SECOND AMENDATORY AGREEMENT

THIS SECOND AMENDATORY AGREEMENT by and between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado (the "City"), and **ISTONISH, INC.**, a Colorado corporation whose address is 5500 Greenwood Plaza, Suite 200, Greenwood Village, Colorado 80111 (the "Contractor").

WITNESSETH:

WHEREAS, the Parties entered into an Agreement dated October 29, 2014, and Amendatory Agreement on April 5, 2017, (the "Agreement"), relating to remote Service Desk support, after business hours, weekends and City holidays; and

WHEREAS, the Parties wish to amend the Agreement to increase the compensation to the Contractor.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and obligations herein set forth, the Parties agree as follows:

1.   All references to "…Exhibit A…" in the existing Agreement shall be amended to read: "…Exhibits A and A-1 as applicable…" The scope of work marked as Exhibit A-1 is attached and incorporated by reference.

2.   Article 3 of the Agreement entitled "TERM" is amended to read as follows:

"**TERM:** The term of the Agreement is from October 1, 2014, through December 31, 2020."

3.   Article 4(D)(i) of the Agreement entitled "COMPENSATION AND PAYMENT", "Maximum Contract Liability" is amended to read as follows:

"**D.   Maximum Contract Liability:**

(i)   Any other provision of this Agreement notwithstanding, in no event shall the City be liable for payment of services rendered and expenses incurred by Contractor under the terms of this Agreement for any amount in excess of the sum of ONE MILLION FOUR HUNDRED SEVEN THOUSAND SIX HUNDRED THIRTY-TWO DOLLARS AND NO CENTS ($1,407,632.00). Contractor acknowledges that any work performed by Contractor beyond that specifically authorized by the City is performed at Contractor's risk and without authorization under this Agreement."

4.   Article 9 of the Agreement entitled "INSURANCE", is amended by adding paragraph J to read as follows:

J. **Cyber Liability:** Contractor shall maintain Cyber Liability coverage with limits of $1,000,000 per occurrence and $1,000,000 policy aggregate covering claims involving privacy violations, information theft, damage to or destruction of electronic information, intentional and/or unintentional release of private information, alteration of electronic information, extortion and network security.

5. Except as herein amended, the Agreement is affirmed and ratified in each and every particular.

[SIGNATURE PAGES FOLLOW]

Istonish, Inc. 201418233-02

Contract Control Number:

IN WITNESS WHEREOF, the parties have set their hands and affixed their seals at Denver, Colorado as of

SEAL   **CITY AND COUNTY OF DENVER**

ATTEST:

                                            By_____

_____

APPROVED AS TO FORM: REGISTERED AND COUNTERSIGNED:
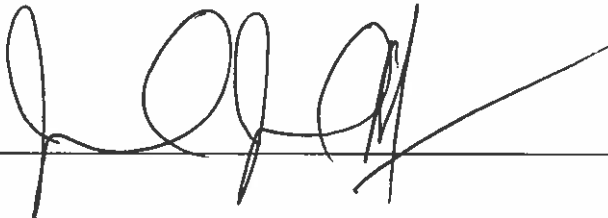
                                            By_____

By_____

                                            By_____

Contract Control Number: TECHS-201418233-02

Contractor Name: ISTONISH, INC.

By: _____

Name: _John J. LaMere_____
(please print)

Title: _Controller_____
(please print)

ATTEST: [if required]

By: _____

Name: _____
(please print)

Title: _____
(please print)

Executive Summary:

Istonish is excited to have the opportunity to continue the relationship with the City and County of Denver. Over the last 5 months we have made great efforts to strengthen our partnership and close the gap between daytime and night time service. We look forward to building on this progress and being a strong asset to CCD moving forward. As part of the contract renewal Istonish has been asked to provide CCD with the changes that we view are necessary to strengthen our relationship. Below you can see the things we propose to be added to the contract.

Pricing:

Our primary goal is to work with CCD and the pricing and contracting structure CCD must work within while right sizing the agreement to better align with the growth of the program. AS background, (when the original agreement was established) the goal was to provide CCD a cost-effective alternative to internally staffing the nights and weekends help desk coverage. This included expectations of competent handling of calls/incidents, as well as committed coverage of 108 hours per week or 468 hours per month.

