

SCHEDULE A
DEFINED TERMS

The following defined terms shall have the meanings specified below [Note: Other terms may be defined in the appropriate schedules to the Contract]:

“Acceptance Criteria” means the acceptance criteria established by the Parties to support the transition activities set forth in a detailed transition plan and, as of the Effective Date and with regards to the Detailed Transition Plan referenced in Schedule D-3, the Acceptance Criteria listed in Schedule D-3.

“Americans with Disabilities Act” means The Americans With Disabilities Act, 28 C.F.R. § 35.101 *et seq*

“Acceptance Testing Plan” means the plan set out in a detailed transition plan and, as of the Effective Date, the acceptance test plan supporting the Acceptance Criteria set forth in Schedule D-3.

“Additional Services” means any additional day-to-day processing services requested by Commonwealth of Contractor and related start-up activities resulting from the addition of a Commonwealth Agency by Commonwealth, to the extent such requested services are outside the scope of the Services.

“Allocation of Pool Percentage” means the portion of the Pool Percentage that is specified for any particular CPI in the event of a Service Level Default for such Service Level.

“Approved Subcontractors” means a third party (including an affiliate of Contractor) to which Contractor subcontracts or otherwise delegates its obligations to perform the Services and which is listed on Schedule I (Approved Subcontractors).

“At Risk Amount” means, notwithstanding any other provisions in the Contract, for any month during the Term, ten percent (10%) of the monthly Base Charges for such month, which is the amount that the Contractor will have at risk for all Service Level Credits in such month. For each year of the Term beginning with the first anniversary of the Effective Date, the Service Level Credits shall not exceed (a) \$3 million, or (b) five percent (5%) of the amount billed for Base Charges by the Contractor under the Contract for the immediately preceding Contract year, whichever is greater.

“Baseline Data” means the actual data measured during a Measurement Period (or in the case of initial Type 1 Service Levels, applicable historical data of the Commonwealth).

“Benchmarker” means an independent third-party that undertakes a Benchmarking.

“Benchmarking” means the objective measurement and comparison process (utilizing resource baselines and industry standards) utilized by a Benchmarker to benchmark the quality of the Services and the Fees by Statement of Work or Statement of Works.

“Benchmarking Report” means the final benchmarking report described in Section 5(a) of Schedule O-1 (Benchmarking Procedures).

“Best and Final Offer or BAFO” means the documents included in Attachment C to the contract submitted by Contractor under the heading Best and Final Offer.

“Board of Claims” means the entity created by 62 P.S § 1721, *eq. seq.* to arbitrate claims arising from contracts entered into by the Commonwealth of Pennsylvania.

“Business Associate” means those entities defined under the Health Insurance Portability and Accountability Act (HIPAA) regulations, including but not limited to, 45 CFR § 160.103.

“Business Continuity Plan” means the plan set out in Schedule J (Disaster Recovery and Business Continuity Plan).

“Business Partner” means any entity identified by statute, regulation, or contract as being an agent of the Commonwealth.

“Change or Changes” means any change, action, or decision of the Contractor with respect to the provision of Services to Commonwealth that may involve risk to Commonwealth business, have a material or adverse effect on the Services or Service Levels, require Commonwealth to change the way it conducts its operations, or increase charges or costs to Commonwealth (including post-expiration or termination of the Contract), or any change originating from the Commonwealth that may have a material or adverse impact on the Contractor’s ability to provide Services or material or adverse impact on Contractor’s cost to provide Services.

“Change Control Procedures” means those procedures set out in Schedule G (Change Control Procedures).

“Change Order” has the meaning given in Section 2.2(a) of Schedule G (Change Control Procedures).

“Change Proposal” has the meaning given in Section 1.3(c) of Schedule G (Change Control Procedures).

“Change Request” has the meaning given in Section 1.3(a) of Schedule G (Change Control Procedures).

“Change Request Form” has the meaning given in Section 2.0 of Schedule G (Change Control Procedures).

“Client” means the Commonwealth.

“Commencement Date” for any Service Area, means the date that the Contractor’s provision of Services commence pursuant to the terms and conditions of the Contract, as such date is set forth in the Transition Plan.

“Commonwealth” means the Commonwealth of Pennsylvania.

