



BOARD OF SUPERVISORS AGENDA ITEM REPORT **CONTRACTS / AWARDS / GRANTS**

Requested Board Meeting Date: 10/06/2015

or Procurement Director Award ☐

Contractor/Vendor Name (DBA): Dell Marketing LP (Headquarters: Round Rock, TX)

Project Title/Description:

Dell Hardware, Software, Peripherals, and Related Services

Purpose:

Board of Supervisors (BOS) Award of Contract: Master Agreement (MA) 16*101 for an initial term of one (1) year effective 10/06/2015 in the annual not-to-exceed amount of \$500,000.00 to provide Dell hardware, software, peripherals, and related services for all County departments. This award includes four (4) optional one (1) year renewals.

Administering Department: Information Technology Department (ITD)

Procurement Method:

Pursuant to Pima County Procurement Code 11.24.010, Cooperative Procurement Authorized, the contract terms were established by the National Association of State Procurement Officials (NASPO) Contract No. MNWNC-108 subsequent to a competitive procurement process to satisfy multiple agency requirements similar to that required by Pima County Procurement Code.

Program Goals/Predicted Outcomes:

This agreement will allow Pima County to obtain quotes and purchase from Dell goods and services to include desktops, laptops, tablets, servers, storage, printers, and software.

Public Benefit:

Provide Pima County with reliable and cost effective IT products and related services to ensure employees can efficiently perform their duties.

Metrics Available to Measure Performance:

Continuation of the usage of Dell equipment, peripherals, software, and related services, ITD can reduce downtime in its provision of equipment and services to County departments and staff.

Retroactive:

N/A

Original Information

Document Type: MA Department Code: PO Contract Number (i.e., 15-123): 16*101
Effective Date: 10/06/2015 Termination Date: 10/05/2016 Prior Contract Number (Synergen/CMS): _____
☒ Expense Amount: \$ 500,000.00 ☐ Revenue Amount: \$ _____
Funding Source(s): Internal Service Fund

Cost to Pima County General Fund: _____

Contract is fully or partially funded with Federal Funds? ☐ Yes ☒ No ☐ Not Applicable to Grant Awards
Were insurance or indemnity clauses modified? ☒ Yes ☐ No ☐ Not Applicable to Grant Awards
Vendor is using a Social Security Number? ☐ Yes ☒ No ☐ Not Applicable to Grant Awards
If Yes, attach the required form per Administrative Procedure 22-73.

Amendment Information

Document Type: _____ Department Code: _____ Contract Number (i.e., 15-123): _____
Amendment No.: _____ AMS Version No.: _____
Effective Date: _____ New Termination Date: _____
☐ Expense ☐ Revenue ☐ Increase ☐ Decrease Amount This Amendment: \$ _____
Funding Source(s): _____

Cost to Pima County General Fund: _____

Contact: Commodity Contracts Officer, Paul Turner (Pmt) 9/24/15 8/10/21/102DM 9/24/15
Department: Procurement L. A. Williams 9/24/15 Telephone: 724-3723
Department Director Signature/Date: [Signature] 9/24/15
Deputy County Administrator Signature/Date: [Signature] 9-28-15
County Administrator Signature/Date: by [Signature] 9-28-15
(Required for Board Agenda/Addendum Items)



MASTER AGREEMENT

PIMA COUNTY, ARIZONA

THIS IS NOT AN ORDER - TRANSMISSION CONSTITUTES CONTRACT EXECUTION

Master Agreement No: 16000000000000000101

MA Version: 1

Page: 1

Description: Dell Hardware, Software, Peripherals, & Related Services

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Pima County Procurement Department
130 W. Congress St. 3rd Fl
Tucson AZ 85701

Issued By: PAUL TURNER
Phone: 5207243723
Email: paul.turner@pima.gov

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Initiation Date: 10-06-2015
Expiration Date: 10-05-2016

NTE Amount: \$500,000.00
Used Amount: \$0.00

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DELL MARKETING LP

PO BOX 802816 C/O DELL USA LP

CHICAGO IL 60680-2816

Contact: SALES
Phone: 888-518-3355
Email: MPA_West_Orders@dell.com
Terms: 0.0000 %
Days: 30

Shipping Method: Vendor Method
Delivery Type: STANDARD GROUND
FOB: FOB Dest, Freight Prepaid

Modification Reason

Issue award of contract for an initial term of one year for a not-to-exceed amount of \$500,000.00.

This Master Agreement incorporates the attached documents, and by reference all instructions, Standard Terms and Conditions, Special Terms and Conditions, and requirements that are included in or referenced by the solicitation documents used to establish this agreement. All Transactions and conduct are required to conform to these documents.

Number of Attachments: 2

Attachment Names: 186419 - Dell - Offer Agreement.pdf, 186419 - Dell - Offer Agreement.pdf



MASTER AGREEMENT DETAILS

Master Agreement No: 16000000000000000101

MA Version: 1

Page: 2

Line	Description					
1	Dell Hardware					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	\$430000			
2	Dell Software					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	\$20000			
3	Software Maintenance and Support					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	\$5000			
4	Hardware Maintenance and Support					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	\$45000			

OFFER AGREEMENT

Solicitation #: 186419 **Title:** Dell Hardware, Software, Peripherals, & Related Services **Page 1 of 22**

1. INTENT:

General Information: Pima County Information Technology Department (PCITD) is seeking to purchase computer equipment, (Servers, Storage, Networking, Desktops, Laptops, etc.), software, peripherals, and related services. The related services will include, but not be limited to, the implementation, architectural design, and support of PCITD infrastructure, greatly reducing the risk of failure and unnecessary downtime due to misconfiguration or unsupported hardware or software solutions.

This agreement is established pursuant to Cooperative Agreement with State of Arizona Contract **ADSP016-098163** (formerly ADSP015-093839) with **Dell Marketing LP** and pursuant to Cooperative Procurement Authorized by Pima County Procurement Code 11.24.010.

The intent of this document is to establish an “As Required” indefinite delivery/indefinite quantity (IDIQ) Master Agreement contract to provide Pima County (“County”) with such quantities of commodities listed in Exhibit D as County may order from time to time by issue of Delivery Order (DO) or Delivery Order Maximo (DOM) pursuant to a resulting contract.

This Agreement will consist of this Offer Agreement as well as the following attachment and exhibits, which are incorporated herein by reference as indicated:

- Attachment 1: PCITD Software License and Maintenance Agreement Standard Terms and Conditions
- Exhibit A: MNWNC-108 State of Arizona Participating Addendum
- Exhibit B: MNWNC-108 WSCA/NASPO Master Agreement Award
- Exhibit C: PCITD Anticipated Commodities to be Purchased List - Dell

Although particular County Departments may be identified in the solicitation, unless otherwise documented by the executed contract, all County Departments may utilize the resulting agreement.

All Goods and Services offered or provided pursuant to the contract will conform to the requirements defined by or referred to by the solicitation documents including *Solicitation Addenda, Instructions to Bidders, Standard Terms and Conditions* and this *Offer Agreement*, all of which are incorporated herein.

This document, including all attachments and documents incorporated by reference, constitutes the entire contract between the parties pertaining to the subject matter hereof, and all prior or contemporaneous agreements and understandings, oral or written, are hereby superseded and merged herein. This Contract may be modified, amended, altered or extended only by a written amendment signed by the parties.

2. CONTRACT TERM EXTENSIONS-RENEWALS & REVISIONS:

The initial term of the contract will be for a one (1) year period, effective the date of the executed award document issued by Pima County, and will include four (4) one-year renewal options that may be exercised upon the written agreement of the parties as follows:

Proposed extension or renewals of the contract if included in the contract and revisions to the contract shall be made through the issuance by County to Contractor of a revised Master Agreement (MA) document setting forth the requested changes. Failure by Contractor to object in writing to the proposed revisions, terms, conditions and/or specifications within ten (10) calendar days of issuance by County will signify acceptance of all such changes by Contractor and the amendment will be binding upon the parties, effective on the date of issuance.

3. CONTRACTOR MINIMUM QUALIFICATIONS:

The Contractor certifies that it is competent, willing and responsible for performing the services or providing the products in accordance with all requirements of the solicitation and this contract. Contractor certifies that it possesses all licenses required by applicable Agencies to satisfy the requirements of this contract.

- All goods and services provided per this Agreement shall be provided to Pima County directly from Dell Marketing LP or an authorized reseller of Dell equipment, software and services.
- Dell Marketing LP and/or its authorized reseller shall have a minimum of five (5) years of documented experience with pre-sale design, selling, and post-sale support of enterprise level equipment to state and local governments.
- All technicians providing services per this Agreement shall be currently certified by Dell Marketing LP and shall provide proof of certification upon request.

OFFER AGREEMENT

Solicitation #: 186419 **Title:** Dell Hardware, Software, Peripherals, & Related Services **Page 2 of 22**

4. PRODUCT OR SERVICE SPECIFICATIONS & SCOPE:

The contractor shall provide computer goods and services specified in **Arizona State Contract ADSP016-098163** (link to contract webpage at ProcureAZ, the State of Arizona's e-procurement system: <https://procure.az.gov/bso/external/purchaseorder/poSummary.sdo?docId=ADSP016-098163&releaseNbr=0&parentUrl=contract>), which shall include, but not be limited to, the following hardware, software, and services commodities:

- Desktops, Laptops, Tablets, Servers, Storage, & Software including accessories/peripherals & associated services.

All equipment and software shall be provided with warranty information and license details.

