

**INTERLOCAL CONTRACT  
BETWEEN  
THE DEPARTMENT OF INFORMATION RESOURCES  
AND  
COLLIN COUNTY  
RELATING TO THE CONSOLIDATION OF DATA CENTER SERVICES  
PURSUANT TO THE MASTER SERVICES AGREEMENTS BETWEEN THE  
DEPARTMENT OF INFORMATION RESOURCES  
AND  
THE MULTISOURCING SERVICES INTEGRATOR AND SERVICE  
COMPONENT PROVIDERS  
DIR CONTRACTS NOS. DIR-DCS-MSI-MSA-001, DIR-DCS-SCP-MSA-002,  
AND DIR-DCS-SCP-MSA-003, DIR-MAS-SCP-RCR-001, DIR-MAS-SCP-  
ADSAMS-001 – DATA CENTER SERVICES**

This Interlocal Contract (“ILC” or “Contract”) is entered into by the governmental entities shown below as contracting parties (referred to individually as a “Party” and collectively as the “Parties”) pursuant to the provisions of the Interlocal Cooperation Act, Chapter 791, Texas Government Code. This ILC is created to give effect to the intent and purpose of Subchapter L, Chapter 2054, Texas Government Code, concerning statewide technology centers, specifically sections 2054.376(a)(3), 2054.3771, and 2054.3851.

This Contract is consistent with the terms in the Department of Information Resources (hereafter referred to as the “Performing Agency” or “DIR”) Contracts Nos. DIR-DCS-MSI-MSA-001 between DIR and Capgemini America, Inc., DIR-DCS-SCP-MSA-002 between DIR and Atos Governmental IT Outsourcing Services, LLC, DIR-DCS-SCP-MSA-003 between DIR and Xerox Corporation, DIR-MAS-SCP-RCR-001 between DIR and Allied Consultants, Inc. and DIR-MAS-SCP-ADSAMS-001 between DIR and Enterprise Services, LLC. The DIR contracts are hereinafter referred to collectively as the “Data Center Services Contracts.” Unless otherwise referenced, the references to Exhibits and Attachments herein are references to Exhibits and Attachments of the Data Center Services Contracts. The service delivery model set forth in the Data Center Services Contracts provides for a Multisourcing Service Integrator (MSI) Service Provider and various Service Component Providers, which will hereinafter be referred to as the “Service Providers”. The governmental entity receiving services under the Data Center Services Contracts through this ILC is hereinafter referred to as the “DIR Customer.”

**SECTION I  
CONTRACTING PARTIES**

**DIR CUSTOMER:** Collin County

**PERFORMING AGENCY:** Department of Information Resources

**SECTION II  
STATEMENT OF SERVICES TO BE PERFORMED**

**1. EFFECT OF ILC**

Data center and disaster recovery services are required by Section 2054.382, Texas Government Code, to be managed by DIR for two or more state agencies under a rule that describes such data and disaster recovery services and has since been extended to other governmental entities, including local governments, by amendment to Chapter 2054. DIR has described such Services at 1 Texas Administrative Code, Chapter 215, and they are further described in the Data Center Services Contracts. This ILC is entered into to describe the elected Services to be provided and the responsibilities of each Party relating thereto. Capitalized terms not defined herein shall have the same meanings as set forth in the Data Center Services Contracts.

This ILC describes the rights and responsibilities of the Parties relating to specific implementation, operation, maintenance, use, payment and other associated issues by and between DIR Customer and DIR related to the Services to be provided under the Data Center Services Contracts.

**2. SERVICES PROVIDED AND RELATED EQUIPMENT, SOFTWARE AND FACILITIES**

DIR Customers shall receive the requested Services described in the Data Center Services Contracts, subject to the terms of this ILC and the Data Center Services Contracts. **Attachment 3-A**, Service Levels Matrix, shall serve as the minimum required Service Levels.