“Commonwealth Agencies” means those agencies of Commonwealth set forth in Schedule P (Commonwealth Agencies), as may be updated by adding or eliminating such Commonwealth Agencies from time to time during the term of the Contract in accordance with the Change Control Procedures.

“Commonwealth Attorneys Act” means 71 P.S. 732-101, *et. seq.*

“Commonwealth Procurement VISA Card” means the credit card against which the Commonwealth may pay for procured services ordered under Purchase Orders less than \$5,000 in value.

“Commonwealth Software” has the meaning set forth in Paragraph 48(a).

“Commonwealth Project Manager” means the individual described in Paragraph 23(a).

“Commonwealth Services Locations” means the services locations owned, leased or under the control of Commonwealth that are set forth in Schedule M (Commonwealth Services Locations).

“Confidential information” means (1) with respect to Commonwealth, all Commonwealth data and other information of Commonwealth or any Commonwealth agency or any private individual, organization or public agency, in each case to the extent such information and documentation is not permitted to be disclosed to third parties under local, Commonwealth or Federal laws and regulations or pursuant to any policy adopted by Commonwealth or pursuant to the terms of any third-party agreement to which Commonwealth is a party and (2) with respect to Contractor, all Contractor Proprietary Software and all Contractor documentation and manuals not made available in the ordinary course of business (except those items developed by Contractor specifically to deliver Services to the Commonwealth pursuant to this Contract), and any other information identified in writing by Contractor as confidential or proprietary to Contractor, its subcontractors or licensors.

“Contract” means the agreement for provision of Services executed on the Effective Date between Contractor and Commonwealth.

“Contractor Agent” means an agent of the Contractor with regards to the Services or the Contract.

“Contractor Personnel” means the personnel of Contractor and Subcontractors who provide or are involved in the provision of the Services.

“Contractor Project Manager” means the individual described in Paragraph 23(b).

Contractor’s Proposal” means the proposal submitted by the Contractor to the Commonwealth in response to the RFP.

“Contractor Proprietary Software” means the software, tools and related documentation owned by Contractor or any of the agents or subcontractors of Contractor which is used in connection with the Services.

“Contractor Software” has the meaning set forth in Paragraph 48(g).

“Contractor Tools” has the meaning set for in Paragraph 48(g).

“Contracting Officer” means the person authorized to administer this Contract for the Commonwealth and to make written determinations with respect to the Contract.

“Contractor Services Locations” means the service locations owned, leased or under the control of Vendor or its subcontractors that are set forth in Schedule N (Contractor Services Locations).

“Covered Entity” means an entity so defined under HIPAA and the HIPAA Privacy Regulations, including, but not limited to 45 CFR § 160.103.

“Critical Transition Milestone” means the transition milestones set forth in Schedule D-3.

“Critical Transition Milestone Due Date” means the date for the Critical Transition Milestone set forth in Schedule D-3.

“Critical Performance Indicators” or **“CPIs”** means those Service Levels which are (i) described in Schedule F-1 as a CPI and (ii) for which a Service Level Credit may be payable. Each CPI has a Target Service Level and a Minimum Service Level associated with it, unless otherwise specified.

“Critical Services” means those services designated as “Critical Services” in Schedule E (Critical Services).

“CTMS” means the Commonwealth Telecommunications Management System.

“Days” means calendar days, unless specifically indicated otherwise.

“Deliverable” means a Milestone or Service that is subject to acceptance testing in the Acceptance Testing Plan.

“Disaster Recovery Plan” means the plan set out in Schedule J (Disaster Recovery and Business Continuity Plan).

“Documentation” means all materials required to support and convey information regarding the Services including written reports and analyses, diagrams, maps, logical and physical designs, system designs, computer programs, flow charts, disks, and/or other machine-readable storage media.

“Effective Date” has the meaning set forth in Paragraph 1(a).

“Equipment” means all computing, networking, telecommunications and other equipment (hardware and firmware) procured, provided, operated, supported, or used by Contractor in connection with the Services, including (a) midrange, server and distributed computing equipment and associated attachments, features, accessories, peripheral devices and cabling, (b) personal computers, laptop computers, workstations and personal data devices and associated attachments, features, accessories, printers, multi-functional printers, peripheral or network devices and cabling, and (c) voice, data, video and wireless telecommunications and network and monitoring equipment and associated attachments, features, accessories, cell phones, peripheral devices and cabling.