5. OFFER ACCEPTANCE AND ORDER RELEASES:

County will accept offers and execute contracts by issue of a Master Agreement (MA) (Recurring requirements) to be effective on the document's date of issue without further action by either party. Master Agreement (MA) and Contract documents will document the term of the agreement.

County will order products or services pursuant to an executed Master Agreement by issue of Delivery Order (DO) or Delivery Order Maximo (DOM) documents. Order documents will be furnished to Contractor via facsimile, e-mail or telephone. **If the order is given verbally, the County Department that issued the order will transmit a confirming order document to Contractor within five workdays of the date the verbal order is given.**

Contractor must not supply materials or services pursuant to the contract that are not documented or authorized by a Delivery Order (DO) or Delivery Order Maximo (DOM) at the time of provision. County accepts no responsibility for control of or payment for materials or services not documented by a COUNTY Delivery Order (DO) or Delivery Order Maximo (DOM).

Contractor will establish, monitor, and manage an effective contract administration process that assures compliance with all requirements of this contract. In particular, Contractor will not provide goods or services in excess of the executed contract items, item quantity, item amount, or contract amount without prior written authorization by contract revision properly executed and issued by County. Any items provided in excess of that stated in the contract are at Contractor's own risk. Contractor will decline verbal requests to deliver items in excess of the contract and will report all such requests in writing to the COUNTY Procurement Department within one (1) workday of the request. The report must include the name of the requesting individual and the nature of the request.

6. ACCEPTANCE OF GOODS AND SERVICES:

The County Department designated on the issued Order will accept goods and services only in accordance with this contract. Such acceptance is required prior to commencement of Payment terms.

7. COMPENSATION & PAYMENT:

All pricing will conform to Pima County's Living Wage ordinance if applicable, including required annual adjustments of the wage.

Contractor will submit Request(s) for Payment or Invoices to the location and entity defined by County's Order document.

All Invoice documents will reference the County's Purchase Order (PO) Delivery Order (DO) or Delivery Order Maximo (DOM) or Contract number under which the services or products were ordered. **ALL** Invoice line items will utilize the item description, precise unit price and unit of measure defined by the County's Order or Contract document. Invoices that include line items or unit prices that do not match those documented by the County's order or contract may be returned to Contractor unprocessed for correction. **Contractor will not accept orders, or provide services or products that cumulatively exceed the contract amount.**

Standard payment terms are net thirty (30) days from the later of the date the County receives the goods and/or services and the date the County receives Contractor's invoice.

The Master Agreement (MA) issued to accept Contractor's offer will define the not to exceed amount of the contract. The parties may negotiate and establish unit pricing in writing under the contract for items included in the scope of the contract for which unit pricing has not been previously defined.

OFFER AGREEMENT

Solicitation #: 186419 **Title:** Dell Hardware, Software, Peripherals, & Related Services **Page 3 of 22**

Unless the parties otherwise agree in writing, all pricing will be *F.O.B. Destination & Freight Prepaid Not Billed ("F.O.B. Destination")*, delivered to and unloaded at the destination(s) defined by the delivery article of this contract or accepted Order for services or products and all freight costs must be included in the offered Unit Price.

Although State and City sales tax may not be fully or accurately defined on an order, they will be paid when they are DIRECTLY applicable to Pima County and invoiced as a separate line item. Such taxes should not be included in the item unit price.

Price Escalation. Pricing of goods and services shall be administered as specified in the MNWNC-108 State of Arizona Participating Addendum, Scope of Work, 10. Current Product and Pricing Schedules.

Quantities referred to are estimated quantities. COUNTY reserves the right to increase or decrease the quantities and amounts. No guarantee is made regarding actual orders issued for items or quantities during the term of the agreement. COUNTY is not responsible for Contractor inventory or order commitment.

Unit prices offered must include all incidentals and associated costs required to comply with and satisfy all requirements referred to or included in this solicitation, which includes the *Instructions to Bidders, Standard Terms and Conditions* and Offer Agreement. No payments will be made for items not included in the contract.

Contractor will provide detailed documentation in support of payment requests which will document, be consistent with and not exceed COUNTY's order. Contractor will bill COUNTY within one (1) month after the date on which Contractor's right to payment accrues ("Payment Accrual Date"), which, unless this contract specifically provides otherwise, is the date goods are delivered, services are performed, or costs are incurred. Invoices must assign each amount billed to an appropriate line item of COUNTY's order and document each Payment Accrual Date. COUNTY may refuse to pay any amount billed in an untimely manner or which is not conforming to COUNTY's order. County will refuse to pay any amount billed more than six (6) months after the Payment Accrual Date, pursuant to A.R.S. § 11-622(C).

Per State of Arizona Contract # ADSP016-098163, Dell Marketing LP goods and/or services listings and pricing shall be available as follows: *Price is percentage off of published product price list or Contractor website.*

8. DELIVERY:

As defined by the Standard Terms, "On-Time" delivery is an essential part of the consideration to be given to COUNTY under the contract. Delivery will be made in accordance with the Instructions to Bidders, Standard Terms and Conditions and to the location(s) referenced on the Delivery Order (DO) or Delivery Order Maximo (DOM) or Contract.

Delivery of services is to multiple locations throughout Pima County. The delivery/service requirements shall be specified and provided on the ordering document issued by the County.

9. TAXES, FEES, EXPENSES:

Articles sold to COUNTY are exempt from federal excise taxes. COUNTY is subject to State and City sales tax. COUNTY will pay no separate charges for delivery, drayage, express, parcel post, packing, insurance, license fees, permits, costs of bonds, surcharges, or bid preparation unless expressly included in the contract and itemized by the solicitation documents.

10. OTHER DOCUMENTS

Contractor and COUNTY in entering into this contract have relied upon information provided or referenced by Pima County Solicitation No. 186419 including Attachment 1: PCITD Software License and Maintenance Agreement Standard Terms and Conditions; Exhibit A: MNWNC-108 State of Arizona Participating Addendum; Exhibit B: MNWNC-108 WSCA/NASPO Master Agreement Award; and Exhibit C: PCITD Anticipated Commodities to be Purchased List - Dell. These documents are hereby incorporated into and made a part of this Contract as if set forth in full herein, to the extent not inconsistent with the provisions of this contract.

11. INSURANCE:

Insurance requirements shall be per Exhibit A - MNWNC-108 State of Arizona Participating Addendum; Special Terms and Conditions, 23. Insurance; wherein 'The State of Arizona' shall be replaced with 'Pima County'.

In addition, the following Technology Errors and Omissions Insurance requirements shall apply:

OFFER AGREEMENT

Solicitation #: 186419 Title: Dell Hardware, Software, Peripherals, & Related Services Page 4 of 22

Technology Errors and Omissions (E&O) Insurance

- a. The Technology E&O coverage shall have minimum limits of:
 - \$2,000,000 Each Claim
 - \$2,000,000 Annual Aggregate
- b. Insurance E&O Coverage to include:
 - Systems analysis; Software design; Systems programming; Data processing; and Systems integration;
 - Outsourcing including outsourcing development and design;
 - Systems design, consulting, development and modification;
 - Training services relating to computer software or hardware;
 - Management, repair and maintenance of computer products, networks and systems; and
 - Data entry, modification, verification, maintenance, storage, retrieval or preparation of data output.
- c. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.
- d. The policy shall cover professional misconduct or negligent acts of anyone who Contractor is legally responsible for performing any services under this contract policy.

12. PERFORMANCE BOND: (Not Applicable)

13. ACKNOWLEDGEMENT of SOLICITATION ADDENDA: (Not Applicable)

14. SMALL BUSINESS ENTERPRISE (SBE) CERTIFICATION: (Not Applicable)

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OFFER AGREEMENT

Solicitation #: 186419 Title: Dell Hardware, Software, Peripherals, & Related Services Page 5 of 22

15. BID/OFFER CERTIFICATION:

CONTRACTOR LEGAL NAME: Dell Marketing, L.P.

BUSINESS ALSO KNOWN AS: n/a

MAILING ADDRESS: One Dell Way, Round Rock, TX 78762

CITY/STATE/ZIP: _____

REMIT TO ADDRESS: _____

CITY/STATE/ZIP: _____

CONTACT PERSON NAME/TITLE: Jeffrey Komer

PHONE: 602-524-8512 FAX: 480-585-5402

CONTACT PERSON EMAIL ADDRESS: jeffrey-komer@dell.com

EMAIL ADDRESS TO WHICH ORDERS & CONTRACTS SHALL BE TRANSMITTED:

jeffrey-komer@dell.com

CORPORATE HEADQUARTERS LOCATION:

STREET ADDRESS CITY, STATE, ZIP: _____

By signing and submitting these Offer Agreement documents, the undersigned certifies that they are legally authorized to represent and bind Contractor to legal agreements, that all information submitted is accurate and complete, that Contractor has reviewed the Pima County Procurement website for solicitation addenda and has incorporated all such addenda to its offer, that Contractor is qualified and willing to provide the items requested, and that Contractor will comply with all requirements of the solicitation. The Unit Pricing includes all costs incidental to the provision of the items in compliance with the above documents; no additional payment will be made. Conditional offers that modify the solicitation requirements may be deemed not 'responsive' and may not be evaluated. Contractor's submission of a signed offer agreement shall constitute a firm offer and upon the issuance of a Master Agreement (MA) or Purchase Order (PO) document signed by the Pima County Procurement Director or authorized designate a binding contract is formed that will require Contractor to provide the services and materials described in this solicitation. The undersigned hereby offers to furnish the material or service in compliance with all terms, conditions, specifications, defined or referenced by the solicitation, which includes Pima County Standard Terms & Conditions, this Offer Agreement and other documents listed in this Offer Agreement's Other Documents article.

