

CONTRACT NO. 473-15-00330
BETWEEN
THE PUBLIC UTILITY COMMISSION OF TEXAS
AND
SOLIX, INC.

The parties to this Contract No. 473-15-00330 for a Low Income Discount Administrator (LIDA), are the Public Utility Commission of Texas (PUCT), a duly organized agency of the State of Texas with its office located at 1701 N. Congress Ave., Austin, Texas 78701 and Solix, Inc., a corporation with offices located at 30 Lanidex Plaza West, Parsippany, New Jersey 07054.

Article 1. DEFINITIONS

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

1.1 “Public Utility Commission,” “PUCT,” or “Commission” means the Public Utility Commission of Texas acting through its Executive Director and the agency’s designated Contract Administrator.

1.2 “Contractor” or “the LIDA” includes Solix, Inc., and any successors, heirs, and assigns.

1.3 “Services” means any and all services performed and any and all goods and products delivered by Contractor as specified in Attachment A, Statement of Work.

Article 2. COMPENSATION

2.1 Compensation. Contractor agrees to provide all services, including labor, expenses, and any other services described in Attachment A, Statement of Work, with the exception of Business Reply Mail (BRM) postage, for \$8,296,865 per year, paid in monthly installments, totaling \$33,187,460 over the four year term. BRM postage will be invoiced at cost as a separate pass-through item and will be reported with the monthly invoice. Contractor understands that the PUCT is not responsible for payment of any costs or expenses exceeding this amount.

If Contractor believes that changes in the scope of services to be performed will require Contractor to increase its fee, it must request the PUCT’s written authorization to increase its fee. The Contractor must document the changes in the scope of services and why they will require additional effort. The Commission must approve the increase in fee by written amendment to this Agreement before the Contractor performs any services or may invoice the increased fee.

2.2 Payment Process. Contractor shall submit a monthly statement for services or invoice to the PUCT Contract Administrator no later than the 10th day of the month after the month that the services were performed. The invoice must contain the name of the person performing services and a brief description of work performed. No payment will be made for administrative overhead, overtime, etc.

On the statement or invoice, Contractor must include a statement that the invoice accurately describes the services performed and the services were performed in compliance with the Agreement. The statement or invoice must include the vendor identification number issued by the Texas Comptroller or Contractor’s federal taxpayer identification number, a description of the services provided, and the name and division of the PUCT Contract Administrator.

Contractor shall submit the statement or invoice to the PUCT as follows:

By email to: Payables@puc.texas.gov

Or by mail to: Accounts Payable
Public Utility Commission of Texas
P.O. Box 13326
Austin, TX 78711-3326

2.3 Payment for Services. Contractor's acceptance of payment releases the PUCT of all claims for compensation owed in connection with this Agreement.

2.4 Payments made to Subcontractors. Contractor shall pay any subcontractor hereunder the appropriate share of payments received not later than the 10th day after the date Contractor receives the payment. The subcontractor's payment shall be overdue on the 11th day after the date Contractor receives the payment. The PUCT must approve Contractor's use of any subcontractor before Contractor engages the subcontractor (see Sec. 5.1).

2.5 Records. Contractor and its subcontractors, if any, shall maintain records and books of account relating to services provided under this Agreement. Contractor shall, for a period of four (4) years following the expiration or termination of this Agreement, maintain its records (electronic and paper) of the work performed under this Agreement. Records include, but are not limited to correspondence concerning the subject of this Agreement between Contractor and the PUCT; Contractor's internal correspondence; and correspondence between Contractor and any third party. Contractor shall make all records that support the performance of services and payment available to PUCT and/or its designees or the State Auditor during normal business hours given reasonable notice, upon the request of the PUCT Contract Administrator. Records maintained under this section must be kept secure in compliance with state and federal law and in accordance with the provisions of this contract related to information security.

2.6 Sole Compensation. Payments under this Article are Contractor's sole compensation under this Agreement. Contractor shall not incur expenses with the expectation that the PUCT or any other agency of the state of Texas will directly pay the expense to a third-party vendor irrespective of the reason for incurring those expenses.

Article 3. CONTRACT ADMINISTRATION

3.1 PUCT Contract Administration. The PUCT designates **Jay Stone** to serve as its primary point of contact and Contract Administrator throughout the term of this Agreement. Contractor acknowledges that the PUCT Contract Administrator does not have any authority to amend this Agreement on behalf of the PUCT, except as expressly provided herein. Contractor further acknowledges that such authority is exclusively held by the Commission or its authorized designee, Executive Director Brian H. Lloyd.

3.2 Contractor Contract Administration. Contractor designates its Contract Administrator as follows: **Jean Snopkowski**

3.3 Reporting. Contractor shall report directly to the PUCT Contract Administrator and shall perform all activities in accordance with reasonable instructions, directions, requests, rules, and regulations issued during the term of this Agreement as conveyed to Contractor by the PUCT Contract Administrator.

3.4 Cooperation. The Parties' Contract Administrators shall handle all communications between them in a timely and cooperative manner. The Parties shall timely notify each other by email or other written communication of any change in designee or contact information.

3.5 Inquiries and Prompt Referral. Contractor understands that the PUCT does not endorse any vendor, commodity, or service. Contractor, its employees, representatives, other agents, or subcontractors may not issue any media release, advertisement, publication, or public pronouncement which pertains to this Agreement or the services or project to which this Agreement relates or which mentions the PUCT without the prior approval of the PUCT. Contractor will promptly refer all inquiries regarding this Agreement received from state legislators, other public officials, the media, or non-Parties to the PUCT Contract Administrator.

Article 4. REPORTS AND RECORDS

4.1 Written Reports. Contractor will provide written reports to the PUCT in the form and with the frequency specified in Attachment A, Statement of Work, or as agreed to between the parties.

4.2 Distribution of Consultant Reports. PUCT shall have the right to distribute any consultant report associated with this contract, or to allow another Texas state agency or the Texas legislature to distribute it. PUCT shall also have the right to post any consultant report associated with this contract to the PUCT's website or to the website of a standing committee of the legislature. This provision does not waive any right to confidentiality that PUCT may assert for the report.

Article 5. SUBCONTRACTING PARTIES

5.1 Use of Subcontractors. The Parties acknowledge and agree that at the time of execution of this Agreement, Contractor intends to perform the Services required under this Agreement using its own employees and the following subcontractor: Business Ink. Contractor will notify the PUCT Contract Administrator of any other proposed subcontract and will work with the PUCT HUB Coordinator to procure such other subcontractor and to submit appropriate subcontractor selection documentation for approval prior to engaging any other subcontractor, such approval not to be unreasonably withheld. Any such other subcontract or subsequent substitution of a subcontractor must be approved according to the terms of Article 7.

5.2 Sole Responsibility. Contractor is solely responsible for the quality and timeliness of the work produced by all subcontractors that Contractor may engage to provide Services hereunder and for the timely payment for all such work produced by all subcontractors that the PUCT accepts and pays for in accordance with the terms of this Agreement.

5.3 Prime Vendor Contract. The Parties expressly agree that this Agreement is intended to constitute a prime vendor contract, with Contractor serving as the prime vendor for delivery of the Services made the subject hereof. Contractor acknowledges and agrees that it is fully liable and responsible for timely, complete delivery of the Services described in this Agreement, notwithstanding the engagement of any subcontractor to perform an obligation under this Agreement.

Article 6. TERM, SUSPENSION, AND TERMINATION

6.1 Term. The term of this Agreement shall begin on September 1, 2015 and shall continue in effect until August 31, 2019 unless sooner terminated under Sections 6.2 or 6.3 of this Agreement.

6.2 Options for Renewal. This Agreement does not provide for any renewal options.

6.3 Termination for Cause by the PUCT. If Contractor is in default of any material term of this Agreement, the PUCT may serve upon Contractor written notice requiring Contractor to cure such default. Unless within thirty (30) days after receipt of said notice by Contractor, said default is corrected or arrangements satisfactory to the PUCT, as applicable, for correcting the default have been made by Contractor, the PUCT may terminate this Agreement for default and shall have all rights and remedies provided by law and under this Agreement. If PUCT terminates Contractor under Article 18.12, PUCT need not provide any notice or opportunity for curing the default.

6.4 Termination for the Convenience of the PUCT. The PUCT may, upon thirty (30) days written notice to Contractor, terminate this Agreement or any assignments or assistance provided by contractor under this contract whenever the interests of the PUCT so require. The PUCT will only reimburse those expenses already incurred at the time the notice is provided. The PUCT shall not be liable for any damages and/or loss to Contractor as a result of termination for convenience.

6.5. Transfer of Duties. In the event of termination, Contractor will provide reasonable cooperation to transfer its duties under the Agreement to another entity without disruption to the LIDA process.