Unless otherwise referenced herein, the references to Exhibits and Attachments herein are references to Exhibits and Attachments of the Data Center Services Contracts where specific requirements of an individual DIR Customer may be identified. Assets covered within the Services outlined in the Data Center Services Contracts are included in the Exhibits and Attachments. Omission of assets from the Exhibits and Attachments to the Data Center Services Contracts does not imply exemption from Services.

## 2.1 DIR Customer Equipment

Any use by Service Providers of DIR Customer Equipment shall be limited to the purpose of fulfilling the requirements of this ILC or the Data Center Services Contracts. If required under federal law, DIR Customer Equipment shall be used only for purposes authorized under federal law. DIR Customer will retain ownership of DIR Customer Equipment and will not be required to acquire additional Equipment at refresh of such Equipment. For purpose of this ILC, refresh is deemed to be the point in time that DIR and Service Providers determine the DIR Customer Equipment shall be replaced pursuant to the refresh life cycle terms set out in the Data Center Services Contracts. Upon refresh, Service Providers are responsible for providing the replacement Equipment, and DIR Customer is responsible for the disposal and/or surplus of decommissioned DIR Customer Equipment in accordance with applicable state and federal law and rules. Unless otherwise agreed by the Parties, all replacement Equipment shall be owned by DIR or Service Providers.

DIR Customer acknowledges and agrees that the DIR Customer Equipment may be relocated during the term of this ILC in accordance with the terms of the Data Center Services Contracts.

## 2.2 DIR Customer Contracts and Leases with Third Parties

DIR Customer will make available for use or use its best efforts to cause to be made available for use by DIR and Service Providers the DIR Customer Contracts and Leases that pertain to the Data Center Services. Any use by Service Providers of DIR Customer Third Party Contracts and Leases shall be limited to fulfilling the requirements of this ILC or the Data Center Services Contracts. If required under federal law, the DIR Customer Third Party Contracts and Leases shall be used only for the purposes authorized under federal law.

Service Providers shall obtain all Required Consents in accordance with **Article 5** of the Data Center Services Contracts. Except to the extent expressly provided otherwise in **Attachment 4-B**, Financial Responsibility Matrix, Service Providers shall pay all transfer, re-licensing, termination charges and other costs or expenses associated with obtaining any Required Consents or obtaining any licenses or agreements as to which Service Providers are unable to obtain such Required Consents. If requested by DIR, DIR Customer shall cooperate with Service Providers in obtaining the Required Consents by executing appropriate DIR approved written communications and other documents prepared or provided by Service Providers.

### **2.3 DIR Customer-Licensed Third Party Software**

DIR Customer will make available for use or use its best efforts to cause to be made available for use, by DIR and Service Providers, the DIR Customer third party software (“DIR Customer-Licensed Third Party Software”). Any use by Service Providers of DIR Customer-Licensed Third Party Software shall be limited to use for the purpose of fulfilling the requirements of this ILC or the Data Center Services Contracts. If required under federal law, the DIR Customer-Licensed Third Party Software shall be used only for the purposes authorized under federal law.

DIR Customer will use its best efforts to assist Service Providers to obtain from each Third Party Software licensor the right to use the DIR Customer-Licensed Third Party Software for Services provided under the Data Center Services Contracts. Service Providers shall obtain all Required Consents in accordance with **Article 5** of the Data Center Services Contracts. Except to the extent expressly provided otherwise in **Attachment 4-B**, Financial Responsibility Matrix, Service Provider shall pay all transfer, re-licensing, termination charges and other costs or expenses associated with obtaining any Required Consents or obtaining any licenses or agreements as to which Service Providers are unable to obtain such Required Consents.

### **2.4 DIR Customer Facilities**

DIR Customer will use its best efforts to make available for use or cause to be made available for use by DIR and Service Providers the DIR Customer Facilities. Service Providers shall be responsible for identifying the facilities that will be required for on-going service delivery and shall be required to detail how the identified facilities will be used by the Service Providers in the performance of their obligations and in compliance with any applicable rules and/or regulations.

