Metrics;
- b. recommend changes (i.e., hardware and/or software upgrades) to Client to maintain agreed upon system performance levels;
- c. define performance indicators and monitor server performance against such indicators;
- d. install management agents;
- e. review configuration data and usage patterns;
- f. establish performance thresholds and exception reporting procedures; and
- g. advise Client of any required system configurations and modifications necessary to enable Kyndryl to meet the Service Level Metrics.

Client will:

- a. evaluate recommendations (i.e., hardware and/or software upgrades) and implement, as appropriate, to enable system performance improvement;
- b. assist Kyndryl in establishing a schedule for performing system maintenance (for example, virus detection, backup, disk space cleanup, and testing such as defragmentation) and modifications and enhancements so as to minimally impact end users.

4.3.6 Capacity Planning

Kyndryl shall:

- a. monitor and document Client's current workloads and provide the information to Client for Client's use in determining future capacity requirements;

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- b. recommend system configurations or modifications necessary to enable Kyndryl to maintain acceptable resource utilization;
- c. notify Client when any system resource reaches the mutually agreed critical usage levels and that additional capacity is required to perform the Services in accordance with the Service Level Metrics; and
- d. Contractor will provide to the State, in a form acceptable to the State, the reports described in Contract Appendix I. The Contractor's costs in collecting and analyzing data and in preparing reports, including changes thereto, are included in the On-Going Mainframe Services fees and are not subject to any additional charges, fees, or reimbursements. The State may, at any time during the SOW, require reasonable additional, recurring or ad-hoc reports. Unless these additional reports can be produced by Contractor staff already assigned to the State's account without affecting the Services, the State shall compensate the Contractor for the initial development of the additional recurring or ad-hoc reports in accordance with Section 1.4 of the SOW. The on-going delivery of all reports will be provided by Contractor at no additional cost.

Client will:

- a. project future system-based trends and capacity requirements for new projects and provide such information to Kyndryl as it pertains to the Services;
- b. provide additional capacity for any system resource that has reached critical usage levels and is impacting Kyndryl's ability to provide the Services or relieve Kyndryl of any affected Service Level Metrics until such time as the required capacity is installed; and
- c. test system performance and capacity and throughput for new applications before promotion into the production environment.

Deliverables:

- Standard Capacity Report

4.3.7 Incident Management

- (1) The State has established the following Incident priority levels: Critical, High, or Medium. For Incidents that the Contractor is responsible for resolving, the following are the required Resolution Times, based upon the priority level of the ticket:
 - Critical – Three (3) clock hours
 - High – Five (5) clock hours
 - Medium – Eleven (11) clock hoursAn Incident Management Report will be generated in accordance with Appendix I, Section 2 (System Reports).
- (2) The State's Service Management Platform, ServiceNow, will be the required system used by the State and the Contractor to document and track progress

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on Tickets related to “Break/Fix” repairs (ServiceNow tickets referred to as Incidents), Provisioning requests, and System Changes.

The Contractor shall complete all ServiceNow tickets for Break/Fix repairs and Provisioning requests at no additional charge to the State. There shall be no limit to the number of tickets that the State may initiate for these tasks during the Term of the SOW.

In the event that the State changes from ServiceNow to a different ticket Service Management Platform, the State will require the Contractor to use the new Service Management Platform, upon configuration to Kyndryl’s requirements, and training by the State.

Kyndryl shall:

- a. perform incident management tasks including real-time monitoring of systems, incident identification, reporting, logging, tracking, resolution, communication and escalation for incidents; and
- b. with Client's assistance:
 - (1) define associated escalation procedures;
 - (2) establish backup and recovery processes and procedures for systems that Client identifies as critical functions;
 - (3) define alert and paging processes and procedures, including escalation procedures; and
 - (4) develop and maintain a plan that enables the recovery of data due to unplanned operational types of failures, such as equipment malfunction, temporary power disturbances and abnormal termination.

Client will:

- b. assist Kyndryl in:
 - (1) establishing associated escalation procedures;
 - (2) establishing backup and recovery processes and procedures for Systems that Client identifies as critical functions;
 - (3) defining alert and paging processes and procedures, including escalation procedures; and
 - (4) developing and maintaining a plan that enables the recovery of data due to unplanned operational types of failures such as equipment malfunction, temporary power disturbances and abnormal termination;
- c. identify the systems (i.e., critical functions) requiring backup and recovery and provide all required hardware and software necessary to implement the backup and recovery of such servers;
- d. for those incidents that are transferred to Client for resolution, notify Kyndryl of the resolution;
- e. provide Kyndryl a list of the Client contacts for purposes of assisting with incident resolution and escalation, if required, including any updates as they occur; and

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- f. verify the appropriate Client personnel are available to interface with Kyndryl to resolve complex network incidents affecting the Services.

4.3.8 Installation and Maintenance Services

Kyndryl shall:

- a. install, configure, maintain and perform cumulative PTF packages to server standard products, including the operating system and operating system utilities;
- b. with Client's assistance, establish a test and implementation plan before each operating system version upgrade;
- c. schedule and coordinate operating system testing and implementation with the Client Program Manager; and
- d. communicate to the Client Program Manager, via the change management process set forth in the Process Interface Manual, any installation prerequisites (for example, additional disk space and memory) and any post install procedures that need to be followed after the installation is completed.

Client will:

- a. assist Kyndryl in establishing a test and implementation plan before each operating system version upgrade;
- b. ensure compliance by End Users and Client's business units, via the change management process set forth in the Process Interface Manual, with any communicated change prerequisites and post change procedures; and
- c. before the operating system maintenance or upgrade scheduled date, or upon Kyndryl's request, verify to Kyndryl via the Client Program Manager that all communicated prerequisites have been completed.

4.3.9 Availability Management

Kyndryl shall:

- a. assist Client in defining Client's availability requirements;
- b. develop an availability plan;
- c. track, analyze and report on availability;
- d. provide hardware maintenance for Systems in accordance with the equipment manufacturer's specifications;
- e. provide required support procedures to the Client Program Manager; and
- f. recommend availability improvements.

Client will:

- a. with Kyndryl's assistance, define Client's availability requirements;

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- b. verify that the appropriate Client personnel are available to interface with Kyndryl, as required, to isolate and resolve complex network, operational or software incidents affecting Kyndryl's ability to provide the Services; and

4.3.10 Data Management

Kyndryl shall:

- a. with Client's assistance, define the frequency and types of required data backup as well as the retention periods for the data; and
- b. perform file server data backup and recovery including interfacing with Client-specified tape storage facilities, if any.

Client will:

- a. assist Kyndryl in defining the frequency and types of required data backup as well as the retention periods for the data; and
- b. provide the required tape storage facilities; if any.

4.3.11 Database Subsystem Support (for DB2)

Kyndryl shall:

- a. install, upgrade and maintain the system software;
- b. manage database subsystem resource availability;
- c. execute recovery procedures, as required, for database subsystem resources; and
- d. provide database subsystem status, as requested.

Client will:

- a. notify Kyndryl of any planned or emergency changes to Client's environment affecting Kyndryl's provision of the Services.

4.3.12 Physical Database Administration

Kyndryl shall:

- a. provide physical support of the production application databases *for DB2* which includes:
 - (1) creation of physical database objects (i.e. DDL, files, etc.);
 - (2) management and performance of physical production database maintenance, modifications and enhancements in accordance with the mutually agreed schedule;
 - (3) maintaining mutually agreed database backup procedures, provided by Client, to recover from a database outage or corrupted database in accordance with the mutually agreed schedule;
 - (4) maintaining and implementing mutually agreed database archive processes and procedures;

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- (5) monitoring and reporting of database performance and space utilization; and
 - (6) recommending modifications for improved performance and implementing as approved by Client;
- b. setup privileges and retain exclusive use of DBMS system administration IDs
- c. assist Client in planning for production database modifications as a result of changes in Client's business environment (i.e., growth, application development projects) and review Client's plans on a regular basis;
- d. promote Client-approved database changes into the production environment; and
- e. perform access grants to database objects as requested by Client.

Client will:

- a. assist Kyndryl in establishing a schedule for performing production database maintenance, modifications, enhancements and backups;
- b. develop plan(s) for production database modifications as a result of changes in Client's business environment (i.e., growth, application development projects) and review such plans with Kyndryl on a regular basis;
- c. provide Kyndryl the approved database changes;
- d. define database backup and recovery requirements;
- e. retain all logical Database Administrator (DBA) support responsibilities, perform logical database design and data modeling and cooperate with Kyndryl during physical database design and review;
- f. provide Client's access requirements (for example, name and authorization level) for database objects; and
- g. provide physical database maintenance for development and test environments.

4.3.13 Data Communication Software Support and Operations (i.e. CICS)

Kyndryl shall:

- a. install, upgrade and maintain the Systems Software;
- b. manage the data communication subsystem resource availability;
- c. execute recovery procedures, as required, for data communication subsystem resources; and
- d. provide data communication subsystem status, as requested.

Client will:

- a. notify Kyndryl of any planned or emergency changes to Client's environment affecting Kyndryl's provision of the Services.

4.3.15 Batch Operations

Batch Job Scheduling

Kyndryl shall:

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- a. perform batch job set-up and scheduling tasks, such as:
 - (1) identification of critical paths based on statistics of execution;
 - (2) identification of jobs eligible for parallel processing (on same CPU or multiple CPUs) and reorganization of normal batch schedules;
 - (3) support of load balancing across servers when required and applicable;
 - (4) support of special batch schedules (e.g., for known peak periods); and
 - (5) recommend scheduling improvements and implement, as approved by Client;
- b. resolve batch scheduling conflicts;
- c. with Client's assistance, develop and maintain standards for job acceptance and implementation; and
- d. schedule batch jobs, as requested by Client, which require expedited execution, subject to applicable Service Level Metrics attainment relief.

Client will:

- a. provide Client's batch scheduling requirements and procedures and any updates as they occur;
- b. assist Kyndryl in developing standards for job acceptance and implementation;
- c. provide required information (for example, requested time frames and priority sequence) for expedited batch job requests; and
- d. evaluate and approve scheduling improvement recommendations.

Batch Monitoring and Restart

Kyndryl shall:

- a. monitor scheduled batch jobs;
- b. resolve batch scheduling conflicts;
- c. monitor scheduler related incidents and develop and recommend changes to the scheduler database;
- d. schedule batch jobs, as requested by Client, that require expedited execution; and
- e. perform job restart, as necessary, in accordance with resolution and restart procedures.

Client will:

- a. provide Client's resolution and restart procedures; and
- b. provide required information for expedited batch job requests.

4.3.16 Output Services

Kyndryl shall provide system configuration support for mainframe output devices.

Client will:

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- a. be responsible for management and operational support for all output devices;
- b. track, manage, communicate and resolve incidents related to output production and delivery;
- c. be responsible for all output distribution services (for example; mail, messenger, postage, courier); and
- d. be responsible for microfiche and microfilm supplies, and retrieval and storage of output.

4.3.17 Softcopy Management

Kyndryl shall install, upgrade and maintain the Systems Software.

Client will:

- a. perform Client's softcopy management requirements (for example, report creation and access administration) and procedures and any updates as they occur;
- b. process reports created by production application jobs;
- c. administer and maintain the report distribution systems (for example, managing the online viewing of reports); and
- d. perform softcopy access administration in accordance with Client's procedures.

4.3.18 Output Services

Kyndryl shall provide output device processing and operational support necessary to accomplish such processing including production and delivery of files, tape and printed output.

Kyndryl shall:

- a. produce and deliver output (for example, files, tapes, microfiche, printed matter) in accordance with the Service Level Metrics;
- b. track, manage, communicate and resolve incidents related to output production and delivery;
- c. verify that all files are on the queue and available for transmission to the applicable Client output and production control locations within the mutually agreed time frames and monitor file transmissions and network messages regarding network connectivity;
- d. deliver hard copy output to the designated drop location(s) within the facility;
- e. work with appropriate Client personnel to trace and attempt to find missing output items; and
- f. execute reruns of output Client requests and notify Client if rerunning any output shall impact scheduled on-line or batch production processing.

Client will:

- a. provide output distribution from the designated drop location(s) within a facility;

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- b. with Kyndryl's assistance, trace and attempt to locate missing output items;
- c. notify Kyndryl of any required reruns of output;
- d. be responsible for all distribution services (for example, mail, messenger, postage, courier); and
- e. be responsible for microfiche and microfilm supplies, and retrieval and storage of output.

4.3.19 Softcopy Management

Kyndryl shall:

- a. install, upgrade and maintain the systems software;
- b. process reports created by production application jobs;
- c. administer and maintain the report distribution systems (e.g., managing the online viewing of reports); and
- d. perform softcopy access administration in accordance with Client's procedures.

Client will:

- a. perform Client's softcopy management requirements (for example, report creation and access administration) and procedures and any updates as they occur.

4.4 Mainframe Ongoing Support Services

Kyndryl shall establish and maintain a properly trained and adequately staffed Data Center population (i.e., management and support staff) to provide the Mainframe Services to Client. Unless otherwise agreed by Client and Kyndryl, such Services shall be provided during the Service Hours, excluding the regularly scheduled maintenance periods.

4.4.1 Platform Support

Kyndryl shall:

- a. provide technical support and advice for Client's application development and database administration personnel according to the following standards:
 - (1) Kyndryl shall provide Systems Software products listed in Appendix B: zCloud Contractual Baselines, Summary of Charges, to support the operation of the service. Kyndryl shall not discontinue use of such software products without Client's notification; provided, that Client shall assume support expenses for Systems Software products that Client requires Kyndryl to retain after the manufacturer withdraws its support;
 - (2) in the event that Kyndryl desires to discontinue use of such products Kyndryl may offer to migrate Client onto another product having similar functions at Kyndryl's expense, and Client shall not unreasonably withhold its approval of such migration; and
 - (3) if Client requests additional system software products, such request shall be considered a new service;
 - (4) install, upgrade and maintain the Systems Software;
- b. install and maintain user exits provided by Client;

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- c. operate the Client Component Software Client selects, provided such Client Component Software conforms to the operating environment standards specified in Appendix B: zCloud Contractual Baselines, Summary of Charges; and
- d. identify the Kyndryl technical team responsible for coordinating aspects of the technical operations and support related to the Services. The technical team shall coordinate the systems support for Client and shall be Client's interface to the Kyndryl support structure.

Client will:

- a. for applications software:
 - (1) select or define the requirements for all applications software;
 - (2) designate and document application information requirements, including report design and content, frequency of reports, and accessibility to information;
 - (3) provide user exits existing as of the SOW Effective Date. If Client requests additional user exits, such requests will be considered a new service;
 - (4) retain responsibility for maintenance, support and all license and related charges for applications software;
 - (5) retain responsibility for all license and related charges, including maintenance fees, and for prioritizing the AD/M workload necessary to maintain and support applications software. Client will provide Kyndryl with access to the source code for the application load modules executed in the applications software production environment; and
 - (6) have the right to audit, control and approve new applications software before its promotion into production; and
- b. for Client Component software verification:
 - (1) verify the results of Client Component software on-line and batch system support processing;
 - (2) provide Client Component program incident determination and resolution, including providing support for application abends and job recovery;
 - (3) attempt to minimize outages caused by application program failures;
 - (4) verify and evaluate any operating Base Component software and hardware changes recommended by Kyndryl;
 - (5) follow the existing change management process for all application changes, before submission or installation into the system;
 - (6) follow the incident management process, according to published incident resolution criteria set forth in the Process Interface Manual, and document incident resolution and closure;
 - (7) certify, in cooperation with Kyndryl, that existing applications function correctly when Kyndryl installs new systems software or upgrades to or new releases of current Base Component software; and
 - (8) enhance applications as indicated by performance evaluations by Client at the request of Kyndryl.

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4.5 Storage and Media Management Services

Kyndryl shall provide Client storage and media management services during the term of this SOW.