SIGNATURE:  DATE: 9/23/15

Amy Ivy / Contracts Manager

PRINTED NAME & TITLE OF AUTHORIZED CONTRACTOR REPRESENTATIVE EXECUTING OFFER

PHONE AND E-MAIL: 512-723-6201, amy-ivy@dell.com

County Attorney Contract Approval "As to Form":

Approved as to form



Deputy County Attorney
TOBIN ROSEN

OFFER AGREEMENT

Solicitation #: 186419 Title: Dell Hardware, Software, Peripherals, & Related Services Page 6 of 22

PIMA COUNTY STANDARD TERMS AND CONDITIONS (03/18/15)

1. OPENING:

Responses will be publicly opened and each respondent's name, and if a Bid the amount, will be read on the date and at the location defined in the *Invitation for Bid (IFB)* or *Request For Proposals (RFP)*. Proposals shall be opened so as to avoid disclosure of the contents of any proposal to competing offerors during the process of negotiation. All interested parties are invited to attend.

2. EVALUATION:

Responses shall be evaluated to determine which are most advantageous to Pima County (COUNTY) considering evaluation criteria, conformity to the specifications and other factors.

If an award is made, COUNTY will enter into an agreement with the one or multiple respondent(s) that submitted the lowest responsive bid(s) that were determined responsible for supplying the required goods or services. Unless otherwise specified on the Bid/Offer document determination of the low/lowest bids will be made considering the total bid amount.

COUNTY, at its sole discretion, reserves the following rights: 1) to waive informalities in the bid or bid procedure; 2) to reject the response of any persons or corporations that have previously defaulted on any contract with COUNTY or who have engaged in conduct that constitutes a cause for debarment or suspension as set forth in COUNTY Code section 11.32; 3) to reject any and all responses; 4) to re-advertise for bids previously rejected; 5) to otherwise provide for the purchase of such equipment, supplies materials and services as may be required herein; 6) to award on the basis of price and other factors, including but not limited to such factors as delivery time, quality, uniformity of product, suitability for the intended task, and bidder's ability to supply; 7) to increase or decrease the item quantity or eliminate any item of this solicitation prior to the award. Pricing evaluations will be based on pre-tax pricing offered by Contractor.

3. AWARD NOTICE:

A *Notice of Recommendation for Award* for IFB or RFP will be posted on the Procurement website and available for review by interested parties. A tabulation of responses will be maintained at the Procurement Department.

4. AWARD:

Awards will be made by either the Procurement Director or the Board of Supervisors in accordance with the Pima County Procurement Code. COUNTY reserves the right to reject any or all offers, bids or proposals or to waive irregularities and informalities if it is deemed in the best interest of COUNTY. Unless expressly agreed otherwise, resulting contracts are not exclusive, are for the sole convenience of COUNTY, and COUNTY reserves the right to obtain like goods or services from other sources.

5. WAIVER:

Each offeror, by submission of an offer, bid or proposal waives any and all claims for damages against COUNTY or its officers or employees when COUNTY exercises any of its reserved rights.

6. ACKNOWLEDGEMENT AND ACCEPTANCE:

If Contractor's terms of sale are inconsistent with the terms of the resultant contract, the terms herein shall govern, unless COUNTY accepts Contractor's terms in writing. No oral agreement or understanding shall in any way modify this contract or the terms and conditions herein. Contractor's acceptance, delivery or performance called for herein shall constitute unqualified acceptance of the terms and conditions of the resultant contract.

7. INTERPRETATION and APPLICABLE LAW:

The contract will be interpreted, construed and given effect in all respects according to the laws of the State of Arizona. If any of Contractors' terms or conditions is not in agreement with County's terms and conditions as set forth herein, COUNTY's shall govern. This contract incorporates the complete agreement of the parties with respect to the subject matter of this contract. No oral agreement or other understanding will in any way modify the terms and conditions of this contract.

8. WARRANTY:

Contractor warrants goods or services to be satisfactory and free from defects.

9. QUANTITY:

Contractor will not exceed or reduce the quantity of goods ordered without written permission from COUNTY in the form of a properly executed Master Agreement (MA), Purchase Order (PO) Delivery Order (DO) or Delivery Order Maximo (DOM) revision or amendment as required by COUNTY Procurement Code. All quantities are estimates and COUNTY provides no guarantee regarding actual usage.

OFFER AGREEMENT

Solicitation #: 186419 **Title:** Dell Hardware, Software, Peripherals, & Related Services **Page** 7 of 22

10. PACKING:

Contractor will make no extra charges for packaging or packing material. Contractor is responsible for safe packaging conforming to carrier's requirements.

11. DELIVERY:

On-time delivery of goods and services is an essential part of the consideration to be received by COUNTY.

A guaranteed delivery date, or interval period from order release date to delivery, must be given if requested by the Price offer document. Upon receipt of notification of delivery delay, COUNTY at its sole option and at no cost to COUNTY may cancel the order or extend delivery times. Such extension of delivery times will not be valid unless extended in writing by an authorized representative of COUNTY.

To mitigate or prevent damages caused by delayed delivery, COUNTY may require Contractor to deliver additional quantity utilizing express modes of transport, and or overtime, all costs to be Contractor's responsibility. COUNTY reserves the right to cancel any delinquent order, procure from alternate source, or refuse receipt of or return delayed deliveries, at no cost to COUNTY. COUNTY reserves the right to cancel any order or refuse delivery upon default by Contractor concerning time, cost, or manner of delivery.

Contractor will not be held responsible for unforeseen delays caused by fires, strikes, acts of God, or other causes beyond Contractor's control, provided that Contractor provides COUNTY immediate notice of delay.

12. SPECIFICATION CHANGES:

COUNTY has the right to make changes in the specifications, services, or terms and conditions of an order. If such changes cause an increase or decrease in the amount due under an order or in time required for performance, an acceptable adjustment will be made and the order modified in writing. Any agreement for adjustment must be made in writing.

Nothing in this clause reduces Contractor's responsibility to proceed without delay in the delivery or performance of an order.

13. INSPECTION:

All goods and services are subject to inspection and testing at place of manufacture, destination or both by COUNTY. Goods failing to meet specifications of the order or contract will be held at Contractor's risk and may be returned to Contractor with costs for transportation, unpacking, inspection, repacking, reshipping, restocking or other like expenses to be the responsibility of Contractor. In lieu of return of nonconforming supplies, COUNTY, at its sole discretion and without prejudice to COUNTY's rights, may waive any nonconformity, receive the delivery, and treat the defect(s) as a warranty item, but waiver of any condition will not be considered a waiver of that condition for subsequent shipments or deliveries.

14. SHIPPING TERMS:

Unless stated otherwise by the contract, delivery terms are to be F.O.B. Destination & Freight Prepaid Not Billed ("F.O.B. Destination") and are to be included in the Unit Price offered by Contractor and accepted by COUNTY.

15. PAYMENT TERMS:

Payment terms are net thirty (30) days, unless otherwise specified by the contract.

16. ACCEPTANCE OF MATERIALS AND SERVICES:

COUNTY will not execute an acceptance or authorize payment for any service, equipment or component prior to delivery and verification that all specification requirements have been met.

17. RIGHTS AND REMEDIES OF COUNTY FOR DEFAULT:

In the event any item furnished by Contractor in the performance of the contract should fail to conform to the specifications thereof, or to the sample submitted by Contractor, COUNTY may reject same, and it thereupon becomes the duty of Contractor to reclaim and remove the same, without expense to COUNTY, and immediately replace all such rejected items with others conforming to the specifications or samples. Should Contractor fail, neglect, or refuse immediately to do so, COUNTY has the right to purchase in the open market, in lieu thereof, a corresponding quantity of any such items and to deduct from any monies due or that may become due to Contractor the difference between the price named in the Master Agreement or Purchase Order and actual cost to COUNTY.

In the event Contractor fails to make prompt delivery as specified of any item, the same conditions as to the rights of COUNTY to purchase in the open market and invoke the reimbursement condition above apply, except when delivery is delayed by fire, strike, freight embargo, or acts of god or of the government. In the event of cancellation of the Master Agreement, Purchase Order or associated orders, either in whole or in part, by reason of the default or breach by Contractor, Contractor will bear and pay for any loss or damage sustained by COUNTY in procuring any items which the

OFFER AGREEMENT

Solicitation #: 186419 **Title:** Dell Hardware, Software, Peripherals, & Related Services **Page** 8 of 22

Contractor agreed to supply. The rights and remedies of COUNTY provided above are not exclusive and are in addition to any other rights and remedies provided by law or under the contract.

18. FRAUD AND COLLUSION:

Each Contractor, by submission of a bid, certifies that no officer or employee of COUNTY or of any subdivision thereof: 1) has aided or assisted Contractor in securing or attempting to secure a contract to furnish labor, materials or supplies at a higher price than that proposed by any other Contractor; 2) has favored one Contractor over another by giving or withholding information or by willfully misleading the bidder in regard to the character of the material or supplies called for or the conditions under which the proposed work is to be done; 3) will knowingly accept materials or supplies of a quality inferior to those called for by any contract; 4) has any direct or indirect financial interest in the offer or resulting contract. Additionally, during the conduct of business with COUNTY, Contractor will not knowingly certify, or induce others to certify, to a greater amount of labor performed than has been actually performed, or to the receipt of a greater amount or different kind of material or supplies that has been actually received. If at any time it shall be found that Contractor has in presenting any offer(s) colluded with any other party or parties for the purpose of preventing any other offer being made, then any contract so awarded shall be terminated and that person or entity shall be liable for all damages sustained by COUNTY.

