



## Contract by Authorized Board

**Commodity or Service:**

**Contract No.:**

Data Warehouse (DW) Solution & Visual Business  
 Intelligence (VBI) Solution

ETG0004 & ETG0006 – Amendment #3 dated April 6, 2020

**Authorized Board:** Group Insurance Board (GIB)

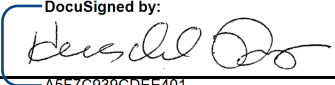
**Contract Period:** January 1, 2021 through December 31, 2022

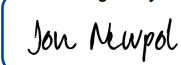
1. This Contract Amendment #3 is entered into by the State of Wisconsin Department of Employee Trust Funds (Department or ETF), on behalf of the State of Wisconsin Group Insurance Board (Board) and the Contractor, whose address and principal officer appear on page 2 below. The Department is the sole point of contact for this Contract.
2. Whereby the Department agrees to direct the purchase and the Contractor agrees to supply the Contract requirements cited in accordance with the State of Wisconsin standard terms and conditions and in accordance with the Contractor's proposal dated September 13, 2016 hereby made a part of this Contract by reference.
3. Contract Amendment #1 dated March 22, 2018 adds new Contract requirements regarding reporting and performance guarantees and replacing Interactive Reporting/management reporting with Dynamic Health Insights which will be accessed via the IBM CXL portal.
4. Contract Amendment #2 dated August 17, 2018
  - (a) Revises Contract Appendix 10C Mandatory Requirements Performance Standards, Section H 1) Customer Service Center to replace the requirement of recording and maintaining 100% of all calls to tracking all customer service calls from the Department.
  - (b) Revises Contract Appendix 10C Mandatory Requirements Performance Standards, Section J, which was added under Amendment 1, which established the operational dates for Phases 2 and 3 as July 31, 2018, and now revises those operation dates for Phases 2 and 3 to August 31, 2018;
  - (c) Adds to Contract Appendix 10C Mandatory Requirements Performance Standards Section K, which requires Contractor to provide notice to the Department before services are performed when services result in additional invoicing outside the scope of RFP ETG0004/0006 or approved Change Request or such services shall be deemed to be included in the scope of the contract, with no additional payment for such service due to the Contractor.
  - (d) Effective August 1, 2018, International Business Machines Corporation (IBM) hereby expressly assumes, confirms, and agrees to perform and observe all the obligations, agreements, terms and conditions, duties, and liabilities under this Contract. IBM will perform such obligations through IBM Watson Health, a division of IBM.
  - (e) Extends the Contract for two (2) years, from January 1, 2019 through December 31, 2020.
5. This Contract Amendment #3 dated April 6, 2020
  - (a) Deletes RFP ETG0004/0006 Appendix 10C Mandatory Requirements Performance Standards and adds new RFP ETG0004/0006 Appendix 10C Mandatory Requirements Performance Standards effective starting April 1, 2020.
  - (b) Extends the Contract for two (2) years, from January 1, 2021 through December 31, 2022.
  - (c) Revises RFP ETG0004/0006 Appendix 10A Technical Requirements to allow Contractor to use another file format for data submissions when agreed upon by ETF and Contractor, rather than the format specified in Appendix 10A Mandatory Technical Requirements, 5.4.42 through 5.4.46.
  - (d) Revises RFP ETG0004/0006 Section 1.10 Contract Term to read: The Contract term for providing a DW-VBI solution will commence on the Contract start date and shall extend through December 31, 2018. The Board retains the option, by mutual agreement of the Board and the successful Proposer, to renew the Contract subject to the satisfactory negotiation of terms, including pricing.

6. For purposes of administering the Contract, the Order of Precedence is:
- A) This Contract Amendment #3 dated April 6, 2020;
  - B) The Contract Amendment #2 dated August 17, 2018;
  - C) The Contract Amendment #1 dated March 22, 2018;
  - D) The Contract between the Department and Truven Health Analytics LLC dated March 2, 2017;
  - E) Exhibit A, Changes Agreed to by the Parties during contract negotiations and from the Request for Proposal (RFP) ETG0004 & ETG0006;
  - E) RFP ETG004/ETG006 dated August 5, 2016;
  - F) Contractor's proposal dated September 13, 2016; and;
  - G) Contractor's Best and Final Offer (BAFO), dated November 15, 2016. [This is the revised price proposal based on RFP spreadsheet corrections made by ETF.]

