

**State of New Mexico
Human Services Department**

**Child Support Enforcement Customer Service Center (CSC)
Information Technology Agreement Amendment No. 1**

SPD Contract No. 20-630-00-20535 A1

THIS AMENDMENT No. 1 to Professional Services Contract (PSC) 13-630-7101-0008 is made by and between the State of New Mexico **Department of Human Services**, hereinafter referred to as the "Procuring Agency" or "DEPARTMENT," and Health Management Systems, Inc., hereinafter referred to as the "Contractor," and collectively referred to as the "Parties."

WHEREAS, pursuant to the Procurement Code, NMSA 1978, 13-1-28, *et. seq*; and Procurement Code Regulations, NMAC 1.4.1, *et. seq*; the Contractor has held itself out as expert in implementing the Scope of Work as contained herein and the Procuring Agency has selected the Contractor as the offeror most advantageous to the State of New Mexico; and

WHEREAS, all terms and conditions of the RFP #20-630-00-20535 and the Contractor's response to such document(s) are incorporated herein by reference.

The purpose of this amendment is to remove deliverables eleven (11) and twelve (12) from the Scope of Work and reduce the compensation accordingly. New Termination language has also been included in this amendment.

IT IS MUTUALLY AGREED BETWEEN THE PARTIES THAT THE FOLLOWING PROVISIONS OF THE ABOVE-REFERENCED PSC ARE AMENDED AS FOLLOWS:

Article 3, Compensation, Paragraph B is amended to read as follows:

ARTICLE 3 - COMPENSATION

- B. Payment. The total compensation under this Agreement shall not exceed \$8,302,843.17 including New Mexico gross receipts tax. This amount is a maximum and not a guarantee that the work assigned to be performed by the Contractor under this Agreement shall equal the amount stated herein. The Parties do not intend for the Contractor to continue to provide Services without compensation when the total compensation amount is reached. The Contractor is responsible for notifying the Procuring Agency when the Services provided under this Agreement reach the total compensation amount. In no event will the Contractor be paid for Services provided in excess of the total compensation amount without this Agreement being amended in writing prior to services, in excess of the total compensation amount being provided.

Article 6, Termination is amended as follows:

ARTICLE 6 – TERMINATION

A. Grounds. The HSD may terminate this Agreement for convenience or cause. The Contractor may only terminate this Agreement based upon the HSD’s uncured, material breach of this Agreement.

B. Notice; HSD Opportunity to Cure.

1. Except as otherwise provided in Paragraph (4)(B)(3), the HSD shall give Contractor written notice of termination at least thirty (30) days prior to the intended date of termination.

2. Contractor shall give HSD written notice of termination at least thirty (30) days prior to the intended date of termination, which notice shall (i) identify all the HSD’s material breaches of this Agreement upon which the termination is based and (ii) state what the HSD must do to cure such material breaches. Contractor’s notice of termination shall only be effective (i) if the HSD does not cure all material breaches within the thirty (30) day notice period or (ii) in the case of material breaches that cannot be cured within thirty (30) days, the HSD does not, within the thirty (30) day notice period, notify the Contractor of its intent to cure and begin with due diligence to cure the material breach.

3. Notwithstanding the foregoing, this Agreement may be terminated immediately upon written notice to the Contractor (i) if the Contractor becomes unable to perform the services contracted for, as determined by the HSD; (ii) if, during the term of this Agreement, the Contractor is suspended or debarred by the State Purchasing Agent; or (iii) the Agreement is terminated pursuant to Paragraph 5, “Appropriations”, of this Agreement.

C. Liability. Except as otherwise expressly allowed or provided under this Agreement, the HSD’s sole liability upon termination shall be to pay for acceptable work performed prior to the Contractor’s receipt or issuance of a notice of termination; provided, however, that a notice of termination shall not nullify or otherwise affect either party’s liability for pre-termination defaults under or breaches of this Agreement. The Contractor shall submit an invoice for such work within thirty (30) days of receiving or sending the notice of termination. *THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT WAIVE THE AGENCY’S OTHER LEGAL RIGHTS AND REMEDIES CAUSED BY THE CONTRACTOR’S DEFAULT/BREACH OF THIS AGREEMENT.*

Exhibit A, Paragraph IV, Deliverables is amended to remove Deliverables eleven (11), Medical Insurance Verification, and twelve (12), National Medical Support Notice (NMSN).

Exhibit B, Section 3, CSED Customer Service Center Fee Schedule has been amended to reflect the revised compensation and is attached hereto.

All other Articles and Deliverables in PSC 13-630-7101-0008 remain unchanged.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date of the signature by the required approval authorities below.