### **2.5 Change Orders and Change Control**

In accordance with the Service Management Manual, DIR Customer will coordinate with Service Providers and DIR all requests to change Service volumes, Service Levels, order New Services, order project work, and other Service change requests as may arise from time to time. Service Providers will maintain information on the status of each request in accordance with the Data Center Services Contracts and the Service Management Manual developed thereunder.

### **2.6 Inventory Control**

DIR shall coordinate financial accounting and control processes between DIR Customer and Service Providers and ensure inclusion of reasonable control and reporting mechanisms, including any control and reporting mechanisms

specifically required by DIR Customer, in the Service Management Manual. Such procedures shall specifically recognize DIR Customer requirements for inventory control and accounting for DIR Customer owned and leased equipment and facilities, including hardware, software, contracts, and other items of value that may be utilized by, or authorized for use under the direction and control of Service Providers.

### **SECTION III TERM AND TERMINATION OF CONTRACT**

The term of this ILC shall commence upon start of services or execution of this ILC, whichever shall come earlier, and shall terminate upon mutual agreement of the Parties.

During the term of this ILC, DIR and DIR Customer shall amend this ILC, in accordance with Section VII of the ILC, as necessary to incorporate changes resulting from amendments to the Data Center Services Contracts. DIR shall keep DIR Customer informed of and provide the opportunity to provide input to DIR concerning the need for such amendments through participation under Section VI of the ILC.

Continuation of the ILC is contingent on the continued statutory authority of the Parties to contract for the Services. If this ILC is terminated for any reason other than lack of statutory authority or material breach by DIR, DIR Customer shall pay DIR an amount sufficient to reimburse DIR for any termination charges and any termination assistance charges incurred by DIR on behalf of DIR Customer, including those cost incurred as a result of DIR Customer's failure to provide timely notification of its intent to terminate. DIR Customer shall provide at least ninety (90) days' written notice to DIR prior to termination. Payment of such compensation by DIR Customer to DIR shall be a condition precedent to DIR Customer's termination.

DIR and DIR Customer acknowledge and agree that compliance with federal law and ongoing cooperation with federal authorities concerning the expenditure of federal funds in connection with the Data Center Services Contracts and this ILC are essential to the continued receipt of federal funds.

### **SECTION IV BASIS FOR COMPUTING REIMBURSABLE COSTS AND PAYMENT FOR SERVICES**

DIR shall electronically invoice DIR Customer for Services on a monthly basis. Each invoice shall include the applicable monthly charges for Services received from the Service Providers, the DIR recovery fees, and any Pass-Through

Expenses incurred by DIR or Service Providers on behalf of DIR Customer in accordance with the Data Center Services Contracts or this ILC.

The DIR recovery fees shall be reviewed at least annually in accordance with the requirements for billed statewide central services as set forth in OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments and other applicable statutes, rules, regulations and guidelines.

DIR shall retain documentation for the DIR recovery fees. Each invoice shall include sufficient detail for DIR Customer to allocate costs to all federal and state programs in accordance with the relative benefits received and to make federal claims according to the federal cost plan of DIR Customer.

In order to allow DIR to meet the statutory payment requirements in Chapter 2251, Texas Government Code, DIR Customer shall make monthly payments by check or Electronic Funds Transfer (EFT) within twenty (20) days following receipt of each invoice from DIR. For purposes of determination of the payment due date, DIR and DIR Customer shall use the date when the invoice is electronically transmitted by DIR to DIR Customer and posted on the chargeback system along with reports that substantiate the service volumes and associated Charges. Although cash flow considerations require timely payments as required herein, the rights of DIR Customer and DIR to dispute charges shall be consistent with Texas law.

The MSI Service Provider is required to develop and maintain a chargeback system. DIR shall coordinate requirements and functionality for the chargeback system with DIR Customer needs and requirements under federal and state requirements for invoiced charges generated through the system. DIR Customer shall utilize this chargeback system to link the designated measurable activity indicators (such as applications or print jobs) with the appropriate financial coding streams. DIR Customer shall update this information monthly, or at such other intervals as are necessary, to enable the MSI Service Provider to generate accurate invoices reflecting the appropriate distribution of costs as designated by DIR Customer.