**Contract Number & Service:** ETG0004 & ETG0006 Data Warehouse & Visual Business Intelligence Solution

**This Contract shall become effective upon the date of last signature below (the "Effective Date").**

<b>State of Wisconsin</b>	
<b>Department of Employee Trust Funds</b>	
<b>By Authorized Board (Name)</b> State of Wisconsin Group Insurance Board	
<b>Signature</b>	DocuSigned by:  A5F7C939CDEE401...
<b>Name/Title</b> Herschel Day, Chair State of Wisconsin Group Insurance Board	
<b>Phone</b> 608.266.9854 (A. John Voelker, Deputy Secretary)	
<b>Date (MM/DD/CCYY)</b> 4/20/2020	

<b>Contractor</b>	
<b>Legal Company Name</b> International Business Machines Corporation	
<b>Trade Name</b>	
<b>Taxpayer Identification Number</b> 13-0871985	
<b>Company Address (City, State, Zip)</b>  100 Phoenix Drive Ann Arbor, MI 48108	
<b>By (print Name)</b> Jon Newpol	
<b>Signature</b>	DocuSigned by:  07E7FEE2966E4F4...
<b>Title</b> Vice President for Government Health and Human Services – North America	
<b>Phone</b> 734.913.3000 Email: jnewpol@us.ibm.com	
<b>Date (MM/DD/CCYY)</b> 4/20/2020	

**ETG0004/ETG0006 Amendment #3**

Delete RFP ETG0004/0006 Appendix 10C Mandatory Requirements Performance Standards

Add RFP ETG0004/0006 Appendix 10C Mandatory Requirements Performance Standards

**Appendix 10C – Mandatory Requirements Performance Standards**

The Contractor must guarantee performance sufficient to fulfill the needs of the Contract. The Contractor must meet all performance standards listed in this Appendix 10C - Performance Standards. After the Contract start date, if additional resources are needed, the Contractor will bear all costs necessary to satisfy the requirements of the Contract.

In addition to the liquidated damages detailed in Exhibit 4 - Department Terms and Conditions, ETF may also assess penalties for failure to meet the Performance Standards listed below.

Written notification of each failure to meet a Performance Standard that is measured by ETF will be given to the Contractor prior to assessing penalties. The Contractor will have five (5) Business Days from the date of receipt of ETF's written notification of a failure to perform to provide ETF with specifications to cure the failure. Additional days may be approved by the ETF Program Manager if deemed necessary. If the failure is not resolved within this warning/cure period, penalties may be imposed retroactively to the date of failure to perform. The imposition of penalties is not in lieu of any other remedy available to ETF or in lieu of any other penalties in applicable state or federal law.

If ETF elects to not exercise a penalty clause in a particular instance, this decision shall not be construed as an acceptance of the Contractor's performance. ETF retains the right to pursue future assessment of that performance requirement and associated penalties.

ETF shall be the sole determinant as to whether or not the Contractor meets a performance standard.

The purpose of penalties is to ensure adherence to the performance requirements in the Contract. It is agreed by ETF and the Contractor that, in the event of a failure to meet the performance requirements listed below, damage shall be sustained by ETF. It shall be agreed that the Contractor shall pay or credit ETF for such failures at the sole discretion of ETF, according to the Requirements and penalties below.

ETF may deduct any amounts due from any monies payable to the Contractor pursuant to its Contract. ETF shall notify the Contractor of any claim for damages prior to the date upon which such monies are deducted from monies payable to the Contractor. ETF may choose, as an alternative that the Contractor shall provide the value of penalties in the form of a service credit that reflects the equivalent amount of hours billed by the Contractor on the Project.

ETF and the Contractor shall agree that the Contractor shall not be subject to penalties for failure to meet a performance standard where said failure is not caused by the Contractor. ETF shall have the right to make the final determination in the assessment of all penalties. Finally, while the Performance Standards impose penalties upon the Contractor when the Contractor fails to meet a Performance Standard, it is ETF's expectation that ETF and the Contractor shall enter into a collaborative relationship; and as such, opportunities and methods to improve Contractor performance for said failures shall be pursued by both ETF and the Contractor, in order to meet or exceed the Performance Standards Requirements.

***The penalties assessed shall not exceed twenty-five (25%) percent of the Contractor's total administrative fee paid under the Contract in any given quarter.*** After implementation, all Performance Standards will be measured by ETF on a quarterly basis. The performance categories and associated penalty are listed below and explained in greater detail in the tables that follow:

- A. Staffing Plan and Project Initiation (5%)
- B. Reporting: Operational and Analytic (5%)

- C. Functional (5%)
- D. Privacy and Security (25%)
- E. Hosting (5%)
- F. Maintenance (5%)
- G. Training (5%)
- H. Customer Relationship Management (5%)
- I. Other (25%)

**A. Staffing Plan and Project Initiation - Five Percent (5%) Penalty**

The Contractor shall complete the task by the date specified in the Project Plan(s), or within the timeframes specified in the requirements. The Contractor shall report monthly values on a quarterly basis for these standards. The total penalties for this performance category shall not exceed five percent (5%) of the total administrative fee for the quarter.