By: Sidonie Squire Date: 5/10/13
Sidonie Squire, NM HSD Cabinet Secretary

By: Maria Perrin Date: 5/6/13
Maria Perrin, Chief ~~Business~~ ^{Marketing} Officer, HMS Inc.

By: Danny Sandoval Date: 5/8/13
Danny Sandoval, NM HSD Chief Financial Officer

By: Sean Pearson Date: 5/8/13
Sean Pearson, NM HSD Chief Information Officer

Approved for legal sufficiency:

By: Raymond W. Mensack Date: 5/9/13
Raymond W. Mensack, NM HSD Chief Legal Counsel

The records of the New Mexico Taxation and Revenue Department reflect that the Contractor is registered with the Taxation and Revenue Department of the State of New Mexico to pay gross receipts and compensating taxes:

CRS ID Number: 02-958489-00-2

By: Bridget Bailey Date: 5/14/13
NM Taxation & Revenue Department

Approved as to information technology contractual specifications and compliance with the New Mexico Department of Information Technology Act, Laws 2007, Chapter 290 and any and all Executive Orders relating to Information Technology issued by the Governor of the State of New Mexico

By: Darryl Ackley Date: 16 MAY 2013
Darryl Ackley, NM DoIT Secretary and State CIO

This Agreement has been approved by the State Purchasing Agent:

By: Jordan K. Luby Date: 5/21/13
NM State Purchasing Agent ^{fol}

Exhibit B**AMENDED CSED CUSTOMER SERVICE CENTER FEE SCHEDULE**

Description	Base Rate*	Estimated CPI** Adjustment Factor	CPI Adjusted Rate***	Estimated Annual Volume	Total****	Total with Gross Receipts Tax*****
Year One						
Inbound Calls	\$4.08	1.0	\$4.08	380,000	\$1,550,400	\$1,677,339.00
KIDS Line IVR System	\$0.18	1.0	\$0.18	90,000	\$16,200	\$17,526.38
Outbound Calls	\$3.75	1.0	\$3.75	9,000	\$33,750	\$36,513.28
Early Intervention	\$71.98	1.0	\$71.98	3,042	\$218,963	\$236,890.59
Fixed Deliverables	\$103,500	1.0	\$103,500	1.0	\$103,500	\$111,974.06
Year One Subtotal					\$1,922,813	\$2,080,243.31
Year Two						
Inbound Calls	\$4.08	1.032	\$4.21	380,000	\$1,599,800	\$1,730,783.62
KIDS Line IVR System	\$0.18	1.032	\$0.19	90,000	\$17,100	\$18,500.06
Outbound Calls	\$3.75	1.032	\$3.87	9,000	\$34,830	\$37,681.71
Early Intervention	\$73.73	1.0	\$73.73	3,638	\$268,230	\$290,191.33
Year Two Subtotal					\$1,919,960	\$2,077,156.72
Year Three						
Inbound Calls	\$4.08	1.064	\$4.34	380,000	\$1,649,200	\$1,784,228.25
KIDS Line IVR System	\$0.18	1.064	\$0.19	90,000	\$17,100	\$18,500.06
Outbound Calls	\$3.75	1.064	\$3.99	9,000	\$35,910	\$38,850.13
Early Intervention*****	\$75.63	1.0	\$75.63	2,843	\$215,016	\$232,620.43
Year Three Subtotal					\$1,917,226	\$2,074,198.87
Year Four						
Inbound Calls	\$4.08	1.096	\$4.47	380,000	\$1,698,600	\$1,837,672.87
KIDS Line IVR System	\$0.18	1.096	\$0.20	90,000	\$18,000	\$19,473.75
Outbound Calls	\$3.75	1.096	\$4.11	9,000	\$36,990	\$40,018.56
Early Intervention	\$77.47	1.0	\$77.47	2,077	\$160,905	\$174,079.09
Year Four Subtotal					\$1,914,495	\$2,071,244.27
Grand Total					\$7,674,494	\$8,302,843.17

* Base rates include all travel, per diem, fringe benefits, and any overhead costs for contractor personnel, as well as subcontractor personnel, if applicable.

** Estimated Consumer Price Index Adjustment Factor.

*** Multiply Base Rate times Estimated CPI Adjustment Factor.

**** Multiply CPI Adjusted Rate times Estimated Annual Volume.

***** Total times the current Santa Fe County Gross Receipts tax (GRT), itemized separately on invoices (current Santa Fe County GRT is 8.1875).

***** CPI Adjustment Factor not applicable to Early Intervention Deliverable (see Table 5 for fee