In collaboration with the CCD team, we were able to right size our actual effort to the contracted effort and were able to also include some important SLAs that were identified through the collaboration process. Currently Istonish is contracted to take 832 calls per month, but currently averages 998 calls per month, which amounts to $15,882.00 or $16.70 per call. Below is the pricing breakdown for a three year extension:

Year	2018	2019	2020
Estimated call count logged in Aprisi per month	1100	1200	1300
Estimated Service Desk Hours per month ($75 per hour)	250	275	300
Service Desk flex bank hours per year ($65 per hour)	40	40	40
Estimated Yearly Price (includes flex hours and PMO Time)	$293,628	$316,128	$338,628

Total 3-year term contract: $948,384

Istonish has based estimated Purchase Order (PO) funding projections on current volume. However, CCD is responsible for making sure that the PO is properly funded to cover actual volumes experienced through life of the contract.

Service Desk Calls and Tickets Pricing Specifics

Pricing solution #1: Pay by the Drink

Istonish will gather data regarding call volume, length, and non-password reset count. Call volume (both in-bound and outbound actuals) and length will come from Aprisi ACD system where password reset count (LAN and applications) will come from ServiceNow. Istonish will determine what calls get 5-minute wrap up by taking non-password incident and request volume from ServiceNow reporting and adding outbound and follow calls. General inquiry calls (those that do not / should not transition to a request or incident) shall not be counted toward the volume of tickets warranting 5-minute wrap up time.

Istonish will charge CCD for the actual time that is logged on the Aprisi system and the associated wrap time for non-passwords of 5 minutes. The breakdown of hourly rate:

- $75 per hour for Service Desk Support, which includes:
    - Service desk technician time
    - Service desk management time
    - Service Desk lead oversight
    - Service Desk Training (New Hires)
    - Knowledge base updates and associated technician training
    - Hiring, training and screening of additional day shift resources to support CCD occasional day coverage and paid time off for nights/weekend shift workers
    - Process Development/Continuous Service Improvement
    - QA review of 5% of total call volume

The last 3 months of data shows us that our average non-password inbound incident call length is 7 minutes, resulting in a total of 9,000 minutes per. In addition we estimated a total of 600 outbound minutes per month (this includes 5 minute wrap time). Password reset time is estimated to be 1,250 minutes per month. Assumptions that we applied are:

- 25% of total calls are password resets (based on tickets in SNOW that referenced password in some form)
- Assumed 7 minutes per password reset call

$115 per hour for program over sight and management. A fixed monthly amount will be billed of $2875.00 a minimum of 25 hours per month, of which additional hours will not be billed should they be incurred. Possible exceptions to this would be program changes that would include the on-boarding of an entirely new or different scope of work. Program delivery management includes:

- Issue management
- Service Desk onboarding and CCD specific background checks
    - CJIS training and finger prints to be sent to CBI
- Program Management Oversight)
    - Customer Issue Management
    - Calculate metrics every-other week (Minimum)
        - Includes combining Aprisi and Service Now metrics. Aprisi data will come from a single report that includes metrics referenced in SLAs. Service Now metrics will be pulled from individual reports and added to

a report to be used in monthly reporting, monthly meetings, and billing attachments.

- Analysis of service delivery metrics
  - When there are anomalies in delivery metrics (e.g. unexpected call volume, unusually high abandon rates, etc), the Service Desk Manager and Service Delivery Manager need to review the supporting details to ascertain potential causes, corrective action and/or follow-up.
- Service Delivery Change Management
  - This can include anything from accommodating new KB articles that need to be reviewed, new service offerings that are planned and need to be implemented or accommodated
- Action Item follow-up
- Governance/QBR prep and meetings
- Roadmap monitoring and oversight
- SLA Reporting/Metrics
  - Additional billing/accounting for this new billing system

Estimated monthly total is for program oversight is $2875.00

Total estimated monthly bill: $16,437.50 (this reflects a 3.5% increase from current monthly invoices)

Flex Bank Hours Specifics

Istonish and CCD agree to a 40 hours per year flex bank of hours. The pool of flex bank hours are to be utilized for any additional coverage needs identified throughout the year by CCD (such as offsite team events where daytime Istonish coverage is required). If the 40 hours of flex time is used in a given year, Istonish will no longer provide additional coverage unless CCD is will to pay for the additional time that is being asked to cover.