**1) Staffing Plan:**

Key Personnel:

Filling Open Positions:

The Contractor shall identify and assign an individual to fill an open position designated as a Key Position within ten (10) Business Days of a project start date or staff departure. The Contractor shall begin the process of filling the open Key Position with a qualified individual immediately, unless a different timeframe is approved by ETF. The Contractor shall provide resumes of candidates for ETF approval at least ten (10) Business Days in advance of filling Key Positions.

Departure Notification to ETF:

The Contractor shall notify ETF ten (10) Business Days prior to the planned termination or transfer of any individual designated as Key Personnel. In the instance of unforeseen circumstances requiring the release or reassignment of a key resource, the Contractor shall notify ETF within two (2) Business Days of the unplanned termination or transfer of any individual designated as Key Personnel. See Staffing Plan Requirements for more details regarding Key Personnel.

Non-Key Personnel:

The Contractor shall provide adequate staffing in addition to those identified as Key Personnel to perform all tasks specified in this RFP.

\$1,000 per Business Day beyond the 10<sup>th</sup> Business Day a Key Position remains unfilled with either an interim or permanent replacement.

\$250 per Business Day for failure to provide departure notification as specified.

**2) New Project Initiation:** For new projects initiated in the Maintenance & Operations phase of the Contract, Contractor shall develop a Project Plan where applicable, including staffing, deliverables and a timeline for completion. If the Contractor fails to meet the timeline, damages may be assessed for each Business Day of delay in completing the project. The Contractor shall not be penalized for delays beyond control of the Contractor as determined by the Department. Delays shall result in extending the completion deadline by a number of business days coextensive to the delay.

\$250 per Business Day the Contractor completes the project beyond the timeline.

**B. Reporting: Operational and Analytic - Five Percent (5%) Penalty**

The total penalties for this performance category shall not exceed five percent (5%) of the total administrative fee for the quarter.

<p><b>Timeliness and Format of Scheduled Operational and Data, Analytic, and Dashboard Reporting Deliverables:</b></p> <p>The Contractor shall deliver all scheduled reports, data, and/or dashboards to ETF and any appropriate designees according to the defined schedule and in the format and media agreed upon by ETF and the Contractor, and as outlined in the Service Planning Workbook (SPW).</p> <p>This performance requirement applies to all scheduled operational and analytic reports, data, and dashboards to be delivered to ETF or its designee.</p>	<p>\$1,000 per Business Day, per unmet standard, beginning on the 5<sup>th</sup> Business Day beyond the delivery date.</p>
<p><b>C. Functional - Five Percent (5%) Penalty</b></p> <p>The Contractor shall provide quarterly reports on functionality and associated issues described in these standards. The total penalties for this performance category shall not exceed five percent (5%) of the total administrative fee for the quarter.</p>	
<p><b>1) Performance and Capacity: Query/Navigation Speed and Performance:</b></p> <p>The Contractor will develop a series of Benchmark reports that represent a variety of high and low complexity reports on a variety of subjects, to be run on a schedule multiple times each day. The Contractor will develop a baseline for these reports based on the run times from the first month. Following development of the baseline runtimes, the system shall complete the reports within the baseline runtime 97.5% of the time each month.</p>	<p>\$500 for each month that the percentage of Benchmark reports that run longer than the Baseline time exceeds 2.5%. If the percentage of reports that exceed the Baseline time exceeds 5%, the penalty increases to \$1,250.</p>
<p><b>2) Extract, Transform, and Load (ETL):</b></p> <p>Unless otherwise agreed to by ETF, all ETL and batch processing of the DW systems shall be completed according to the schedule approved by ETF.</p>	<p>\$1,000 per Business Day the ETL process completes beyond the approved schedule, beginning on the third (3<sup>rd</sup>) day late.</p>
<p><b>3) Data Conversion or Transformation:</b></p> <p>Contractor will complete high level checks on each data file that arrives at the service center within three business days of receiving the data from the data source. High level checks of each data source include:</p> <ol style="list-style-type: none"> <li>1. Validate the file layout is correct;</li> <li>2. Total net payments and record counts match the data source documentation;</li> <li>3. The time period of the data matches the specified time period.</li> <li>4. Compare file contents to historic trends, including payment amounts, number of records, and population percentages of key fields.</li> </ol> <p>Notification emails will be provided to the data source and ETF within two business days if any failures are encountered. Contractor will work with the data source to remedy the issue.</p>	<p>\$1,000 per Business Day, per unmet standard.</p>
<p><b>4) Communication of Critical User Documents:</b></p> <p>Data model, designs, standards, data dictionaries, training and supportive documentation shall be maintained and published to ETF and key business partners no later than the system change delivery date.</p>	<p>\$1,000 per Business Day, per unmet standard, beginning on the 5<sup>th</sup> day beyond the delivery date.</p>