4.5.1 Storage Environment Management

Kyndryl shall:

- a. perform storage device preparation and initialization;
- b. manage storage space through the implementation and customization of storage management software;
- c. manage space and utilization rate of storage hardware;
- d. verify availability and sufficient capacity of Kyndryl controlled file systems during scheduled service times; and
- e. provide Client periodic reports of space utilization at a logical disk or DASD level.

4.5.2 Backup and Restore

Kyndryl shall:

- a. document, maintain and, as appropriate, update and execute mutually approved file backup and recovery procedures;
- b. provide a recovery procedure for restoring the data image to a previous level within a mutually agreed time frame;
- c. conduct regularly scheduled backup and recovery processes as prioritized by Client (for example, data set restore), so as to avoid impacting scheduled operations; and
- d. provide recommendations to Client regarding backup and recovery considerations such as improved levels of protection, efficiencies and cost reductions.

Client will:

- a. define requirements for file backup and recovery procedures.

4.5.3 Tape Media

Tape Media Management and Operations

Tape media management and operations for physical tape media are out of scope as the mainframe environment is tapeless and utilizing all virtual tape.

Kyndryl shall:

- a. retain tapes for a mutually agreed retention period for auditing purposes;
- b. complete tape mounts in sufficient time to meet production processing requirements in accordance with the Service Level Metrics;
- c. provide tape specifications to Client;
- d. maintain adequate supplies for the tape environment and provide a sufficient scratch tape pool to service required processing needs, and notify Client when additional tapes and other supplies are required;

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- e. retrieve archived tapes and restore required files and data sets within mutually agreed time frames; and
- f. report tape utilization to Client.

4.6 Network Ongoing Services

Kyndryl shall be responsible for LAN management associated with the zCloud service for the Client. This responsibility includes the hardware and software, including LAN Devices, Firewall Devices separating the Client's and Kyndryl's internal networks, circuits, network management platforms, and the design required to deliver the data network services to The Client. Using the processes set forth in the Process Interface Manual, Kyndryl shall provide data network services during the Service Hours.

4.6.1 Network Services

Kyndryl shall:

- a. Provide level 1 support for the Base Components for the Client; and
- b. reset passwords and perform logon ID administration in accordance with the Client-provided security guidelines.

The Client will:

- a. Provide all level 1 support for the Client's Components

4.6.2 Data Network Services (zCloud Complex)

Kyndryl shall:

- a. develop and maintain physical and logical network topology documentation;
- b. define, document and review thresholds, filters, traps and alarm parameters for LAN devices;
- c. evaluate, document and provide alternatives (i.e., new network technology) to the Client's network architecture and strategy and implement, as mutually agreed;
- d. review and execute the back-up and recovery processes for the data network environment;
- e. procure LAN devices;
- f. setup, configure, test, install and maintain the LAN devices and software to solution Client requirements
- g. manage, track and resolve network incident tickets;
- h. perform root cause analysis, as required;
- i. in accordance with the change management process, manage, test and implement approved network changes (i.e., planned and emergency);
- j. maintain backup and archive of configuration data for LAN devices and firewall devices;
- k. manage and maintain all firewall devices that connect the Kyndryl data network to the Client's data network that Kyndryl requires to provide the Services.

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The Client will:

- a. develop and maintain the Client's network architecture and strategy and provide to Kyndryl;
- b. be responsible for wide area network (WAN) communications (network, including IP schema, the firewall rules, port rules and latency) between the Client and the Kyndryl Data Center locations;
- c. define redundant network environments;
- d. provide Kyndryl with planning information affecting capacity requirements (for example, new applications, new projects, additional volumes, new users, changes in the distributed system physical architecture);
- e. notify Kyndryl of any planned or emergency changes to the Client's environment affecting the Services;
- f. not connect the zCloud logical environment to other third-party networks unless the connection is specifically identified and mutually agreed by the Client and Kyndryl;
- g. ensure all data network devices have registered addresses with industry acceptable registration organizations and are SNMP and RMON compliant;
- h. for those incidents that are transferred to the Client for resolution, notify Kyndryl of the resolution;
- i. provide to Kyndryl a list of the Client's contacts for purposes of assisting with incident resolution and escalation, if required, including any updates as they occur;
- j. ensure the appropriate personnel are available to interface with Kyndryl to resolve complex network incidents affecting the Services;
- k. obtain and pay all costs associated with supplying any required unique registered IP addresses provided by an American Registry of Internet Numbers (ARIN)-accredited registrar or other recognized standards body;
- l. not penetrate or contract with or allow any third party or attempt itself to penetrate the hardware, software, logical environment, and other resources (such as, but not limited to, firewalls, routers, switches) used by Kyndryl to provide the Services;
- m. not access or attempt to access Kyndryl's secure internal network or the resources or information of other Kyndryl clients;
- n. when performing any technical security integrity review:
 - (1) only test and scan the IP addresses supplied by Kyndryl to the Client that are part of the Services;
 - (2) only test the dedicated logical environment;
 - (3) provide the source IP address information and reviewer contact information to Kyndryl;
 - (4) perform such reviews as mutually agreed by the Client and Kyndryl; and
 - (5) not perform denial-of-service attacks;
- o. provide any additional and unique resources (for example, hardware, software or other components, personnel) required to enable Kyndryl to implement the Client's security requirements; if any.

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4.7 Enterprise Security Management Services

Kyndryl shall work with Client to review Client's existing security controls, if necessary, and to update the detailed document that shall define the mutually agreed security controls that Kyndryl shall implement for Client. Such document shall include only the security responsibilities listed below. Any effort to transform Client's existing security controls implemented as of the SOW Effective Date to the mutually agreed security controls, unless specifically and explicitly included in this SOW, shall be considered a new service.

4.7.1 Policy & Compliance Support Services

The security policy support function is designed to manage the lifecycle of the cloud security policy and uses ISO/IEC 27017 standard as a framework. There are separate technical configuration setting documents which are used for supported operating systems, sub systems and network devices that detail the specific technical controls necessary to implement the minimum required security settings.

The cloud security policy process is started during the transition phase of boarding a new client to Kyndryl with the intention of converting delivery execution activities to Kyndryl managed standard processes, tools and management systems. Any areas that cannot achieve compliance shall be captured and communicated to the client as a deviation notification.

Kyndryl shall:

- a. maintain a cloud security policy with technical configuration settings that contains Kyndryl's security process and controls requirements;
- b. document the cloud security policy and technical configuration setting deviations;
- c. on an 18 month cycle, update the cloud security policy with any documented deviations for the client
- d. oversee the implementation of the cloud security policy technical configuration setting into the client environment; and
- e. document deviations required by the client needed to maintain operational availability of client systems under Kyndryl management.

Client will

- a. provide Kyndryl with access to applicable systems;
- b. review the deviation notifications and take action where appropriate;
- c. notify Kyndryl of plans to implement changes in the environment which result in deviations to the security policy;
- d. participate in change management to implement the security policy settings.

4.7.2 Security Audit Management

Kyndryl shall:

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- a. provide an Kyndryl focal point to assist Client with requested account security audits; and
- b. provide up to two-hundred (200) hours per year for IT security audit assistance to Client to:
 - (1) communicate with and respond to auditor's requests; and
 - (2) support security audits and reviews as requested by Client.

Client will:

- a. provide a contact with responsibility for account security audits; and
- b. follow the established PCR specified in the SOW for all changes requested to Client's security controls environment.

4.7.3 Patch Security Advisory and Integrity

Security patching shall be performed during the pre-approved change window to keep systems current with the latest vendor recommended security patches and security software updates.

Kyndryl shall, for operating systems, software tools network infrastructure systems and devices managed by Kyndryl and listed in Appendix C install Client-approved security patches within the pre-approved change window.

Client will:

- a. for each vendor recommended security patch, perform advisory analysis, criticality classification, applicability determination and definition of the security content to be installed;
- b. perform pre-installation testing of each patch and provide results to Kyndryl.

4.7.4 User IDs Management

For the operating systems, software tools, network infrastructure systems and devices under Kyndryl management.

User ID Management has been retained by the Client.

Client will:

- a. Manage Client & Kyndryl IDs;
- b. Own and maintain Operating System (OS) and sub system environment security using the OS security software (RACF);
- c. Provide and maintain application security using the OS security software;
- d. Provide and maintain internal application security tables for those applications with internal security; and
- e. Perform privileged User ID monitoring (if required).

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5.0 MODERNIZATION AND OPTIMIZATION SERVICES

Kyndryl shall provide to the State an assessment and roadmap for the modernization of the Mainframe environment and associated applications. This assessment will consist of a Subject Matter Expert (SME) workshop, and interviews with performance and capacity leads, application owners, business users, platform owners, system programmers and technical and business SMEs to gather application information, system information, review existing architecture (application, middleware), parameters (operating system, middleware, applications, compilers), application documentation and other technical information. This assessment is estimated to take 4-6 weeks to complete.

The goal of this assessment is to help identify areas to help reduce the operational cost of mainframe including licensing cost, increase availability and scalability of system (operating system, middleware, applications etc.), optimize batch job into completing on schedule enabling availability of processor for another online workload, and modernize the set of applications, middleware, operating systems, storage, network etc., to support business.

6.0 DISASTER RECOVERY SERVICES

6.1 Disaster Recovery Services

During the term of this SOW, Client shall receive disaster recovery services from Kyndryl.

6.2.1 Services

Kyndryl Responsibilities

Kyndryl shall:

- a. provide a representative knowledgeable in disaster recovery and in Client's disaster recovery plan to serve as a single point of contact for Client's disaster recovery related communications and activities;
- b. notify Client of any situation which Kyndryl believes constitutes a disaster;
- c. in the event of a disaster, deliver the most recent backup copies of the Software described in the disaster recovery plan necessary to restore the critical functions at the Recovery Center
- d. notify Client of any operating environment changes made by Kyndryl that Kyndryl knows may affect the disaster recovery plan
- e. if Client requests, provide assistance with testing the disaster recovery plan; and
- f. conduct, at a minimum, one annual disaster recovery test or tabletop exercise.

Client Responsibilities

State will:

- a. perform its disaster recovery responsibilities as set forth in this SOW and the disaster recovery plan;
- b. provide a representative who is knowledgeable in State's disaster recovery plan to act as the primary interface to Kyndryl's disaster recovery representative;

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- c. be responsible for declaring a disaster and notifying Kyndryl prior to such disaster declaration;
- d. review, test and update the disaster recovery plan as required;

6.2.2 Network Recovery

State will be responsible for all network disaster recovery services including any connectivity and support costs not covered by this SOW.

7.0 DELIVERABLES

7.1 Deliverable Acceptance Procedure

Deliverables shall be submitted to State for approval and acceptance on or before the Due Date. Within five (5) business days of receipt, the State Project Manager will either accept the deliverable or provide Kyndryl with a written list of requested revisions; otherwise, the deliverable shall be deemed accepted. The revisions recommended by State and agreed to by Kyndryl shall be made and the deliverable shall be resubmitted and deemed accepted. The revisions recommended by State and not agreed to by Kyndryl shall be managed through the Project Change Control Procedure.

Kyndryl shall deliver the following Project Materials. Upon delivery of each respective Project Material, the Completion Criteria for the corresponding task is deemed met.

Deliverable	Deliverable Acceptance Criteria	Due Date
Phase One: Steady State Deliverables		
Service Level Report	Kyndryl shall submit to State a standard report assessing Kyndryl's performance during the previous calendar month against the Service Level Metrics.	To be provided by the tenth business day of the calendar month.
Standard Capacity Report – provides for tracking, measuring, analyzing and reporting system performance. The report shall include the following as applicable: • Standard summary performance report; • Standard detailed performance reports; • Written analysis and recommendations for standard detailed performance reports.	Kyndryl shall deliver the Standard Capacity Report to State monthly throughout steady state.	To be provided monthly in steady state

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8.0 PRICING CRITERIA

Please refer to Appendix B: zCloud Contractual Baselines and Summary of Charges for complete details on the charges, baselines, and mechanisms for variances in charges.

8.1 Payment Methodology

The State shall compensate the Contractor for work performed and accepted by the State in accordance with Section 3 of the Special Terms and Conditions of the Contract. The Contractor shall invoice the State after State acceptance of the Contractor deliverables.

8.2 Travel and Expenses

Per Section 4 of the Special Terms and Conditions of the Contract, the Contractor shall not be compensated or reimbursed for travel time, travel expenses, meals, or lodging.

8.3 SOW Monetary Cap

The total maximum allowable cost of this SOW is **\$40,325,752.00** for the performance of the work as set forth in this SOW.

9.0 TIMELINE AND PERIOD OF PERFORMANCE

Project must begin no later than July 1, 2024 and be completed by June 30, 2027.

10.0 ADDITIONAL TERMS

General

- a. Either party may use General Infrastructure Data generated during performance of the Services to improve its offerings.
- b. Kyndryl has the sole right to direct the use, and if necessary, substitute a functional equivalent, of each individual Kyndryl asset (Kyndryl owns or has rights to) in order to deliver the Services, provided that doing so: 1) does not materially interrupt State's operations; and 2) the Services are not dependent on any single Asset.
- c. Kyndryl has the sole right of control on the hardware, hardware location, data center facilities, and network connectivity between Kyndryl data center, whereas, Kyndryl's rights do not cause a negative impact to the Services being provided within this SOW.
- d. Kyndryl pricing excludes Broadcom software for the third (3rd) fiscal year (July 1, 2026 through June 30, 2027). If the State requires Broadcom for that fiscal year, the State can request pricing through the RFS process no later than March 31, 2026 to be executed and accepted by April 30, 2026.

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11.0 TERMINATION

Termination shall be in concordance with section 10 (c) of the Participating Addendum, dated on 6/30/2027.

12.0 SIGNATURE

This SOW will not be effective, and Contractor shall not commence services hereunder, until it is approved and signed by the State and Contractor.

Finance and Administration, Strategic Technology Solutions	Kyndryl, Inc.
Signature: <i>Christopher Benson</i>	Signature: <i>Robert E. Burgess</i>
Name: Chris Benson	Name: Robert Burgess
Title: Business Operations Director	Title: Customer Partner
Date: Jun 4, 2024	Date: Jun 4, 2024

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Appendix A: zCloud Base Components and Maintenance Schedule

This appendix contains a point-in-time view of the base software as well as the standard hardware maintenance schedule at the time of the contract signing. The information in this section does not represent an ongoing commitment and is subject to change, particularly as software becomes available.

The following table lists the current baseline volumes for the services being provided by Kyndryl.

Monthly Baselines By		
Tower	Key Metric	Baseline
Mainframe	MF zOS MIPS	500
	MF zOS LPARs	2
DASD	MF DASD GB Usable	19705
	GDPS Installed	N
	Current Replication	SRDF/A
	Target DASD (Multi-tenant or Dedicated)	Multi-Tenant
Tape	MF Tape GB Allocated	792,756
	Target VTS (Multi-tenant, Dedicated)	Multi-Tenant
Subsystems	MF CICS Subsystems	15
	MF DB2 Subsystems	8
	MF IMS Control Subsystems	9
Batch	Batch Jobs per month	43700
Disaster Recovery	Number of DR Tests per Year	2
	Resiliency MIPS	500
	Number DR LPARS to Test	2
	Resiliency DASD (GB)	19705
	Resiliency Tape VTS (GB)	792,756
	DR LPAR IPLs (weekly, monthly, Test-only)	Test-Only
	Recovery Time Objective (RTO) (less than or equal to - hours)	4
	Recovery Point Objective (RPO) (less than or equal to - minutes)	4
Security	Number of Annual Audits	1

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These volumes are based on the following hardware configuration baselines in place at the SOW Effective Date.

Production hardware –

- Mainframe is a 2827-412 with 2389 MIPS, 32GB of memory, 2 x 10 Gbe OSA adapters
- Storage is DS8886 Flash DASD has 21TB of RAID 5 usable capacity
- VTS is Multi-Tenant TS7760 with 281TB of capacity

Disaster hardware -

- Hot site mainframe is a 2827-412 with 2389 MIPS, 32GB of memory, 2 x 10 Gbe OSA adapters
- Hot site Storage is DS8886 Flash DASD has 21TB of RAID 5 usable capacity
- VTS is Multi-Tenant TS7760 with 281TB of capacity

The following table lists the current software installed and being used as of the latest discovery report.