The flex bank of hours shall only be invoiced for CCD events requested by the Manager, Director, CTO, Deputy CIO or CIO over of the CCD Service Desk.

CCD agrees to provide Istonish at least two (2) weeks' notice for coverage beyond the agreed upon based contracted coverage timeframes.

Personnel for flex hours will be dedicated technicians and will be billed by number of technicians by time needed by the $65/hr rate. The amount of dedicated technician headcount to be mutually agreed upon (between Istonish and CCD) prior to engagement in the usage of flex hours.

Self-service tickets

CCD and Istonish shall mutually agree upon Istonish engaging in self-service ticket handling and the amount of time approved to spend on self-service ticket handling efforts. Agreement on hours to take place prior to expenditure. Prior to agreement and pricing, Istonish will review some tickets in order to understand the time associated with each ticket. CCD and Istonish may

agree to an ongoing amount of time allocated for self-service but neither are contractually bound to do so.

CCD reserves the right to not move forward with Istonish working self-service tickets at any time. Given no current model is in place for this, CCD and Istonish will come to terms on a plan in Q1 of 2018 (if CCD desires to do so). If a plan is developed that results in Istonish planning for resource allocation and billable amount occurring for self-service ticket work, CCD will provide Istonish at least 30 days' notice to any changes in said plan.

Self-service tickets are those CCD customers enter through our self-service portal (internally named SupportNow).

Base contracted coverage timeframes

Istonish agrees to cover CCD Service Desk between the hours of 6pm to 6am weeknights (Monday-Friday) and 24hrs for each weekend day (Saturdays and Sundays). In addition, Istonish shall cover the CCD Service Desk 24hrs for each official city holiday.

Quality assurance alignment

During Q1 of 2018 Istonish will work with CCD to understand and implement a new QA program. Starting Q2 of 2018, Istonish agrees to perform quality assurance on at least 5% of their overall calls (monthly) and shall align with the CCD Service Desk on the call QA quality drivers (what areas are measured and how).

In addition, Istonish shall align with CCD Service Desk ticket handling processes (templates utilized for ticket consistency and ticket quality assurance).

Prior to implementation of the QA program, Istonish and CCD will define SLA goals and metrics to adhere to after both CCD and Istonish have a stronger understanding of the program and the things being

CCD and Istonish will develop this QA template program in Q1 of 2018 utilizing PMO hours

Shift overlap

Istonish agrees to perform shift overlap with CCD Service Desk. A trained technician spending time with the CCD Service Desk for the purposes of knowledge transfer, ticket handling improvement opportunities coverage, and other items as deemed necessary over time.

Each instance of this shift overlap program to be discussed and agreed upon by CCD and Istonish. CCD and Istonish are not contractually bound to any fixed schedule or amount of time by year or throughout the duration of the contract nor is CCD or Istonish contractually bound to continuation of the shift overlap program should either party determine it's no longer suitable.

The shift overlap program is not to be utilized as an Istonish on boarding stop gap measure. The expectation is that the technicians who shadow with CCD Service Desk are those who have

a reasonable amount of experience working on the CCD account. The technicians who shadow with CCD Service Desk are responsible for transitioning the knowledge they've obtained via a train the trainer model (where they train the rest of the Istonish team).

Shift overlap time will come out of normal monthly hours and will be billed by the number of technicians by the time by the $65/hr rate.

Istonish is still responsible for meeting contracted SLAs regardless of the shift overlap program being in place or not.

Monthly performance / billing readouts

Currently Istonish meets with CCD Service Desk bi-weekly to readout on performance and discuss ongoing efforts / commitments. Going forward these shall move to monthly and will cover Istonish previous months' performance and the invoiced amount (providing metrics / SLA performance and a detailed readout of the amount of calls and total duration and the amount of tickets to show how Istonish arrived at the invoice amount).

Service Level Agreements (SLA)

Metric	SLA	Goal
Call Abandonment Rate	7% or less	6.5% or less
First Level Resolution	70% (non-password)	80% (non-password)
Call Answer %	85%	90%
Average Speed to Answer	00:01:45 (Minutes)	00:01:30 (Minutes)
Average Call/Handle Time	00:08:00* (Minutes)	N/A
Customer Satisfaction	Goal: 4.5 out of 5	4.8 out of 5
Assignment Accuracy/Correct	95%	98%

* Call average handle time not to exceed nine (9) minutes across a month without agreed upon adjustment between Istonish and the City and County of Denver (increase in call average handle time to be in proportion with increase in first level resolution as identified below).