<p><b>5) Timely Notification to ETF of Delays:</b> When the Contractor discovers any problem that jeopardizes the timely completion of its required scheduled tasks, key projects, and other obligations under the Contract as specified in the SPW's "Scheduled Tasks" tab, the Contractor will notify ETF Program Manager by phone or by email. The notifications will be delivered as soon as possible but no later than 6:00 PM EDT/EST on the day the problem is identified by the project team. If the problem occurs after close of business hours, notification will be delivered no later than 10:00 AM EDT/EST on the following Business Day.</p>	<p>\$250 per Business Day, per unmet standard.</p>
<p><b>D. Privacy and Security – Twenty Five Percent (25%) Penalty</b> The Contractor shall notify ETF as described below for <i>any</i> incident of security breach. The total penalties for this performance category shall not exceed twenty five percent (25%) of the total administrative fee for the quarter. The total penalties for this performance category are <b>not inclusive of any statutorily-levied fines</b>. See Section 22 of Exhibit A for specific security breach notification requirements.</p>	
<p><b>1) Privacy or Security Violations or Incidents:</b> The Contractor shall use or disclose PHI only to perform functions, activities or services specified in this Contract, for, or on behalf of ETF, provided that such use or disclosure would not violate the HIPAA, ACA, or HITECH regulations.</p>	<p>1) \$10,000 - First violation, plus \$1,000 per record affected by each breach or disclosure; 2) \$15,000 - Second violation, plus \$1,000 per record affected by each breach or disclosure; 3) \$20,000 - Third and any additional violations, plus \$1,000 per record affected by each breach or disclosure.</p>
<p><b>2) ETF Timely Notification of Breach:</b> The Contractor shall notify the ETF Program Manager and Privacy Officer within twenty-four (24) hours of identifying any suspected system breach or impermissible use or disclosure, regardless of disclosure of PII or PHI.</p>	<p>\$5,000 per hour, for every hour beyond the twenty-four (24) hours that it takes for the Contractor to notify ETF of a breach or impermissible use or disclosure upon discovery by the Contractor.</p>
<p><b>3) ETF Notification Prior to External Communication:</b> The Contractor shall notify the ETF Program Manager and Privacy Officer no less than one (1) Business Day before any external communication (e.g. other than ETF) is made regarding a data breach, impermissible use or disclosure of PII or PHI, or malware incidents (including ransomware). This includes notification to any affected DSEs.</p>	<p>\$5,000 per incident when the Contractor communicates a breach to external parties before ETF is given at least a one (1) Business Day notification.</p>
<p><b>4) Malware Contamination:</b> Contractor shall utilize industry standard practices and conduct their due diligence in maintaining a system(s) that is free of malware. If any malware is introduced, twenty-four (24) hours will be allowed to resolve the issue, commencing immediately upon the availability of the fix or patch required for the resolution.</p>	<p>\$10,000 per Business Day, per malware beyond the twenty-four (24) hour window allowed for resolution.</p>

