



Florida Department of Transportation

RICK SCOTT
GOVERNOR

Florida's Turnpike Enterprise
P.O. Box 613069, Ocoee, FL 34761
407-532-3999

MIKE DEW
SECRETARY

August 14, 2018

Ms. Karen Caruso
Program Manager
Conduent State & Local Solutions, Inc.
12410 Milestone Center Drive, 5th Floor
Germantown, MD 20876

Re: Centralized Customer Service System

Dear Ms. Caruso:

As you are aware, the Florida Department of Transportation approved June 11, 2018 as the date for Go-Live for the Centralized Customer Service System. Following Go-Live, there were significant issues with the performance of the System. The Department acknowledges Conduent has now eliminated the backlog of SunPass transactions that accumulated following Go-Live. The Department expects Conduent to provide SunPass customers the premium service they are entitled to expect throughout the Operations and Maintenance phase of the CCSS project.

Following Go-Live, the Department has reviewed Conduent's performance during the Implementation Phase of the project. The terms of the CCSS contract, particularly as modified by Modification Number 11, dated November 21, 2017, provide that failure by Conduent to complete Implementation Phase Services by the date designated in the project schedule will result in the imposition of specified, agreed-upon amounts of liquidated damages. Under the terms of the contract, as modified by Modification Number 11, Conduent was required to achieve System Integration by February 16, 2018, and was required to achieve System Go-Live by March 23, 2018. Specific liquidated damages were agreed upon for failure to meet those deadlines. Later modifications to the agreement preserved Conduent's obligations and the Department's rights as they existed under Modification Number 11.

Conduent did not achieve System Integration until May 30, 2018, and did not achieve Go-Live until June 11, 2018. In accordance with the terms of the contract, the Department is entitled to, and hereby does, assess liquidated damages for Conduent's failure to timely perform Implementation Phase Services in the amounts identified in Modification Number 11: (i) \$205,000 for failure to achieve System Integration by February 16, 2018; (ii) \$175,000 for failure to achieve Go-Live by March 23, 2018; and \$400,000 (\$5,000 per day for eighty days) for the delay in Go-Live after March 23, 2018, totaling \$780,000 in liquidated damages for the Implementation Phase.

The Department's assessment of liquidated damages for the Implementation phase shall not constitute a waiver of any other rights or remedies the Department has under the terms of the

contract, particularly the right to assess performance liquidated damages and recover actual damages attributable to Conduent's performance during the Operations and Maintenance Phase.

Sincerely,

A handwritten signature in blue ink that reads "Floyd D. Holland". The signature is fluid and cursive, with a long horizontal stroke at the end.

Floyd "Buzz" Holland, CPM
Director of Toll Systems
Florida Department of Transportation,
Florida's Turnpike Enterprise