“Excluded Damages” means those damages listed in Paragraph 36(d).

“Expiration Date” means the date seven years from the Effective Date, or as extended by the Commonwealth.

“Fees” means the Charges, and any other amounts payable by Commonwealth to Contractor pursuant to Schedule C-1 (Fee Methodology).

“Final Acceptance Test” has the meaning set out in Schedule D (Transition and Transformation Methodology).

“Financial Interest” has the meaning set out in Paragraph 59(a)(4).

“General Assembly” means the legislative body of the Commonwealth of Pennsylvania.

“General Performance Indicators” or **“GPIs”** means those Service Levels which are described in Schedule F-1 as a GPI. Each General Performance Indicator has a Minimum Service Level associated with it unless otherwise specified. No Service Level Credits are available for GPIs.

“IT Bulletins” means information technology (IT) bulletins which are issued by the Governor’s Office of Administration to set out IT policy.

“Key Performance Indicators” or **“KPIs”** means those Service Levels which are described in Schedule F-1 as a KPI. Each Key Performance Indicator has a Target Service Level and Minimum Service Level associated with it, unless otherwise specified. No Service Level Credits are available for KPIs.

“Key Personnel” has the meaning set forth in Schedule L (Key Positions).

“Key Position” has the meaning set forth in Paragraph 23(c) of the Contract.

“Major Transition Milestone” means a Major Milestone as described in Schedule D-1 (Transition Planning Process).

“Management Committee” has the meaning set forth in Schedule K (Governance).

“Mandatory Change” has the meaning set forth in Schedule G (Change Control Procedures).

“Measurement Period” means the nine (9) consecutive months of measurements during which Baseline Data will be measured, which may be used by the Commonwealth and the Contractor to determine Service Level Target and/or Minimum Service Levels.. The Contractor will measure, collect and report to the Commonwealth the relevant measurements during such period.

“Measurement Window” means the periodic evaluation and reporting frequency for each individual Service Level as specified in Schedule F-1 of Schedule F (Service Level Methodology) (*e.g.*, monthly, quarterly, semi-annually, annually).

“Milestone” means a Transition Milestone, Transformation Milestone or Critical Milestone.

“Milestone Credit” means the credit to be paid by Contractor for missing a Transition Milestone, Transformation Milestone or Critical Milestone as set out in Schedule D (Transition and Transformation Methodology).

“Minimum Service Level” means the minimum level of performance set forth in Appendix B-1 with respect to each CPI, KPI or GPI.

“Minimum Service Level Default” means a single failure of the Contractor to meet the applicable Minimum Service Level for a specific CPI or KPI in the applicable Measurement Window (*e.g.*, monthly).

“Office of Attorney General” means the department of the Commonwealth established by the Commonwealth Attorneys Act to generally represent the Commonwealth.

“Parties” means the Commonwealth of Pennsylvania and Verizon Business. The word Party may refer to either of the Parties.

“Pool Percentage” means two hundred fifty percentage points (250%) of the At Risk Amount. For avoidance of doubt, the 250 percentage points shall be apportioned by the Commonwealth across the CPIs such that the individual pool percentages shall total an amount not greater than 250%.

“Process and Procedure Manual” or **“PPM”** means that document that will include specific process flows and procedural requirements that will be used to guide the behavior of the Contractor and operational interfaces between the Contractor and the Commonwealth on a daily basis. The initial draft of the PPM will be created by the Contractor with input and review by the Commonwealth as contemplated by the Detailed Transition Plan and is subject to the Commonwealth’s approval. The PPM will be updated by the Parties as appropriate to accurately reflect operations and interfaces during the Term.

“Purchase Order” means the orders made in accordance with the ordering process set forth in Paragraph 2

“Premise Wiring” is the premise wiring scope of Services described in Attachment B and Attachment C.

“Request for Criminal Record Check” means the form and procedure set forth at Paragraph 29.

“Regulatory Entity” means any supervisory or governmental agency, body or authority having regulatory or supervisory authority over the Commonwealth, its agencies or the Contractor or Subcontractor’s assets, resources or business or over the Services, including any organization reporting to such bodies.

“RFP” means the Request for Proposal (RFP 6100004339) issued by the Commonwealth for Telecommunications Managed Services.

“SAP Vendor Number” means a vendor identification number for the Commonwealth’s SAP ordering and payment processing systems.