6.6 Survival. In the event that this Agreement expires or is terminated pursuant to its terms, the rights and obligations of the Parties under it shall end; provided that the provisions of Sections 2.1, 2.5, 2.6, 3.5, 4.2, 6.5, 7.5, 9.2, 9.4 through 9.6, 17.2 and 19.1 through 19.5, 19.7, 19.9, and Articles 1, 10, 11, 12, 14, 15, 16, 20, 21, 23, 27, and 28 shall survive in their entirety.

Article 7. ASSIGNMENT, AMENDMENTS, AND MODIFICATIONS

7.1 Material Change Requests. PUCT may propose changes to Attachment A, Statement of Work. Upon receipt of a written request from the PUCT for a change to Attachment A, Contractor shall, within a reasonable time thereafter, submit to the PUCT a detailed written estimate of any proposed price and schedule adjustment(s) to this Agreement. No changes to Attachment A will occur without the Parties' written consent as provided in accordance with the terms stated in this Agreement.

7.2 Changes in Law, Rules, or Rulings. Subsequent changes in federal or state legislation, rules and regulations or rulings by the PUCT may require modification of the terms of this Agreement, including an increase or decrease in Contractor's duties or compensation. In the event of such subsequent changes to statutes, rules, and/or regulations, the PUCT and Contractor shall negotiate the terms of a contract modification in good faith and incorporate such modification into this Agreement by written amendment.

7.3 No Assignment of Duties. This Agreement shall be binding upon and inure to the benefit of the permitted successors and assigns of any Party (including by merger of Contractor or otherwise by operation of law); provided however that Contractor shall not otherwise, without the prior written consent of the PUCT, assign or transfer this Agreement or any obligation incurred under this Agreement. Any attempt by Contractor to assign or transfer this Agreement or any obligation incurred under this Agreement, in contravention of this paragraph, shall be void and of no force and effect.

7.4 Amendments and Modifications. This Agreement may not be amended or modified in any manner except by written instrument executed by authorized representatives of the Parties in accordance with the terms of this Agreement.

7.5 Binding on Successors. The terms of this Agreement shall be binding on any successor organization of any of the Parties.

Article 8. REPRESENTATIONS, WARRANTIES AND COVENANTS

8.1 Warranty of Performance. Contractor represents, warrants, and covenants that it will perform the services outlined in Attachment A, Statement of Work, in a professional and workmanlike manner, consistent with professional standards of practice in the professional industry.

8.2 Warranty of Services. Contractor warrants that the services shall be rendered by the qualified personnel named in Section 19.8 of this Agreement. If Services provided under this Agreement require a professional license, then Contractor represents, warrants, and covenants that the activity will be performed only by duly licensed personnel.

Article 9. RISK OF LOSS AND PROPERTY RIGHTS

9.1 Risk of Loss. The risk of loss for all items to be furnished hereunder shall remain with Contractor until the items are delivered to the PUCT, at which time the risk of loss shall pass to the PUCT.

9.2 Ownership. Except for materials where any intellectual property rights are vested in a third party, such as software or hardware, in which case such rights shall remain the property of the third party, all finished materials, conceptions, or products created and/or prepared for on behalf of the PUCT and purchased by the PUCT, or on behalf of the PUCT, that the PUCT has accepted as part of the performance of services hereunder, shall be the PUCT's property exclusively and will be given to the PUCT either at the PUCT's request during the term of the Agreement or upon termination or expiration of the Agreement. Notwithstanding the foregoing, materials created, prepared for, or purchased exclusively by the PUCT or on behalf of the PUCT are the PUCT's exclusive property regardless of whether delivery to the PUCT is effectuated during or upon termination or expiration of this Agreement.

9.3 Licensed Software. With PUCT's advanced written consent, contractor may obtain software licenses as an agent of the PUCT for software that is used by Contractor solely for the purpose of providing services under this Agreement. Contractor shall provide the PUCT with a copy of any software license obtained by Contractor as an agent for the PUCT for the purpose of providing services under this Agreement.

9.4 Prior Works. Except as provided herein, all previously owned materials, conceptions, or products shall remain the property of Contractor and nothing contained in this Agreement will be construed to require Contractor to transfer ownership of such materials to the PUCT.

9.5 Trademarks. The Parties agree that no rights to any trademark or service mark belonging to another Party or to any non-Party are granted to any other Party by this Agreement, unless by separate written instrument. The PUCT acknowledges and agrees that use of any trademark associated with any software provided by Contractor under this Agreement does not give the PUCT any rights of ownership in the trademark or the software.

9.6 Program Information. Program information, data, and details relating to Contractor's services under this Agreement shall be maintained separately from Contractor's other activities. Contractor shall undertake all reasonable care and precaution in the handling and storing of this information.

9.7 Provision to be Inserted in Subcontracts. Contractor shall insert an article containing paragraphs 9.2 and 9.6 of this Agreement in all subcontracts hereunder except altered as necessary for proper identification of the contracting Parties and the PUCT under this Agreement.

Article 10. PUBLIC INFORMATION

10.1 Texas Public Information Act. (Texas Government Code Chapter 552). The Parties acknowledge that notwithstanding any other provisions of this Agreement, the Texas Public Information Act ("PIA") governs the treatment of all information held by or under the control of the Commission. The Commission will notify Contractor of requests for Contractor's information as provided under the PIA.

10.2 Agreement Not Confidential. The Parties acknowledge that not all terms of this Agreement may be confidential pursuant to the Texas Public Information Act, regardless of whether those terms are marked "Proprietary," "Trade Secret," or "Confidential." Contractor further acknowledges that in the event of a dispute over the release of a proposal or part of a proposal the PUCT is bound by the decision made by the Office of the Attorney General of Texas.

10.3 Contractor's Duty to Provide Public Information. Contractor is required, at no additional charge to the state, to make available in a format that is accessible by the public any information created or exchanged with the state pursuant to this contract. If information created or exchanged with the state pursuant to this contract is excepted from disclosure under the Texas Public Information Act, Contractor will not be required to make the information available to the public, but may be required to facilitate the PUCT's provision of the information to the Texas Attorney General for a decision on the information's confidentiality.

Article 11. CONFLICTS OF INTEREST AND EMPLOYMENT RESTRICTION

11.1 No Conflicting Relationships. Contractor certifies to the Commission that no existing or contemplated relationship exists between Contractor and the Commission that interferes with fair competition or is a conflict of interest, and that no existing or contemplated relationship exists between Contractor and another person or organization, whether or not located within the State of Texas, that constitutes or will constitute a conflict of interest for Contractor with respect to the Commission.

11.2 Prohibition on Transactions with Parties Adverse to Commission. Contractor agrees that during performance of this Agreement, it will neither provide contractual services nor enter into any agreement, oral or written, to provide services to a person or organization that is regulated or funded by the Commission or that has interests that are directly or indirectly adverse to those of the Commission. The Commission may waive this provision in writing if, in the Commission's sole judgment, such activities of the Contractor will not be adverse to the interests of the Commission.

11.3 Notice of Conflict. Contractor agrees to promptly notify the PUCT of any circumstance that may create a real or perceived conflict of interest, whether arising prior to or during the term of the contract. Contractor agrees to use its best efforts to resolve any real or perceived conflict of interest to the satisfaction of the PUCT. Contractor's failure to do so shall be grounds for termination of this contract for cause, pursuant to Section 6.3.

11.4 Revolving Door. Contractor agrees that it will not hire any current or former PUCT employees whose employment with contractor would violate any of the revolving door provisions in the Texas Government Code or the Public Utility Regulatory Act (Title II, Texas Utilities Code).

Article 12. INDEMNIFICATION

Contractor shall indemnify, defend and hold harmless the PUCT, the State of Texas, and its officers, agents, employees, representatives, contractors, assignees, and designees from any and all liabilities, claims, demands or causes of action, and all related costs, attorney fees and expenses of whatever kind or nature asserted by a third party and occurring in any way incident to, arising out of, or in connection with acts or omissions of Contractor, its agents, employees and subcontractors, committed in the conduct of this Agreement. Any defense shall be coordinated by contractor with the Office of the Attorney General when Texas State Agencies are named defendants in any lawsuit. Contractor may not agree to any settlement without first obtaining the concurrence from the Office of the Attorney General. Contractor and the PUCT agree to furnish timely written notice to each other of any such claim.

Contractor shall also indemnify, defend and hold harmless the Health and Human Services Commission (HHSC) and its respective Executive Commissioner, employees, subcontractors, agents (including other state agencies acting on behalf of HHSC) or other members of its workforce (each of the foregoing hereinafter referred to as "Indemnified Party") against all actual and direct losses suffered by the Indemnified Party and all liability to third parties arising from or in connection with any breach of the Data Use Agreement with HHSC (DUA) or from any acts or omissions related to the DUA by contractor or its employees, directors, officers, subcontractors, or agents or other members of its workforce. The duty to indemnify, defend and hold harmless is independent of the duty to insure and continues to apply even in the event insurance

coverage required, if any, in the DUA is denied, or coverage rights are reserved by any insurance carrier. Upon demand, contractor will reimburse HHSC for any and all losses, liabilities, lost profits, fines, penalties, costs or expenses (including reasonable attorneys' fees) which may for any reason be imposed upon any Indemnified Party by reason of any suit, claim, action, proceeding or demand by any third party to the extent caused by and which results from the contractor's failure to meet any of its obligations under this DUA. Any contractor's obligation to defend, indemnify and hold harmless any Indemnified Party will survive the expiration or termination of the DUA or this contract.

