

Amendment No. 6 to the HUMAN RESOURCES, BENEFITS AND PAYROLL ADMINISTRATION SERVICES CONTRACT BY AND BETWEEN CONVERGYS CUSTOMER MANAGEMENT GROUP INC., AND THE STATE OF FLORIDA, DEPARTMENT OF MANAGEMENT SERVICES

Convergys Customer Management Group Inc., and the Department of Management Services, State of Florida, have entered into a contract as of August 22, 2002, for Human Resources, Benefits and Payroll Administration Service, ITN No. 32-973-400-Z ("Contract"); and,

Whereas, Section 2.1 Scope of Work – General Information, contemplated certain system “Go-Live” dates which were delayed by circumstances unforeseen to both the Service Provider and the State;

Whereas, delays in implementation have caused both parties to incur unforeseen costs;

Whereas, in an effort to avoid protracted and costly litigation on the issues surrounding the delays, both parties agree that an adjustment to the Contract is necessary to achieve the overall objectives and intent of the Contract;

now, therefore, for valuable consideration, the adequacy and receipt of which are hereby acknowledged, the parties agree to amend the Contract as follows:

1. Section 2.5 Failure to Meet Due Dates, is deleted, and replaced in its entirety with the following:

Both parties acknowledge that "time is of the essence." Both parties agree to complete a pilot test of the human resources, benefits and payroll administration system, using the Department of Management Services as the pilot agency, prior to August 1, 2004 ("Pilot"). The successful completion of the Pilot shall be determined by Service Provider's adherence to the terms of the mutually agreed written Pilot Success Criterion. Parties will also, no later than the successful completion of the Pilot, establish a mutually agreed upon implementation schedule for the remaining State Agencies. Service Provider's failure to meet the deadlines set-out in the mutually agreed upon implementation schedule, shall result in the Department withholding monthly payments from Service Provider until such time as the implementation schedule is achieved. No payment shall be withheld pursuant to this section based on a delay caused by circumstances outside the control of the Service Provider (including without limitation lack of readiness of State Agenc(ies) data, lack of readiness of State Agenc(ies) human resource policies and procedures and failure of State Agenc(ies) to complete training of its employee population). Nothing in the provisions of this paragraph shall preclude the Department from seeking actual delay damages caused by the Service Provider's failure to meet the mutually agreed upon implementation schedule that were caused by circumstances within the control of the Service Provider.

2. Section 7.1 Term/Renewal, is deleted, and replaced in its entirety with the following:

In accordance with the General Appropriations authority to enter into a contract together with the authority granted in Chapter 287, Florida Statutes, to the Department to contract for services rendered herein and the business plan dated September 28, 2001, approved by the Florida Legislature setting forth the term and amount of the Contract, the Parties agree that the “Term” of this Contract shall be for a seven (7) year period commencing upon the execution of this Contract and continuing for seven (7) years unless extended, terminated or renewed as provided herein. The State shall renew the contract for two (2) years at the end of the original seven (7) year term upon the same terms and conditions, subject to appropriation and provided that the Service Provider has met the performance metrics set out in Section 2.8. Additionally, this Contract may be renewed by the mutual agreement of the Parties in accordance with Section 287.058, Florida Statutes. The Department shall provide written notice to the Service Provider regarding the Department’s interest to renew the Contract beyond the 2 year renewal period within six (6) months prior to the expiration of that renewal period and at such time the Parties will meet to determine if such Contract shall be renewed.

3. Exhibit F- Payment Schedule, of the Contract shall be modified as follows: The Service Provider has invoiced the Department \$50,473,971 for outsourcing services rendered through June 30, 2004. The Department agrees to pay the Service Provider \$33,486,979, and to use its best efforts to pay that sum as soon as reasonably possible. In exchange for a two year renewal of the Contract, the Service Provider agrees to provide a credit of \$10,300,000 against the outstanding invoices. Additionally, the Service Provider agrees to waive the remaining \$6,686,992 invoiced to cover incremental costs incurred by the Department through June 2004.
4. Exhibit H, the Item Fee List is modified by: a) revising the "Cost" figures for the associated Item to the "Cost" figures noted below (the other Cost figures and Items in Exhibit H, even though not listed below or otherwise addressed, remain in full force and effect) and b) replacing the Post-Implementation provisions as follows:

Month	Cost	Item
10-12	\$17,280,738	Implementation of HR/Payroll Administration
	\$3,155,800	Training Plan/development for HR/Payroll Administration
	\$3,289,099	User Acceptance test plan for HR/Payroll Administration
	\$3,550,000	HR personnel records imaged
	\$46,002,281	New Total
13-14	\$46,002,281	Previous Total
	\$48,339,015	New Total
15	\$274,500	User Acceptance test plan for Benefits Administration
	\$48,339,015	Previous Total
	\$51,578,490	New Total

Post-Implementation - Beginning month 16 and continuing through month 36, the fee to purchase the items set forth in this Exhibit shall be \$51,578,490 less \$450,000 per month. Beginning month 37 and continuing through the end of month 108, the fee to purchase the items set forth in this Exhibit shall be reduced by \$585,118 instead of \$450,000 per month.

5. All other terms and conditions of the Contract remain in full force and effect and apply to this Contract unless specifically modified above. In witness whereof the parties hereto have executed this Amendment effective on the last day executed below.

Department of Management Services
State of Florida

Convergys Customer Management Group Inc.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____