“Schedules” means the schedules to this Contract listed in the List of Schedules and any additional schedules added to the Contract via Change Control Procedures.

“Services” has the meaning set forth at Paragraph 1(f).

“Service Levels” means the service levels and standards for the performance of the Services set forth in Schedule F (Service Level Methodology).

“Service Level Credit” means the financial credits incurred by the Contractor in favor of the Commonwealth for Service Level Defaults for CPIs determined in accordance with the provisions of Schedule F (Service Level Methodology).

“Service Level Default” means a Minimum Service Level Default, Target Service Level Default or Compound Service Level Default.

“Service Level Reporting Period” means each rolling nine (9) month period beginning on each applicable Commencement Date and continuing (rolling) monthly throughout the Term.

“Service Level Termination Event” has the meaning provided in Section 2(c)(iv) of Schedule F (Service Level Methodology).

“Services Locations” means the Commonwealth Services Locations and the Contractor Services Locations and such other locations agreed upon by the parties as listed in Schedule M (Commonwealth Services Locations) and Schedule N (Contractor Services Locations).

“SLA Matrix” means Schedule F-1.

“Software” means a collection of one or more programs, databases or microprograms fixed in any tangible medium of expression that comprises a sequence of instructions (source code) to carry out a process in, or convertible into, a form executable by an electronic computer (object code).

“Statement of Work” means shall mean the services, function and responsibilities described in the Contract, including the services set forth in Schedule B (Services and Statements of Work).

“Subcontractors” means a third party (including an affiliate of Contractor) to which Contractor subcontracts or otherwise delegates its obligations to perform the Services.

“Target Service Level Default” means a recurring failure of the Contractor to meet the Target Service Level for the same CPI or KPI three (3) times, and each subsequent failure thereafter, during a Service Level Reporting Period.

“Target Service Level” means the expected level of performance for a CPI or a KPI, as applicable, as set forth in Schedule F-1 of Schedule F (Service Level Methodology).

“Term” means the period between the Effective Date and the last day of the Contract.

“Termination Assistance Period” has the meaning set forth in Paragraph 28.

“Termination Assistance Services” means (a) the Services (and any replacements thereof or substitutions therefore), to the extent the Commonwealth requests such Services during the Termination Assistance Period, (b) Contractor’s cooperation with Commonwealth or another contractor designated by Commonwealth in the transfer of the Services to Commonwealth or such other contractor in order to facilitate the transfer of the Services to Commonwealth or such other contractor, and (c) any services requested by Commonwealth in order to facilitate the transfer of the Services to Commonwealth or another contractor designated by Commonwealth.

“Third Party Software” means all Software products (and all modifications, replacements, upgrades, enhancements, documentation, materials and media related thereto) that are provided under license or lease by a third party to Contractor or Commonwealth.

“Tools” means any tools, both in object code and source code form, which Contractor has previously developed, or which Contractor independently develops or licenses from a third party, excluding any tools that Contractor creates pursuant to this Contract. Contractor Tools includes but is not limited to, methodologies, information, concepts, toolbars for maneuvering between pages, search engines, JAVA applets, and ActiveX controls.

“Transformation Milestone” means a due date for Transformation activities identified in a detailed transformation plan.

“Transformation Plan” means a plan agreed by the parties subsequent to the Effective Date, and setting out the activities and timescales and responsibilities for the Contractor to deliver cost reductions and service performance improvements to the Commonwealth through transformational activities, and shall include Milestones and Critical Milestones.

“Transition Milestone” means a due date for Transition activities identified in a detailed transition plan.

“Transition Services” means Services provided by the Contractor to complete the services in a detailed transition plan.

“Type 1 Service Level” has the meaning provided in Schedule F, Section 2(d) of Schedule F (Service Level Methodology).

“Type 2 Service Level” has the meaning provided in Schedule F, Section 2(d) of Schedule F (Service Level Methodology).

“Transition Milestone” has the meaning set out in Schedule D (Transition and Transformation Methodology).

“Transition Plan” means the plan set out in the Schedule D (Transition and Transformation Methodology) agreed by the parties and setting out the activities and timescales and responsibilities for transitioning the services from Commonwealth to Contractor, including Milestones and Critical Milestones.

“Voice CPE” means the voice CPE scope of Services described in Attachment B and Attachment C.