Article 13. INSURANCE

Contractor agrees to comply with all state and federal laws applicable to the liability and payment of Contractor and Contractor's employees, including laws regarding wages, taxes, insurances, and workers' compensation. Neither the PUCT nor the State of Texas shall be liable to the Contractor, its employees, agents, or others for the provision of unemployment insurance and/or workers' compensation or any benefit available to a state employee.

13.1 Minimum Insurance. Contractor shall, at its sole cost and expense, secure and maintain as a minimum, from the Effective Date and thereafter during the term of this Agreement, for its own protection and the protection of the PUCT and the State of Texas:

(a) commercial liability insurance, covering, at a minimum, the following categories of liability within the following limits: (i) bodily injury and property damage - \$1,000,000 limit per occurrence, \$2,000,000 aggregate, (ii) medical expense - \$5,000 limit per person, (iii) personal injury and advertising liability - \$1,000,000 limit, (iv) products/completed operations - \$2,000,000 aggregate, (v) damage to premises rented - \$50,000 limit;

(b) automobile liability coverage for vehicles driven by Contractor's employees (\$500,000 combined single limit); and

(c) workers' compensation insurance in accordance with the statutory limits, as follows: (i) employer's liability - \$1,000,000 each incident, (ii) disease - \$1,000,000 each employee and \$1,000,000 policy limit.

The PUCT and the State of Texas shall be named an additional insured on the commercial liability and automobile policies.

Insurance coverage shall be from companies licensed by the State of Texas to provide insurance with an A rating from A.M. Best and authorized to provide the corresponding coverage.

13.2 Certificates of Insurance. Contractor shall furnish to the PUCT certificates of insurance, signed by authorized representatives of the surety or insurers, of all such bonds and insurance and confirming the amounts of such coverage within ten (10) days of the Effective Date of this Agreement, and upon request thereafter. Contractor shall provide the PUCT Contract Administrator with timely renewal certificates as the coverage renews. Failure to maintain such insurance coverage specified herein, or to provide such certificates promptly, shall constitute a material breach of this Agreement. Contractor shall provide thirty (30) days written notice of any notice for renewal and/or cancellation of insurance.

13.3 Insurance required by HHS. Based upon contractor's use of information from HHS in the performance of this contract, HHS may require contractor to maintain, at its expense, special and/or custom first- and third-party insurance coverages, including without limitation data breach, cyber liability, crime theft and notification expense coverages, with policy limits sufficient to cover any liability arising under the Data Use Agreement, naming the State of Texas, acting through HHS, as an additional named insured and loss payee, with primary and non-contributory status, with required insurance coverage, by the Effective Date, or

as required by HHS. If insurance is required, contractor must provide HHS with written proof that the required insurance is in effect, at the request of HHS.

Article 14. DISPUTE RESOLUTION

The Parties agree to resolve disputes arising under this Agreement through the dispute resolution process provided for in Chapter 2260 of the Texas Government Code and Subchapter C of the PUCT Rules for Administrative Services.

Article 15. SOVEREIGN IMMUNITY

The State of Texas and the PUCT do not waive sovereign immunity by entering into this Agreement and specifically retain immunity and all defenses available to them under the laws of the State of Texas or the common law.

Article 16. GOVERNING LAW

Notwithstanding anything to the contrary in this Agreement, this Agreement shall be deemed entered into in the State of Texas and shall be governed by, construed and interpreted in accordance with the laws of the State of Texas that apply to contracts executed in and performed entirely within the State of Texas, without reference to any rules of conflict of laws. The Parties consent to the exclusive jurisdiction of the State of Texas. The Parties hereby submit to the jurisdiction of the courts located in, and venue is hereby stipulated to, the state courts located in Travis County, Texas. Each Party stipulates that it is subject to the jurisdiction of the courts located in Travis County, Texas, for any cause of action arising from any act or omission in the performance of this Agreement. Further, each Party hereby waives any right to assert any defense to jurisdiction being held by the courts located in Travis County, Texas, for any cause of action arising from any act or omission in the performance of this Agreement.

Article 17. COMPLIANCE WITH LAW

17.1 General. Contractor shall comply with all federal, state, and local laws, executive orders, regulations, and rules applicable at the time of performance. Contractor warrants that all services sold hereunder shall have been produced, sold, delivered, and furnished in strict compliance with all applicable laws and regulations to which they are subject, including, but not limited to, Equal Employment Opportunity laws. All laws and regulations required in agreements of this character are hereby incorporated by this reference.

17.2 Taxes. Contractor agrees to comply with any and all applicable state tax laws that may require any filing with and/or payment to the State of Texas as a result of any action taken as a result of this Agreement.

17.3 Workers' Compensation. Contractor agrees that it shall be in compliance with applicable state workers' compensation laws throughout the term of this Agreement.

17.4 Employee Eligibility. Contractor agrees to utilize the U.S. Department of Homeland Security's E-Verify system to determine the eligibility of: 1) all persons hired during the contract term to perform duties within Texas; and 2) all persons (including subcontractors) assigned by the contractor to perform work pursuant to the contract, except as prohibited by law.

17.5 Conflicts. Contractor agrees to abide by the requirements of and policy directions provided by the Texas statutes and the rules and regulations of the PUCT, and will inform and consult with the PUCT when further interpretations or directions are needed in order to fully implement the rules and regulations of the Commission. In the event that Contractor becomes aware of inconsistencies between

this Agreement and a Texas statute or PUCT rule, Contractor will so advise the PUCT and will cooperate fully to revise applicable provisions of this Agreement as necessary.

Article 18. CONTRACTOR'S CERTIFICATION

By accepting the terms of this Agreement, Contractor certifies that, to the extent applicable, it is in compliance with the following requirements and prohibitions. Contractor understands and agrees that a false certification may lead to termination of this Agreement for cause.

18.1 Prohibitions on Gifts. Contractor has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Agreement.

18.2 Delinquent Obligations. Contractor is not currently delinquent in the payment of any franchise or sales tax owed to the State of Texas, and is not delinquent in the payment of any child support obligations under applicable state law.

18.3 Terrorist Financing. The PUCT is federally mandated to adhere to the directions provided in the President's Executive Order (EO) 13224, Executive Order on Terrorist Financing – Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, effective 9/24/2001 and any subsequent changes made to it, via cross referencing proposers/vendors with the Federal General Services Administration's System for Award Management (SAM), <https://www.sam.gov/>, which is inclusive of the United States Treasury's Office of Foreign Assets Control (OFAC) Specially Designated National (SDN) list.

<http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>

Contractor certifies that the responding entity and its principals are eligible to participate in this transaction and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state or local governmental entity and that Proposer is not listed on the federal government's terrorism watch list as described in Executive Order 13224. Entities ineligible for federal procurement are listed at: <https://www.sam.gov/>

18.4 Antitrust. Neither Contractor nor anyone acting for Contractor has violated the antitrust laws of this State, codified in Section 15.01, et seq. of the Texas Business and Commerce Code or the Federal Antitrust Laws, nor has communicated directly or indirectly to any competitor or any other person engaged in such line of business for the purpose of obtaining an unfair price advantage.

18.5 Family Code. Contractor has no principal who is ineligible to receive funds under Texas Family Code Section 231.006 and acknowledges that this Agreement may be terminated and payment may be withheld if this certification is inaccurate.

18.6 Prohibited Compensation. Contractor has not received compensation from the PUCT, or any agent, employee, or person acting on the PUCT's behalf for participation in the preparation of this Agreement.

18.7 Government Code. Under Texas Government Code Section 2155.004, Contractor certifies that the individual or business entity named in this contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and/or payment withheld if this certification is inaccurate.

18.8 Outstanding Obligations. Payments due under the contract will be applied towards any debt that is owed to the State of Texas, including but not limited to delinquent taxes and child support.

18.9 Contracting with Executive Head of State Agency. Contractor certifies this Agreement is in compliance with Texas Government Code Section 669.003 relating to contracting with the executive

head of a State agency. If Texas Government Code Section 669.003 applies, bidder will complete the following information in order for the bid to be evaluated: Name of Former Executive; Name of State Agency; Date of Separation from State Agency; Position with Bidder; and Date of Employment with Bidder.

18.10 Buy Texas. Contractor will comply with Texas Government Code Section 2155.4441, pertaining to service contracts regarding the use of products produced in the State of Texas.