Vendor	Product Release Name	Vendor	Product Release Name
Accenture	INSTALL/1 for CICS Batch	IBM	IBM Debug Tool for z/OS
BMC Software	BMC AMI Enterprise Common Components	IBM	IBM Hourglass
BMC Software	BMC Compuware Enterprise Common Components	IBM	IBM Library for REXX on zSeries
BMC Software	BMC Compuware FASTCPK	IBM	IBM OMEGAMON for CICS on z/OS
BMC Software	BMC Compuware Hiperstation	IBM	IBM OMEGAMON for IMS on z/OS
BMC Software	BMC Compuware ThruPut Manager	IBM	IBM OMEGAMON for Messaging on z/OS
BMC Software	Compuware Base Services	IBM	IBM OMEGAMON for z/OS
BMC Software	FDR Common Modules	IBM	IBM Security zSecure CICS Toolkit
BMC Software	Host Communications Interface	IBM	IBM Tivoli Management Services on z/OS
BMC Software	Shared Services	IBM	IBM Tivoli Omegamon Common Modules
Broadcom Inc.	CA Allocate DASD Space and Placement	IBM	IBM Tivoli Omegamon XE DB2 Performance Expert
Broadcom Inc.	CA Bind Analyzer for DB2 for z/OS	IBM	IBM Tivoli Omegamon XE for CICS
Broadcom Inc.	CA Common Services for z/OS	IBM	IBM Tivoli Omegamon XE on z/OS
Broadcom Inc.	CA Common SQL Services for DB2 for z/OS	IBM	IBM Tivoli OmegaView

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Vendor	Product Release Name	Vendor	Product Release Name
Broadcom Inc.	CA Culprit	IBM	IBM Tools Base for z/OS
Broadcom Inc.	CA Database Analyzer for DB2 for z/OS	IBM	IBM Z Distribution for Zowe
Broadcom Inc.	CA Datacom Data Dictionary/DB	IBM	IBM Z NetView
Broadcom Inc.	CA Datacom SQL	IBM	IBM Z Software Asset Management
Broadcom Inc.	CA Datacom/AD	IBM	IBM z/OS Management Facility
Broadcom Inc.	CA Datacom/DB	IBM	IBM 31-Bit SDK for z/OS
Broadcom Inc.	CA DBM Common Services	IBM	IBM 64-Bit SDK for z/OS
Broadcom Inc.	CA DBM Solutions for DB2 for Xnet Comms Server	IBM	IMS Batch Terminal Simulator for z/OS
Broadcom Inc.	CA DBM Solutions for DB2 for z/OS Utilities Common	IBM	IMS Database Manager
Broadcom Inc.	CA DBM Solutions for DB2 Utility General Recovery	IBM	IMS Database Reorganization Expert for z/OS
Broadcom Inc.	CA DBM Solutions Snapshot General Services	IBM	IMS for z/OS
Broadcom Inc.	CA Detector for DB2 for z/OS	IBM	IMS High Performance Load
Broadcom Inc.	CA Easytrieve Plus Report Generator	IBM	IMS High Performance Pointer Checker
Broadcom Inc.	CA Easytrieve Plus Report Generator Toolkit	IBM	IMS High Performance Unload
Broadcom Inc.	CA Endevor Interface for DB2 for z/OS	IBM	IMS Index Builder for z/OS
Broadcom Inc.	CA Fast Check for DB2 for z/OS	IBM	IMS Library Integrity Utilities
Broadcom Inc.	CA Fast Unload for DB2 for z/OS	IBM	IMS Transaction Manager
Broadcom Inc.	CA Filesave RCS Automated Recovery	IBM	InfoSphere Optim Test Data Management Solution
Broadcom Inc.	CA Gen	IBM	NetView File Transfer Program
Broadcom Inc.	CA IPC	IBM	OMEGAMON Integration Monitor DE
Broadcom Inc.	CA JCLCheck Workload Automation Common Components	IBM	Overlay Generation Language/370
Broadcom Inc.	CA Librarian for z/OS	IBM	PSF for z/OS
Broadcom Inc.	CA Librarian for z/OS CCF	IBM	TASID
Broadcom Inc.	CA Librarian for z/OS CCF BASE	IBM	Tivoli Advanced Catalog Management
Broadcom Inc.	CA Librarian for z/OS CCF ROSCOE	IBM	Tivoli Asset Discovery for z/OS
Broadcom Inc.	CA Librarian for z/OS ELIPS	IBM	Tivoli Decision Support for z/OS
Broadcom Inc.	CA Log Analyzer for DB2 for z/OS	IBM	WebSphere Application Server Liberty Profile
Broadcom Inc.	CA OPS/MVS Event Management and Automation	IBM	XML Toolkit for z/OS

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Vendor	Product Release Name	Vendor	Product Release Name
Broadcom Inc.	CA Plan Analyzer for DB2 for z/OS	IBM	z/OS: BCP
Broadcom Inc.	CA RC/Extract for DB2 for z/OS	IBM	z/OS: C/C++
Broadcom Inc.	CA RC/Query for DB2 for z/OS	IBM	z/OS: Communications Server
Broadcom Inc.	CA RC/Secure for DB2 for z/OS	IBM	z/OS: DFSMS
Broadcom Inc.	CA RC/Update for DB2 for z/OS	IBM	z/OS: DFSORT
Broadcom Inc.	CA Recovery Analyzer for DB2 for z/OS	IBM	z/OS: GDDM-PGF
Broadcom Inc.	CA Report Facility	IBM	z/OS: ICKDSF
Broadcom Inc.	CA Roscoe Interactive Environment	IBM	z/OS: ICSF
Broadcom Inc.	CA Subsystem Analyzer for DB2 for z/OS	IBM	z/OS: ISPF
Broadcom Inc.	CA SYSVIEW Performance Management Option for DB2	IBM	z/OS: JES2
Broadcom Inc.	CA Televue Session Management for z/OS	IBM	z/OS: Language Environment
Broadcom Inc.	CA Telon Application Generator	IBM	z/OS: RMF
Broadcom Inc.	CA TPX Session Management for z/OS	IBM	z/OS: SDSF
Broadcom Inc.	CA Vantage Storage Resource Manager	IBM	z/OS: Secureway Communications Server
Broadcom Inc.	CA Vtape Virtual Tape System	IBM	z/OS: Security Server
Broadcom Inc.	CA Workload Automation CA 7 Edition	IBM	z/OS: SMP/E
Broadcom Inc.	CA Workload Automation Restart Option for z/OS	IBM	z/OS: System SSL Security
Broadcom Inc.	CA XCOM Data Transport for z/OS	IBM	z/OS: TSO/E
Broadcom Inc.	CA 1 Flexible Storage	IBM	z/OS: UNIX System Services
Broadcom Inc.	CA 1 Tape Management	IBM	z/OS: ZFS
Broadcom Inc.	General Service for CICS	InfoTel Corp.	InfoPak
Broadcom Inc.	Mainframe Chorus for DB Management	Kyndryl	CLEANUP
Broadcom Inc.	Object Framework Services	Kyndryl	Enterprise Interface
Broadcom Inc.	Xmanager DB2 Utilities	Kyndryl	HOLDDATA Processing Tool
Chicago-Soft, Ltd	MVS/Quick-Ref	Kyndryl	ISPF Shell
Crawford Technologies	PRO Workflow Jes Spool Extraction	Kyndryl	MVS Tools
IBM	CICS Transaction Server for z/OS	Kyndryl	Reference System Support Services
IBM	COBOL II	Levi Ray & Shoup, Inc.	DRS
IBM	COBOL VS	Levi Ray & Shoup, Inc.	LRS/Server

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Vendor	Product Release Name	Vendor	Product Release Name
IBM	Common Information Model	Levi Ray & Shoup, Inc.	VMCF
IBM	DB2	Levi Ray & Shoup, Inc.	VPS
IBM	DB2 Utilities Suite	Levi Ray & Shoup, Inc.	VPS/Email
IBM	Enterprise COBOL for z/OS	Levi Ray & Shoup, Inc.	VPS/PCL
IBM	EREP	Levi Ray & Shoup, Inc.	VPS/TCPIP
IBM	ETO Support for IMS	Precisely	Finalist
IBM	Fault Analyzer for z/OS	Precisely	Syncsort MFX
IBM	FFST/ESA	Rocket Software, Inc.	Rocket INFOPAC/JCL
IBM	File Manager for z/OS	Rocket Software, Inc.	Rocket Open AppDev for Z
IBM	GDDM/MVS	Rocket Software, Inc.	Rocket ViewDirect
IBM	HCF	Rocket Software, Inc.	Rocket ViewDirect ABS
IBM	High Level Assembler	SAS Institute	SAS
IBM	IBM Compiler for REXX on z/Series	The DBT Group	COMPRESS for IMS
IBM	IBM Configuration Assistance Tool	TIBCO Software Inc.	TIBCO Managed File Transfer
IBM	IBM DB2 Query Management Facility for z/OS	Triangle Systems, Inc.	IOF
IBM	IBM Debug for z/OS	Xerox	XPAF

The current maintenance schedule in place at Boulder zCloud locations are slots on the 3rd Sunday of each Month except for the following which create more clearance around the peak Christmas and Year end period: December - the 2nd Sunday of the month. The maintenance window on these days is from 9am to 5pm Eastern US time.

The current maintenance schedule in place at Sterling Forest zCloud locations are slots on the 4th Sunday of each Month except for the following which create more clearance around the peak Christmas and Year end period: December - the 1st Sunday of the month. The maintenance window on these days is from 9am to 5pm Eastern US time.

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Appendix B: zCloud Contractual Baselines and Summary of Charges

Kyndryl and State agree that the zCloud Contractual Baselines are set forth for the following zCloud services delivered from Kyndryl's Boulder, CO datacenter (production) and Sterling Forest, NY datacenter (disaster recovery):

- zCloud LPAR Services
- zCloud Disk Storage Services
- zCloud Tape Services

Kyndryl reserves the right to change Client's Primary Server to another Server within the MFaaS Complex at Kyndryl's cost.

zCloud Contractual Baseline Service Types

The zCloud Contractual Baselines are established in the following zCloud Service Types and are more fully described below. The Service Types indicated in this section will be assigned to State.

zCloud LPARs (MIPS)

- (1) Standard LPAR includes the following Software Stacks:
 - (a) z/OS Software Stack
 - (b) CICS Software Stack
 - (c) DB2 Software Stack
 - (d) Included in all selected zCloud software stacks
- (2) Hot Standby LPAR
- (3) High Availability LPAR

Kyndryl shall include and control weighted access to a shared pool of zIIP engines sized based on the contracted service.

Kyndryl zCloud includes 20,000 GB of memory aligned to the starting MIPS baseline for State; however, if future State requirements increase the memory required to support the State workload beyond the included memory, additional memory may be added to the Kyndryl zCloud contract through the existing Request For Service (RFS) process.

zCloud Disk Storage (Gigabytes)

- (1) Standard Disk
- (2) FlashCopy

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- (3) Metro Mirror
 - (4) Global Mirror

zCloud Tape (Gigabytes)

- (1) Standard Tape
- (2) Virtual Tape
- (3) Global Virtual Tape

Forecasted Monthly Usage Process

Based on the volumes set forth in the zCloud Contractual Baselines as of the SOW Effective Date, State will submit on a monthly basis, on or before the 15th of each month, an updated rolling 12 month zCloud Forecasted Monthly Usage (FMU) for each Service Type, along with any change request to increase or decrease Assigned Resource Units and the Cap for the next month or months.

Such FMU capacity forecast shall at all times provide a prediction of the capacity required over the succeeding 12 month rolling period. Kyndryl shall use State FMU to plan resources for State's use in the future.

Once State has submitted a change request through the Change Management Process, Kyndryl shall adjust the number of Resources Units assigned to State and shall re-set the Cap to the numbers specified in the change request.

During the Term, State may modify its resource requirements by a maximum of **15%** above the z/OS Contractual Baseline or up to **15%** below the zCloud Contractual Baseline (as of the contract signature date and as set forth originally) through the use of the flex adjustments described below.

Should a zCloud change exceed the specified percentage above, the parties agree to review the charges, z/OS Contractual Baselines, unit rates, and ARC/RRC rates charged to State.

Such changes shall be handled through the Change Management Process and shall be subject to mutual agreement and may also require an amendment to the Participating Addendum in the event the change exceeds the State' Maximum Liability as set forth therein.

Adjustments to the zCloud Resource Units: Flex Up and Flex Down

To flex resources up and down from State's zCloud Contractual Baseline, State shall submit a request through the Change Management Process.

For flex-up increases up to **15%** above the zCloud Contractual Baseline:

- a. Flex-up increases to the zCloud Resource Units may be requested using the change process described in the Forecasted Monthly Usage Process above. State may, at its sole

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discretion, increase its Assigned Resource Units and applicable Cap up to a total of **15%** over the zCloud Contractual Baseline. That is, if the zCloud Contractual Baseline is 597 MIPS and the Cap percentage is 15%, then State may increase the assigned MIPS and the Cap up to a total of 686 MIPS.

- b. Flex-up capacity is subject to available capacity within the zCloud and may require three months' notice if hardware provisioning is required. However, Kyndryl shall make commercially reasonable efforts to assign such increases in a shorter timeframe, subject to capacity being available.
- c. The applicable ARC rate specified in this Appendix B shall be applied to any increased usage above the Contractual Baseline as set forth above..

In the event State submits change requests to increase the Assigned Resource Units and the Cap above the Contractual Baselines, the RRC floor shall be **15%** of the requested Assigned Resources Units.

For flex down, decreases up to **15%** below the zCloud Contractual Baseline:

Flex down decreases to the zCloud Resource Units may be requested using the Change Management Process. State may not request a decrease in its assigned zCloud Resource Units and Cap by more than **15%** below the zCloud Contractual Baseline in effect as of the contract signature date (RRC Floor). That is, if Contractual Baseline is 597 MIPS and the Cap percentage is **15%**, then State may decrease the assigned MIPS and the Cap to no lower than 507 MIPS.

Summary of Charges

General Terms

This section describes the charges by Kyndryl to State for services rendered under this SOW. The charges, specified below, are based on your acceptance of the entire scope of work described in this SOW. Applicable federal, state, and local taxes and travel and living expenses are not included in the charges, and shall not be included in any charges or invoices.

Phase One: Ongoing Support and Steady State Services Charges

Steady State Service Charges shall be invoiced monthly based on the Billing Schedule. Invoicing shall occur for the prior month's steady state activities.

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Billing Schedule

The billing schedule for Steady State is described in the following table:

	Steady State		
	2024	2025	2026
July	\$11,498,233.00	\$10,891,731.00	\$2,122,145.00
Aug	\$403,645.00	\$480,515.00	\$553,444.00
Sept	\$403,645.00	\$480,515.00	\$553,444.00
Oct	\$403,645.00	\$480,515.00	\$553,444.00
Nov	\$403,645.00	\$480,515.00	\$553,444.00
Dec	\$403,645.00	\$480,515.00	\$553,444.00
	2025	2026	2027
Jan	\$403,645.00	\$480,515.00	\$553,444.00
Feb	\$403,645.00	\$480,515.00	\$553,444.00
Mar	\$403,645.00	\$480,515.00	\$553,444.00
Apr	\$403,645.00	\$480,515.00	\$553,444.00
May	\$403,645.00	\$480,515.00	\$553,444.00
Jun	\$403,645.00	\$480,515.00	\$553,444.00
Yearly Totals	\$15,938,324.00	\$16,177,399.00	\$8,210,030.00

The total charges for Services and Products are \$40,325,752.00.