19. COOPERATIVE USE OF RESULTING CONTRACT:

As allowed by law, COUNTY has entered into cooperative procurement agreements that enable other Public Agencies to utilize procurement agreements developed by COUNTY. Contractor may be contacted by participating agencies and requested to provide services and products pursuant to the pricing, terms and conditions defined by the COUNTY Master Agreement, or Purchase Order. Minor adjustments are allowed subject to agreement by both Contractor and Requesting Party to accommodate additional cost or other factors not present in the COUNTY's agreement and required to satisfy particular Public Agency code or functional requirements and are within the intended scope of the solicitation and resulting contract. Any such usage shall be in accordance with State, COUNTY and other Public Agency procurement rules, regulations and requirements and shall be transacted between the requesting party and Contractor. Contractor shall hold harmless COUNTY, its officers, employees, and agents from and against all liability, including without limitation payment and performance associated with such use. A list of agencies that are authorized to use COUNTY contracts can be viewed at the Procurement Department Internet home page: <http://www.pima.gov/procure> by selecting the link titled *Authorized Use of COUNTY Contracts*.

20. PATENT INDEMNITY:

Contractor will indemnify, defend and hold COUNTY, its officers, agents and employees, harmless from liability of any nature or kind, including costs and expenses, for infringement or use of any copyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in connection with the Master Agreement, Purchase Order, and associated orders. Contractor may be required to furnish a bond or other indemnification to COUNTY against any and all loss, damage, costs, expenses, claims and liability for patent or copyright infringement.

21. INDEMNIFICATION:

To the fullest extent permitted by law, Contractor shall defend, indemnify, save and hold harmless Pima County, and its departments, agencies, boards, commissions, officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that, Contractor will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against Pima County, its officers, officials, agents, and employees for losses arising from the work performed by the Contractor for Pima County.

22. UNFAIR COMPETITION AND OTHER LAWS:

Responses must be in accordance with Arizona trade and commerce laws (Title 44 A.R.S.) and all other applicable COUNTY, State, and Federal laws and regulations.

OFFER AGREEMENT

Solicitation #: 186419 Title: Dell Hardware, Software, Peripherals, & Related Services Page 9 of 22

23. COMPLIANCE WITH LAWS:

Contractor will comply with all federal, state, and local laws, rules, regulations, standards and Executive Orders, without limitation. In the event any services provided under this contract require a license issued by the Arizona Registrar of Contractors (ROC), Contractor certifies that those services will be provided by a contractor licensed by ROC to perform those services in Arizona. The laws and regulations of the State of Arizona govern the rights, performance and disputes of and between the parties. Any action relating to this Contract must be brought in a court of the State of Arizona in Pima County. Any changes in the governing laws, rules, and regulations during an agreement apply, but do not require an amendment or revisions.

24. ASSIGNMENT:

Contractor may not assign its rights to the contract, in whole or in part, without prior written approval of COUNTY. COUNTY may withhold approval at its sole discretion, provided that COUNTY will not unreasonably withhold such approval.

25. CONFLICT OF INTEREST:

This contract is subject to the provisions of A.R.S. § 38-511, the pertinent provisions of which are incorporated into and made part of all COUNTY Master Agreements or Purchase Orders as if set forth in full therein.

26. NON-DISCRIMINATION:

CONTRACTOR agrees to comply with all provisions and requirements of Arizona Executive Order 2009-09 which is hereby incorporated into this contract as if set forth in full herein including flow down of all provisions and requirements to any subcontractors. During the performance of this contract, CONTRACTOR must not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.

27. NON-APPROPRIATION OF FUNDS:

COUNTY may cancel this contract pursuant to A.R.S. § 11-251(42) if for any reason the COUNTY Board of Supervisors does not appropriate funds for the stated purpose of maintaining the contract. In the event of such cancellation, COUNTY has no further obligation, other than payment for services or goods that COUNTY has already received.

28. PUBLIC INFORMATION:

Pursuant to A.R.S. § 39-121 et seq., and A.R.S. § 34-603(H) in the case of construction or Architectural and Engineering services procured under A.R.S. Title 34, Chapter 6, all information submitted in response to this solicitation, including, but not limited to, pricing, product specifications, work plans, and any supporting data becomes public information and upon request, is subject to release or review by the general public including competitors.

Any records submitted in response to this solicitation that Contractor reasonably believes constitute proprietary, trade secret or otherwise confidential information must be appropriately and prominently marked as CONFIDENTIAL by Contractor prior to the close of the solicitation.

Notwithstanding the above provisions, in the event records marked CONFIDENTIAL are requested for public release pursuant to A.R.S. § 39-121 et seq., COUNTY will release records marked CONFIDENTIAL ten (10) business days after the date of notice to Contractor of the request for release, unless Contractor has, within the ten (10) day period, secured a protective order, injunctive relief or other appropriate order from a court of competent jurisdiction, enjoining the release of the records. For the purposes of this paragraph, the day of the request for release is not counted in the time calculation. Contractor will be notified of any request for such release on the same day of the request for public release or as soon thereafter as practicable.

COUNTY will not, under any circumstances, be responsible for securing a protective order or other relief enjoining the release of records marked CONFIDENTIAL, nor is COUNTY in any way financially responsible for any costs associated with securing such an order.

29. CUSTOM TOOLING, DOCUMENTATION AND TRANSITIONAL SUPPORT:

Costs to develop all tooling and documentation, such as and not limited to dies, molds, jigs, fixtures, artwork, film, patterns, digital files, work instructions, drawings, etc. necessary to provide the contracted services or products and unique to the services or products supplied to COUNTY are included in the agreed upon Unit Price unless specifically stated otherwise in the contract. Such tools and documentation are the property of COUNTY and will be marked, as is practical, as the "Property of Pima County" and if requested by COUNTY a copy of the tooling and documentation will be delivered to COUNTY within twenty (20) days of acceptance by COUNTY of the first article sample, or not later than ten (10) days of termination of the contract associated with their development, without additional cost to COUNTY. Contractor also agrees to act in good faith to facilitate the transition of work to a subsequent Contractor if and as reasonably requested by COUNTY at no additional cost. Should exceptional circumstances be present that may justify an additional charge, Contractor may submit said justification and proposed cost and negotiate an agreement acceptable to both

OFFER AGREEMENT

Solicitation #: 186419 **Title:** Dell Hardware, Software, Peripherals, & Related Services **Page** 10 of 22

Contractor and COUNTY, but Contractor may not withhold any requested tooling, document or support as defined above that would delay the orderly, efficient and prompt transition of work. Should conduct by Contractor result in additional costs to COUNTY, Contractor will reimburse COUNTY for said actual and incremental costs provided that COUNTY had given Contractor reasonable time to respond to COUNTY's requests for support.

30. AMERICANS WITH DISABILITIES ACT:

Contractor will comply with all applicable provisions of the Americans with Disabilities Act (public law 101-336, 42 USC 12101-12213) and all applicable federal regulations under the act, including 28 CFR parts 35 and 36.

31. NON-EXCLUSIVE:

Contracts resulting from this solicitation are non-exclusive and are for the sole convenience of COUNTY, which reserves the right to obtain like goods and services from other sources for any reason.

32. PROTESTS:

An interested party may file a protest regarding any aspect of a solicitation, evaluation, or recommendation for award. Protests must be filed in accordance with the Pima County Procurement Code, Section 11.20.010.

33. TERMINATION:

COUNTY reserves the right to terminate any Master Agreement, Purchase Order, Delivery Order, Delivery Order Maximo or award, in whole or in part, at any time, without penalty or recourse, when in the best interests of COUNTY. Upon receipt of written notice, Contractor will immediately cease all work as directed by the notice, notify all subcontractors of the effective date of termination and take appropriate actions to minimize further costs to COUNTY. In the event of termination under this paragraph, all documents, data, and reports prepared by Contractor under the contract become the property of and must be promptly delivered to COUNTY. Contractor is entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures defined by A.A.C. R2-7-701 apply.

34. ORDER OF PRECEDENCE-CONFLICTING DOCUMENTS:

In the event of inconsistencies between contract documents, the following is the order of precedence, superior to subordinate, that will apply to resolve the inconsistency: Exhibit A: MNWNC-108 State of Arizona Participating Addendum, Exhibit B: MNWNC-108 WSCA/NASPO Master Agreement Award, Pima County Master Agreement document, Delivery Order or Delivery Order Maximo, Offer Agreement with included Pima County Standard Terms and Conditions (03/18/15), Attachment 1, and Exhibit C.

35. INDEPENDENT CONTRACTOR:

The status of Contractor is that of an independent Contractor. Contractor and Contractor officer's agents or employees are not considered employees of COUNTY and are not entitled to receive any employment-related fringe benefits under the COUNTY Merit System. Contractor is responsible for payment of all federal, state and local taxes associated with the compensation received pursuant to this Contract and will indemnify and hold COUNTY harmless from any and all liability which COUNTY may incur because of Contractor's failure to pay such taxes. Contractor is solely responsible for its program development and operation.

36. BOOKS AND RECORDS:

Contractor will keep and maintain proper and complete books, records and accounts, which will be open at all reasonable times for inspection and audit by duly authorized representatives of COUNTY. In addition, Contractor will retain all records relating to this contract at least five (5) years after its termination or cancellation or, if later, until any related pending proceeding or litigation has been closed.

