

**AMENDMENT #2  
TO  
MASTER CLOUD SERVICE AGREEMENT  
BY AND BETWEEN  
CARAHSOFT TECHNOLOGY CORPORATION. AND  
THE STATE OF OHIO, DEPARTMENT OF ADMINISTRATIVE SERVICES**

This Amendment Number 2 ('Amendment') is entered into and between Carahsoft Technology Corporation ("Service Provider") having an office at 12369 Sunrise Valley Drive, Suite D-2, Reston, VA 20191, and the State of Ohio, Department of Administrative Services (the "State"), having its principal place of business at 30 East Broad Street, 40<sup>th</sup> Floor, Columbus, Ohio 43215 (jointly referred hereto as the "Parties") and is effective on the date signed by the State.

**Section 1. Recitals.**

**1.1 WHEREAS**, the Parties entered into that certain Master Cloud Service Agreement (MCSA) dated August 14, 2013.

**1.2 NOW THEREFORE**, the Parties intend to make certain changes to the MCSA as follows"

**Section 2. Conflict Resolution.** Section 1.14. Any reference to the State's Chief Operating Officer ('COO') in section 1.14 will be replaced with the wording 'State's Enterprise IT Contracts Administrator.'

**Section 3. Notices.** Section 9.25, 'If to the State' notification address is replaced with the following:

Except as otherwise provided in the Agreement, all notices hereunder must be in writing and sent by:

- i. registered or certified mail, postage prepaid;
- ii. facsimile transmission;
- iii. overnight courier;
- iv. or email, upon confirmation of receipt.

Alternatively, such notices may be hand delivered if confirmation of receipt is attained at delivery.

The State's address for notification is:

Department of Administrative Services  
Office of Information Technology  
Enterprise IT Contracting  
30 E Broad Street, 39<sup>th</sup> Floor  
Columbus, Ohio 43215  
Attention: Contracts Category Manager

If applicable, Section 4 shall apply. Carahsoft, the State, and Salesforce agree that they shall continue to review the IRS 1075 Technology Services provisions to include the necessary language.

**Section 4. Add IRS 1075 Technology Services.** In consideration of the mutual promises and obligations contained in the Agreement and this Amendment, the parties agree to add language to the Agreement as follows:

In order to protect risk of loss, breach, or misuse of Federal Tax Information ("FTI") held by government agencies, the Internal Revenue Service issued Publication 1075 which includes specific language to include in any State contract in which FTI may be disclosed.

**I Performance**

In performance of this Contract, the Contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:

- (1) All work will be done under the supervision of the Contractor or the Contractor's employees.
- (2) Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this Contract. Disclosure to anyone other than an officer or employee of the Contractor will be prohibited.
- (3) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
- (4) The Contractor certifies that the data processed during the performance of this Contract will be completely purged from all data storage components of his or her computer facility, and no output will be retained by the Contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the Contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
- (5) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or his or her designee. When this is not possible, the Contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.
- (6) All computer systems receiving, processing, storing or transmitting FTI must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operations, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to Federal Tax Information.
- (7) No work involving Federal Tax Information furnished under this Contract will be subcontracted without prior written approval of the IRS.
- (8) The Contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.
- (9) The agency will have the right to void the Contract if the Contractor fails to provide the safeguards described above.

## **II Criminal Sanctions**

- (1) Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRCs 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.
- (2) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the Contract. Inspection by or disclosure to anyone without an official need-to-know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000

or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of the officer or employee (United States for Federal employees) in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC 7213A and 7431.

- (3) Additionally, it is incumbent upon the Contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.
- (4) Granting a contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, contractors must be advised of the provisions of IRCs 7431, 7213, and 7213A (See Exhibit 4, *Sanctions for Unauthorized Disclosure*, and Exhibit 5, *Civil Damages for Unauthorized Disclosure*). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See Section 10) For both the initial certification and the annual certification, the contractor must sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

### III Inspection

The IRS and the Agency shall have the right to send its officers and employees into the offices and plants of the Contractor for inspection of the facilities and operations provided for the performance of any work under this Contract. On the basis of such inspection, specific measures may be required in cases where the Contractor is found to be noncompliant with contract safeguards.

**Section 5. Add Registration with the Secretary of State.** In consideration of the mutual promises and obligations contained in the Agreement and this Amendment, the parties agree to add language to the Agreement as follows:

By providing a Charter Number and signature within the Certification Offer Letter, the Contractor attest that the Contractor is:

- An Ohio corporation that is properly registered with the Ohio Secretary of State; or
- A foreign corporation, not incorporated under the laws of the state of Ohio, but is registered with the Ohio Secretary of State pursuant to Ohio Revised Code Sections 1703.01 to 1703.31, as applicable.

Any foreign corporation required to be licensed under O.R.C. § 1703.01-1703.31, which transacts business in the state of Ohio, without being so licensed, or when its license has expired or been canceled, shall forfeit not less than \$250.00 nor more than ten thousand dollars. No officer of a foreign corporation (<http://codes.ohio.gov/orc/1703.01>) shall transact business in the state of Ohio, if such corporation is required by O.R.C. § 1703.01-1803.31 to procure and maintain a license, but has not done so. Whoever

violates this is guilty of a misdemeanor of the fourth degree. Questions regarding registration should be directed to (614) 466-3910, or visit <http://www.sos.state.oh.us>

**Section 6. Agreement – Renewal.** Section 1.5 of the MCSA regarding renewal is replaced in its entirety as follows: The State may renew this Agreement in the next biennium by issuing written notice to the Service Provider of the decision to do so. Renewals will be initiated by the State in writing before the expiration of the then current Term. This expiration and renewal procedure will also apply to the end of any subsequent biennium.

In accordance with Section 1.5 of the MCSA regarding Term, the State renews the Master Cloud Service Agreement and the following Service Attachments for the period July 1, 2015 through June 30, 2017.

- Amendment 1 Carahsoft MCSA Cost Recovery – 1/28/2015
- Service Attachment 1 Salesforce Subscription Services – 12/23/2013
- Service Attachment 2 – Blue City Studios 1 - Cigarette Tax Stamp Inventory and Order Management Services – 12/01/2014
- Service Attachment 3 – Blue City Studios 2 – Coastal Regulatory and NOAA Coastal Management Program Tracking System – 02/19/2015
- Service Attachment 4 – Blue City Studios 3 – Real Property Application Management System – 04/09/2015
- Service Attachment 5 – Sales Force Subscription Services – replaces Service Attachment 1 – 04/20/2015

**Section 7. Service Attachment(s) – Renewal.** Paragraph one in section 1.6 of the MCSA regarding renewal is replaced in its entirety as follows: Along with renewal of this Agreement, the State may renew any or all Service Attachments for the next term by issuing written notice to the Service Provider of the decision to do so. Renewals will be initiated by the State before the expiration of the then current Term. This expiration and renewal procedure will also apply to any subsequent term.

In Witness Whereof, the Parties have executed this Amendment, which is effective on the date the State's duly authorized representative signs it on behalf of the State, ("Effective Date").

<b>CARASHOFT TECHNOLOGY CORPORATION</b>	<b>STATE OF OHIO, DEPARTMENT OF ADMINISTRATIVE SERVICES</b>
<b>Bethany Blackwell</b>	<i>Robert Blair/sed</i>
Signature	Signature
Printed Name	Robert Blair
Printed Name	DAS Director
Title	Title
Date: 2015.12.22	Effective Date
16:30:35 -05'00'	<i>12/24/15</i>
Federal Tax ID	