DIR Customer is liable for all costs and expenses associated with providing Services under the ILC to the extent such costs and expenses have been incurred by DIR and such Services have been provided to DIR Customer. Except as allowed in Texas Government Code, Chapter 2251, DIR Customer shall have no right to set off, withhold or otherwise reduce payment on an invoice. In accordance with Texas Government Code, Section 791.015, to ensure enforceability of payment obligations, DIR Customer consents to DIR presenting this ILC and all unpaid invoices to the alternate dispute resolution process, as set forth in Chapter 2009, Texas Government Code. Provided, however, that such consent shall not constitute an agreement or stipulation that Services have been provided or that the

invoices are correct. DIR Customer expressly retains all rights to which it is entitled under Texas Government Code, Chapter 2251, in the event of a disagreement with DIR as to whether Services have been provided and accepted or an invoice contains an error.

If DIR Customer disputes an invoice, it shall present the billing dispute in writing directly to the MSI through the Service Catalog within four (4) invoice cycles after the date DIR Customer receives the invoice and reports that substantiate the service volumes and associated Charges from DIR. DIR Customer will provide to the MSI all relevant documentation to justify the billing dispute. The MSI will process the dispute within twenty (20) business days or MSI will incur a Service Level Default.

## **SECTION V CONTRACT AMOUNT**

In accordance with terms of the Data Center Services Contracts and this ILC, DIR Customer shall be responsible for and agrees to pay DIR the applicable monthly Charges for Services received from the Service Providers, the DIR recovery fees, and any Pass Through Expenses incurred by DIR or Service Providers on behalf of DIR Customer in accordance with the Data Center Services Contracts or this ILC. It is understood and agreed that amounts are subject to change depending upon Services required. DIR Customer will make such required payments from its current revenue in accordance with Texas Government Code section 791.011(d).

## **SECTION VI DIR CUSTOMER PARTICIPATION**

Governance of the DCS program is based on an owner-operator approach in which DIR Customers perform the role of the operator which means they actively and directly work with DCS Service Providers to resolve local operational issues and participate in committees to address enterprise matters. Enterprise-level decisions and resolution of escalated DIR Customer-specific issues are carried out by standing governance committees, organized by subject area and comprised of representatives from DIR, DIR Customers, and Service Providers. DIR Customers are structured into partner groups that select representatives to participate in these committees. All Governance participants have an opportunity to review issues and provide input to their governance representative before a decision is made.

To comply with the terms of **Section 15.11**, Compliance with Laws, of the Data Center Services Contracts, DIR Customer shall notify DIR, in writing, of all DIR Customer-specific laws ("DIR Customer-Specific Laws"), other than Service Provider Laws, that pertain to any part of DIR Customer's business that is supported by Service Providers under the Data Center Services Contracts, and DIR will notify Service Providers, in writing, of such DIR Customer-Specific Laws.

The Parties intend that such DIR Customer-Specific Laws will be identified and included in the portion of the Service Management Manual specific to DIR Customer. DIR Customer shall use commercially reasonable efforts to notify DIR, in writing, of any changes to DIR Customer-Specific Laws that may, in any way, impact the performance, provision, receipt and use of Services under the Data Center Services Contracts. Immediately upon receipt of notice that any DIR Customer-Specific Laws have changed and in no event later than two business days from such receipt, DIR shall advise Service Providers, in writing, of such change and require that any changes to DIR Customer-Specific Laws are identified and included in the Service Management Manual. If necessary to facilitate DIR compliance with the requirements of **Section 15.11(e)** of the Data Center Services Contracts, DIR Customer shall provide written interpretation to DIR of any DIR Customer-Specific Law.