Adjustments to zCloud Charges

Monthly Steady State charges indicated in the *Billing Schedule*, above may be adjusted based on resource consumption as described in this section. The zCloud Contractual Baseline shall be charged each month as part of the Steady State Service charges. Adjustments to these charges for changes in resource consumption or flexing up or down from the z/OS Contractual Baseline shall be made in arrears and calculated as described in the Additional Resource Charge (ARC) and Reduced Resource Credits (RRC) section below.

Where RRC's equal **15** % over a period of **6** consecutive months, State and Kyndryl mutually agree to negotiate in good faith and make equitable adjustments to State z/OS Contractual Baseline along with associated pricing adjustments.

Invoicing

At the beginning of each month, Kyndryl shall issue an invoice for zCloud charges that shall include the following items as appropriate and include information outlined in the Participating Addendum:

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- a. MIPS Resource Unit billing for processor and optional Software Stack usage shall be based on: the lesser of the Caps (Hard or Soft) or the actual Peak Four Hours Rolling Average usage as reported by the SCRT tool, and the greater of the actual Peak Four Hours Rolling Average usage and the RRC Floor;
 - b. the charges for the zCloud Contractual Baseline Resource Units times the resource unit rate as set forth in zCloud Contractual Baselines;
 - c. any Additional Resource Charges (ARC) or Reduced Resource Credits (RRC) from the prior month as outlined below;
 - d. other additional charges as incurred; and
 - e. any applicable taxes.

Additional Resource Charges (ARCs) and Reduced Resource Credits (RRCs)

The zCloud Contractual Baseline for each zCloud Service Type provided to State under this SOW is specified in zCloud Charges, Contractual Baselines.

- a. In the event State elects to Flex Up or Flex Down in accordance with zCloud Charges, Contractual Baselines - Adjustments to the zCloud Resource Units: Flex Up and Flex Down, such change requests may result in an ARC or RRC as set forth below;
- b. ARCs apply when State submits a change request and uses such additional resources above the zCloud Contractual Baseline for each zCloud Service Type in accordance with Adjustments to the zCloud Resource Units: Flex Up and Flex Down;
- c. RRCs apply when State has consumed fewer resource units than the zCloud Contractual Baseline or has submitted a change request for a reduction of resources below the zCloud Baseline for each zCloud Service Type in accordance with Adjustments to the zCloud Resource Units: Flex Up and Flex Down. RRCs are subject to a RRC Floor as set forth above.
- d. after the completion of each month during the Term following the second month after the steady state start date, Kyndryl shall calculate ARCs and RRCs as set forth in this section;
- e. calculation of ARCs:
 - 1) Kyndryl shall calculate any applicable ARCs for the prior month, based on the change requests submitted for that prior month and multiply the quantity of resource units consumed that are above the Contractual Baseline by the applicable ARC rate specified in zCloud Charges, Contractual Baselines.
 - 2) For illustrative purposes only, the ARC calculation for MIPS would be as follows given the following assumptions:
 - a) The monthly MIPS zCloud Contractual Baseline for a certain month is 100 MIPS;
 - b) State has submitted a change request for an additional 10 MIPS above the zCloud Contractual Baseline for that month;

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- c) Actual consumption for that month was 105 MIPS; and
 - d) The ARC rate is \$100 per MIPS (This is for illustration purposes only).

ARC Calculation

$$\text{ARC} = (\text{Actual Consumption} - \text{Contractual Baseline}) \times \text{ARC Rate}$$

$$\text{ARC} = 5 \text{ MIPS} \times \$100$$

$\text{ARC} = (a) \$500.00$

Calculation of RRCs:

- a. If actual usage is below the Contractual Baseline, Kyndryl shall calculate any applicable RRCs for the prior month based on the actual consumed resource units and multiply the difference in the quantity of consumed resource units compared to the Contractual Baseline by the applicable RRC rate specified in zCloud Charges, Contractual Baselines, subject to the RRC Floor;
- b. For illustrative purposes only, the MIPS RRC calculation would be as follows given the following assumptions:
 - 1) the monthly MIPS zCloud Contractual Baseline for a certain month is 100 MIPS;
 - 2) State has consumed resource units for that month of 90 MIPS; 10 MIPS below the zCloud Contractual Baseline for that month; and
 - 3) the RRC rate is \$75 per MIPS (This rate is for illustration only).

RRC Calculation

$$\text{RRC} = (\text{Contractual Baseline} - \text{Consumed Resource Units}) \times \text{RRC Rate}$$

$$\text{RRC} = 10 \text{ MIPS} \times \$75$$

$\text{RRC} = \$750.00$

ARC / RRC Pricing

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The Unit pricing for requested or consumption differences to the Service Baseline are specified in the table below.

Flex up and down rates:

Service*	Incremental Capacity Per Unit	ARC's / RRC's with Increase or Decrease to Baselines		
		2024	2025	2026
zCloud Infrastructure RUs				
zCloud Standard LPAR Service Type – MIPS	Per MIPS	\$119.99	\$176.06	\$225.76
zCloud Standard Tape Service Type and Virtual Tape Service Type	Per GB	\$0.018	\$0.019	\$0.021
zCloud Standard Disk Service Type	Per GB	\$1.095	\$1.167	\$0.021

* These Services can be flexed up or down off the Contractual Services Baselines specified in zCloud Contractual Baselines at the price points shown in the above table.
The ARCs and RRCs pricing does not include third party software adjustments for MIPS.

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Appendix C: Client Components

This Appendix C: Client Components lists the software that Client is to provide to Kyndryl for use in the zCloud environment, and software that Kyndryl is procuring on behalf of Client.

Client Provided Software

Vendor Name	Product Name	Measurement Type	Measured Volume
Crawford Technologies	PRO Workflow Jes Spool Extraction		

The following table lists those software installed and being used to support the State as of the SOW Effective Date.

Kyndryl Provided Software

Vendor Name	Product Name	Measurement Type	Measured Volume
Accenture	INSTALL/1 for CICS Batch	CPU	1
BMC Software	BMC AMI Enterprise Common Components	MIPS	1500
BMC Software	BMC Compuware Enterprise Common Components	MIPS	1500
BMC Software	BMC Compuware FASTCPK	MIPS	1500
BMC Software	BMC Compuware FDR	MIPS	1500
BMC Software	BMC Compuware ThruPut Manager	MIPS	1500
BMC Software	BMC Primary Subsystem	MIPS	1500
BMC Software	Compuware Base Services	MIPS	1500
BMC Software	FDR Common Modules	MIPS	1500
BMC Software	Host Communications Interface	MIPS	1500
BMC Software	License Management Code	MIPS	1500
BMC Software	RTCS Kernel	MIPS	1500
BMC Software	SAS Runtimes	MIPS	1500
BMC Software	Shared Services	MIPS	1500
BMC Software	BMC AMI Storage FDRERASE	TB	20
Broadcom Inc.	Aion for OS/390	MIPS	2273
Broadcom Inc.	AionDS/MVS	MIPS	2273
Broadcom Inc.	AionHPO/MVS	MIPS	2273

PARTICIPATING ADDENDUM**CLOUD SOLUTIONS 2016-2026**

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Broadcom Inc.	Analyzer Common Services	MIPS	2273
Broadcom Inc.	Batch Processor	MIPS	2273
Broadcom Inc.	Batch Processor for DB2 for z/OS and OS/390	MIPS	2273
Broadcom Inc.	CA Allocate DASD Space and Placement	MIPS	2273
Broadcom Inc.	CA Bind Analyzer for DB2 for z/OS	MIPS	2273
Broadcom Inc.	CA Common Services for z/OS	MIPS	2273
Broadcom Inc.	CA Common SQL Services for DB2 for z/OS	MIPS	2273
Broadcom Inc.	CA Compile/PRF	MIPS	2273
Broadcom Inc.	CA Copycat Utility	MIPS	2273
Broadcom Inc.	CA Critical Path Monitor	MIPS	2273
Broadcom Inc.	CA Culprit	MIPS	2273
Broadcom Inc.	CA Data Compressor for DB2 for z/OS	MIPS	2273
Broadcom Inc.	CA Database Analyzer for DB2 for z/OS	MIPS	2273
Broadcom Inc.	CA Datacom CICS	MIPS	2273
Broadcom Inc.	CA Datacom Data Dictionary/DB	MIPS	2273
Broadcom Inc.	CA Datacom Server	MIPS	2273
Broadcom Inc.	CA Datacom SQL	MIPS	2273
Broadcom Inc.	CA Datacom VSAM Transparency	MIPS	2273
Broadcom Inc.	CA Datacom/AD	MIPS	2273
Broadcom Inc.	CA Datacom/DB	MIPS	2273
Broadcom Inc.	CA Dataquery for CA Datacom	MIPS	2273
Broadcom Inc.	CA DBM Common Services	MIPS	2273
Broadcom Inc.	CA DBM Solutions for DB2 for Xnet Comms Server	MIPS	2273
Broadcom Inc.	CA DBM Solutions for DB2 for z/OS Utilities Common	MIPS	2273
Broadcom Inc.	CA DBM Solutions for DB2 Utility General Recovery	MIPS	2273
Broadcom Inc.	CA DBM Solutions for DB2 Utility Sort Service	MIPS	2273
Broadcom Inc.	CA DBM Solutions Snapshot General Services	MIPS	2273
Broadcom Inc.	CA Detector for DB2 for z/OS	MIPS	2273
Broadcom Inc.	CA Discovery and Analysis Utilities	MIPS	2273
Broadcom Inc.	CA Disk Backup and Restore	MIPS	2273

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Broadcom Inc.	CA Easytrieve Plus Datacom Option	MIPS	2273
Broadcom Inc.	CA Easytrieve Plus Report Generator	MIPS	2273
Broadcom Inc.	CA Easytrieve Plus Report Generator Compiler	MIPS	2273
Broadcom Inc.	CA Easytrieve Plus Report Generator DB2 Option	MIPS	2273
Broadcom Inc.	CA Easytrieve Plus Report Generator Host Server	MIPS	2273
Broadcom Inc.	CA Easytrieve Plus Report Generator IDMS Option	MIPS	2273
Broadcom Inc.	CA Easytrieve Plus Report Generator Toolkit	MIPS	2273
Broadcom Inc.	CA Endeavor Interface for DB2 for z/OS	MIPS	2273
Broadcom Inc.	CA Fast Check for DB2 for z/OS	MIPS	2273
Broadcom Inc.	CA Fast Index for DB2 for z/OS	MIPS	2273
Broadcom Inc.	CA Fast Load for DB2 for z/OS	MIPS	2273
Broadcom Inc.	CA Fast Recover for DB2 for z/OS	MIPS	2273
Broadcom Inc.	CA Fast Unload for DB2 for z/OS	MIPS	2273
Broadcom Inc.	CA Filesave RCS Automated Recovery	MIPS	2273
Broadcom Inc.	CA GTS	MIPS	2273
Broadcom Inc.	CA Index Expert for DB2 for z/OS	MIPS	2273
Broadcom Inc.	CA InfoRefiner	MIPS	2273
Broadcom Inc.	CA InfoTransport	MIPS	2273
Broadcom Inc.	CA Insight Data Performance for DB2	MIPS	2273
Broadcom Inc.	CA Integrated Agent Services	MIPS	2273
Broadcom Inc.	CA IPC	MIPS	2273
Broadcom Inc.	CA JCLCheck Workload Automation Common Components	MIPS	2273
Broadcom Inc.	CA Librarian for z/OS	MIPS	2273
Broadcom Inc.	CA Librarian for z/OS CCF	MIPS	2273
Broadcom Inc.	CA Librarian for z/OS CCF BASE	MIPS	2273
Broadcom Inc.	CA Librarian for z/OS CCF ROSCOE	MIPS	2273
Broadcom Inc.	CA Librarian for z/OS ELIPS	MIPS	2273
Broadcom Inc.	CA Librarian for z/OS TSO ISPF	MIPS	2273
Broadcom Inc.	CA Log Analyzer for DB2 for z/OS	MIPS	2273
Broadcom Inc.	CA Log Compress for DB2 for z/OS	MIPS	2273

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Broadcom Inc.	CA OPS/MVS Event Management and Automation	MIPS	2273
Broadcom Inc.	CA Pan/SQL	MIPS	2273
Broadcom Inc.	CA Partition Expert for DB2 for z/OS	MIPS	2273
Broadcom Inc.	CA Plan Analyzer for DB2 for z/OS	MIPS	2273
Broadcom Inc.	CA Query Analyzer	MIPS	2273
Broadcom Inc.	CA Quick Copy for DB2 for z/OS	MIPS	2273
Broadcom Inc.	CA Rapid Reorg for DB2 for z/OS	MIPS	2273
Broadcom Inc.	CA RC/Extract for DB2 for z/OS	MIPS	2273
Broadcom Inc.	CA RC/Migrator for DB2 for z/OS	MIPS	2273
Broadcom Inc.	CA RC/Query for DB2 for z/OS	MIPS	2273
Broadcom Inc.	CA RC/Secure for DB2 for z/OS	MIPS	2273
Broadcom Inc.	CA RC/Update for DB2 for z/OS	MIPS	2273
Broadcom Inc.	CA Recovery Analyzer for DB2 for z/OS	MIPS	2273
Broadcom Inc.	CA Report Facility	MIPS	2273
Broadcom Inc.	CA Roscoe Interactive Environment	MIPS	2273
Broadcom Inc.	CA SQL-Ease for DB2 for z/OS	MIPS	2273
Broadcom Inc.	CA Subsystem Analyzer for DB2 for z/OS	MIPS	2273
Broadcom Inc.	CA SYSVIEW Performance Management Option for DB2	MIPS	2273
Broadcom Inc.	CA Teleview Session Management for z/OS	MIPS	2273
Broadcom Inc.	CA TPX Session Management for z/OS	MIPS	2273
Broadcom Inc.	CA Workload Automation CA 7 Edition	MIPS	2273
Broadcom Inc.	CA Workload Automation Restart Option for z/OS	MIPS	2273
Broadcom Inc.	CA XCOM Data Transport for z/OS	MIPS	2273
Broadcom Inc.	CA 1 Flexible Storage	MIPS	2273
Broadcom Inc.	CA 1 Tape Management	Data Set	1
Broadcom Inc.	CA 1 Tape Management Copycat Utility	Data Set	1
Broadcom Inc.	CA-LSERV	MIPS	2273
Broadcom Inc.	Catalog Facility Common	MIPS	2273
Broadcom Inc.	Common Insight Services	MIPS	2273
Broadcom Inc.	Common Services	MIPS	2273
Broadcom Inc.	Data Navigator for DB2 for z/OS and OS/390	MIPS	2273

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Broadcom Inc.	Database Analyzer Services	MIPS	2273
Broadcom Inc.	Database Facility	MIPS	2273
Broadcom Inc.	Execution Facility	MIPS	2273
Broadcom Inc.	Execution Manager	MIPS	2273
Broadcom Inc.	General Facilities	MIPS	2273
Broadcom Inc.	General Service for CICS	MIPS	2273
Broadcom Inc.	General Service for IMS	MIPS	2273
Broadcom Inc.	General Services	MIPS	2273
Broadcom Inc.	Interactive SQL	MIPS	2273
Broadcom Inc.	Log Reader	MIPS	2273
Broadcom Inc.	Mainframe Chorus for DB Management	MIPS	2273
Broadcom Inc.	NSM DB Option	MIPS	2273
Broadcom Inc.	Object Exception Processing	MIPS	2273
Broadcom Inc.	Object Framework Services	MIPS	2273
Broadcom Inc.	PLATINUM BookManager Documentation	MIPS	2273
Broadcom Inc.	Quick Install	MIPS	2273
Broadcom Inc.	Rapid Input/Output	MIPS	2273
Broadcom Inc.	Unicenter Dataset Facility	MIPS	2273
Broadcom Inc.	Unicenter DBM Install	MIPS	2273
Broadcom Inc.	Unicenter Online Reorg	MIPS	2273
Broadcom Inc.	Unicenter RI Manager	MIPS	2273
Broadcom Inc.	Unicenter Statistics Manager	MIPS	2273
Broadcom Inc.	Unicenter Thread Terminator	MIPS	2273
Broadcom Inc.	Utilities Common	MIPS	2273
Broadcom Inc.	Workstation Common	MIPS	2273
Broadcom Inc.	Xmanager DB2 Utilities	MIPS	2273
Chicago-Soft, Ltd	MVS/Quick-Ref	MIPS	2273
CSC	Hogan Umbrella System	MIPS	2273
Fiserv, Inc.	ARP/SMS		
InfoTel Corp.	InfoPak	CPU	1
Levi Ray & Shoup, Inc.	DRS	Server	1 copy
Levi Ray & Shoup, Inc.	LRS/Server	Server	1 copy

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Levi Ray & Shoup, Inc.	LRS/SPOOL	Server	1 copy
Levi Ray & Shoup, Inc.	VMCF	Server	1 copy
Levi Ray & Shoup, Inc.	VPS	Server	1 copy
Levi Ray & Shoup, Inc.	VPS/Email	Server	1 copy
Levi Ray & Shoup, Inc.	VPS/PCL	Server	1 copy
Levi Ray & Shoup, Inc.	VPS/TCPIP	Server	1 copy
Levi Ray & Shoup, Inc.	VPSPrint	Server	1 copy
Pacific System Group	CIMS Report Writer	CPU	i
Precisely	Syncsort MFX	MSU	180
Precisely	SyncSort MVS	MSU	180
Precisely	Finalist	CPI	i
SAS Institute	SAS	CPU	1
SAS Institute	SAS/C Runtime Library	CPU	1
SAS Institute	SAS/ETS	CPU	1
SAS Institute	SAS/STAT	CPU	1
Fischer International Systems Corp.	IOF	CPU	1
Xerox	XPAF	CPU	1

Kyndryl pricing excludes Broadcom software for the third (3rd) fiscal year (July 1, 2026 through June 30, 2027). If the State requires Broadcom for that fiscal year, the State can request pricing through the RFS process no later than March 31, 2026 to be executed and accepted by April 30, 2026.