Assumptions:

- Istonish and CCD understand that in the case of surges and anomalies, SLA agreements can be unfairly impacted. In an order to avoid this, Istonish will remove a day's data if it is above 110% of estimated call volume (for that given day). Day's estimated volume calculated as such: (1 / total days contracted in the given month) x total monthly estimated volume. Contracted day defined as 12am to 11:59:59pm for a given day where Istonish provides CCD coverage.

    Example:

    (1 / 30 days) = .033 (or 3.3%).

    .033 x 1,100 call month volume = 36.3 calls for that given day as a day maximum.

- CCD and Istonish agree that the primary KPI (key performance indicator) for the Service Desk is First Level Resolution (FLR). Given this, the call average handle time goal identified above is adjustable per mutual agreement between the City and County of Denver and Istonish. Increase in average handle time to be positively correlated with an increase in FLR. Initial agreement of an increase in FLR of 5% per increase of each minute for call average handle time. Call average handle time not to exceed nine (9) minutes across a month without agreed upon adjustment between Istonish and the City and County of Denver.
- Istonish and CCD will work together to improve service over time. Should the CCD Service Desk performance exceed that of Istonish by 25% or more (for any metric) for 3 consecutive months, Istonish and CCD will engage in a meeting to determine the costs and timeline associated with Istonish adjusting to meet the SLA.
- At the beginning of Q2 of 2018 Istonish and CCD will have completed the Quality Assurance program. At this time, Istonish and CCD will work together to define what QA SLA will be based on a stronger understanding of the solution

SOC 2 Compliance

Istonish understands the request for us to provide CCD with SOC 2 compliance. We have already completed SOC 2 type 1 compliance. We should complete the test period for type 2 compliance on December 31, 2017. We expect to have a completed SOC 2 type 2 compliance report by the end of February 2018. Istonish focused on 2 of the 5 pillars in the SOC 2 compliance, security and confidentiality, if for some reason CCD requires different pillars than we can work on an agreed upon timeline to have that completed.

Remedies

SLA breach:

If Istonish misses any SLA for 2 consecutive calendar months, Istonish and CCD will work on resolution plan. In addition, Istonish will refund CCD 3% of the total previous month's invoiced amount in penalty. Istonish will then have 3 months to resolve the SLA breach before CCD can consider the contract to be breached (at sole discretion of CCD). For each month after the initial penalty payment, if Istonish continues to miss the same SLA that triggered the initial penalty, Istonish will continue to refund CCD 3% of the total previous months invoiced amount.

The four metrics that will trigger remedies or determine if Istonish is in breach of contract are call abandonment rate, first level resolution, average speed to answer, and call handle time.

Service outage and or degradation:

If through the course of the contract there is a complete service interruption or service degradation, Istonish will be penalized.

For service interruption, Istonish will pay CCD three times the Istonish billable hourly rate multiplied by the hours of service interruption.

Example: An incident occurs where service is interrupted for two hours. Istonish would be penalized $390. Calculated as (2hrs x 3) x $65/hr billable rate.

For service degradation, Istonish will pay CCD two times the Istonish billable hourly rate multiplied by the hours of service degradation.

Example: An incident occurs where service is degraded for two hours. Istonish would be penalized $260. Calculated as (2hrs x 2) x $65/hr billable rate.

Partial hours to be rounded up to the nearest half hour increment for both degradation and interruption calculations.

Neither of these penalties shall exceed the amount that would have been billed for that day.

A service interruption is defined as an incident where Istonish is not able to handle calls during a period of time (such as a full Istonish network outage). A service degradation is defined as an incident where some calls may have been handled but Istonish call handling services were not at full capacity, this can be exposed by Istonish missing SLA's for a given day. If service degradation is experienced, but Istonish is still able to meet the months SLAs, Istonish will not be penalized. In addition CCD understands that there are certain elements that are out of Istonish's control (i.e war, fire, strike, riot or insurrection, natural disaster, governmental or regulation, unreasonable delay of carriers, complete or partial shutdown of plant, or unreasonable unavailability equipment or software from supplier) that Istonish will not be penalized for.