DIR Customer shall interface with Service Providers on the performance of “day-to-day” operations, including work practices requiring Service Provider and DIR Customer interaction, issues resolution, training, planning/coordination and “sign-off.” All issues should be resolved at the lowest level possible, using the following escalation path, when necessary. If DIR Customer is not able to resolve an issue directly with Service Provider staff, DIR customer escalates the issue to Service Provider management. If the issue cannot be resolved by Service Provider management, DIR Customer escalates to the MSI Service Provider. If the issue cannot be resolved by MSI service provider, DIR Customer escalates to DIR. If the issue cannot be resolved by DIR, DIR Customer escalates to the appropriate DCS governance committee. The details of these and other agreed processes and procedures will be contained in the Service Management Manual to be developed by Service Providers and approved by DIR with reasonable opportunity for input by DIR Customer on DIR Customer’s specific procedures. The Data Center Services Contracts require the Service Providers to develop appropriately documented policies, processes and procedures and to provide training to DIR Customer personnel where required to ensure effective service interfaces, before approval adoption in the Service Management Manual.

DIR Customer will be expected to support the following:

- (a) Software currency standards are established for the DCS environment through the owner operator governance model. DIR Customers will be engaged in approval of these standards and the development of technology roadmaps that employ these software currency standards. DIR Customers are expected to remediate applications in order to comply with the standards
- (b) Technology standards (e.g. server naming standards, reference hardware architectures, operating system platforms) are established through DCS



governance. DIR Customers will adhere to these standards. Any exceptions will follow governance request processes.

- (c) Consolidated systems may require optimization for WAN communication. DIR Customers will remediate application functionality and design in order to perform optimally in a WAN environment.
- (d) DIR Customers will collaborate with Service Providers to establish and leverage standard, regular change windows to support changes to enterprise systems. These change windows will be constructed to support varying degrees of service impact, from planned down-time to no service impact. Standard enterprise changes during these windows may affect all systems in one or more of the consolidated data centers simultaneously.
- (e) DIR Customers will support the consolidation of commodity services into shared enterprise solutions that leverage common management and configuration practices delivered by the service providers. Examples of such commodity services are SMTP mail relay and DNS management, where applicable.
- (f) DIR Customers will support and align with standard enterprise Service Responsibilities Matrixes and associated processes for obtaining an exception or making improvements to the standard enterprise Service Responsibility Matrixes.

## **SECTION VII MISCELLANEOUS PROVISIONS**

### **Public Information Act Requests**

Under Chapter 552, Texas Government Code (the Public Information Act), information held by Service Providers in connection with the Data Center Services Contracts is information collected, assembled and maintained for DIR. DIR shall respond to Public Information Act requests for Service Provider information. If DIR Customer receives a Public Information Act request for Service Provider information that DIR Customer possesses, DIR Customer shall respond to the request as it relates to the information held by DIR Customer. Responses to requests for confidential information shall be handled in accordance with the provisions of the Public Information Act relating to Attorney General Decisions. Neither Party is authorized to receive or respond to Public Information Act requests on behalf of the other.

**Confidential Information**

DIR shall require Service Providers to maintain the confidentiality of DIR Customer information to the same extent that DIR Customer is required to maintain the confidentiality of the information, and with the same degree of care Service Providers use to protect their own confidential information. DIR acknowledges and agrees that DIR Customer may be legally prohibited from disclosing or allowing access to certain confidential data in its possession to any third party, including DIR and Service Providers. The Service Management Manual shall document detailed confidentiality procedures, including the process DIR Customer shall follow to identify confidential information it is legally prohibited from disclosing or allowing access to by DIR and Service Providers and including confidentiality procedures required that are specific to DIR Customer. The Data Center Services Contracts sets forth the confidentiality obligations of Service Providers.