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Appendix D: Definition of Terms

Additional Resource Charge (ARC) -- means the charge, as set forth in zCloud Contractual Baselines, to Client if consumed Resource Units are above the applicable zCloud Contractual Baseline.

Alternate Server -- means the Server within the zCloud Complex which has been assigned to host a Client LPAR during Failover. This is established for those LPARs that are assigned to the Hot Standby service.

Asset -- means a tangible item (e.g., a physical item such as hardware, firmware, computing platform, network device, or other technology component) or intangible item (e.g., data, information, software, capability, or function).

Assigned Resource Units -- means the number of Resource Units assigned to Client.

At Risk Amount --- means 10% of the Monthly Charges.

Authorized User(s)-- Means, unless otherwise indicated, officers, directors, employees, contractors, agents, customers, and vendors of State and any other person(s) designated by State to receive or use the Systems or Services provided by Contractor for the benefit of the State.

Base Component -- means the zCloud hardware and software that Kyndryl makes available including those specified in zCloud Base Components and Maintenance Schedule.

Baseline -- means the original established and contracted capacity for example, "baseline MIPS"

Batch Operations -- means the person (batch operator) who monitors and manages the Client's batch schedules.

Break/Fix -- The term for a problem event that typically involves malfunctioning software, hardware, and/or connectivity and the repairs/Resolution associated therewith.

Call -- Means a contact (including by telephone, voicemail, electronic mail, fax, automated tool or web request) to Contractor reporting a problem, requesting assistance or Services, or asking a question pertaining to the Services, as well as automated alerts and other problem and Service notifications communicated to Contractor in accordance with the ticket notifications in Section A.9.

Cap -- means a Server capacity limit established to control the amount of capacity made available to Client environment.

Change Management Process -- means the mutually agreeable process and systems for requesting changes to the Client zCloud infrastructure Resource Units.

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Cloud Contractual Baseline -- means the Resource Units specified in zCloud Contractual Baselines.

Client Component -- means software that Client provides, including those specified in Client Components.

Console Operations -- means the person (system console operator) who monitors and controls the operation of the Client's LPAR(s) using Kyndryl owned system resources (system master console and hardware management console (HMC)).

Contractor Key Personnel -- means the persons named by personal name or by title within this SOW, such as the Kyndryl Client Partner and Kyndryl Delivery Partner.

Critical Service Level (CSL) --- means those Services Levels subject to Service Level Credits and designated as such in Appendix E: Service Level Agreement.

DASD -- means direct access storage device or disk storage.

SOW Effective Date -- means 0000 hours **EST** on July 1, 2024.

SOW Expiration Date -- means 2400 hours **EST** on June 30, 2027.

Failover -- means the tasks performed to move a Client workload from the Standard LPAR to its associated Hot Standby or High Availability LPARs.

Failover Time Period -- means a period of time during which any of Client's LPARs are experiencing a planned zCloud Server Outage or an unplanned service interrupt and services are being provided by a Hot Standby or High Availability LPAR.

Forecasted Monthly Usage -- means a twelve (12) month rolling forecast of anticipated Resource Units provided by Client to assist Kyndryl with capacity planning.

General Infrastructure Data -- means data generated by the IT infrastructure and related support services; this includes but is not limited to logs and records generated by any components of Kyndryl's Information Technology infrastructure, such as server logs, application performance and availability logs, security access logs, network device logs, network monitoring data and traffic metadata, and DHCP transaction logs.

Gigabytes or GB -- means 1,000,000,000 bytes of data.

Global Virtual Tape -- means the mirroring of multiple virtual tape images between multiple automated tape libraries across multiple sites.

Group Soft Cap -- means a capacity limit set on the average MIPS available to a group of LPARs over a four hour rolling time period.

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Hard Cap -- means a capacity limit set on the number of MIPS available to an LPAR. During any system management time slice, the number of MIPS available to an LPAR cannot exceed such limit.

Hard Capped LPAR -- means an LPAR which has a Hard Cap set.

High Availability LPAR -- means an active LPAR which resides in a sysplex with the Standard LPAR but on an Alternate Server within the zCloud Complex at the Primary Site.

Hot Standby LPAR -- means an inactive LPAR on an Alternate Server within the zCloud Complex at the Primary Site with an identical configuration to the Standard LPAR which can host the workload normally running on the Standard LPAR.

Kyndryl Data Center -- means a building owned, leased or rented by Kyndryl, located in **Dallas, Texas, Ashburn, Virginia, Boulder, Colorado, and Sterling Forest, New York** and used by Kyndryl to house Kyndryl internal and/or Kyndryl client information technology services and systems.

Incident -- A period of time during which a service is not functioning the way it is supposed to. An Incident is also referred to as a "service disruption". Incidents are associated with a ServiceNow Break/Fix Ticket.

ISV -- means the independent software vendor for software products licensed for use by Client within its assigned LPARs.

Key Service Level (KSL) -- means those Services Levels that are not subject to Service Level Credits.

Large System Performance Reference (LSPR) -- means the set of relative performance indicators on IBM Z systems published by Kyndryl.

LPAR -- means a logical partition of the mainframe in which physical resources are assigned and a unique instance of the z/OS operating system is installed.

Measurement Period -- means the period during which Kyndryl shall measure performance against the Service Levels and report such measurements for the relevant period.

MIPS -- means millions of instructions per second and is a standard measure of capacity for mainframes. Each IBM Z server model will have a stated MIPS rating.

MSU -- means millions of service units and is a capacity measurement used for licensing software by some vendors including Kyndryl. Kyndryl defines the ratio between MSU and MIPS. This ratio varies between processor families and models. Each IBM Z server model will have a stated MSU rating.

Parties -- means Kyndryl and Client, collectively.

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Peak Four Hour Rolling Average -- means the highest number of MIPS used during any consecutive four hour measurement period.

Process Interface Manual -- Means a document outlining the account, contractual, and State process requirements and methodology, including a process responsibility matrix, Kyndryl and State policies, and interfaces between Kyndryl and State, as well as, identify service or scope issues and escalate for resolution.

Primary Server -- means the Server within the zCloud Complex which has been assigned to host Client LPARs during normal operation.

Primary Site -- means the Kyndryl Data Center hosting the Client Primary Server.

Project Change Request (PCR) -- a formal proposal for an alteration to some product, system or service.

Provisioning -- The activities associated with managing the Authorized User access aspects of the mainframe environment.

Reduced Resource Credit (RRC) -- means the credit, as set forth in zCloud Contractual Baselines, to Client if consumed Resource Units are below the applicable zCloud Contractual Baseline.

Resolution Time --The amount of time between the time a ticket is assigned and the time such ticket is Resolved.

Resolve or Resolution -- The restoration of service or the completion of the service request that results in the Services conforming to and performing in accordance with this SOW in a manner acceptable to State or the applicable Authorized User in their reasonable discretion. Resolution may include the restoration of service by workaround or other alternative means until a permanent fix that prevents any further Incidents is implemented.

Resource Unit or (RU) -- means units of resource for which Kyndryl and Client have established a zCloud Contractual Baseline.

Request for Services (RFS) -- means the process to submit request for changes (adds, changes, and removal) to the existing Services in either scope, size, or structure that requires a potential change to this SOW, established baseline limits, or delivery of Services. The process for an RFS is managed in the Process Interface Manual (PIM) and will remain intact as the existing process for this SOW.

RRC Floor -- means the lower limit at which RUs based on actual usage will be allowed to drop below the zCloud Contractual Baseline for billing purposes.

SCRT -- means the Kyndryl Sub Capacity Reporting Tool which is used by Kyndryl to measure capacity utilization on an LPAR basis averaged out during a four (4) hour average sampling window.

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Secondary Site -- means an Kyndryl Data Center that is geographically separate from the Primary Site from which zCloud services may also be provided.

Server -- means the physical processor and processor components that are in the zCloud infrastructure.

Service Build -- means the activities to be performed by Kyndryl and Client described herein.

Service Hours -- means 24 hours per day for 7 days a week related to the operations, management and support of the Services, excluding scheduled maintenance or planned change activities.

Services Machines -- means machines that are owned, leased, or rented by Kyndryl and used by Kyndryl to provide the Services.

Soft Cap -- means a capacity limit set on the average MIPS available to an LPAR over a four (4) hour rolling time period. The actual MIPS available at any moment in time can exceed such limit up to the MIPS capacity of the number of logical processors assigned to the LPAR.

Software Stack -- means the software available and listed in zCloud Contractual Baselines.

Standard Disk -- means a service type for disk in which Client data will reside in a storage sub-system connected to the zCloud with no mirroring.

Standard LPAR -- means a service type for LPARs that is hosted on a single Server within the zCloud Complex.

Standard Tape -- means a service type for physical tape in a single shared automated tape library.

Sub Capacity Licensing SOW -- means the licensor of a software product agrees that a subset of the Server's overall capacity can be a valid measure of the capacity upon which such software is licensed.

System Changes -- Modifications to the hardware/software associated with the provision of Mainframe Services.

Time Extended Failover Period -- means that period of time between (a) the time a Failover is initiated in advance of a zCloud Server Outage, and (b) the time services are restarted on the Standard LPAR on the Primary Server upon completion of the zCloud Server Outage, or as agreed to by Kyndryl.

Virtual Network Addressing -- means network definitions automatically detect an application's location within the zCloud Complex.

Virtual Tape -- means a service type for virtual logical tape volume on a physical storage device.

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Weighting Factor Percentage --- means the portion of the Weighting Factor Pool percentage points that, for a given month, have been allocated to a Critical Service Level, subject to the Weighting Factor Ceiling and Weighting Factor Floor. The aggregate of all the Weighting Factor percentage allocations cannot exceed 100% of the Weighting Factor Pool.

Weighting Factor Ceiling --- means a maximum of 25 percentage points allocated to a Critical Service Level.

Weighting Factor Floor --- means a minimum of 5 percentage points allocated to a Critical Service Level.

Weighting Factor Pool --- means 100 percentage points.

zCloud -- means the Managed Extended Cloud IaaS for IBM Z — z/OS service which provides the hardware, software and management processes upon which the Client mainframe LPARs will operate.

zCloud Complex -- means the mainframe Servers and the associated hardware and software used to host Client's mainframe LPARs within the zCloud. The zCloud Complex includes, but is not limited to the mainframe Servers, FICON Directors, OSA network cards, storage hardware, zCloud Software Products and tape controllers.

zCloud Contractual Baseline -- means the quantity of zCloud Resource Units assigned to Client utilized for calculating charges as set forth in zCloud Contractual Baselines.

zCloud Custom Software -- means the Kyndryl or ISV software products which are licensed as Client-specific for use by Client for operation within its assigned LPARs.

zCloud DFSMS Data Collection Facility (DCOLLECT) -- means the tool used by Kyndryl to measure disk space allocated to Client.

zCloud Disk Storage Service Type -- means the type of disk storage available to Client.

zCloud Hardware Levels -- means the provided hardware levels of the Base Components as published in the zCloud Service Plan.

zCloud HW Maintenance Schedule -- means the schedule of zCloud Hardware (HW) Maintenance Slots.

zCloud HW Maintenance Window -- means the periods of time and dates upon which one or more Servers in the zCloud Complex will undergo Hardware maintenance which may result in zCloud Service Outages for Client Standard LPARs and require the Client Hot Standby and High Availability LPARs residing on such Servers to go into Failover.

zCloud IBM Software -- means the IBM Software included in one of the zCloud software features as described in the zCloud Service Plan

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zCloud Security Guidelines -- means the security guidelines established by Kyndryl and described in the zCloud Service Plan.

zCloud Server Outage -- means that period of time being the duration of a planned zCloud Maintenance Slot or an unscheduled failure of a Server within the zCloud Complex hosting any Client LPAR.

zCloud Service Criteria -- means those Service Criteria which must be continuously met in order for Client's systems to be eligible to reside on a zCloud Complex, as more fully described in the zCloud Service Plan.

zCloud Service Type -- means the zCloud LPAR Service Types, zCloud Disk Storage Service Types or zCloud Tape Service Types as described herein.

zCloud Software Levels -- means the permitted software levels of the zCloud Software Products as published in the zCloud Service Plan.

zCloud Software Product -- means a software product centrally licensed as part of the zCloud service for which Kyndryl defines a currency level (version, release and modification) to which Client LPARs hosted on the zCloud service must be maintained.

zCloud Software Stacks -- means the CICS, DB2, WebSphere Application Server, and WebSphere Message Queue, and z/OS software bundles provided by zCloud.

zCloud Storage Outage -- means the duration of a planned zCloud Maintenance Slot or an unscheduled failure of a storage device within the zCloud Complex holding the data for any Client LPAR.

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Appendix E: Service Level Agreement

1. Service Levels for a new service or additional services

- a. With respect to a new service or additional services, Kyndryl and the State will mutually agree upon and establish initial Service Levels following full implementation of such services, and upon agreement and implementation of automated measurement tools, Kyndryl will monitor and measure such initial Service Levels during the six (6) full months of Kyndryl providing such new service or additional services.
- b. During such six (6) month Measurement Period, Kyndryl and the State will conduct the process set forth in this Section 1 to validate the initial Service Levels and agree upon the Service Levels for such new service or additional services:
 - (i) in the event that Kyndryl employs measurement tools which are the same or equivalent to the State measurement tools, and the Service Level definition and measurement methodology applicable to Kyndryl is the same as was applicable to the State, for those Services for which the State has documented levels of service, which are the levels of service achieved by the State and which have been measured and reported on a consistent basis (i.e., minimum of previous consecutive six (6) months' data), such levels of service will be documented in this SOW and Kyndryl will use commercially reasonable efforts to equal or exceed such levels of service during the grace period. The initial Service Levels will be applicable during the grace period and, following such period, associated Service Levels shall be in full force and effect including the application of Service Level Credits; or
 - (ii) for those services for which there are insufficient or no existing, documented levels of service and or automated tool in place, or otherwise do not conform to the conditions set forth in (1) above, there will not be any initial Service Levels and Kyndryl and the State will mutually agree upon and establish Service Levels in accordance with subsection f. below.
- c. During the service level baseline Measurement Period where an automated tool exists, Kyndryl will submit to the State a standard report assessing (i) Kyndryl's performance during the previous Measurement Period, against the initial Service Levels set forth in this SOW.
- d. Kyndryl will not be in breach for its failure to meet the Service Levels during the service level baseline measurement period or the grace period as applicable.
- e. During the service level baseline Measurement Period, Kyndryl will use agreed automated standard measurement tools to monitor the performance levels for the new or additional services to serve as input for establishing the Service Levels, provided that should it be determined that the service level baseline measurement period is not indicative of the State's normal operating environment (for example, seasonality), the State and Kyndryl will mutually define an extended period which is representative of the State's normal operating environment as the service level baseline measurement period. The Service Levels will be

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established by taking into account the levels of performance achieved by Kyndryl during the applicable service level baseline measurement period.