18.11 Hurricane Recovery. Under Texas Government Code Section 2155.006, Contractor certifies that the individual or business entity named in this proposal is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate.

18.12 E-Verify. Except as otherwise prohibited by federal law, Contractor certifies and ensures that it utilizes and will continue to utilize, for the term of this Contract, the U.S. Department of Homeland Security's E-Verify system to determine the eligibility of:

1. All persons employed to perform duties within Texas, during the term of the Contract; and
2. All persons (including subcontractors) assigned by the Proposer to perform work pursuant to the Contract, within the United States of America.

To the extent permitted by applicable laws, the Contractor shall provide, upon request of PUCT, an electronic or hardcopy screenshot of the confirmation or tentative non-confirmation screen containing the E-Verify case verification number for attachment to the Form I-9 for any employees that match the criteria above, by the Contractor, and Contractor's subcontractors, as proof that this provision is being followed.

If this certification is falsely made, the Contract may be immediately terminated, at the discretion of the state and at no fault to the state, with no prior notification. The Contractor shall also be responsible for the costs of any re-solicitation that the state must undertake to replace the terminated Contract.

18.13 Compliance with Deceptive Trade Practices Act. Contractor shall comply with Texas Business and Commerce Code Chapter 17.

18.14 Compliance with Americans with Disabilities Act. Contractor shall comply with the Americans with Disabilities Act, 42 U.S.C. Chapter 126.

18.15 Prohibited Use of Appropriated/Other Funds. Contractor shall comply with Tex. Gov't Code Sections 556.005, 556.0055, and 556.008 related to prohibited uses of appropriated and other funds.

18.16 Debarred Vendors List. Contractor certifies that it is not on the Debarred Vendors List located at http://www.window.state.tx.us/procurement/prog/vendor_performance/debarred/.

Article 19. GENERAL PROVISIONS

19.1 Relationship of Parties. Contractor is and shall remain at all times an independent contractor, and nothing in this Agreement shall be deemed to create a joint venture, partnership, employment, franchise, master-servant, or agency relationship between the Parties. Except as expressly provided to the contrary elsewhere in this Agreement, no Party has any right or authority to act on behalf of another Party, nor to assume or create any obligation, liability or responsibility on behalf of another Party. Under no circumstances shall the relationship of employer and employee be deemed to arise between the PUCT and Contractor's personnel. Contractor shall be solely responsible for achieving the results contemplated by this Agreement, whether performed by Contractor, its agents, employees or subcontractors.

19.2 Non-Exclusivity. Nothing in this agreement is intended nor shall be construed as creating any exclusive arrangement between Contractor and PUCT. This agreement shall not restrict PUCT from acquiring similar, equal, or like goods and/or services from other entities or sources.

19.3 Taxes and Statutory Withholdings. Contractor acknowledges that it is not a PUCT employee, but is an independent contractor. Accordingly, it is Contractor's sole obligation to report as income all compensation received by Contractor under the terms of this Agreement. Contractor is solely responsible for all taxes (federal, state, or local), withholdings, social security, unemployment, Medicare, Workers' Compensation insurance, and other similar statutory obligations (of any governmental entity of any country) arising from, relating to, or in connection with any payment made to Contractor under this contract. Contractor shall defend, indemnify and hold the PUCT harmless to the extent of any obligation imposed by law on the PUCT to pay any tax (federal, state, or local), withholding, social security, unemployment, Medicare, Workers' Compensation insurance, or other similar statutory obligation (of any governmental entity of any country) arising from, relating to, or in connection with any payment made to Contractor under this Agreement. Further, Contractor understands that neither it nor any of its individual employees is eligible for any PUCT employee benefit, including but not limited to holiday, vacation, sick pay, withholding taxes (federal, state, local), social security, Medicare, unemployment or disability insurance, Workers' Compensation, health and welfare benefits, profit sharing, 401(k) or any employee stock option or stock purchase plans. Contractor hereby waives any and all rights to any such PUCT employment benefit.

19.4 Notice. Except as otherwise stated in this Agreement, all notices provided for in this Agreement shall be (a) in writing, (b) addressed to a Party at the address set forth below (or as expressly designated by such Party in a subsequent effective written notice referring specifically to this Agreement), (c) sent by FedEx, with proper postage affixed and (d) deemed effective upon the third business day after deposit of the notice in the U.S. Mail.

IF TO THE PUCT:

ATTENTION: Brian H. Lloyd, Executive Director
1701 N. Congress Ave., 7th Floor
Austin, TX 78701
With copies to the PUCT Contract Administrator at the same address.

IF TO CONTRACTOR:

ATTENTION: Jean Snopkowski, Director – Government Programs
30 Lanidex Plaza West
Parsippany, NJ 07054

19.5 Headings. Titles and headings of paragraphs and sections within this Agreement are provided merely for convenience and shall not be used or relied upon in construing this Agreement or the Parties' intentions with respect thereto.

19.6 Export Laws. Contractor represents, warrants, agrees and certifies that it (a) shall comply with the United States Foreign Corrupt Practices Act (regarding, among other things, payments to government officials) and all export laws and rules and regulations of the United States Department of Commerce or other United States or foreign agency or authority and (b) shall not knowingly permit any non-Party to directly or indirectly, import, export, re-export, or transship any intellectual property or

any third Party materials accessed by Contractor during the course of this Agreement in violation of any such laws, rules or regulations.

19.7 Preprinted Forms. The use of preprinted forms, such as purchase orders or acknowledgments, in connection with this Agreement is for convenience only and all preprinted terms and conditions stated thereon are void and of no effect. The terms of this Agreement cannot be amended, modified, or altered by any conflicting terms, provisions, or conditions contained in a proposal or a preprinted form, such as purchase orders or acknowledgments. If any conflict exists between this Agreement and any terms and conditions on a proposal, purchase order, acknowledgment, or other preprinted form, the terms and conditions of this Agreement will govern.

19.8 Specific Personnel. Contractor has identified the personnel for this assignment ("Team"), as follows: **Eric Seguin, Jean Snopkowski, Dan Marion, Leshawn Ishmell, Vincent Dilollo, Steven Kucirek, Michael Quinn, Viru Parab, and Ketana Patel.**

Contractor warrants that it shall use its best efforts to avoid any changes to the Team during the course of this Agreement. Should personnel changes occur during the contract period, Contractor will recommend to the PUCT personnel with comparable experience and required qualifications and training. The PUCT must approve any change in personnel on this project in writing. Contractor shall provide individuals qualified to perform the tasks assigned to such individual. At the PUCT's request, Contractor shall remove from the project any individual whom the PUCT finds unacceptable. Contractor shall replace such individual with another individual satisfactory to the PUCT as soon as practicable.

19.9 Publicity. Contractor understands and agrees that no public disclosures or news releases pertaining to this Agreement or any results or findings based on information provided, created, or obtained to fulfill the requirements of this agreement shall be made without the prior written approval of the PUCT.

Article 20. NO IMPLIED WAIVER

The failure of any party, at any time, to enforce a provision of this contract will not constitute a waiver of that provision; will not affect the validity of this contract or any part of it; and will not affect the right of any party to enforce each and every provision.

Article 21. ORDER OF PRECEDENCE

In the event of conflicts or inconsistencies between the provisions of this contract and its attachment(s), the following are given precedence in the order listed below:

- 1) The terms and conditions of this contract;
- 2) The Statement of Work, including any exhibits;
- 3) The contractor's proposal.

Article 22. FORCE MAJEURE

Neither the PUCT nor Contractor will be considered in default in the performance of its obligations under this contract to the extent that the performance of such obligations is prevented or delayed by any cause beyond the reasonable control of the affected party, which such party could not, by due diligence have avoided, including but not limited to acts of God, severe weather, explosions, riots, acts of war, or orders of legal authority. Such causes will not relieve either party of liability in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner, with all reasonable dispatch, and to give notice and full particulars of the same in writing to the other party as soon as possible after the occurrence of the cause that prevented or delayed performance of the

obligations. If the event of Force Majeure continues for a period of more than one hundred and eighty (180) days, either party thereafter may terminate this contract upon giving at least ten (10) days prior written notice to the other party.

Article 23. SEVERABILITY

If any provision of this contract is held unlawful or otherwise unenforceable, such provision will be severed and deemed deleted and the remainder of this contract will continue in full force and effect, as if such provision had never existed.

Article 24. FUNDING OUT CLAUSE

This contract is contingent upon the continued availability of funding. If funds become unavailable through lack of appropriations, legislative or executive budget cuts, amendment of the Appropriations Act, state agency consolidations, or any other disruptions of current appropriations, provisions of the Termination Article shall apply. Any contract resulting from this solicitation is contingent upon the continued availability of lawful appropriations by the Texas Legislature. *See* Texas Constitution, Article III Section 49, State Debts; and Texas General Appropriations Act for the 2014-2015 Biennium, Article IX, Section 6.03, Excess Obligations Prohibited.