DIR Customer shall notify DIR, in writing, if it is a covered entity subject to the Health Insurance Portability and Accountability Act (HIPAA) privacy regulations at 45 Code of Federal Regulations Parts 160 and 164, that is required to enter into a business associate agreement with DIR or Service Providers. DIR Customer shall notify DIR, in writing, if DIR Customer receives Federal tax returns or return information. If DIR Customer receives federal tax returns or return information, then DIR Customer must comply with the requirement of IRS Publication 1075 and Exhibit 7 to IRS Publication 1075. DIR Customer shall notify DIR, in writing, of any other requirements it has specific to the provision of Services hereunder. In the event a DIR customer is subject to additional requirement as mentioned in this section, DIR shall require Service Providers to maintain the confidentiality of DIR Customer information in accordance with language included in Attachment C of this agreement. Such additional requirements as is included in Attachment C of this agreement shall be included in the portion of the Service Management Manual specific to DIR Customer.

**Contact Information**

Contact information for each Party is set forth below.

DIR Customer's Primary Contact

Name: Bret Fenster  
Address: 2300 Bloomdale Road, Suite 3198, McKinney, TX 75071  
Telephone: (972) 548-4193  
Email: bfenster@co.collin.tx.us

For questions about this Interlocal Contract, please email DIR's Primary Contact at [dccontractoffice@dir.texas.gov](mailto:dccontractoffice@dir.texas.gov).

The DIR Billing Contact is listed in the DIR Contacts section of the monthly DCS Payment Guidance letter, which is provided to the DIR Customer with the monthly DCS invoice.

**Binding Effect**

The Parties hereto bind themselves to the faithful performance of their respective obligations under this ILC.

DIR Customer acknowledges and agrees it has no privity of contract with the Service Providers but is a third party beneficiary of the Data Center Services Contracts as set forth in **Section 21.19** thereof.

**Amendments**

This ILC may not be amended except by written document signed by the Parties hereto or as specified within the specific attachment being amended.

**Choice of Law**

The laws of the State of Texas shall govern the construction and interpretation of the Contract. Exclusive venue for all actions will be in state court, Travis County, Texas. Nothing in the Contract or its Appendices shall be construed to waive the State's sovereign immunity.

**Conflicts between Agreements**

If the terms of this Contract conflict with the terms of any other contract between the Parties, the most recent contract shall prevail. This Contract provides a general description of certain terms within the Data Center Services Contracts. If the terms of this Contract conflict with the terms of the Data Center Services Contracts, the Data Center Services Contracts' terms shall prevail.

**Responsibilities of the Parties**

The Parties shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations and with the orders and decrees of any courts or administrative bodies or tribunals in any manner affecting the performance of the Contract. The parties do not intend to create a joint venture. Each Party acknowledges it is not an agent, servant or employee of the other. Each Party is responsible for its own acts and deeds and for those of its agents, servants and employees. Notwithstanding the foregoing, DIR will cooperate with DIR Customer in all reasonable respects to resolve any issues pertaining to federal funding in connection with this ILC or the Data Center Services Contracts.

DIR and DIR Customer agree that Services contemplated in this ILC shall be governed by provisions in the Data Center Services Contracts regarding individual responsibilities of the parties, including Services provided by the Service Providers. In the event DIR Customer actions, failure to perform certain responsibilities, or request for Services result in financial costs to DIR, including interest accrued, those costs shall be the responsibility of DIR Customer. DIR and DIR Customer shall coordinate and plan for situations where conflicts, failure to perform or meet timely deadlines, or competition for resources may occur during the term of this contract. Unless otherwise specifically addressed, the governance process for the Data Center Services Contracts shall be used for issue resolution between DIR Customers, DIR and DIR Service Providers.

Attachment B, Microsoft Dispute Process Agreement, of this ILC is hereby incorporated as part of this ILC and is applicable to the extent DIR Customer purchases certain Microsoft Covered Online Services.

### **Audit Rights of the State Auditor's Office**

In accordance with Section 2262.154, Texas Government Code and other applicable law, the Parties acknowledge and agree that: (1) the state auditor, the Parties' internal auditors, and if applicable, the Office of Inspector General of DIR Customer or their designees may conduct audits or investigations of any entity receiving funds from the state directly under the Contract or the Data Center Services Contracts, or indirectly through a subcontract under the Data Center Services Contracts; (2) that the acceptance of funds directly through this Contract or indirectly through a subcontractor under the Contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, the Parties' internal auditors, and if applicable, the Office of Inspector General of DIR Customer or their designees to conduct audits or investigations in connection with those funds; and (3) that the Parties shall provide such auditors or inspectors with access to any information considered relevant by such auditors or inspectors to their investigations or audits.