- f. Upon completion of the service level baseline measurement period, the Parties will update service level metrics to reflect the mutually agreed Service Levels, the Weighting Factor Percentage allocations, and Service Level measurement criteria.
- g. Method for Calculating the Service Level targets
 - (a) The following calculations will be performed for all Service Levels based on the provisions in this subsection g. Calculations will be performed during the beginning of the SOW Effective Date and will use monthly Service Level data for a minimum of six (6) consecutive months to set the Service Level target (a greater number of months may be used when required to accurately capture volume or workload variations).
 - (i) Where a higher value is preferred: (for example: Availability – desired target is a high number).
 - 1. The Service Level target will be set at three (3) standard deviations below the mean of the actual results of the service measurements achieved during the Appropriate Measurement Period (the “**Appropriate Measurement Period**” means for any new target, a minimum of six (6) consecutive months).
 - (ii) Where a lower value is preferred: (for example: Percentage of failed changes – desired target is a low value).
 - 1. The Service Level Target will be set at three (3) standard deviations above the mean of the actual results of the service measurements achieved during the appropriate Measurement Period (the “**Appropriate Measurement Period**” means for any new target, a minimum of six (6) consecutive months).

2. Service Level Review

- a. On each twelve (12) month anniversary of the SOW Effective Date, the State and Kyndryl will review the Service Level Metrics set forth in this SOW, and mutually agree whether to:
 - (i) add to, delete or change the Services to be measured and the corresponding Service Levels to reflect changes in the State’s business operations;
 - (ii) change Weighting Factor Percentage allocation; and
 - (iii) revise which Service Levels are to be Critical Service Levels or Key Service Levels (i.e., promote any Key Service Levels to Critical Service Levels or demote any Critical Service Levels to Key Service Levels). The Key Service Levels eligible for promotion to Critical Services Levels are specified in this SOW.

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- b. Upon completion and agreement of the annual review, the Parties will update Service Level Metrics to reflect the agreement reached in subsection a. above and will amend this Schedule.

3. Service Level Faults

A Service Level Fault occurs whenever Kyndryl's level of performance for a particular Critical Service Level (CSL) in a given Measurement Period is less than its minimum performance metric set out in the Service Level Metrics table.

4. Service Level Credits

4.1 Introduction

This Section 4 details the timing and calculation of the amount of a service level credit credited or paid to the State in the event Kyndryl fails one or more Critical Service Levels due to Kyndryl's failure to perform its obligations under the Agreement (each a "Service Level Credit").

4.2 Service Level Credit Calculation

The Service Level Credit credited or payable for any CSL Fault equals the applicable CSL's allocated Weighting Factor Percentage multiplied by the At Risk Amount for the Measurement Period in which the Fault occurred (subject to the other provisions of this Schedule). Service Level Credits shall be credited and reflected in the Charges owed by the State on the invoice delivered the month immediately after the month in which the CSL Faults giving rise to such Service Level Credits occurred (for example, the amount of Service Level Credits granted with respect to Service Level Faults occurring in August will be credited and reflected in the fees owed by the State on the invoice delivered in September) per the Agreement and applicable Transaction Agreement. The final Service Level Credit credited or payable in a month under an applicable Transaction Agreement is the aggregate of all Service Level Credits that arise for each individual CSL Fault not otherwise excused, that occurs during the Measurement Period.

Failure to meet multiple Critical Service Levels arising out of or related to a single event or a related series of events will be treated as a failure in only one of the Critical Service Levels affected by the event(s) for the purpose of calculating the Service Level Credit payable by Kyndryl hereunder. The State will determine which single Critical Service Level and resulting Service Level Credit will apply. For example, if a system for which there is a System Availability Critical Service Level is unavailable and an application operating on the affected system is also unavailable as a result and for which there is an Application Availability Service Level, the State will elect to receive the Service Level Credit associated with the System Availability Critical Service Level or Application Availability Critical Service Level, but not both.

5. Minimum Events

Service Levels will be subject to a law of minimum events. The term "Minimum Events" means for any Service Level where the number of measured events in an applicable month consists of a data pool sufficiently small to have the result that a single event miss would result in a Service Level Fault, then (a) the first event that would result in a Service Level Fault will be waived (but Kyndryl will retain all the other

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obligations thereto (e.g., performing root cause analysis (RCAs) for affected CSLs)), and (b) any subsequent event that would result in a Service Level Fault will be enforced and will result in Kyndryl's payment of a Service Level Credit for any impacted Critical Service Levels, and (c) the process of (a) and (b) would repeat for subsequent Service Level Fault.

6. Earnback Credits

a. Earnback Report

Within thirty (30) days following the end of each Calendar Year, Kyndryl will provide a report to the State that will include, with respect to each applicable Critical Service Level for which there was a Service Level Fault during the preceding *Calendar Year*, the following:

- (i) statistics on Kyndryl's average monthly performance for each Critical Service Level for which Earnback is applicable (as set out in Schedule B (Service Levels)) during the preceding *Calendar Year*; and
- (ii) the total amount of Service Level Credits imposed for Critical Service Level Faults during the preceding *Calendar Year*.

b. Determination

If, during the preceding *Calendar Year*, Kyndryl achieved an applicable Critical Service Level for three (3) consecutive periods immediately *following the period where Kyndryl failed to meet an applicable CSL*, Kyndryl will be entitled to receive a credit (an "**Earnback Credit**") equal to **100%** of all Service Level Credits assessed for that *Calendar Year* for Service Level Faults with respect to each applicable Critical Service Level. Earnback Credits shall be credited and reflected as an increase in the Charges owed by the State on the invoice delivered in the month immediately after the month in which the determination of the Earnback Credit occurred.

c. Partial Years

If any Critical Service Level was in effect for less than the *Calendar Year*, the foregoing process will be undertaken only with respect to the portion of the *Calendar Year* during which such Critical Service Level was in effect. If the Agreement or any portion thereof is terminated prior to the end of the Term, the foregoing process will be undertaken only with respect to the portion of the *Calendar Year* during which the Agreement was in effect.

7. General

6.1 Reporting

By the tenth (10th) Business Day of the calendar month following the establishment of the Service Levels pursuant to Section 1 (Service Levels for a New Service or Additional Services), and monthly thereafter, Kyndryl will submit to the State

a standard report assessing Kyndryl's performance during the previous calendar month against the Service Levels.

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6.2 Root Causes

Kyndryl will identify root causes related to Critical Service Level Faults and use commercially reasonable efforts to correct such root causes for which Kyndryl is responsible under this Agreement. The State will use commercially reasonable efforts to correct causes of problems and attempt to minimize the recurrence of such problems or that prevents or could reasonably be expected to prevent Kyndryl from meeting its obligations under the Agreement, including but not limited to the Service Levels.

6.3 Excused Service Levels

Kyndryl will be relieved of responsibility for meeting any Service Levels *and for any associated Service Level Credits* to the extent caused or affected by:

- a. hardware or software that is End of Service or End of Life (e.g., OEM hardware out of warranty; software no longer supported by the licensor);
- b. software out of contracted currency (e.g., outside of agreed minimum version currency set out in the Agreement (e.g., n-3; etc.));
- c. the actions or inactions of the State or its Affiliates, Third Party vendors and suppliers, or Services Recipients;
- d. State's prioritization of available resources;
- e. changes made to the environment by the State that were not communicated in accordance with the change management process;
- f. circumstances that constitute a Force Majeure Event, or
- g. Cloud Hyperscaler's actions, inactions or failures (e.g., Availability, etc.), provided to the extent the applicable Cloud provider provides service level credits for its failures that is applicable to the State's cloud services, such credits shall be available to the State in accordance with the Cloud provider's then-current terms and conditions.

8. Impact of Automation on SLA Targets

If Supplier implements a different measuring tool or service delivery method or process (such as automation initiatives), Supplier and Customer agree to review and make an equitable adjustment(s) to the affected Service Level targets as may be appropriate to account for changes resulting from the new measuring tool or process.

9. Service Level Metrics

The following defines the mandatory zCloud maintenance windows, during which, specific zCloud infrastructure will be shut down to perform essential maintenance. The schedule is agreed at least 12 months in advance and is non-negotiable.

Disruptive maintenance to the zCloud disk and other hardware will be done in the scheduled maintenance window or at other times if required after negotiations.

Any dynamic change activity will be carried out during office hours. All changes are subject to the agreed too, standard Change Management Process

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The following availability percentages show both excluding and including zCloud scheduled hardware maintenance outages.

Service Level Metrics:

Service Level Metric	Metric Description	Service Level Measurement	Measurement Window	Measurement Type
All Batch Jobs Across All LPARs Completed Without Incident	Total Scheduled CA7 Batch Jobs. Total CA7 Batch Abends. Total Abends Caused by Kyndryl	99%	Monthly	Critical Service Level (CSL)
Actual Uptime for all LPAR's	Total minutes each day x days in month - 240 minutes maintenance window = scheduled minutes. Scheduled minutes - any outage minutes = available minutes. Available minutes divided by scheduled minutes = % available.	99.9%	Monthly	Critical Service Level (CSL)
Actual Uptime For The Online Systems (CICS, DB2)	Total minutes each day x days in month - 240 minutes maintenance window = scheduled minutes. Scheduled minutes - any outage minutes = available minutes. Available minutes divided by scheduled minutes = % available.	99.9%	Monthly	CSL
Data Backups Completed Without Incident	Total number of failed backups during measurement period using ServiceNow for reporting failed backup.	99%	Monthly	CSL
Remote Recovery	DR RTO DR RPO	RTO: 72 hours RPO: 24 hours	Per Occurrence	CSL

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Appendix F: In-House Developed Procedures

The following table lists In-House Developed Procedures used by both STS and the State Agency for application and system administration purposes. Contractor responsibilities related to these procedures are defined in SOW Section 3.1.i.

In-House Developed Software	Description	Development Platform
PROD Move	Program, plan and package moves to different environments from development. Contains over 50 Clists and RPF's.	TSO Clist ROSCOE RPF
POP.Ca7(RPFs)	Utility to send run sheets, job data sheets, request for system resources and JCL transfer	ROSCOE RPF
CG.TIMS	Infopac JCL Print	ROSCOE RPF
ADFMENU	ADF UTILITIES	CLIST/RPF
APPRAISE	REVIEW ROSCOE LIBRARY	CLIST/RPF
BLKSIZE	CALCULATE CART/DISK BLKS	CLIST/RPF
BUILD	Build Default libraries for compiles and JCL	CLIST/RPF
CCFMENU	CCF UTILITIES	CLIST/RPF
CHECKLIB	CHECK SETSSI – Display's compile dates across multiple platforms	CLIST/RPF
CICS	CICS COMPILE	CLIST/RPF
COBOL	COBOL COMPILE	CLIST/RPF
COPYLIB	IMPORT & SAVE COPY – Imports to AWS from copylibs	RPF
DBA	DBA REQUEST SYSTEM	CLIST/RPF
DB2APACK	CREATE PACK CONTROL MEM	CLIST/RPF
DB2APLAN	CREATE PLAN CONTROL MEM	CLIST/RPF
DELETE	DELETE ROSCOE MEMBER(S)	CLIST/RPF
EASYPLUS	EASYTRIEVE COMPILE	CLIST/RPF
EDIT	GLOBAL change in your Roscoe work space	RPF
FETCH	FETCH SELECTED MBR	CLIST/RPF
IMPORT	IMPORT to AWS from Libraries for Roscoe	RPF
JOBS	DISPLAY MULTIPLE JOBS	CLIST/RPF
TUTORIAL	ROSCOE TUTORIAL	CLIST/RPF
LIBPRINT	LIST LIBRARIAN MEMBER	CLIST/RPF
LIBSHARE	GET & PUT LIBSHARE	CLIST/RPF
PRTFORMS	PRINT PROGRAM BOOK FORMS	CLIST/RPF
RESROS	RESTORE ROSCOE MEMBER	CLIST/RPF
SCHEDULE	CHECK MACHINE SCHEDULE	CLIST/RPF

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SDMENU	Menu for Application Programming Functions	CLIST/RPF
JOBDOC	Prepares JCL, Procs and Jobs for Migration run before PRODMOVE	CLIST/RPF
LISTCTL	LIST Control Card Members	CLIST/RPF
MENU	MENU & JOB DISPLAY	CLIST/RPF
PRINT	ROSCOE MEMBER PRINT	CLIST/RPF
PRODMOVE	LIBRARY AUTHORIZATION	CLIST/RPF
PRTSPEC	PRINT PROGRAM SPEC	CLIST/RPF
PUTLIB	EXPORT TO LIBRARIAN	CLIST/RPF
SECURITY	RACF SECURITY	CLIST/RPF
SORTWORK	CALUCLATE SORTWK SIZE	CLIST/RPF
TSOPUT	EXPORT TO TSO PDS	CLIST/RPF
UPDTCOPY	UPDATE SYS1.COPYLIB	CLIST/RPF

Appendix G: MAINFRAME SERVICES – RESPONSIBILITY MATRIX

Yellow highlighted rows are Service Management tasks with shared responsibilities.