Article 25. DRUG FREE WORKPLACE POLICY

The contractor shall comply with the applicable provisions of the Drug-Free Work Place Act of 1988, 41 U.S.C. § 8102, et seq., and 48 CFR § 52.223-6 Drug-Free Workplace) and maintain a drug-free work environment. The requirements of the Drug Free Workplace Act and the rules interpreting it are incorporated by reference and the contractor shall comply with the relevant provisions thereof, including any amendments that may hereafter be issued.

Article 26. SUBSTITUTIONS

Substitutions are not permitted without written approval of the PUCT.

Article 27. RIGHT TO AUDIT

Pursuant to Section 2262.003 of the Texas Government Code, the State Auditor may conduct an audit or investigation of Contractor or any other entity or person receiving funds from the state directly under this Agreement or indirectly through a subcontract under this contract. The acceptance of funds by Contractor or any other entity or person directly under this contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, Contractor or any other entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. Contractor will ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through the vendor and the requirement to cooperate is included in any subcontract awards.

Article 28. ENTIRE AGREEMENT

This contract, including Attachment A, Statement of Work, constitutes the entire agreement and understanding between the parties with regard to its subject matter and supersedes and merges all prior discussions, writings, negotiations, understandings, and agreements concerning the provision of these services. Any terms and conditions attached to a solicitation will not be considered unless specifically referred to in this Agreement.

In WITNESS WHEREOF both parties by their duly authorized representatives have executed this contract effective as of **September 1, 2015**.

The Public Utility Commission of Texas

Contractor

By:  _____

Brian H. Lloyd
Executive Director

By:  _____

Jack Miller
President and CEO

Date Signed: 8/28/15

Date Signed: 8-31-15

ATTACHMENT A
STATEMENT OF WORK

Introduction

The contractor will serve as the Low-Income Discount Administrator (LIDA). The LIDA is responsible for managing the electric and telephone discount matching processes.

The basic functions of the LIDA, including the matching process are:

1. Creating and maintaining databases of eligible customers;
2. Processing of all self-enrollment forms;
3. Answering telephone calls from customers;
4. Managing the LIDA call center which is operational 24/7. English and Spanish speaking agents always on call;
5. Providing a point of contact with all the utility companies as it relates to the discount process;
6. Resolving customer eligibility issues;
7. Managing all fulfillment operations;
8. Developing and implementing a method to notify applicants of their eligibility;
9. Working with the PUCT Staff, representatives of the utility service providers that are providing discounts, and the Texas Health and Human Services Commission (HHSC);
10. Resolving problems with the matching process;
11. Providing the PUCT access to the all the files received and sent to the utility companies relating to the monthly matching process;
12. Delivering PUCT approved reports by the 10th working day of the month;
13. Providing real-time access for the PUCT to the call center database for research;
14. Providing live access to call center call recordings for PUCT review;
15. Establishing a secure means of document transfer with the PUCT;
16. Maintaining and updating the frequently asked questions for the public;
17. Providing an annual Statement on Standards for Attestation Engagements (SSAE) 16 audit;
18. Maintaining an online application request process;
19. Maintaining an online Application Programming Interface (API) system for prepaid wireless companies to utilize for enrollment purposes;
20. Ensuring the Lifeline Discount process meets the Federal Communications Commission (FCC) guidelines; and
21. Establishing the processing schedule for the following fiscal year by the end of July.

For further information about the Low-Income Discount Program and for additional details of the requirements of the LIDA for the electric program please refer to PUCT Substantive Rule 25.454 at <http://www.puc.texas.gov/agency/rulesnlaws/subrules/electric/Electric.aspx> and Substantive Rule 26.412 at <http://www.puc.texas.gov/agency/rulesnlaws/subrules/telecom/Telecom.aspx> for the telephone program.

Deliverables:

- Applications Reviewed
- Certification Form/Household Worksheets Reviewed
- Calls Accepted by Call Center
- Fulfillment Operations:
 - Renewal Notices

- New Applications – New Package
- Application Rejection Notices
- Duplicative Letters – Single
- Duplicative Letters – Multi
- New Discount Letters
- Certification/Household Worksheets
- Certification Rejections
- ID Verifications
- All fulfillment materials must be provided in English and Spanish

Definitions

Renewal Notice – Letter to customers asking them to re-certify their status as low-income prior to the expiration of the 7th month discount. Contents include cover letter, instructions, application, Certification Form, and BRM envelope.

New Application – Package to customers that have requested a LITE-UP Texas application be mailed to them. Contents include instructions, application, Certification Form, and BRM envelope.

Application Rejection Notice – Letter to customers providing the reason(s) their LITE-UP Texas application was rejected.

Duplicative Letters-Single – Letter to customers that have been identified as living in a household with more than one Lifeline discount. Contents include letter, Certification Form, IEH worksheet, and BRM envelope.

Duplicative Letter-Multiple – Letter to customers that have been identified as receiving a lifeline discount on more than one telephone number. Contents include letter, Certification Form, and BRM envelope.

New Discount Letter – Letter to customers that have been identified as eligible for the Lifeline discount through the HHSC process but are not receiving the discount. Contents include letter, Certification Form, and BRM envelope.

Program Operations

Matching Process

Contractor shall use the following matching process:

1. Every month, on a predetermined date, the LIDA receives the HHSC database of clients; processes the database by eliminating duplicates and ineligible clients; and then the LIDA includes the current self-enrolled database and creates the final database of unique addresses;
2. Every month, on a predetermined date, the LIDA receives the residential customer base file from the Retail Electric Providers (REPs) (see Attachment E for file layout) and the entire customer base file from the Telephone Service Providers (TSPs) from a secure file transfer protocol (FTP) website;
3. Every month, the LIDA merges the HHSC and Utility Provider's databases to create a list of matching clients;
4. At the end of the process (no later than the last day of the month), the LIDA notifies the REPs and TSPs that files are ready for downloading;

5. The LIDA sets up each utility with a secure user ID and password to access the files;
6. The LIDA maintains a batch, online portal, and application programming interface (API) which allows prepaid telephone carriers to reserve, add, switch, and enroll their Lifeline customer base after their own review process has been completed;
7. The LIDA maintains all necessary software and hardware for easy access and processing; and
8. When people receiving the discount fall off the HHSC automatic list, the LIDA sends them an application for self-enrollment and gives them a 2-month grace period status to continue to receive the discount. If the individual does not re-enroll in the 2 month period they will no longer receive the benefit until such time they are again on the HHSC file or they submit a self-enrollment form.

Self-Enrollment Process

Contractor shall use the following self-enrollment process:

1. The LIDA sends out application, certification and where necessary, household worksheet forms in both English and Spanish to those customers who request forms through the call center or online and want to enroll in the LITE-UP Texas Programs;
2. The LIDA processes the returned forms, and certification and household worksheets. All returned forms are processed within 7 business days of receipt;
3. The LIDA archives processed forms by maintaining hard copies in secure storage for a period of four years or scans forms into system and destroys paper copy;
4. The LIDA carries out special projects, as may be requested by the PUCT, e.g. a mass mailing of self-enrollment forms; and
5. All certification and household worksheet forms are scanned into the system.

Self Enrolled Eligibility Renewal Process

Contractor shall use the following self-enrolled eligibility renewal process:

1. Participants are eligible for the discount for 7 months. The LIDA reviews all participants' eligibility during their 6th month and sends renewal forms. The LIDA sends renewal forms to customers asking them to re-certify their status as low-income prior to the expiration of the 7th month.
2. The LIDA processes the returned forms within 7 business days of receipt.
3. The LIDA adjusts the database to reflect any changes.
4. The LIDA archives the processed documents.

Matching Criteria

Contractor shall use the following matching criteria:

1. For REPs:
 - a. SSN in Enrollment List to SSN in REP Customer List
 - b. Name and ESI ID in Enrollment List to Name and ESI ID in REP Customer List
 - c. Name and Mail Address in Enrollment List to Name and Service Address in REP Customer List
 - d. Name and Residence Address in Enrollment List to Name and Service Address in REP Customer List

- e. SSN and Mail Address in Enrollment List to SSN and Service Address in REP Customer List
- f. SSN and Residence Address in Enrollment List to SSN and Service Address in REP Customer List

Note: Mail and Residence Address match includes full address and full (5+4) zip code. The SSN match excludes dummy entries such as "000000000", "111111111" etc.

2. For TSPs:

- b. SSN only in Enrollment List to SSN in TSP Customer List
- c. Phone only in Enrollment List to Phone in TSP Customer List
- d. Name and Mail Address in Enrollment List to Name and Service Address in TSP Customer List
- e. Name and Residence Address in Enrollment List to Name and Service Address in TSP Customer List

Note: Mail and Residence Address match includes full address and full (5+4) zip code. The SSN match excludes dummy entries such as "000000000", "111111111" etc.