### **Signatory Warranty**

Each signatory warrants requisite authority to execute the ILC on behalf of the DIR Customer represented.

## **SECTION VIII CERTIFICATIONS**

The undersigned Parties hereby certify that: (1) the matters specified above are necessary and essential for activities that are properly within the statutory functions and programs of the DIR Customer; (2) this ILC serves the interest of efficient and economical administration of local and state government; and (3) the Services,

supplies or materials in this ILC are not required by Section 21, Article 16 of the Constitution of Texas to be supplied under contract given to the lowest responsible bidder.

**DIR CUSTOMER** further certifies that it has the authority to contract for the above Services pursuant to Subchapter L, Chapter 2054, Texas Government Code.

**PERFORMING AGENCY** further certifies that it has the authority to contract for the above Services pursuant to Subchapter L, Chapter 2054, Texas Government Code.

**IN WITNESS WHEREOF**, the Parties have signed this ILC effective on date of last signature below.

**DIR CUSTOMER: COLLIN COUNTY**

By: \_\_\_\_\_

Printed Name: Michalyn Rains

Title: Collin County Purchasing Agent

**PERFORMING AGENCY: DEPARTMENT OF INFORMATION RESOURCES**

By: \_\_\_\_\_

Printed Name: Sally Ward

Title: Director, Program Planning and Governance

**Attachment to ILC**

Attachment A Reserved

Attachment B Microsoft Dispute Process Agreement

Attachment C Additional Confidentially Requirements

**Attachment B**  
**Microsoft Limitation of Liability Agreement**

If there are any disputes between Collin County and Microsoft regarding a Covered Disclosure, Collin County agrees to provide DIR (or its successor) written notice of the nature of such dispute. DIR will review, and Collin County grants and assigns to DIR the authority to resolve such dispute on behalf of Collin County regarding the Covered Disclosure. DIR will consult reasonably with Collin County and Collin County will provide reasonable assistance and cooperation to DIR in that resolution process. Collin County agrees that it will seek relief for any damages related to Covered Online Services solely through DIR, whether such Covered Online Services were purchased directly by Collin County or on behalf of Collin County by DIR or any other entity, and under any agreement.

Further, to the extent DIR receives the requisite authority to receive and disburse funds from Microsoft, Collin County agrees to grant and assign DIR sole authority to receive from Microsoft on its behalf and disburse to Collin County liability payments made by Microsoft for a Covered Disclosure in the manner set forth in the Enterprise Agreement, except as provided in the following sentence. Notwithstanding anything to the contrary in the Enterprise Agreement or any other agreement pursuant to which Collin County acquires Covered Online Services through DIR, and notwithstanding whether or not DIR receives the requisite authority, Microsoft's liability to Collin County for such Covered Online Services will be limited solely to an amount determined by DIR, subject to Microsoft's limitation of liability to DIR on behalf of Collin County and other entities. Collin County shall not only communicate with DIR when seeking payments from Microsoft for any damages resulting from Covered Online Services, and shall accept as final DIR's decision as to the amount of such damages Collin County is entitled to receive.

"Covered Disclosure" means disclosure of Customer Data as a result of a Security Incident, as defined in the Online Services Terms that arises, in whole or in part, out of Microsoft's breach of its obligations under the Agreement related to Customer Data.

"Covered Online Services" means any Online Service included in the section of the Online Services Terms titled "Data Processing Terms" and specifically including Microsoft Dynamics 365 Core Services, Office 365 Services, Microsoft Azure Core Services, Microsoft Intune Online Services, and Microsoft Power BI Services.

DIR Contract No. DIR-DCS-IAC066  
Customer Contract No. \_\_\_\_\_

**Attachment C**  
**Additional Confidentiality Requirements**

None.