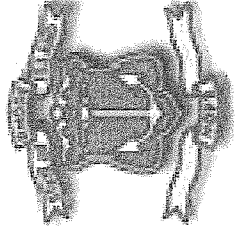


RIMS

Contract Amendment #4
Essential Elements



Department of Administration
January 22, 2013



Value of Amendment - Financial

- Additional Scope/Rewrite: \$2,000,000
- CDLIS: \$704,700 (Federally Funded)
- Online Temporary Plates: \$185,833

AMENDMENT VALUE: \$2,890,533

- Maintenance & Support (3 Years): \$1,854,540
 - First year maintenance is \$600,000 (5 people), to increase at rate of CPI for each subsequent year.
 - State would need this M&S anyway; it will not be able to support this complex system itself immediately

AMENDMENT VALUE (WITH M&S): \$4,745,073

Project Schedule/Key Deliverables

ITEM	START DATE	END DATE
■ Release #2 Submission for UAT	4/29/13	9/5/13*
■ HP Performance Test	1/7/14	1/29/14*
■ Release #3 Subm. for Final UAT	9/12/13	2/28/14*
■ Structured AAMVA Test/Cert.	9/30/13	2/28/14*
■ Training Completion	3/1/14	5/9/14
■ Implementation/Go-Live	5/3/14	5/5/14

*End date of State re-testing



Payments to HP to Date

- Total: \$8,694,135
 - Includes payment for delays on behalf of State:
\$1,287,515
- Holdback/Retainage: \$1,042,675
- Remaining Deliverables/Change Orders:
\$972,121

Remaining Payment Schedule

ITEM	VALUE	TIMING
<input type="checkbox"/> Additional Scope/Rewrite	\$2,000,000	Go live +90 days
<input type="checkbox"/> CDLIS	\$ 704,700	Completion of AAMVA Testing and Certification (2/28/2014)
<input type="checkbox"/> Online temporary Plate Changes	\$ 185,833	Go live
<input type="checkbox"/> Orig. Contract Bal. (\$972,121) Plus Holdback (\$1,042,675)	\$2,014,796	Go live
<input type="checkbox"/> Maintenance & Support	\$1,854,540	\$600,000 (FY 2014) + \$618,000 (FY 2015)+ \$636,540 (FY 2016) Monthly adv. Pmts
TOTAL	\$6,759,869	



Term and Conditions

- Performance Bond
 - Increased from \$1M to \$4.91M (to be released at final project completion/acceptance by the State)
- Termination/Breach of Contract Provisions
 - Strengthened termination for cause
 - If HP fails to provide key deliverable = Material Breach; 30 Days to cure, otherwise State entitled to rights and remedies at law
 - Dates provided for Key Deliverables
 - HP only responsible for delay caused by HP; but also **MUST PROVIDE REASONABLE NOTICE TO STATE OF ANY DELAYS CAUSED BY ANYONE ELSE.**
- Pushed out all payments, except one for CDLIS (federally funded), until Go-Live



Funding

- \$2,346,870 Cash Available on COPS
- \$704,700 will come from CDL Federal Program
- \$185,833 Online Temporary Plates DMV Operating in FY 2014
- \$1,850,000 for Maintenance and Support will come from Operating budget
- Balance of \$1,044,132 to be funded from remaining balance of \$1.50 Surcharge at the conclusion of debt service obligation.
- DMV has additional Federal Resources Allocated for the RIMS development but not solely for Hewlett Packard



Summary

- Secured HP CEO's commitment to complete on time with a solid system
- Increased Total Contract Value to \$15.4M (from \$10.7M)
- Increased the scope to have additional functionality and 3 years of M&O support
- Firmed up project schedule
- Improved Ts and Cs and increased Performance Bond
- Hired HP for Maintenance & Support for 3 years after Go live (favorable terms to the State)
- State will (arguably) get a \$30M comprehensive DMV modernization system (for \$13.6M) several years later than planned (if all goes well).