37. COUNTERPARTS:

The Master Agreement or Purchase Order awarded pursuant to this solicitation may be executed in any number of counterparts and each counterpart is considered an original, and together such counterparts constitute one and the same instrument. For the purposes of the Master Agreement and Purchase Order, the signed offer of Contractor and the signed acceptance of COUNTY are each considered an original and together constitute a binding Master Agreement, if all other requirements for execution have been met.

38. AUTHORITY TO CONTRACT:

Contractor warrants its right and power to enter into the Master Agreement or Purchase Order. If any court or administrative agency determines that COUNTY does not have authority to enter into the Master Agreement or Purchase Order, COUNTY is not liable to Contractor or any third party by reason of such determination or by reason of the Master Agreement or Purchase order.

OFFER AGREEMENT

Solicitation #: 186419 **Title:** Dell Hardware, Software, Peripherals, & Related Services **Page** 11 of 22

39. FULL AND COMPLETE PERFORMANCE:

The failure of either party to insist on one or more instances upon the full and complete performance with any of the terms or conditions of the Master Agreement, Purchase Order, Delivery Order or Delivery Order Maximo to be performed on the part of the other, or to take any action permitted as a result thereof, is not a waiver or relinquishment of the right to insist upon full and complete performance of the same, or any other covenant or condition, either in the past or in the future. The acceptance by either party of sums less than may be due and owing it at any time is not an accord and satisfaction.

40. SUBCONTRACTORS:

CONTRACTOR is fully responsible for all acts and omissions of any subcontractor and of persons directly or indirectly employed by any subcontractor, and of persons for whose acts CONTRACTOR may be liable to the same extent that CONTRACTOR is responsible for the acts and omissions of persons directly employed by it. Nothing in this contract creates any obligation on the part of COUNTY to pay or see to the payment of any money due any subcontractor, except as may be required by law.

41. SEVERABILITY:

Each provision of this Contract stands alone, and any provision of this Contract found to be prohibited by law is ineffective to the extent of such prohibition without invalidating the remainder of this Contract.

42. LEGAL ARIZONA WORKERS ACT COMPLIANCE:

CONTRACTOR hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to CONTRACTOR's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). CONTRACTOR will further ensure that each subcontractor who performs any work for CONTRACTOR under this contract likewise complies with the State and Federal Immigration Laws.

COUNTY has the right at any time to inspect the books and records of CONTRACTOR and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of CONTRACTOR's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, is a material breach of this Contract subjecting CONTRACTOR to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, CONTRACTOR will take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

CONTRACTOR will advise each subcontractor of COUNTY's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form:

"SUBCONTRACTOR hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to SUBCONTRACTOR's employees, and with the requirements of A.R.S. § 23-214 (A). SUBCONTRACTOR further agrees that COUNTY may inspect the SUBCONTRACTOR's books and records to insure that SUBCONTRACTOR is in compliance with these requirements. Any breach of this paragraph by SUBCONTRACTOR is a material breach of this contract subjecting SUBCONTRACTOR to penalties up to and including suspension or termination of this contract."

Any additional costs attributable directly or indirectly to remedial action under this Article is the responsibility of CONTRACTOR. In the event that remedial action under this Article results in delay to one or more tasks on the critical path of CONTRACTOR's approved construction or critical milestones schedule, such period of delay will be excusable delay for which CONTRACTOR is entitled to an extension of time, but not costs.

43. CONTROL OF DATA PROVIDED BY COUNTY:

For those projects and contracts where COUNTY has provided data to enable the Contractor to provide contracted services or products, unless otherwise specified and agreed to in writing by COUNTY, Contractor will treat, control and limit access to said information as confidential and will under no circumstances release any data provided by COUNTY during the term of this contract and thereafter, including but not limited to personal identifying information as defined by A.R.S. § 44-1373, and Contractor is further prohibited from selling such data directly or through a third party. Upon termination or completion of the contract, Contractor will either return all such data to COUNTY or will destroy such data and confirm destruction in writing in a timely manner not to exceed sixty (60) calendar days.

END OF PIMA COUNTY STANDARD TERMS AND CONDITIONS

OFFER AGREEMENT

Solicitation #: 186419 Title: Dell Hardware, Software, Peripherals, & Related Services Page 12 of 22

ATTACHMENT 1

SOFTWARE LICENSE AND MAINTENANCE AGREEMENT

TABLE OF CONTENTS

1.0	SOFTWARE LICENSE AND MAINTENANCE AGREEMENT STANDARD TERMS & CONDITIONS	13
1.1	DEFINITIONS	13
1.2	RIGHT TO USE	14
1.3	ANNUAL MAINTENANCE & SUPPORT	14
1.3A	KEY ACTIONS	15
1.3B	PRIORITY CODES	16
1.3C	MAINTENANCE SERVICE	16
1.3D	SERVICE LEVELS	16
1.3E	REMOTE INCIDENT ANALYSIS	16
1.3F	ON-SITE VENDOR SUPPORT SERVICES	16
1.4	VENDOR REQUIRED APPLICATION PLATFORM STANDARDS	17
1.5	OTHER VENDOR REQUIRED ITEMS	17
1.5A	SYSTEM LOGGING OF BEFORE AND AFTER IMAGES	17
1.5B	DATA ARCHIVING & ASSOCIATED RECORD RETENTION PURGING	17
1.5C	DATA DICTIONARY	17
1.5D	DATA WAREHOUSE REQUIREMENTS	17
1.5E	GENERAL REQUIREMENTS	18
APPENDIX A – PIMA COUNTY INFORMATION TECHNOLOGY INFRASTRUCTURE ENVIRONMENT		
SPECIFICATIONS		19
Server Environment		19
Infrastructure Software		19
Client/Workstation Operating Systems and Office Productivity – Moving to Windows 8.1 and Office 2013		19

OFFER AGREEMENT

Solicitation #: 186419 Title: Dell Hardware, Software, Peripherals, & Related Services Page 13 of 22

1.0 Software License and Maintenance Agreement Standard Terms and Conditions

Vendor shall additionally include the following terms and conditions within its License and Annual Support Agreement proposals.

1.1 DEFINITIONS

Per Processor means that in the event the vendor licenses its software on a Per processor basis and the Licensee requires a single 'per processor' license for each processor on which the relevant Software module is run by the Licensee. Software modules licensed on a Per Processor basis may be accessed by users (including employees, agents, contractors and customers of the Licensee) and/or by other software programs. Under this licensing model, there is no limit placed upon the number of users or other software programs accessing the relevant Software module. Per Processor means physical processor or populated socket. Pricing is not charged "per core" on multi-core systems;

Per Seat means that the Licensee requires a single 'per seat' license for each instance of the relevant Software module installed on a physical device (including, desktop and laptop personal computers (PCs), personal digital assistants or other wireless devices (PDAs)), or web enabled device that is used to access the server software. If the software is deployed on multiple physical devices used solely by one USER in a non-current fashion than this is designated as one seat only. The Per Seat license can be used to install the relevant Software module on (i) any machine with access to the network (including machines of employees working at offsite locations, such as home workers), (ii) the machines of employees of partner organizations provided by Licensee to Vendor and (iii) the machines of employees of tenant organizations provided by Licensee to Vendor, in the case of an outsourcing arrangement;

Employee is any employee, agent, contractor, business third party provider or other governmental agency(s) serviced by Licensee

Named User is an employee of Licensee authorized to access, directly or indirectly, the licensed software and perform operational roles within the software and across multiple operational modules/functions.

Limited Named User is a Named User who performs limited operational roles supported by the Software limited in specific functional/modules areas (e.g., Finance, Human Resources)

Self Service User is a Named User who performs employee self-service related (non job specific) roles supported by the Software. Each Self Service User shall access the Software solely for such individual's own purpose and not for or on behalf of other individuals.

Site means the Licensee's address at where the Software shall be installed, it being understood that the Software may be deployed at multiple sites, but only operationally installed at the Production Site and Business Disaster Continuity Site;

Solution means the solution presented required by Licensee defined within Licensee RFP to include all interfaces/data conversions vendor is obligated to supply through this Agreement; Vendor solution means the Solution excluding interfaces/data conversions.

Upgrade means any maintenance release of the Vendor Software or new version of the Vendor Software which enhances existing functionality and which is supplied to the Licensee through their enrollment in an annual maintenance & support agreement. Per Vendor documentation of software licensed by Licensee in this License agreement, any future software product released by Vendor that contains similar functionality will be defined as a maintenance release.

Warranty Period shall mean the period of 365 days from the date of Licensee going "Live in Production" (Acceptance of Defined Payment Milestone by Licensee in agreement) with the Software.

OFFER AGREEMENT

Solicitation #: 186419 Title: Dell Hardware, Software, Peripherals, & Related Services Page 14 of 22

1.2 RIGHT TO USE

Vendor grants to the Licensee a perpetual, non-exclusive and non-transferable license to Use the Software and any Upgrades, patches or workarounds supplied by Vendor to the Licensee in the performance of its obligations under this Agreement, within the Authorized Licensing Parameters for the Licensee's internal business purposes only and to possess and refer to the Documentation. Software is transferable to any other entity that Licensee provides services to or receives services from based on Board of Supervisor decisions to outsource Licensee business areas or provide similar services to other governmental entities due to governmental consolidation/services agreements, provided however that Licensee shall not exceed the Authorized Licensing Parameters in this event.