3. Additional Telephone Discount Processes

- a. All self-enrollment records that have matched are further verified to confirm there is a valid, approved certification form in the database.
- b. All records that have matched are further verified for duplication to ensure that only one discount per household is given unless an approved household worksheet exists in the database.
- c. All records going through the discount process are CASS (Coding Accuracy Support System) certified. Any address that fails to CASS certify is returned to the submitting TSP.
- d. Any customer record that due to processing criteria is to be removed from the program is returned to the submitting Carrier in the Monthly de-enroll file.
- e. Any certification form that is reviewed and approved by the LIDA is returned to the providing TSP as a .pdf file.

Deliverables

The following sections below describe deliverables under this contract: "Eligibility Verification for ETCs for Lifeline Purposes Only," "Scanning," "Fulfillment Requirements," "Call Center," "Frequently Asked Questions," "SSAE 16 Audit," and "Monthly Reports."

Eligibility Verification for ETCs for Lifeline Purposes Only

The LIDA must provide the ability for a TSP to verify a potential customer's eligibility outside of the monthly process. The following methods are to be used to provide this functionality.

1. Flat file - on a nightly basis the TSP may provide a file of customers to be verified (see Exhibit 1 for file layout). A return file will be provided reporting the status of the submitted customer.
2. Web portal - The LIDA provides unique User Id and Password to each TSP for use on the Eligibility Portal. Customer information can be entered and the TSP will receive the customer status.
3. API - A TSP may call one of several provided API's to obtain the eligibility status of a Customer in real time.

Scanning

The LIDA must provide the ability to scan and store the Certification and Household Worksheet Forms as .PDF files. The Certification and/or Household forms are reviewed when the customer sends them back to the LIDA. If a Certification form is approved by the LIDA, it is sent to the TSP at the end of the month processing so they can have it on file as well. These images shall be maintained by the LIDA for the life of the program.

Fulfillment Requirements

Below is a schedule of the contractor's required mail-outs and their frequency. This list is subject to change upon PUCT approval.

Type	Frequency	Letter	Application	Cert. Form	HHWS
Application Rejection (REJ) - A rejection letter explaining the reason(s) why the application was rejected and instructions for re-applying or disputing.	Weekly	X			
New Form Request (NFR) - An enrollment document that is structured as an FAQ for both the telephone and electric discounts.	Weekly		X	X	
Certification Rejection (CTR) - A rejection letter based on a submitted certification or HHWS form that was deemed incomplete.	Weekly	X		X	X
Application Cert Rejection (ACR) - A rejection letter explaining failure to submit a completed certification form and HHWS.	Weekly	X		X	X
Certification Resend (CRL) - Based on the customer's re-print request a letter, which includes the certification form and HHWS.	Weekly	X		X	X
Multi-Discount (MDL) - A letter explaining the customer is receiving the Lifeline discount on more than one telephone number in the household.	Monthly	X		X	
Single Discount (SDL) - A letter explaining more than one Lifeline telephone discount has been identified at the residence address.	Monthly	X		X	X
New Discount (NDL) - A letter all new or returning Direct Enrollees receive, which requires them to fill out a certification form.	Monthly	X		X	
Renewal (REN) - A renewal letter	Monthly	X	X	X	

explaining the customer must re-apply and be approved to remain on the program.					
PUCT Annual Mailing – A letter to targeted potential customers who are enrolled in a qualified HHSC program and lives in an area that allows them to choose their electric company.(Ad hoc)	Annual	X			

a. Weekly Fulfillments

All weekly fulfillments are sent on Fridays to the contractor to be mailed on the following business day.

b. Monthly Fulfillments

All monthly fulfillments are mailed within 5 business days of receipt by the fulfillment center.

Call Center

The LIDA shall operate a call center to handle calls about the discount programs. The call center shall be operational 24 hours a day, 7 days a week. The call center must have English and Spanish speaking operators on site 24/7. The call center must NOT close for any holidays. The call center must reside in Texas.

Frequently Asked Questions

The LIDA shall maintain the frequently asked questions page. The LIDA shall update the site as needed. The site shall provide for the person looking at the FAQs to submit a question. The questions shall be routed to the PUCT to be answered. The FAQs and answers shall be posted in English and Spanish.

SSAE 16 Audit

The LIDA shall conduct an annual SSAE 16 audit completed by the end of March on the previous state fiscal year's Standard Operating Procedures. The Audit is required to have a special component detailing network security especially as it pertains to the handling of the HHSC confidential information, and a special component evaluating contractor's compliance with Article 18.12 of the Terms and Conditions pertaining to contractor's use of E-Verify.

Monthly Reports

Monthly reports are due to the Commission by the 10th working day of the month for the previous month's business. If the 10th business day of the month falls on a weekend, the reports are due on the last business day before the weekend.

Monthly Reports

1. LITE-UP Texas Enrollment Summary (Exhibit 4 to Attachment A, SOW)
2. LIDA Operations Rejection Code Summary (Exhibit 5 to Attachment A, SOW)
3. LIDA Operations TSP Summary (Exhibit 6 to Attachment A, SOW)
4. LIDA Operations REP Summary (Exhibit 7 to Attachment A, SOW)

5. Texas LIDA 6-month TSP Rolling Report (Exhibit 8 to Attachment A, SOW)
6. Texas LIDA 6-month REP Rolling Report (Exhibit 9 to Attachment A, SOW)
7. Monthly Call Reason Report (Exhibit 10 to Attachment A, SOW)
8. Monthly ACD Report (Exhibit 11 to Attachment A, SOW)
9. Monthly Report by Zip Code (Exhibit 12 to Attachment A, SOW)
10. Call Center Handle Time Report (Exhibit 13 to Attachment A, SOW)
11. Performance Measurements Report (Exhibit 14 to Attachment A, SOW)
12. Verification of all mailed letters
13. Verification of Call Center minutes
14. Verification of Applications, Certification Forms and Household Worksheets processed

Invoice

The invoice is due to the Commission by the 10th of the month. If the 10th day of the month falls on a weekend, the invoice is due on the last business day before the weekend. The HUB subcontractor report shall be attached along with any backup for business reply mail. The invoice shall include the month and year the invoice is for, contract number, and a description of processes being billed for (to include quantity and contracted price).

Liquidated Damages

If contractor breaches this agreement by failing to meet deadlines, payments to the individuals receiving benefits under the LIDA programs could be compromised. Damages to PUCT resulting from contractor's failure to timely meet its obligations would be difficult to calculate at the time of breach, so this contract includes the following liquidated damages associated with the following deadlines:

- Contractor's Standard Operating Procedures (SOP) shall be delivered to the PUCT by December 15, 2015, and annually on December 15, regardless of whether there were changes to the procedure from the previous year. If the contractor fails to provide the SOP on the due date, contractor shall pay an initial \$5,000 in liquidated damages plus \$1,000 per day for each day after the due date until the procedures have been delivered.
- Contractor shall have a Disaster Recovery Plan and Business Continuity Plan in place. A copy of the plan(s) shall be delivered to the PUCT upon contract signing. An updated copy of the plan(s) shall be delivered to the PUCT annually by December 15. The plan(s) shall include the plans of all subcontractors (if applicable). If the contractor fails to provide the plan(s) on the due date, contractor shall pay an initial \$5,000 in liquidated damages plus \$1,000 per day for each day after the due date until the plans have been delivered.
- Contractor shall adhere to the posted processing schedule. If contractor fails to provide the output files to the utilities on the specified dates, contractor shall pay an initial \$5,000 in liquidated damages, plus \$1,000 per day for each day after the due date until the files have been posted.
- Contractor shall have the monthly reports and invoice delivered to the PUCT by the stated date. If contractor fails to deliver the monthly reports and/or invoice on those dates, contractor shall pay an initial \$5,000 in liquidated damages, plus \$1,000 per day each day until they are delivered. Correcting a monthly report or invoice after the due date will deem these documents late and

therefore contractor will owe the above liquidated damages. Invoices must be accompanied by a letter from the contractor certifying that all the necessary information is being submitted correctly and on time.

- Contractor shall adhere to the number of days allowed for mail outs. If contractor fails to mail the letters in the allotted time, contractor shall pay liquidated damages of an initial \$25,000, plus \$1,000 per day for each day after the due date until all the mail outs have been sent.
- Contractor shall adhere to the timeframe of 7 business days to process and application or form from the date of receipt. If contractor fails to meet the 7 business days, contractor shall pay liquidated damages of \$500 per form per day assessment.

Additional Requirements and Information

In addition to the above requirements and reports, contractor shall scan of all self-enrollment applications and backup received. The PUCT shall have easy access to the applications along with the Certification and Household Worksheet forms.

Database changes are included in the contract price. The PUCT will not incur any cost for database changes due to legislation or PUCT needs.

Contractor shall meet with the Contract Manager in Austin twice per year.

Confidentiality and Information Security

The work required by this contract involves handling confidential information in a secure way. Contractor shall maintain confidentiality and security of information related to the contract, and particularly personal information related to benefit recipients.