<b>E. Hosting Five – Five Percent (5%) Penalty</b> The total penalties for this performance category shall not exceed five percent (5%) of the total administrative fee for the quarter.	
<b>1) System(s) Uptime Availability:</b> The Contractor shall assure that systems meet the required uptime hours of 99% between the hours of 8am and 10pm ET, Monday through Friday. Scheduled upgrades, backups and file maintenance shall not occur during required uptime hours. System unavailability due to third-party or external systems beyond the control of the Contractor shall be excluded from this performance standard.	\$2,000 per month the system availability is less than 99% as measured during the specified hours.
<b>F. Maintenance – Five Percent (5%) Penalty</b> The total penalties for this performance category shall not exceed five percent (5%) of the total administrative fee for the quarter.	
<b>1) Major System Upgrades:</b> The Contractor shall notify ETF at least sixty (60) Calendar Days prior to the installation or implementation of major system upgrades or replacements.	\$2,500 per day, past the required notification date.
<b>2) User Notification:</b> The Contractor shall notify all end users of all planned and unplanned system maintenance.	\$500 per incident when end users are not notified of system maintenance.
<b>3) Maintenance Schedule:</b> The Contractor shall submit to the ETF Program Manager an annual system maintenance schedule each year for review and approval. The Contractor shall communicate ETF-approved changes to the maintenance schedule to end users via email at least thirty (30) Calendar Days in advance of implementing the change.  The Contractor shall submit all requests for unscheduled and/or emergency maintenance to ETF for written approval and consideration to waive the thirty (30) Calendar Day notification period.	\$250 per day ETF is not notified as required.
<b>G. Training – Five (5%) Percent Penalty</b> The total penalties for this performance category shall not exceed five percent (5%) of the total administrative fee for the quarter.	
<b>1) Effective Training and Knowledge Transfer:</b> The Contractor shall provide knowledge transfer and training within thirty (30) Calendar Days prior to each system implementation or upgrade, or as otherwise agreed to between ETF and the Contractor.	\$1,000 for each system implementation or upgrade where training has not occurred within thirty (30) days of implementation/upgrade.
<b>2) User Training:</b> Each training session (defined as a pre-scheduled DAISI system information/education session) shall meet an average user satisfaction score of at least 3 out of 5 in training satisfaction surveys when there are a minimum of 5 users being trained. Should a session meet with a lower score, IBM will meet with the Department to discuss the feedback and identify needed training improvements/remedial actions. IBM will then execute a training improvement plan to address the issues within an agreed upon timeline.	\$2,000 for the failure to implement an improvement plan addressing the agreed upon training issues within an agreed upon timeline.



<p><b>H. Customer Relationship Management – Five Percent (5%) Penalty</b>  The Contractor shall provide monthly performance data on a quarterly basis for the below performance category. The total penalties for this performance category shall not exceed five percent (5%) of the total administrative fee for the quarter.</p>	
<p><b>1) User Support Services:</b>  The Contractor shall maintain a user help desk/support center to provide ETF staff with support when encountering issues using the Contractor's system. This support center shall be available during normal business hours, between the hours of 8am and 5pm (CST), Monday – Friday, excluding holidays. The Contractor shall provide a schedule of holidays to ETF.</p>	<p>\$250 per business day that the support center is unavailable for more than 30 minutes during normal business hours.</p>
<p><b>2) Service Levels:</b>  Contractor shall:  1) ensure that 99% of calls to the customer call center will be answered by an individual or an electronic device without receiving a busy signal;  2) ensure that 98% of priority one (1) and two (2) customer service issues submitted by phone or web-portal are responded to within one (1) hour;  3) ensure that 98% priority three (3) customer service issues submitted by phone or web-portal are responded to within in one (1) Business Day;  4) ensure that 98% priority four (4) customer service issues submitted by phone or web-portal are responded to within three (3) Business Days;  5) track 100% of contacts from ETF and include in the Quarterly Status Report, when provided during the contact:  a. The date of the inquiry  b. The individual who initiated the contact  c. The reason for the contact  d. Status of the inquiry  e. The date the inquiry was resolved/completed.</p> <p>Additional response times shall be negotiated between ETF and the Contractor.</p>	<p>\$500 for each full percentage point below the requirement.</p>
<p><b>3) Notification of Disruption:</b>  The Contractor shall notify the ETF Program Manager of any disruption in user support center availability or toll-free access regardless of reason for disruption, within one (1) hour of issue identification.</p>	<p>\$500 per instance when the customer support center is unavailable for more than 30 minutes and notice is not provided to ETF as required.</p>
<p><b>I. Other – Twenty Five Percent (25%) Penalty</b>  The total penalties for this performance category shall not exceed twenty five percent (25%) of the total administrative fee for the quarter.</p>	
<p><b>1) Recovery Time Objective (RTO):</b>  The Contractor shall fully recover the system following any catastrophic failure, within fifteen (15) Calendar Days.</p>	<p>\$10,000 per Calendar Day for which standard is not met.</p>
<p><b>2) Recovery Point Objective (RPO):</b>  After a data loss event or complete system failure, the Contractor's system shall support the ability to recover data back to a point in time seventy-two (72) hours earlier. The Contractor will provide a data recovery strategy for the system and ensure its compatibility within overall Infrastructure Plan.</p>	<p>\$5,000 for every day beyond the 72 hour window that data is not fully recovered.</p>



**3) Services Beyond Scope of Contract:**

Notwithstanding Contractor's change management process, the Contractor shall load any corrected data received from a DSE in the month following its receipt from the DSE, unless the Department approves not loading the data in the month following receipt.

\$10,000 for every month the corrected data is not loaded within the timeframe specified.