County shall have the absolute right to upgrade or replace any equipment in the network and continue to use the System on the network. County shall not be required to pay the proposer any additional licensing fee or other fees as a result of using the System in conjunction with the upgraded or replacement equipment on the network.

The Licensee may make a reasonable number of back-up copies of the Software and the Documentation as are strictly necessary for its lawful use. The Licensee shall maintain records of the number and location of all such copies of the Software and the Documentation. Licensee has the right to deploy a test, production, staging, training and business backup and/or disaster continuity instance with unrestricted copy restrictions.

Vendor will, for the benefit of its licensee, establish a license escrow agreement and maintain current source code, object code of the Vendor Software and Documentation (Vendor Solution) in escrow with a certified Escrow agent. The Licensee can upon request be registered as a beneficiary under this License Escrow Agreement. Vendor shall bear the cost of this Escrow arrangement. In the event of bankruptcy or termination of maintenance support of Vendor Solution by Vendor to its customer base, then the escrow agreement will specify that a copy of this source code, object code and documentation will be provided to Licensee for the sole purpose of providing the ability to continue support of the Vendor Solution applicable to this agreement. In such case, Licensee shall have the right to support this Vendor Solution internally within its organization. In no event shall the source code be used for any other purpose. In no event shall the title or any rights, including intellectual property rights, to the proprietary and trade secret source code be transferred to Licensee. The mechanisms for deposit, maintenance, and release of software to and from the escrow agent will be pursuant to the terms of a mutually agreed escrow agreement, and this escrow agreement will not include additional or different terms for the Vendor Solution to Licensee than those described above.

1.3 ANNUAL MAINTENANCE & SUPPORT

Annual Maintenance & Support fees are payable 60 days following receipt of invoice to be generated by vendor upon conclusion of Vendor Warranty Period, and there after on an annual basis from that date

These fees shall not exceed 15% of the Licensees purchase price or cumulative purchase price of vendor software over the years of the agreement.

Annual Maintenance & Support Service is limited to five years on any major release of the Software. In the event that the Licensee does not upgrade to a supported release before support for their release is withdrawn, Vendor reserves the right to either charge an additional amount over and above the Annual Support Fee to provide Vendor Support Services for otherwise unsupported releases (percent increase will follow the PPI series ID: PCU5112, Software Publishers, up to a maximum of 3% per year above Licensee previous year's support charge; or, providing the Licensee one year written notice that Vendor will immediately cease providing the Vendor Support Services on that future date). PPI base month shall be May 2009. Calculation of percentage change will be figured per Bureau of Labor Statistics, Producer Price Indexes Escalation Guide for Contracting Parties, which is located at <http://stats.bls.gov/ppi/ppiescalation.htm>

OFFER AGREEMENT

Solicitation #: 186419 **Title:** Dell Hardware, Software, Peripherals, & Related Services **Page** 15 of 22

1.3A KEY ACTIONS

The key actions of the parties to be performed in relation to the Vendor Support Services are as follows:

Lines of Support Service:	Responsibility:	Key Actions:
Help Desk - either at licensee site or through a shared service facility	Licensee	Incident analysis and determination. Incident resolution where possible (excluding changes to the Software); otherwise, escalation to 1st Line by means of completing and forwarding a PROBLEM ANALYSIS FORM to Vendor.
1st Line - Incident Analysis & Resolution	Vendor	<ul style="list-style-type: none"> • Incident resolution – Resolve the incident where possible (excluding changes to the Software) using documentation/Known error database etc. • Incident Analysis – rule out User Error by replication, Configuration issue etc. • Determination Analysis – Determine where the issue lies i.e. Hardware, Application, Network etc. and act accordingly.
		<ul style="list-style-type: none"> • Configuration Analysis - Resolve Standard configuration incidents within Vendor configurable components. • Escalation - In the event of not being able replicate/fix an issue attach relevant logs and escalate to 2nd line support.
2nd Line – Incident Analysis	Vendor	<ul style="list-style-type: none"> • Priority Determination - Call back Licensee and validate Software incident and resolve the incident if possible; otherwise, agree incident Priority Code with Licensee. • Logging Activation – Activate the logging to capture Exceptions/ Errors etc. • Replication - Replication of embedded issue using all information provided from 1st Level Support in Test Suite. • Component Analysis - Establish in which component the error lies and any dependencies. • Defect / Wish / Enhancement - Establish if this issue is a Enhancement Request, Defect, Wish, Change or Amendment and report to 3rd Level accordingly.
3rd Line - Maintenance Service	Vendor	<ul style="list-style-type: none"> • Validation – Validate PROBLEM ANALYSIS FORM or request further information. • Schedule Fix - Schedule Fault resolution based on Priority Code. • QA - Test and implement resolution.

Licensee shall use its best endeavors to resolve all Faults through the application of the Vendor Support Services and the skills that the Licensee has been taught during the support training provided to it by Vendor. Licensee shall ensure that appropriately trained personnel are engaged at all times in providing the Vendor Support Services described above. Licensee has the right to require escalation of the incident for Priority A or B incidents.

OFFER AGREEMENT

Solicitation #: 186419 Title: Dell Hardware, Software, Peripherals, & Related Services Page 16 of 22

1.3B PRIORITY CODES

Priority Code:	Description:
A	Licensee's business is stopped due to a Fault that is preventing Licensee's operational use of the Software (or significant functionality within the Software).
B	Licensee's business is significantly impaired or restricted due to a Fault that, while not preventing, is severely degrading Licensee's operational use of the Software.
C	Licensee's business is impaired or restricted due to a Fault that either occurs rarely or for which a viable workaround is available.
D	Fault causing little or no impact upon the Licensee's business.

1.3C MAINTENANCE SERVICE

Subject to agreement on the Priority Code of the Fault, Vendor will use all reasonable endeavors to respond to and fix (including by means of workaround, temporary fix or emergency bypass procedures) Faults (excluding those which have been resolved by the Licensee) within the target timescales set out in the table below:

Priority Code	Target Response Time	Target Fix Time
A	Within 1 Support Hour	Within 4 Support Hours
B	Within 4 Support Hours	Within 8 Support Hours
C	Within 72 hours	120 Support Hours
D	To be addressed in a future release of the Software only	To be addressed in future release of the Software

1.3D SERVICE LEVELS

The target timescales specified above shall commence upon either the validation by Vendor of a PROBLEM ANALYSIS FORM or receipt by Vendor of all further information requested to validate a PROBLEM ANALYSIS FORM (whichever is the later) and shall continue during the Support Hours. The timescales stipulated by these service levels will not include the time needed by the Licensee to test and implement the resolution in the Licensee's production instance.

1.3E REMOTE INCIDENT ANALYSIS

In the case of a serious non-reproducible Fault, the Licensee will allow, with prior written agreement, on-line remote diagnosis. This method allows Vendor, via secure methods (such as password control at the user site), to electronically gain access to the equipment being used to run the Software. It is the responsibility of the Licensee to ensure that the correct hardware, communications and remote control applications are in place and that such remote diagnostic service is feasible and complies with any data protection requirements or legislation.

1.3F ON-SITE VENDOR SUPPORT SERVICES

The Licensee may request (subject to availability of personnel) on-site Vendor Support Services for Priority Code A Faults, which cannot be resolved in the normal manner or for implementation support for significant PROBLEM ANALYSIS FORMs. These services shall be provided by Vendor at no charge except for reasonable travel expenses (as defined in the agreement) of Vendor employees who travel to Licensee site to remediate the incident.

OFFER AGREEMENT

Solicitation #: 186419 Title: Dell Hardware, Software, Peripherals, & Related Services Page 17 of 22

1.4 VENDOR REQUIRED APPLICATION PLATFORM STANDARDS

APPLICATION PLATFORM STANDARDS			
COMPONENT	APPLICATION	INTERNET/INTRANET	GIS
Database Software	SQL Server (latest release) no more than 2 releases behind current	N/A	SQL Server (latest release)no more than 2 releases behind current
Application Development Framework	.NET Framework (latest release)no more than 2 releases behind current	.NET Framework (latest release)	.NET Framework (latest release) ESRI no more than 2 releases behind current
Virtualization	See Appendix A	See Appendix A	Zones/Containers
Reporting Portal	rePortal	N/A	N/A
Report Writing	Microsoft SQL Reporting Services	Microsoft SQL Reporting Services	Microsoft SQL Reporting Services
LDAP/Directory/Authentication	See Appendix A	See Appendix A	See Appendix A
Data And Process Modeling	Microsoft Visio Professional – (Latest Release)	Microsoft Visio Professional – (Latest Release)	Microsoft Visio Professional – (Latest Release)
Middleware	Microsoft IIS Server	Microsoft IIS Server	Microsoft IIS Server
Workstation Requirements	See Appendix A	See Appendix A	See Appendix A

1.5 OTHER VENDOR REQUIRED ITEMS

1.5A SYSTEM LOGGING OF BEFORE AND AFTER IMAGES

Software must be capable of logging any before and after images at the field level for audit purposes. This function must allow control over logging of Add, Modify, Delete and view at the field level.

1.5B DATA ARCHIVING & ASSOCIATED RECORD RETENTION PURGING

Vendor Software must provide the capability for system administrators to perform complete archiving and record retention purging of the system data and settings.

1.5C DATA DICTIONARY

Vendors must supply a full description of all database objects including tables, fields, keys triggers, views, metadata, functions and stored procedures.