In order to evaluate beneficiaries' eligibility for benefits, contractor will need to receive information from the HHSC. HHSC provides this information to the PUCT and its contractor pursuant to a Data Use Agreement (DUA). As PUCT's subcontractor, contractor shall sign a Subcontractor Agreement Form that obligates contractor to comply with the terms of the DUA with HHS. The DUA and Subcontractor Agreement Form are included in this Statement of Work as Exhibit 15. HHS will also require the LIDA contractor to complete an Initial Security Evaluation before accessing HHSC's information.

Contractor shall sign the Subcontractor Agreement Form and complete the Initial Security Evaluation within the first ten (10) calendar days after the effective date of the contract.

**Exhibit 1 – to Attachment A, SOW HHS Data Use Agreement and
Subcontractor Agreement Form**

(Cover Page)

**HHS Enterprise Data Use Agreement
Attachment 2
INFORMATION SECURITY AND PRIVACY INITIAL INQUIRY (SPI)**

PLEASE NOTE: For any "NO" answers to questions in SECTION B and SECTION C, applicant/bidder must correct the issue before applicant/bidder can submit a bid response or a complete application.

SECTION A. APPLICANT/BIDDER INFORMATION (To be completed by Applicant/Bidder)	
1. Entity or Applicant/Bidder Legal Name	Legal Name: _____ Address: _____ Main Telephone Number: _____ Website: _____
2. Number of Employees, at all locations, in Applicant/Bidder's Workforce <small>"Workforce" means all employees, volunteers, trainees, and other Persons whose conduct, in the performance of work for Applicant/Bidder, is under the direct control of Contractor, whether or not they are paid by Applicant Bidder.</small>	Total Employees: _____
3. Number of Subcontractors	Total Subcontractors: _____
4. Name of Information Technology Security Official and Name Privacy Official for Applicant/Bidder <small>(Privacy and Security Official may be the same person.)</small>	A. Security Official: Name: _____ Address: _____ Telephone Number: _____ Email Address: _____ B. Privacy Official: Name: _____ Address: _____ Telephone Number: _____ Email Address: _____
5. Volume of Storage Devices for HHS Confidential Information <small>A "data center" is a centralized repository, either physical or virtual, for the storage, management, and dissemination of data and information organized around a particular body of knowledge or pertaining to a particular business. "Cloud" computing is the practice of using a network of remote servers hosted on the Internet to store, manage, and process data, rather than a local server or a personal computer.</small>	Number:
a. Devices. Number of personal user computers, devices or drives, including mobile devices and mobile drives?	_____
b. Servers. Number Servers that are not in a data center or in "the cloud"?	_____
c. Cloud. Number of cloud services in use?	_____
d. Data Centers. Number of data centers in use?	_____
6. For how many unduplicated individuals can Applicant/Bidder reasonably expect to handle Individually Identifiable HHS confidential information annually?	Check the box:
a. 499 individuals or Less	<input type="checkbox"/>
b. 500 to 999 individuals	<input type="checkbox"/>
c. 1,000 to 99,999 individuals	<input type="checkbox"/>
d. 100,000 + individuals	<input type="checkbox"/>

**HHS Enterprise Data Use Agreement
Attachment 2
INFORMATION SECURITY AND PRIVACY INITIAL INQUIRY (SPI)**

PLEASE NOTE: For any "NO" answers to questions in SECTION B and SECTION C, applicant/bidder must correct the issue before applicant/bidder can submit a bid response or a complete application.

<p>i. A policy that only permits Authorized Persons with up-to-date privacy and security training, with a reasonable and demonstrable need to use, disclose, create, receive, maintain, access or transmit the HHS confidential information to carrying out an obligation under this agreement for an Authorized Purpose, unless otherwise approved in writing by an HHS agency?</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>j. A policy that establishes, implements and maintains proof of appropriate sanctions against any Workforce or Subcontractor who fails to comply with an "Authorized Purpose" or who is not an "Authorized Person," and used or disclosed HHS confidential information in violation of this DUA, the Base Contract or applicable law?</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>k. Applicant/Bidder's policy must require policies, procedures and plans are to be updated following major changes with use or disclosure of HHS Confidential Information within 60 days.</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>l. A policy that will not permit or allow an attempt to re-identify or further identify "De-Identified" confidential information, or attempt to contact any Individuals whose records are contained in the confidential information, except for an Authorized Purpose, without express written authorization from HHSC or as expressly permitted by the Base Contract?</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>m. A policy that requires contactor to not enter into any subcontractor agreement to handle HHS confidential Information, without express written approval of an HHS agency in advance?</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>n. A policy that prohibits offshoring, or the use, disclosure, creation, maintenance or transmission of HHS Confidential Information outside of the United States of America, without express written permission from the HHS agency?</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>o. A policy that requires cooperation with HHS agencies or federal regulatory inspections, audits or investigations related to compliance with the DUA or applicable law?</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>p. A policy that requires encryption in motion or at rest using a FIPS 140-2 certified encryption product, and maintain proof by screen shot of application of encryption to personal and mobile computing or storage devices and proof that encryption is active on the device?</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>q. A policy and procedures that require appropriate standards and methods to destroy or dispose of HHS Confidential Information?</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>r. A policy that prohibits Applicant/Bidder's work product done on behalf of HHS pursuant to the agreement, or to publish HHS confidential Information without express prior approval of the HHS agency?</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>2. Does Applicant/Bidder have a current workforce training program? Training of Workforce must occur at least once every year, and within 30 days of date of newly hiring a Workforce member who will handle HHS Confidential Information. Training must include: (1) privacy and security policies, procedures, plans and applicable requirements for handling HHS Confidential Information, (2) requirement to complete training before access is given to HHS Confidential Information, and (3) written proof of training and monitor for timely training.</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>3. Does Applicant/Bidder have Privacy Safeguards to protect HHS confidential information in oral, paper and/or electronic form? "Privacy Safeguards" mean protection of HHS confidential information by establishing, implementing and maintaining required "Administrative," "Physical" and "Technical" policies, procedures, processes and controls, required by the HHS' Data Use Agreement, HIPAA (45 CFR 164.530), Social Security Administration, Medicaid and laws, rules or regulations, as applicable. "Administrative safeguards" include administrative protections, policies and procedures for matters such as training, provision of access, termination, and review of safeguards, incident management, disaster recovery plans, and contract provisions. "Technical safeguards" include technical protections, policies and procedures, such as passwords, logging, emergencies, how paper is faxed or mailed, and</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>

**HHS Enterprise Data Use Agreement
Attachment 2
INFORMATION SECURITY AND PRIVACY INITIAL INQUIRY (SPI)**

PLEASE NOTE: For any "NO" answers to questions in SECTION B and SECTION C, applicant/bidder must correct the issue before applicant/bidder can submit a bid response or a complete application.

electronic protections such as encryption of data. "Physical safeguards" include physical protections, policies and procedures, such as locks, keys, physical access, physical storage and trash.	
4. Has Applicant/Bidder obtained executed Data Use Agreement as required by the DUA from all proposed subcontractors?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Do Applicant/Bidder and all subcontractors maintain a current list of "Authorized Persons" who have access to confidential information, whether oral, written or electronic?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6. Do Applicant/Bidder and all subcontractors monitor for and remove terminated employees or those no longer authorized to handle HHS confidential information, whether oral, written, or electronic, immediately, from the "Authorized Persons" list?	<input type="checkbox"/> Yes <input type="checkbox"/> No
SECTION C. SECURITY RISK ANALYSIS AND ASSESSMENT (To be completed by Applicant/Bidder)	Yes or No:
1. Applicant/Bidder does not and will not "offshore" or use, disclose, create, receive, transmit or maintain HHS Confidential Information outside of the United States?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Does an IT security knowledgeable person or company maintain or oversee the configurations of Applicant/Bidder's computing systems and devices?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Is access to HHS confidential information monitored and managed (i.e., access is given only to authorized users, a formal process exists for granting access to authorized users, a formal process exists to validate the need for granting an authorized user remote access to HHS confidential data, etc.)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Do all of Applicant/Bidder's Workforce who will use, disclose, create, receive, transmit or maintain HHS confidential Information have a unique user name (account) and private password?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Are all passwords managed on computer systems that access or store HHS confidential information so that system default passwords are changed, user passwords are changed at least every 90 days, and all passwords are strong (minimum of 8 characters with a combination of uppercase, lowercase, special characters, and numerical, where possible)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6. Do computing devices that access or store HHS confidential information automatically lock the password after a certain number of failed attempts and after 15 minutes of user inactivity?	<input type="checkbox"/> Yes <input type="checkbox"/> No
7. Is remote access to Applicant/Bidder systems containing HHS confidential information secured, encrypted (including wireless access), managed (i.e., access is given only to authorized users, a formal process exists for granting access to authorized user, a formal process exists to validate the need for granting an authorized user remote access to HHS confidential data, etc.)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
8. Are computer security configurations or settings implemented for all computers and systems that access or contain HHS confidential information? (e.g., Have you locked the system down to remove or disable non- essential features or services to reduce the threat of breach and limit what is available to a hacker or intruder to exploit?, etc.)	<input type="checkbox"/> Yes <input type="checkbox"/> No