Service Management		CONTRACTOR RESPONSIBILITY	STS RESPONSIBILITY	STATE AGENCY RESPONSIBILITY
Service Requirements				
1 Operations				
1.1	Assume responsibility for providing operations services for the mainframe environment. (system commands, file maintenance)	X		
1.2	Assume responsibility for all master and subordinate console functions	X		
1.3	Monitor all processing (Batch and Online System for bottlenecks, performance, and capacity)	X		
1.4	Monitor the performance of online interactive traffic and take appropriate action to Resolve Online System-related Incidents and / or problems, including escalating (as appropriate) the Incident and / or problem to the proper Contractor Support Group	X		
1.5	Monitor the transmission of files between the mainframe environment and any other parties as designated by STS and State Agency when submitted from a defined schedule or via an adhoc or on-demand job submission request.	X		
1.6	Provide operational support, Unix-OMVS and SFTP support for data transmission (send / receive), consistent with STS standards; when submitted from a defined schedule or via an adhoc or on-demand job submission request in the absence of STS standards, such services will be provided consistent with applicable commercial standards	X		
1.7	Manage, maintain, monitor, and control Online System and Batch process, both scheduled and unscheduled (including on-request processing)	X		

Service Management		CONTRACTOR RESPONSIBILITY	STS RESPONSIBILITY	STATE AGENCY RESPONSIBILITY
1.8	Complete STS- and State Agency-defined Batch processing and backups and restores in the correct sequence and within the time periods designated by STS	X		
1.9	Schedule Batch jobs within STS- and State Agency-defined windows to achieve maximum performance and ensure required Batch completion times are met	X		
1.10	Provide for 7X24X365 automated scheduling of Batch work and processes including backups	X		
1.11	Develop, maintain, and utilize an emergency contact list and escalation procedures to Resolve abnormally ended jobs	X		
1.12	Resolve abnormally ended jobs caused by conditions external to production programs	X		
1.13	Repair abnormally ended jobs from Primary Recovery Instructions when possible and perform job restarts in accordance with STS and State Agency instructions	X		
1.14	Repair abnormally ended jobs when Primary Recovery Instructions are not available or when after followed, Primary Recovery Instructions fail to repair abnormally ended jobs	X		X
1.15	Check job queues and print queues, and change job priorities as required / requested	X		X
1.16	Coordinate or take printers in and out of service, and start, spool and drain printers as required / requested	X		X
1.17	Define, create, and control all automated operation functions, including but not limited to routine and complex functions using software and programming tools available (device allocation management, storage resources, etc...)	X		
1.18	On an on-going basis, enhance processing capabilities and efficiencies through system tuning	X		

Service Management		CONTRACTOR RESPONSIBILITY	STS RESPONSIBILITY	STATE AGENCY RESPONSIBILITY
	and other run-time improvements under STS approval			
1.19	Perform regular monitoring of utilization needs, gaps, and efficiencies, and report regularly on tuning initiatives	X		
1.20	Perform proactive failure trend analysis	X		
1.21	Produce reports to highlight and trend production incidents and problems, establish predetermined action and escalation procedures when Batch window incidents and problems are encountered	X		
1.22	Notify STS and affected State Agency in accordance with provided notification procedures in the event that applications do not execute properly	X		
1.23	Perform periodic and emergency System maintenance in accordance with requirements and procedures established to minimize the impact to STS's and State Agency' businesses	X		
1.24	Perform computer shutdowns and restarts, as required, and execute customary utility functions (non-agency file maintenance)	X		
1.25	Maintain, administer, and provide necessary tools and processes for all System management (programs, software, firmware, etc...), to the extent available in the STS-selected tool suite or as required to be delivered by the Contractor	X		
1.26	Maintain and update the operational documentation for all operations procedures and services, including maintaining accurate configuration information, provide information on all Configuration Items (Cis) to be placed in a Contractor-supplied Configuration Management System (CMS) / Configuration Management Database (CMDB)	X		

Service Management		CONTRACTOR RESPONSIBILITY	STS RESPONSIBILITY	STATE AGENCY RESPONSIBILITY
1.27	Provide feedback and gain approval from STS regarding the impact of potential Architecture and design changes	X		
1.28	Identify opportunities for STS and/or State Agency to reduce equipment/hardware and software costs and/or improve System performance	X		
1.29	Analyze performance metrics and respond proactively to potential problem areas	X		
1.30	Run or terminate utilities depending upon the impact to State Agency and only with STS approval	X		
1.31	Proactively monitor and report to STS on resource shortages, and report utilization statistics and trends to STS on a monthly basis	X		
1.32	Maintain and control print definitions for remote Sites (currently using Levi, Ray & Shoup)	X		
1.33	Provide technical non-physical support for equipment/hardware problems and software support for remote print Sites (currently using Levi, Ray & Shoup)	X		
1.34	Provide operator support for remote print Sites (currently using Levi, Ray & Shoup)	X		X
2 Production Control and Scheduling				
2.1	Assume responsibility for production control and scheduling functions as identified by STS and/or State Agency	X		
2.2	Establish, document, and maintain standards for production jobs			X
2.3	Identify job dependencies, and create and maintain job dependencies on the master scheduling database	X		X
2.4	Develop, distribute, and obtain State agency approval of schedules prior to implementation and execution	X		X

Service Management		CONTRACTOR RESPONSIBILITY	STS RESPONSIBILITY	STATE AGENCY RESPONSIBILITY
2.5	Coordinate and modify schedules for special requests and comply with STS and/or State Agency priorities	X		
2.6	Coordinate resolution of scheduling conflicts and comply with STS and/or State Agency priorities	X	X	X
2.7	Provide schedule status updates	X		
2.8	Respond expeditiously to requests from STS or State Agency for priority job execution	X		
2.9	Promptly notify STS or State Agency if special requests will affect the timely completion of other tasks	X		
2.10	Prioritize and schedule Batch jobs, and report distribution systems (in accordance with STS's schedule parameters) to optimize the use of processing windows and the scheduled Availability of Online Systems that are dependent on Batch processing, while verifying that Batch completion times are met	X		
2.11	Take any other necessary steps to prepare application job streams for production scheduling and execution as directed by STS or State Agency, via technical change process.	X		
2.12	Enter program control specifications (parameters) into application job streams as directed by State Agency, via technical change process.	X		
2.13	Maintain System job streams, including indicating file usages, job dependencies / priorities, and program options available as required / requested	X		
2.14	Maintain up to date information on all operational documentation	X		
2.15	Move programs and documentation to production libraries as required / requested	X		
2.16	Monitor all scheduled and adhoc or on demand jobs as required / requested	X		

Service Management		CONTRACTOR RESPONSIBILITY	STS RESPONSIBILITY	STATE AGENCY RESPONSIBILITY
2.17	Start jobs manually where automated processes do not exist or are not available as required / requested	X		
2.18	Investigate and report on all scheduled and adhoc or on-demand requested jobs that end or perform abnormally	X		
2.19	Where directed, required, or appropriate, restart jobs	X		
2.20	Contact STS staff, other technical staff, and / or third parties as necessary and work with them on support issues	X		
2.21	Create incident and / or problem records and or reports for job abnormalities using the appropriate tracking system	X		
3 Technical Support				
3.1	Provide all technical System support for operations including:	X		
3.1.1	Storage management	X		
3.1.2	System programming	X		
3.1.3	Capacity planning	X		
3.1.4	Performance analysis and tuning	X		
3.2	Install and maintain all System Software products	X		
3.3	Provide regular monitoring and reporting of System performance, utilization, and efficiency	X		
3.4	Provide technical advice and support to the application development and maintenance staffs, as required	X		
4 General Technical Support				
4.1	Provide appropriate response to incidents and problems and continued support through resolution as required in order to meet Online System and Batch Availability schedules	X		
4.2	Provide technical support to the STS and / or State Agency via documented problem and change procedures.	X		

Service Management		CONTRACTOR RESPONSIBILITY	STS RESPONSIBILITY	STATE AGENCY RESPONSIBILITY
4.3	Provide technical advice and support to the application development and maintenance (State Agency application owners) and database administration (DBA) staffs, as required	X		
4.4	Interface between all parties implementing changes	X	X	X
4.5	Monitor Online Systems performance using appropriate software tools	X		
4.6	Enforce IT infrastructure documentation standards	X		
4.7	Develop, where appropriate, and install productivity tools / utilities, as well as performing all required operational modifications for the efficient and proper delivery of the services	X		
4.8	Provide product research, project support, and advice on equipment/hardware tuning and efficiency improvements	X		
4.9	Install, tailor, maintain, and provide on-going support for System Software products	X		
4.10	Install software according to the applications' specifications and / or STS requirements / standards	X		
4.11	Configure System Software to provide and maintain interfaces to STS and State Agency systems/applications while maintaining any existing special user interfaces as required / requested via the technical change process.	X		
4.12	Manage, prioritize, and coordinate all preventive and remedial maintenance and updates for System Software	X		
4.13	Review all software conversion plans with STS	X		
4.14	Report performance data and resource utilization statistics related to System Software release-level upgrades as required / approved and as available	X		
4.15	Provide consultation support as STS reasonably requests (For example: product research, project	X		

Service Management		CONTRACTOR RESPONSIBILITY	STS RESPONSIBILITY	STATE AGENCY RESPONSIBILITY
	support, application tuning, and efficiency improvements)			
4.16	Interface and integrate with third parties for System Changes, administration, and implementation as required / requested via the technical change process.	X		
5 Capacity Management				
5.1	The Contractor will conduct monthly capacity review meetings to assist STS and State Agency in understanding the future business requirements, the organization's operation, and the IT Infrastructure, as well as to provide all current and future capacity and performance aspects of the business requirements in a cost effective manner	X		
5.2	Perform activities required for monitoring and optimizing performance in order to reduce costs or improve Service Levels	X		
5.3	Provide performance monitoring, tuning, and reporting	X		
5.4	Provide System performance reviews and advice	X		
5.5	Monitor and report on system performance testing as required / requested	X		
5.6	Perform upgrades as required to provide effective capacity and to meet software requirements as required / requested	X		
5.7	Coordinate with Third-Party Vendors, other suppliers, STS, and State Agency as appropriate on projects to install / upgrade hardware and software, as required / requested	X		
5.8	Develop a rolling 12 month capacity forecast based on current utilization and assist when requested by STS or State Agency in the development of capacity forecast required for budget preparation	X		

Service Management		CONTRACTOR RESPONSIBILITY	STS RESPONSIBILITY	STATE AGENCY RESPONSIBILITY
5.9	On an agreed schedule, revise the capacity planning model based on actual performance, including the costs associated with the changes in the plan	X		
6 Configuration Planning				
6.1	Manage and install hardware and associated firmware as required / requested	X		
7 Database Support and Management				
7.1	Perform physical database application administration functions for the databases required by STS and State Agency, including:			
7.1.1	Storage management Services	X		
7.1.2	Installation and maintenance, as well as tailoring and monitoring of database software products	X		
7.1.3	Provide backup and recovery services	X	X	X
7.1.4	Define data and database standards		X	X
7.1.5	Support STS and State Agency as needed	X		
7.1.6	Import, export, and extractions of data			X
7.2	Perform control functions in adherence to Change Management procedures to support systems/applications existing as of the effective date, as well as any planned new systems/application development		X	
7.3	Plan for changes in the size of databases that result from business growth and project implementation based on information supplied by State Agency		X	
7.4	Maintain, operate, and upgrade automated monitoring tools to monitor database performance	X	X	
7.5	Perform database shutdowns and restarts, as requested by STS and/or a State Agency via the technical change process.	X	X	X
7.6	Perform database reorganizations to optimize performance		X	X

Service Management		CONTRACTOR RESPONSIBILITY	STS RESPONSIBILITY	STATE AGENCY RESPONSIBILITY
7.7	Maintain, update, and implement database archive processes and procedures to recover from an outage or corruption in a timely manner in order to meet STS's and State Agency' business requirements	X		X
7.8	Provide physical database management support, including providing backups and restores of data in a timely manner	X		
7.9	Install, maintain, and support database software products	X		
7.10	Test and implement database environment changes, as approved by STS and State Agency	X	X	X
7.11	Proactively provide capacity planning to prevent situations caused by lack of capacity (for example: dataset or table space capacity events, full log files, etc.) in coordination with STS and the State Agency	X	X	
8 Application Administrative Support				
8.1	Perform database performance analysis to confirm physical database requirements to support STS's and State Agency' business systems/applications via the technical change process.	X		
8.2	On request, provide STS or State Agency with documentation of files generated by the file management systems, including name, utilization statistics, and owning applications	X		
8.3	Provide technical advice to and assist STS and State Agency in performing stress testing, and operating system and database performance tuning	X		
8.4	Develop, document, and maintain physical database standards and procedures	X	X	
8.5	Participate in evaluating physical database changes and the impact of State Agency work. Implement necessary changes, recognizing System and Network	X		

Service Management		CONTRACTOR RESPONSIBILITY	STS RESPONSIBILITY	STATE AGENCY RESPONSIBILITY
	impact to relevant databases, subject to STS's and State Agency's review and approval.			
8.6	Provide administrative and Unix-OMVS support services for Middleware (i.e. , HOD, Mobius View, Attachmate) on all platforms used in STS's and State Agency' environments.	X	X	
9 Online Storage and Backup Management				
9.1 Storage and Backup Architecture				
9.1.1	Provide the Architecture, design, and planning processes for the development and installation of a storage and backup infrastructure that satisfies the needs of all aspects of the business	X		
9.1.2	Remain current in the knowledge and use of data storage technology and management products	X		
9.1.3	Develop and maintain strategies for the deployment and implementation of storage and backup solutions throughout the State's mainframe environment	X		
9.1.4	Coordinate all aspects of Storage and Backup based architecture, design, and planning throughout the State's mainframe environment	X		
9.1.5	Provide and coordinate a storage and backup resource to interface with STS and the State Agency via the technical change process.	X		
9.2 Engineering				
9.2.2	Provide in-depth analysis of all operations on behalf of Availability Management, for example, to assist in service outage investigations and Root Cause Analysis	X		
9.2.3	Identify opportunities for continual improvement, through knowledge management and constant skill review, report monthly	X		

Service Management		CONTRACTOR RESPONSIBILITY	STS RESPONSIBILITY	STATE AGENCY RESPONSIBILITY
9.2.4	Provide a robust and highly available storage and backup infrastructure. Update the storage and backup infrastructure as new tools and technology are available that would improve STS's or State Agency' business processes and performance via the technical change process.	X		
9.2.5	Educate and train the operational staff in the use of analysis tools and processes, where appropriate	X		
9.2.6	Participate, perform, and direct all scheduled Disaster Recovery Services tests	X	X	X
9.2.7	Manage vendor relationships and provide a technical interface to STS, State Agency, other project managers, and vendors as required / requested	X		
9.2.8	Provide evaluations of new tools and technologies	X		
9.2.9	Establish and maintain the alerting mechanisms and monitoring systems	X		
9.2.10	Perform testing and benchmarking of new infrastructure or tools prior to deployment into production, with STS's approval via the technical change process.	X		
9.2.11	Create handover documentation, training, diagnostic scripts, and operational procedures for the operations group	X		
9.2.12	Implement performance and configuration tuning of the storage and backup infrastructure in conjunction with Capacity Management and Change Management	X		
9.2.13	Establish System tuning and performance processes	X		
9.2.14	Provide mutually agreed upon security measures for the storage and backup infrastructure	X		
9.3 Operations and Processing				

Service Management		CONTRACTOR RESPONSIBILITY	STS RESPONSIBILITY	STATE AGENCY RESPONSIBILITY
9.3.1	Remain current in the knowledge and use of data storage technology and management products	X		
9.3.2	Perform online storage tuning (add channels, move volumes, etc. as required)	X		
9.3.3	Provide event, warning, alert, and alarm processing and management	X		
9.3.4	Provide resolution of all event, warning, alert, and alarm messages	X		
9.3.5	Interface with the Incident and problem management processes and liaise with all parties supporting incident and problem resolution	X		
9.3.6	Provide Storage and Backup infrastructure configuration maintenance (software / firmware updates)	X		
9.3.7	Instigate improvement or remedial activities in operational processes under the control of Change Management	X		
9.3.8	Assign and initialize online storage capacity as required / requested	X		
9.3.9	Manage the archiving of inactive files and report on online storage characteristics to be reviewed by STS and State Agency as required / requested	X		
9.3.10	Conduct routine monitoring using software tools to measure the efficiency of online storage access, and take corrective action as needed (including performance adjustments to equipment/hardware and software, or file placement as required to maximize service)	X		
10 Application Administration				
10.1	Manage online storage thresholds and data archives and report monthly	X		

Service Management		CONTRACTOR RESPONSIBILITY	STS RESPONSIBILITY	STATE AGENCY RESPONSIBILITY
10.2	Monitor user directories for file inactivity and report monthly	X		
10.3	Monitor and maintain file directories and catalogs and report monthly	X		
10.4	Provide online storage compaction as needed and as possible within production processing schedules	X		
10.5	Provide data migration / archive management as required / requested	X		
11 External Storage Media Management				
11.1 Operations and Processing				
11.1.1	Periodically (but not less than quarterly) coordinate the retrieval and test of all backup media types and verify data can be restored in a usable fashion and report results	X		
11.1.2	Prior to disposing of equipment, wipe / erase the data and configuration information resident in the computer system, storage components, and/or devices using State and / or Federal guidelines/policies	X		
11.1.3	Operate and support media libraries and library management systems	X		
11.1.4	View Direct report set up, addition/deletion of users and user access to reports, and current maintenance	X		
11.2 Application Owner Administration				
11.2.1	Restore required files and datasets in a timely manner	X		
11.2.2	Maintain an existing inventory control system to properly manage tape media in storage and prepare them for shipment to the contingency site	X		
12 State Agency Support		X		