1.5D DATA WAREHOUSE REQUIREMENTS

The Vendor must have a data warehousing option that has the capability of automatically extracting data from the transactional data base into a data warehouse for the purposes of creating/developing custom reports. This

OFFER AGREEMENT

Solicitation #: 186419 **Title:** Dell Hardware, Software, Peripherals, & Related Services **Page** 18 of 22

requirement reduces the need to run complex and long queries against the transaction data base that could potentially cause reduced throughput and slow the transaction system down.

1.5E GENERAL REQUIREMENTS

The Vendor Software shall support Pima County Information Technology Environment Specifications as shown in Appendix A.

Any modifications made by vendor shall be tested and approved by Pima County prior to implementation; and if the vendors modifications are not acceptable to the County which would cause a delays in schedule or additional cost to the Project the vendor is responsible for associated impacts.

OFFER AGREEMENT

Solicitation #: 186419 Title: Dell Hardware, Software, Peripherals, & Related Services Page 19 of 22

Appendix A – Pima County Information Technology Infrastructure Environment Specifications

Server Environment VMware ESXi 4.1 or better Active Directory 2008 Domain 64bit Exchange 2010 SharePoint 2010	Infrastructure Software Windows 7 Enterprise 32bit Windows 2008r2 Enterprise/Standard 64bit Internet Explorer 8
Network Requirements Shall be compatible with Cisco Layer 2 and Layer 3 switches Shall be compatible with ShoreTel VoIP system as applicable Support VLANs on a public and NATed environment	Security Requirements Application, Database and file systems must be supported on separate and distinct servers Vendor shall provide system and security architectural diagrams All system port communication requirements shall be provided Administration portal must be a separate interface than the user portal
Software Deployment Methods Microsoft System Center Configuration Manager	
Storage Environment and Protocols NetApp Network Attached Storage with RAID DP NFS, FCoE, CIFS	
GIS Requirements GIS data will be delivered in ESRI's Shapefile or File Geodatabase formats and include pre-defined fields describing the data (metadata) Support ESRI ArcGIS software version 10.x for both desktop and server implementations Web mapping applications will use ESRI's JavaScript or Silverlight API's on the client side and ArcGIS REST api's on the server side	
Client/Workstation Operating Systems and Office Productivity – Moving to Windows 8.1 and Office 2013 Migrating from Windows XP to Windows 7/8.1 (95% migration completed) Migrating to Office 2013/2010 from Office 2003 (greater than 95% migrated)	
Application Security – Windows 2008 Enterprise Active Directory Application must support the ability to authenticate using Active Directory Security groups for Role-Based Access Control for all Pima County Applications Applications must support the ability to read and authenticate from nested groups containing: <ol style="list-style-type: none">1. A universal group inside a Global group2. Universal group inside a Universal group3. Global group inside a Domain Local Group Applications must be Active Directory aware with the ability to authenticate users across multiple forests. Application must have the ability to distinguish accounts in separate domains and have solution for username collisions – For Example: PCAO\JSmith and TO\JSmith	Other Desktop firewalls are not active Network does not allow remote dial-in support No thick client installs Remote access to Pima County environment via Citrix Client side applications run without Local Administrator rights Strong password authentication is enabled and used across the entire network

OFFER AGREEMENT

Solicitation #: 186419 Title: Dell Hardware, Software, Peripherals, & Related Services Page 20 of 22

2.0 Application Hosting Terms and Conditions (10/16/12) Offer Agreement

2.1 Data Ownership, Availability and Security

If Licensee hosts with the Vendor, Vendor will offer at no cost to the Licensee database backup files and/or a standard formatted export file upon request and agrees that all data populated by Licensee User (s) is owned by Licensee and will be provided to Licensee in electronic database backup format or export file format, if requested by Licensee at any time during the agreement term and at the end of this agreement at no cost to the Licensee. Vendor also agrees that all Licensee information housed within the Solution is private and owned by the Licensee and is not to be shared with any other customer, vendor or third party unless Licensee grants that right.

Vendor also agrees that:

- information resides in a highly secure and redundant data center environment that is recoverable within a two hour window in the event of a primary data center / network disaster / outage
- the data center environment is physically secure with employee and customer access / monitoring control practices in place and adhered to, and customers / visitors are escorted at all times within the data center environment
- security release upgrades and monitoring practices are in place and adhered to, and vendor security practices require critical vendor security patches to be implemented within 24 hours of vendor's release of the security patch
- intrusion detection is conducted by the vendor at least once per year with results published, vendor actions taken with both being available for customer review

2.1A Licensee Data- shall mean all data or information stored or hosted by Licensee, with the Hosted Services or System, or provided by or on behalf of Licensee, for storage or hosting in connection with the System, including, without limitation, the data provided by Licensee's internal and external data sources. The Licensee Data and Solution shall be considered Licensee Confidential Information.

2.1B Confidentiality- Vendor on behalf of itself and its employees / subcontractors, agrees to hold in confidence, not disclose, and not use for its own benefit, any of Licensee's Confidential Information.

2.1C Data Ownership- All Licensee Confidential Information (including, without limitation, any Licensee Data, whether in existence at the Effective Date, and/or compiled thereafter in the course of performing the Services, shall be treated by Vendor and its subcontractors as the exclusive property of Licensee and the furnishing of such the Licensee Confidential Information, or access to such items by, Vendor and/or its subcontractors, shall not grant any express or implied interest in such Licensee Confidential Information to Vendor and/or its subcontractors, and Vendor's and its subcontractors' use of such Licensee Confidential Information and Licensee Data shall be limited to such use as is necessary to perform and provide the Services. Upon demand by the Licensee at any time and from time to time and without regard to a Party's default under the Agreement, Vendor and/or its subcontractors shall promptly deliver the Licensee Confidential Information and Licensee Data to Licensee in electronic format and in such hard copy as exists on the date of the request by the Licensee. Licensee data shall not be accessible by any other Customer or Vendor of Vendor unless express written approval is provided by the Licensee and all appropriate legal documents have been signed by all Parties.

2.1D Audit- During the Term, and for a period of five (5) years thereafter, or such longer period as may be required by any law, rule, or regulation applicable to Licensee, Vendor shall maintain and provide, and shall ensure that its subcontractors maintain and provide, access, electronic or otherwise, to complete and accurate books, records, documents, data (specifically excluding Licensee Data), and information relating to Vendor's performance (and any Vendor subcontractor's performance) pursuant to this Agreement, (the "Records"). All such records, documents, data and information shall be maintained in such form (for example, in paper or electronic form) as Licensee may reasonably direct. Vendor shall provide Licensee a letter from its chief financial officer verifying that information provided by Vendor to Licensee conforms to the reporting methodology set forth herein. Licensee shall have the right, during business hours, at its own expense (except

OFFER AGREEMENT

Solicitation #: 186419 **Title:** Dell Hardware, Software, Peripherals, & Related Services **Page** 21 of 22

as otherwise provided herein), and upon ten (10) days' notice (except to the extent Licensee is unable, using commercially reasonable efforts, to provide such notice and comply with applicable law or the requests of legal authorities), to audit, review, and copy the Records for any reasonable business purpose. Vendor shall provide to Licensee such assistance as it reasonably requires in connection with audits or examinations pursuant to this Section. Vendor shall reasonably cooperate with Licensee and its designees in connection with audit functions and with regard to examinations by legal authorities, if required. If any audit or examination reveals that Vendor's invoices for the audited period are not correct, Vendor shall promptly reimburse Licensee for the amount of any overcharges plus an additional amount equal to five percent (5%) of the amount of any overcharge, or Licensee shall promptly pay Vendor for the amount of any undercharges subject to the terms of the Agreement. Any amounts unpaid by Vendor may be set-off by Licensee against any other amounts that may be due to Vendor under the Agreement. If any audit reveals a discrepancy of more than five percent (5%) of the invoiced amount for any period audited or any non-trivial breach (es) of Vendor's obligation to timely and properly provide and perform the Services, Vendor shall bear the cost of such audit. Nothing in the Agreement shall limit or restrict the rights of either party in discovery proceedings pursuant to any civil litigation or governmental, regulatory or criminal proceeding.

2.1E Availability- During any calendar month, Licensee's Solution will be available minimally 99% of the time between the hours of 6am – 9pm Arizona time zone. Vendor will measure this availability and report any variances to this to the Licensee on a monthly basis through its monthly invoicing process. Any availability less than 75% results in a no-charge monthly charge to the Licensee. Availability between 76% and 95% results in a 75% charge of the monthly invoice to the Licensee. Between 96% and 98% results in a 95% charge of the monthly invoice to the Licensee. Availability will be measured through Vendor Data Center trouble ticket process from time of outage to time of restore.

2.1F Ownership and Scope of Use – Software- The Software is owned by Vendor. In connection with the Services hereunder and subject to Licensee's rights upon a release of Code in Escrow, Licensee is granted limited use access rights to the Software only by Licensee's employees or Providers who assist Licensee in this area.

2.1G System Responsiveness- Licensee Solution online web transaction screens will respond to any Licensee employee within 4 seconds of pressing the enter key. Respond means that the web transaction screen or its embedded data / command(s) have been sent across the Internet. 95% of all web transaction screens will fall within this 4 second window. On any day of a calendar month that 95% of the web transaction screens fail to achieve the 95% minimum, 1/30th of the monthly charge will be deducted from the Licensee's monthly invoice.