**HHS Enterprise Data Use Agreement
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<p>9. Is physical access to computer, paper, or other systems containing HHS confidential information secured from unauthorized personnel and theft (e.g., door locks, cable locks, laptops are stored in the trunk of the car instead of the passenger area, etc.)?</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>10. Will HHS confidential information that is transmitted over a public network (e.g., the Internet, WIFI, etc.) or stored in a public location and physically or electronically accessible be encrypted? (FIPS 140-2 encryption preferred. For more information regarding FIPS 14-2 encryption products, please refer to: http://csrc.nist.gov/groups/STM/cmvp/documents/140-1/140val-all.htm)</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>11. Will you be willing to perform a criminal background check on personnel who access HHS confidential information and do personnel formally acknowledge rules outlining their responsibilities for protecting HHS confidential information and associated systems before their access is provided?</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>12. Is HHS confidential information stored on end-user electronic devices (e.g., laptops, USBs, tablets, smartphones, external hard drives, desktops, etc.) encrypted and can Applicant/Bidder produce evidence of the encryption, such as, a screen shot or a system report? (FIPS 140-2 encryption preferred. For more information regarding FIPS 14-2 encryption products, please refer to: http://csrc.nist.gov/groups/STM/cmvp/documents/140-1/140val-all.htm)</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>13. Does the Applicant/Bidder prohibit and ensure HHS confidential information is not stored or created on free cloud services or social media sites, unless there is an HHS approved subcontractor agreement including an encryption-at-rest requirement?</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>14. Are security updates/patches (including firmware, software and applications) kept current on computing systems that use, disclose, access, create, transmit, maintain or store HHS confidential information?</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>15. Do computing systems that use, disclose, access, create, transmit, maintain or store HHS confidential information contain up-to-date anti-malware and antivirus protection?</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>16. Are system security logs on computing systems that access or store HHS confidential information reviewed for abnormal activity or security concerns on a regular basis?</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>17. Notwithstanding records retention requirements, do Applicant/Bidder's disposal processes for HHS confidential information ensure that the HHS confidential information is destroyed so that it is unreadable or undecipherable?</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>

**CONTRACT NO. 473-15-00330
AMENDMENT NO. 1
BETWEEN
THE PUBLIC UTILITY COMMISSION OF TEXAS
AND
SOLIX, INC.**

The parties to this amendment of Contract No. 473-15-00330 for a Low Income Discount Administrator (LIDA), are the Public Utility Commission of Texas (PUCT), an agency of the State of Texas with its office located at 1701 N. Congress Ave., Austin, Texas 78701 and Solix, Inc., a corporation with offices located at 30 Lanidex Plaza West, Parsippany, New Jersey 07054.

Article 1. DUTIES OF THE PARTIES

The parties' duties and the requirements of Contract No. 473-15-00330, shall remain the same, except as specifically modified by this document in Attachment A, Changes to Statement of Work.

Article 2. EFFECTIVE DATE

This amendment is effective as of the date the last signatory signs.

Article 3. SERVICES

All services provided under Contract No. 473-15-00330, remain unchanged except as modified by this document in Attachment A, Changes to Statement of Work.

Article 4. ENTIRE AGREEMENT

The original contract, including this Amendment No. 1 and Attachments, constitutes the entire agreement and understanding between the parties with regard to its subject matter.

In WITNESS WHEREOF both parties by their duly authorized representatives have executed this contract effective as of the last date signed.

The Public Utility Commission of Texas

By:



Brian H. Lloyd
Executive Director

Date: 12-14-15

Contract No. 473-13-00330
Amendment No. 1

Solix, Inc.

By:



Jack Miller
President and CEO

Date: 12.11.15

**CONTRACT NO. 473-15-00330
AMENDMENT NO. 1
ATTACHMENT A
CHANGES TO STATEMENT OF WORK**

This amendment replaces the language in the “**Liquidated Damages**” section of the Statement of Work describing deadlines and the calculation of liquidated damages associated with failure to meet those deadlines. Additionally, this amendment moves the description of two deliverables – Contractor’s Standard Operating Procedures, and Contractor’s Disaster Recovery Plan and Business Continuity Plan – to the “**Additional Requirements and Information**” section of the Statement of Work.

Liquidated Damages

The first paragraph of the “**Liquidated Damages**” section remains as follows:

If contractor breaches this agreement by failing to meet deadlines, payments to the individuals receiving benefits under the LIDA programs could be compromised. Damages to PUCT resulting from the contractor’s failure to timely meet its obligations would be difficult to calculate at the time of breach, so this contract includes the following liquidated damages associated with the following deadlines:

The following language from the “**Liquidated Damages**” section of the Statement of Work is deleted:

- Contractor’s Standards Operating Procedures (SOP) shall be delivered to the PUCT by December 15, 2015, and annually on December 15, regardless of whether there were changes to the procedure from the previous year. If the contractor fails to provide the SOP on the due date, contractor shall pay an initial \$5,000 in liquidated damages plus \$1,000 per day for each day after the due date until the procedures have been delivered.
- Contractor shall have a Disaster Recovery Plan and Business Continuity Plan in place. A copy of the plan(s) shall be delivered to the PUCT annually by December 15. The plan(s) shall include the plans of all subcontractors (if applicable). If the contractor fails to provide the plan(s) on the due date, contractor shall pay an initial \$5,000 in liquidated damages plus \$1,000 per day for each day after the due date until the plans have been delivered.
- Contractor shall adhere to the posted processing schedule. If contractor fails to provide output files to the utilities on the specified dates, contractor shall pay an initial \$5,000 in liquidated damages, plus \$1,000 per day for each day after the due date until the files have been posted.
- Contractor shall have the monthly reports and invoice delivered to the PUCT by the stated date. If contractor fails to deliver the monthly reports and/or invoice on those

due dates, contractor shall pay an initial \$5,000 in liquidated damages, plus \$1,000 per day each day until they are delivered. Correcting a monthly report or invoice after the due date will deem these documents late and therefore contractor will owe the above liquidated damages. Invoices must be accompanied by a letter from the contractor certifying that all the necessary information is being submitted correctly and on time.

- Contractor shall adhere to the number of days allowed for mail outs. If contractor fails to mail the letters in the allotted time, contractor shall pay liquidated damages of an initial \$25,000 plus \$1,000 per day for each day after the due date until all mail outs have been sent.
- Contractor shall adhere to the timeframe of 7 business days to process and application or form from the date of receipt. If contractor fails to meet the 7 business days, contractor shall pay liquidated damages of \$500 per form per day assessment.

The following language is added to the “**Liquidated Damages**” section of the Statement of Work, immediately after the first paragraph:

- Eligibility Determination of Self-Enrollment Applications

Contractor will “process” (defined as review, and enter into the system) 97% of self-enrollment applications within seven business days of receipt. The period begins the first business day after receipt. Contractor shall pay liquidated damages of \$400 per day for failure to meet this requirement.

Contractor will include 100% of processed applications received at least seven business days before the posted match run date in that month’s run. Contractor shall pay liquidated damages of \$3,000 each month that Contractor fails to meet this requirement. If Contractor fails to meet this requirement for two consecutive months, Contractor shall pay liquidated damages of \$5,000 per month (\$10,000 total). If Contractor fails to meet this requirement for three or more consecutive months, Contractor shall pay liquidated damages of \$8,333.33 per month (\$25,000 total for three months).

Contractor may request a waiver of these requirements from the PUCT Contract Administrator if the number of applications exceeds 737. Contractor shall make the request in writing and explain why it is being made. The PUCT will approve all reasonable requests.

- Processing Monthly Lists of Eligible Discounts

Contractor shall adhere to the posted processing schedule. Contractor shall pay liquidated damages of \$2,000 each time Contractor fails to meet the processing schedule.

Contractor may request a waiver from this schedule in the event of substantial unanticipated increases or spikes in volume or the failure of the service providers to submit files on time. Contractor shall make the request in writing and explain why it is being made. The PUCT will approve all reasonable requests.

Contractor's payment of liquidated damages is not a cure for breach. PUCT may terminate the contract for cause based upon Contractor's failure to meet the deadlines required under the contract regardless of any payment of liquidated damages.

Additional Requirements and Information

The "Additional Requirements and Information" Section of the Statement of Work is amended by adding the following paragraph:

Contractor must deliver copies of their Standard Operating Procedures, Disaster Recovery Plan and Business Continuity Plan to the PUCT annually by December 15. The Disaster Recovery Plan and Business Continuity Plan shall include the plans of all subcontractors (if applicable).