Service Management		CONTRACTOR RESPONSIBILITY	STS RESPONSIBILITY	STATE AGENCY RESPONSIBILITY
12.1	Provide support, advice, and assistance to State Agency in a manner consistent with current practices. Monitor tape media to comply with STS, State Agency, and applicable government requirements (FTL, HIPPA, PCI, etc...)	X		
12.2	Implement job control and parameter changes for State Agency as required / requested via the technical change process. Restore required files and datasets in a timely manner	X		
12.3	Provide technical support and administration for various products and application rollouts via the technical change process. Maintain an existing inventory control system to properly manage tape media in storage and prepare them for shipment to the contingency site	X		
13 Backup and Recovery Services				
13.1	Assume responsibility for STS's and State Agency' System data backup requirements, including:	X		
13.2	Backup of catalogs / indexes / log files	X		
13.3	Restoring data from the backups	X		
13.4	Perform System data backup and recovery as required and in accordance with STS and State Agency standards, policies, and Disaster Recovery Services requirements	X		
13.5	Perform backups on all defined Systems in accordance with STS and State Agency standards, policies and Disaster Recovery Services requirements	X		
13.6	Establish a process by which State Agency can request recovery of data or files, and document the process	X		

Service Management		CONTRACTOR RESPONSIBILITY	STS RESPONSIBILITY	STATE AGENCY RESPONSIBILITY
15 Network Technical Support				
15.1	Provide logical design and connectivity to STS for the Network.	X	X	
15.2	Monitor capacity; implement upgrades; and make network modifications as required for projects	X		
15.3	Support all System Software used to provide network services, e.g. VTAM, ACF/SSP, ACF/NCP, EP, Netview, Netview Access Services, enterprise extender, TCP/IP, and/or other network monitoring software.	X		
15.4	Coordinate with LAN and WAN groups and/or other Third-Party Vendors as required	X		

STATE-AGENCY PROVIDED PRODUCTION-CONTROL – RESPONSIBILITY MATRIX

Service Management		CONTRACTOR RESPONSIBILITY	STS RESPONSIBILITY	STATE AGENCY RESPONSIBILITY
2 Production Control and Scheduling				
2.1	Assume responsibility for production control and scheduling functions as identified by STS and/or State Agency	X		
2.2	Establish, document, and maintain standards for production jobs			X
2.3	Identify job dependencies, and create and maintain job dependencies on the master scheduling database	X		X
2.4	Develop, distribute, and obtain State agency approval of schedules prior to implementation and execution	X		X
2.5	Coordinate and modify schedules for special requests and comply with STS and/or State Agency priorities via the technical change process.	X		
2.6	Coordinate resolution of scheduling conflicts and comply with STS and/or State Agency priorities	X	X	X
2.7	Provide schedule status updates	X		
2.8	Respond expeditiously to requests from STS or State Agency for priority job execution via the technical change process.	X		
2.9	Promptly advise STS or State Agency if special requests will affect the timely completion of other tasks	X		
2.10	Prioritize and schedule Batch jobs, and report distribution systems (in accordance with STS's schedule parameters) to optimize the use of processing windows and the scheduled Availability	X		

Service Management	CONTRACTOR RESPONSIBILITY	STS RESPONSIBILITY	STATE AGENCY RESPONSIBILITY
	of Online Systems that are dependent on Batch processing, while verifying that Batch completion times are met		
2.11	Take any other necessary steps to prepare application job streams for production scheduling and execution		X
2.12	Enter program control specifications (parameters) into application job streams as directed by State Agency		X
2.13	Maintain System job streams, including indicating file usages, job dependencies / priorities, and program options available as required / requested		X
2.14	Maintain up to date information on all operational documentation		X
2.15	Move programs and documentation to production libraries as required / requested		X
2.16	Monitor all scheduled and adhoc or on-demand jobs as required / requested via the technical change process.	X	
2.17	Start jobs manually where automated processes do not exist or are not available as required / requested		X
2.18	Investigate and report on all scheduled and adhoc or on-demand jobs that end or perform abnormally	X	
2.19	Where directed, required, or appropriate, restart jobs	X	
2.20	Contact STS staff, other technical staff, and / or third parties as necessary and work with them on support issues	X	
2.21	Create incident and / or problem records and or reports for job abnormalities using the appropriate tracking system	X	

Appendix H: MAINFRAME SERVICES – SHARED/AGENCY RESPONSIBILITY MATRIX

Yellow highlighted rows are Service Management tasks with shared responsibilities.

1.14 Repair abnormally ended jobs when Primary Recovery Instructions are not available or when after followed, Primary Recovery Instructions fail to repair abnormally ended jobs			
Contractor Responsibility	STS Responsibility	State Agency Responsibility	
Notify State Agency POC for on call.		Repair Job and Contact contractor production control for resumption of Job.	
1.15 Check job queues and print queues, and change job priorities as required/requested.			
Contractor Responsibility	STS Responsibility	State Agency Responsibility (DGS is responsible)	
Changes job priorities based on request		Change print based on request	
1.16 Coordinate or take printers in and out of service, and start, spool and drain printers as required/requested.			
Contractor Responsibility	STS Responsibility	State Agency Responsibility (DGS is responsible)	
Shall have a console available in the print area for printer operators		Make changes as requested	

1.34 Provide operator support for remote print Sites			
Contractor Responsibility	STS Responsibility	State Agency Responsibility	
Add, Change, delete printer definitions and DRS Nodes on the mainframe and provide non-physical General Printer hardware support.		Request Add, Change And deletes for printers and open ServiceNow tickets for Printer issues. Provide physical hardware support.	
2.2 Establish, document, and maintain standards for production jobs			
Contractor Responsibility	STS Responsibility	State Agency Responsibility	
		Entire process of establishing, documenting and maintaining standards for production jobs.	
2.3 Identify job dependencies, and create and maintain job dependencies on the master scheduling database			
Contractor Responsibility	STS Responsibility	State Agency Responsibility	
Maintain Master scheduling database and update as requested by State Agency via the technical change process.		Provide updates to production control.	

2.4 Develop, distribute, and obtain State Agency approval of schedules prior to implementation and execution			
Contractor Responsibility	STS Responsibility	State Agency Responsibility	
Obtain State Agency approval of the schedule once entered into the scheduler system prior to implementation and execution via the technical change process.		Develop schedule, distribute to Contractor and approve updates by contractor prior to implementation and execution	
2.6 Coordinate resolution of scheduling conflicts			
Contractor Responsibility	STS Responsibility	State Agency Responsibility	
Resolve with Agency involved.	STS will act as an escalation point for any State Agency scheduling conflicts between State Agency not resolvable by Contractor.	Work with Contractor.	
4.4 Interface between all parties implementing changes			
Contractor Responsibility	STS Responsibility	State Agency Responsibility	
Notify and coordinate with STS and/or State Agency for System Software updates via technical change process.	Resolve conflicts between Agency and Contractor.	Notify and coordinate with STS and/or Contractor for application software updates via technical change procedures.	

7.1.3 Provide backup and recovery services			
Contractor Responsibility	STS Responsibility	State Agency Responsibility	
Contractor is responsible for State Agency data as required by State Agency standards.	Help Agency develop and present backup and recovery standards to the contractor. For DB2 data only.	Provide standards for backups to contractors.	
7.1.4 Define standards			
Contractor Responsibility	STS Responsibility	State Agency Responsibility	
	Work with State Agency to provide standards and data layouts.	Work with STS DB2 Database managers to define, change or delete DB2 Databases.	
7.4 Maintain, operate, and upgrade automated monitoring tools to monitor database performance			
Contractor Responsibility	STS Responsibility	State Agency Responsibility	
Maintain, operate, and upgrade automated monitoring tools to monitor database performance via the technical change process.	Suggest tools for use and ensure that they are kept at correct software levels.		

7.5			
Perform database shutdowns and restarts as requested by STS and/or a State Agency via the technical change process.			
Contractor Responsibility	STS Responsibility	State Agency Responsibility	
Perform database shutdowns and restarts via the technical change process.	Request shutdowns and restarts via the technical change process.	Request shutdowns and restarts via the technical change process.	
7.6			
Perform database reorganizations to optimize performance			
Contractor Responsibility	STS Responsibility	State Agency Responsibility	
	Perform DB2 reorgs as needed or requested by State Agency.	Request database reorgs from STS for DB2.	
7.7			
Maintain, update, and implement database archive processes and procedures to recover from an outage or corruption in a timely manner in order to meet STS's and STS Customers' business requirements			
Contractor Responsibility	STS Responsibility	State Agency Responsibility	
Perform Backups and restores as required.		Ensure/verify that all data required for Disaster Recovery Services have been identified and are being backed up.	
7.10			
Test and implement database environment changes, as approved by STS and STS Customer			
Contractor Responsibility	STS Responsibility	State Agency Responsibility	
Not Valid for DB2.	Oversight of testing and changes.	Testing new environment prior to production move. And requesting production moves once testing has been completed.	

7.11			
Proactively provide capacity planning to prevent situations caused by lack of capacity (for example: dataset or table space capacity events, full log files, etc.) in coordination with STS			
Contractor Responsibility	STS Responsibility	State Agency Responsibility	
Based on Capacity monitoring Contractor will apprise STS of potential capacity overload. Contractor will work with STS to plan for future needs.	Respond to Contractor's assessment of potential for overload. And assist with planning of capacity increases.		
8.4			
Develop, document, and maintain physical database standards and procedures			
Contractor Responsibility	STS Responsibility	State Agency Responsibility	
Adhere to standards set forth in 7.1.4.	Monitor Contractor to make sure standards set forth in 7.1.4 are followed.		
9.2.6			
Participate, perform, and direct all scheduled Disaster Recovery Services tests			
Contractor Responsibility	STS Responsibility	State Agency Responsibility	
Follow guidelines set forth previously in Section 5.2.1.	Monitor contractor to make sure DR standards are followed.	Test applications in DR environment.	

14.3 RACF administrations / functions (define new rules, maintain all current rules, define new users / groups, etc.)			
Contractor Responsibility	STS Responsibility	State Agency Responsibility	
Default Mainframe administrative access.	Complete user administration of RACF.	Continues as is today. State Agency uses CICS screen to administer their user and data set RACF.	
15.1 Provide logical design and connectivity to STS for the Network.			
Contractor Responsibility	STS Responsibility	State Agency Responsibility	
Provide Visio Diagrams and a written narrative describing the connectivity process as the contractor sees fit. Once reviewed and discussed with STS implement design as agreed upon.	Once the contractor provides design documents review and discuss changes as appropriate. Aid in implementation as agreed upon in the design.		

Appendix I

CONTRACTOR SERVICE REPORTS

This Attachment contains a description of service-related reports required by STS and/or the State Agency to administer the Contract and manage State applications and data. The reports listed in the tables are not meant to be all inclusive and the required reports may change over the Term of the Contract; the Contractor shall provide all reports requested by STS or the State Agency to administer the Contract and manage State applications and data, regardless of whether the report is included in this Appendix I.

1.0 GENERAL REQUIREMENTS

- 1.1 The Contractor shall notify the designated Recipient contact(s) of report availability via email at the defined Frequency. The email may contain the actual report or the repository location of the report.
- 1.2 The Contractor shall archive all reports in a repository available to the Recipient(s) for a minimum of twenty-four (24) months.
- 1.3 New reports shall be provided as of the Service Start Date, beginning in the Data Center identified in the table below. Existing reports shall be provided as of the Service Start Date, beginning in the State Data Center.

2.0 SYSTEM REPORTS

Report Description	Frequency	Recipient(s)	Current InfoPac Report Name
Percentage (%) of uptime report for all SLAs, by Region, LPAR and Specialty Engines. Spreadsheet and Graphic representation	Monthly	STS	New Report; provided in Contractor Data Center after migration
Report on CPU and DASD capacity.	Monthly	STS	New Report; provided in State Data Center after transition
Report Description	Frequency	Recipient(s)	Current InfoPac Report Name
Root Cause Analysis Report (For any and all Outages)	As Needed	STS	New Report; provided in State Data Center after transition
Standards Guide (Original once completed and updates as needed).	As Needed	STS	New Report; provided in Contractor Data Center after migration
Incident Management	Monthly	STS	New Report
Master Schedule report (Original once schedule is set and then updates as needed).	As Needed	STS	New Report; provided in Contractor Data Center after migration

Implementation Report (Report of all scheduled applications and System Software implementations for the following week)	As Needed	STS, State Agency	New Report; provided in State Data Center after transition
Report Description	Frequency	Recipient(s)	Current InfoPac Report Name
MIGR - USER ACCEPTANCE - MOVE BIND CONTROL CARDS	As Needed	STS, State Agency	MIGAPBCC
MIGR - USER ACCEPTANCE - BIND	As Needed	STS, State Agency	MIGAPBND
MIGR - USER ACCEPTANCE - MOVE DBRM MODULES	As Needed	STS, State Agency	MIGAPDBR
MIGR - USER ACCEPTANCE - MOVE LOAD MODULES	As Needed	STS, State Agency	MIGAPLD
MIGR - PRODUCTION - ABENDAID LISTING	As Needed	STS, State Agency	MIGPLIST
MIGR - PRODUCTION - AFP MOVES	As Needed	STS, State Agency	MIGPOAFP
MIGR - PRODUCTION - JOBDOC	As Needed	STS, State Agency	MIGPOJDC
MIGR - PRODUCTION - MOVE BIND CONTROL CARDS	As Needed	STS, State Agency	MIGPPBCC
MIGR - PRODUCTION - BIND	As Needed	STS, State Agency	MIGPPBND
MIGR - PRODUCTION - MOVE DBRM MODULES	As Needed	STS, State Agency	MIGPPDBR
MIGR - PRODUCTION - MOVE LOAD MODULES	As Needed	STS, State Agency	MIGPPLD
MIGR - SYSTEM TEST - MOVE BIND CONTROL CARDS	As Needed	STS, State Agency	MIGSPBCC
MIGR - SYSTEM TEST - BIND	As Needed	STS, State Agency	MIGSPBND
MIGR - SYSTEM TEST - MOVE DBRM MODULES	As Needed	STS, State Agency	MIGSPDBR
MIGR - SYSTEM TEST - MOVE LOAD MODULES	As Needed	STS, State Agency	MIGSPLD
MIGR - SYSTEM TRAINING - MOVE BIND CONTROL CARDS	As Needed	STS, State Agency	MIGTPBCC
MIGR - SYSTEM TRAINING - BIND	As Needed	STS, State Agency	MIGTPBND
MIGR - SYSTEM TRAINING - MOVE DBRM MODULES	As Needed	STS, State Agency	MIGTPDBR

MIGR - SYSTEM TRAINING - MOVE LOAD MODULES	As Needed	STS, Agency	State	MIGTPLD
MIGR - WAREHOUSE(DB2W) - MOVE BIND CONTROL CARDS	As Needed	STS, Agency	State	MIGWPBCC
MIGR - WAREHOUSE(DB2W) - BIND	As Needed	STS, Agency	State	MIGWPBND
Report Description	Frequency	Recipient(s)		Current InfoPac Report Name
MIGR - WAREHOUSE (DB2W) - MOVE DBRM MODULES	As Needed	STS, Agency	State	MIGWPDBR
MIGR - WAREHOUSE (DB2W) - MOVE LOAD MODULES	As Needed	STS, Agency	State	MIGWPLD
MIGR - MISCELLANEOUS - DELETED MODULE LISTING	As Needed	STS, Agency	State	MIG0DLET
MIGRATION LOG	As Needed	STS, Agency	State	MIG1MIG1
JOBDOC/AFP MIGRATION LOG	As Needed	STS, Agency	State	MIG1MIG2
DELETED MODULE LOG	As Needed	STS, Agency	State	MIG1MIG3
LIST OF USERS ON INFOPAC	As Needed	STS, Agency	State	USERLIST
Report Description	Frequency	Recipient(s)		Current InfoPac Report Name

3.0 FINANCIAL REPORTS

Report Description	Frequency	Recipient(s)	Current InfoPac Report Name
Summary Billing Report by Agency; as currently produced.	Monthly	STS	AG03H200A
Detail Billing Report for Batch jobs by Agency; as currently produced.	Monthly	STS	AG03H200B