

***Exhibit 16.1-5b – Firm Fixed Price for Applications
Maintenance and Operations***

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1. OVERVIEW

This Exhibit describes the methodology for billing with respect to Applications Maintenance and Operations (M&O).

2. FIRM FIXED PRICE MODEL

2.1. Overview

Contractor shall provide a Firm Fixed Price (FFP) option for Applications M&O. The Applications M&O FFP activities shall be maintained in the Standards and Procedures and shall be supported by the administration and maintenance of the Break/Fix environment (included in the Development & Test Services Resource Unit) as per tables below.

Costs	Services					
	Applications Development Service	Applications M&O Service	Production Infrastructure (servers and storage)	All Storage (not Production)	Physical Server/Virtual Servers (not Production)	Backups
Applications M&O FFP	Not included	Included	Not included	Not Included	Not Included	Not Included
Development / Test FFP	Not included	Not included	Not included	Included for Development / Test and Break/Fix Usage	Included for Development / Test and Break/Fix Usage	Included for Development / Test and Break/Fix Usage

Costs	Managed Private Cloud			
	Development / Test Physical HOSTS For Virtual Environment	Development / Test Virtual Environment	Break/Fix Physical HOSTS For Virtual Environment	Break/Fix Virtual Environment
Applications M&O FFP	Not included	Not included	Not included	Not included
Development / Test FFP	Included	Included	Included	Included

The Applications M&O shall consist of three categories of support: Full, Coordinate, and SaaS. Applications will be placed in the applicable support category per the Standard and Procedures.

2.2. Periodical Review by Applications Review Board (ARB)

An ARB shall be established to perform a collaborative evaluation of the applications that have been enhanced, added to or retired from the FFP Application List and determine whether the Applications M&O Resource Unit Fee warrants adjustment. The ARB shall meet quarterly and

upon County request or in the event Contractor identifies a material change to the FFP Application List as further detailed in the Standards and Procedures. A material change is defined as additions or deletions of applications from the FFP Application List that affect the M&O support and/or server environment, and that meet any of the following criteria:

1. Affects fifty (50) or more End-Users.
2. Requires addition or deletion of five (5) or more servers to/from Development / Test environment.

2.3. New Portfolio Applications

For incremental changes to the FFP Applications List - Full and Coordinated Support categories, Contractor shall evaluate the support, operations, and maintenance requirements for such change and determine whether those requirements present a change in the workload and then propose the appropriate FFP Fee adjustments to the ARB, as per the process set forth in the Standard and Procedure Manual.

In the event that there is a net add of 100 applications to the FFP Applications List - SaaS Support category in the Contract Year, Contractor shall evaluate adjustment to the FFP and if applicable, propose the appropriate FFP Fee adjustment to the ARB. The net add threshold will be reviewed at the end of the Contract Year and adjusted upon mutual agreement between Parties.

2.4. Retired Portfolio Applications

For retired applications in the FFP Applications List - Full and Coordinated Support categories, Contractor shall evaluate the support, operations, and maintenance requirements for the incremental change and determine whether those requirements present a change in the workload and then propose the appropriate FFP Fee adjustments to the ARB, as per the process set forth in the Standard and Procedure Manual. Retired applications are defined as applications no longer being used by the County and have been requested by County to be removed from the portfolio.

3. ANNUAL FEE

3.1. Applications M&O Fee Options

Contractor shall provide the following Applications M&O FFP options: Low Org, Group and County. The FFP options will breakdown the annual fee by support category: Full, Coordinate,

and SaaS. County may select one of the options at the onset of the Agreement and such option will be in place through end of Contract Year (CY) 2. Effective CY3, County may select a different FFP option or move to a time and materials (T&M) pricing model with a 60 day prior notice to Contractor. Combining any of the FFP options with T&M is not allowed.

In the event that the County selects a different FFP option in CY3 or any subsequent CY, Contractor shall at that time provide County with updated pricing for all FFP options for review. The updated pricing shall breakout the FFP options at the support category level. In the event that the County selects the T&M pricing model in CY3 or any subsequent CY, the principles and process set forth in the Schedule 4.3-1 Contractor's Solution, *Alternate Time & Materials model to provide Applications Maintenance and Operations services*, shall be applied.

Contractor shall prorate the FFP over twelve (12) months and charge the County a fixed monthly Resource Unit (RU) Fee for Applications M&O accordingly. The FFP is subject adjustment based on ARB decisions, and annual reduction in fees starting CY3.

3.2. Applications M&O Fee Option Selected

The table below provides the Applications M&O Fee option selected by the County for Contract Year.

Contract Year	Applications M&O FFP Option
1	County Level
2	County Level
3	County Level
4	
5	
6	
7	

3.3. Annual Reduction in Cost

Contractor shall reduce the annual cost of Applications M&O FFP from previous year as per the table below. Contractor shall base the reduction on the overall Applications M&O FFP at the end of the fiscal year. Optional Year Percentage Reduction will be negotiated based on experience during the Base Period.

Contract Year	Percentage Reduction
2	0%
3	2%

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Contract Year	Percentage Reduction
4	2%
5	2%
6	2%
7	2%

END OF EXHIBIT