2.1H Security- Vendor shall establish and maintain security for Licensee Data and the System as well as access that include the following requirements:

(i) *Physical Security.* Vendor offices and data center shall only be accessible to authorized personnel. All visitors or third parties must fill out the office log and if required, the data center access log, which maintains a record of the following:

- Visitor name
- Date of Visit
- Time of Entry
- Purpose of Visit
- Time of Departure
- Initials of Escort

(ii) *Network Security.* Vendor's servers shall be fire-walled from the Internet at large. Inbound access to the Vendor environment will be controlled using a series of firewalls, switches, and application layer controls.

By default, all inbound network access is blocked. The traffic that has been deemed necessary is explicitly permitted inbound as follows:

OFFER AGREEMENT

Solicitation #: 186419 **Title:** Dell Hardware, Software, Peripherals, & Related Services **Page** 22 of 22

Inbound access from the Internet to the Vendor network will only be permitted based on the following rules:

- Access to the Web Application Servers is permitted on specific ports; all other ports are blocked. This network-layer port filtering occurs on both the external firewalls and the internal "DMZ" switches. Inbound traffic must filter through both external hardware devices and an IDS (Intrusion Detection System) sensor located within the DMZ prior to passing on to the Web Application Server.
- Access to the communications cluster is permitted based on strict access-list controls based on the sender's IP address (es). As Vendor establishes a transmission relationship with a manufacturer, wholesaler, or VAN, the IP address and the port number are hard coded into the external firewalls. Only traffic originating from authorized parties over a pre-defined, non-standard port is allowed into the communications environment. An additional conduit has been opened to a third party vendor to allow for daily vulnerability scans to take place.
- Optionally Vendor customers can enable "Advanced Security", which forces users to originate from a pre-defined IP address or range in order to access the Vendor application.

(iii) *Hardware Security.* Licensee Data shall be stored in environments consistent with data redundancy and data protection standards necessary for recovery and maintenance. In the event of individual drive failure, no degradation of access level or time shall occur. Vendor shall provide regular backup of the Licensee Data to both a network accessible storage appliance at all times as well as off-site storage of said backup data.

(iv) *System Application Security.* Vendor's System shall maintain limited accessibility with all user access and control managed through password security that is under the control of the Licensee. Complete control is in the hands of authorized Licensee designated administrative user(s). Licensee shall determine what access a user is allowed to have and whether any restrictions will be put in place for a given user.

(v) *Security Audits.* Vendor shall schedule regular security audits at the firewall level, the server level, and the application level, consistent with control objectives and processes defined in the data center's SAS70 audit process. Vendor shall provide the capability for using strong passwords to access the application by a Licensee but it will be the responsibility of the Licensee to verify that only strong passwords are implemented and that they are changed at a Licensee acceptable frequency.

2.2 Vendor Discontinues Solution Access or Ceases Operations.

If Vendor plans to cease providing hosted Solution access to the Licensee or to Cease Operations entirely due to bankruptcy or other reason, Vendor is responsible for providing the current Licensee data, current Vendor source code / object code of the Vendor Software and Documentation (Vendor Solution) to the Licensee. In such case, Licensee shall have the right to support this Vendor Solution internally within its organization going forward at no cost to the Licensee. In no event shall the source code be used for any other purpose. In no event shall the title or any rights, including intellectual property rights, to the proprietary and trade secret source code be transferred to Licensee. The mechanisms for deposit, maintenance, and release of software to and from the escrow agent will be pursuant to the terms of a mutually agreed escrow agreement executed concurrently with the License, and this escrow agreement will not include additional or different terms for the Vendor Solution to Licensee than those described above, and shall include express provisions requiring Vendor to notify the Escrow Agent of any prospective bankruptcy filing, and requiring the Escrow Agent to release the source and object codes to Licensee before any bankruptcy filing by Vendor.

EXHIBIT A



NASPO Value Point Computer Hardware Including
Peripherals and Associated Services

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Arizona Participating Addendum

Contract No. ADSP015-093839
Contractor: Dell Marketing L.P.

In accordance with A.R.S. §41-2632, AAC R2-7-1002, Cooperative Purchasing, the following document shall relay all additional requirements for the State of Arizona in its use and participation in the NASPO Value Point contract for Computer Hardware, Peripherals and Associated Services, as awarded by the State of Minnesota, Lead State, for this competitively procured contract.

Contractors are strongly encouraged to read this document in its entirety. All requirements stated within this document are allowable under any respective Master contract, and shall be viewed as such. Any attempt to modify or change this document without consent from the State of Arizona shall result in the nullification of this contract.



Offer and Acceptance

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

OFFER

TO THE STATE OF ARIZONA:

The Undersigned hereby offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, specifications and amendments in the Solicitation and any written exceptions in the offer.

Arizona Transaction (Sales) Privilege Tax License No.:

07 428149-A

Federal Employer Identification No.:

E-mail: Amy_Ivy@Dell.com

Phone: 512-723-6201

Fax:

Dell Marketing, L.P.

Company Name

One Dell Way

Address

Round Rock

TX

78682

City

State

Zip

Digitally signed by Amy Ivy
DN: cn=Amy Ivy, o=Dell, ou,
email=Amy_Ivy@Dell.com, c=US
Date: 2015.07.07 10:52:59 -05'00'

Signature of Person Authorized to Sign Offer

Amy Ivy

Printed Name

Contracts Manager

Title

By signature in the Offer section above, the Offeror certifies:

1. The submission of the Offer did not involve collusion or other anticompetitive practices.
2. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 2009-09 or A.R.S. §§ 41-1461 through 1465.
3. The Offeror has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. The Offeror certifies that the above referenced organization IS ☒ IS NOT a small business with less than 100 employees or has gross revenues of \$4 million or less.

ACCEPTANCE OF OFFER

The Offer is hereby accepted.

The Contractor is now bound to sell the materials or services listed by the attached contract and based upon the solicitation, including all terms, conditions, specifications, amendments, etc., and the Contractor's Offer as accepted by the State.

This Contract shall henceforth be referred to as Contract No.

ADSP015-093839

The Contractor has been cautioned not to commence any billable work or to provide any material or service under this contract until Contractor receives purchase order, contract release document or written notice to proceed.

State of Arizona

Awarded this

day of

Procurement Officer

RECEIVED



Scope of Work

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Contract No: ADSP015-093839
Description: Computer Hardware including Peripherals and Associated Services

1. Introduction

The State of Arizona, its Agencies, Boards and Commissions (State), as well as authorized Cooperative Members, have an ongoing requirement for the products and services as described herein. This NASPO Value Point Participating Addendum (PA) is developed by and for the State of Arizona. This PA is based on the award of a competitively solicited procurement, performed in concert with NASPO Value Point and the State of Minnesota.

2. Background

In 2014, the State of Minnesota competitively solicited offers from national and regional Contractors for the provision of computer hardware and associated services. Specifically, the categories of equipment are; Desktops, Laptops, Tablets, Servers and Storage. The result of this procurement was the award of thirty-two (32) Master contracts that became effective on April 1, 2015. Per the procedure outlined on the NASPO Value Point website and other materials, an interested participating state, must develop a Participating Addendum (PA) with the Contractors of their choosing.

The Participating Addendum (PA) must adhere to the requirements of the Master Contract as awarded and negotiated by the State of Minnesota. However, each individual PA may stipulate specific requirements, such as terms and conditions and other contract features are mandated or desired by each participating State.

3. State of Arizona Requirements

The State of Arizona shall engage various Contractors through the PA process and award. For this particular PA, the Contractor shall be: **Dell Marketing L.P.** As per award, the Contractor shall provide the following equipment as specified in the Master Contract **MNWNC-108**: Desktops, Laptops, Tablets, and Servers including accessories/peripherals and associated services.

For clarity, the definitions as used in the Master Contract shall be used, but have been modified for this PA. The definitions are as follows:

Desktop – A personal computer intended for regular use at a single location. Typically comes in several units connected together during installation: (1) processor, (2) display monitor, (3) input devices, i.e., keyboard and mouse. **Desktop virtualization endpoints such as zero and thin clients shall also be included if available from this Contractor.**

Laptop – Is a personal computer for mobile use. A laptop includes a display, keyboard, point device such as a touchpad and speakers into a single unit. A laptop can be used away from an outlet using a rechargeable battery. This Band may include notebooks, ultrabooks, and netbooks. Computers with mobile operating systems will also be included under this Band.

Peripherals – A peripheral means any hardware product that can be attached to or added within or networked with computers, servers and storage. Peripherals extend the functionality of a computer without modifying the core components of the system. **Peripherals are defined as including accessories.** Peripherals may be manufactured by a third party, however, Contractor shall not offer any peripherals manufactured by another Contracted Supplier holding a Master Agreement. The Contractor shall provide the warranty service and maintenance for all peripherals.

Accessory – Accessories do not extend the functionality of the computer, but enhances the user experience i.e. mouse pad, monitor stand. **For the purposes of this proposal accessories are considered peripherals.**

Tablet – A tablet is a mobile computer that provides a touchscreen which acts as the primary means of control. **Tablet band shall include notebooks, ultrabooks, and netbooks that are touchscreen capable.**



Scope of Work

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Contract No: ADSP015-093839

Description: Computer Hardware including Peripherals and Associated Services

Services – Broadly classed as installation/de-installation, maintenance support, *minimal operation training*, migration, and optimization of products offered or supplied. These types of services shall include the following:

- A. Warranty Services;
- B. Equipment Maintenance;
- C. Installation, and De-installation;
- D. Factory Integration (software or equipment components);
- E. Asset Management;
- F. Pre-Implementation Design;
- G. Disaster Recovery Planning and Support; and
- H. Equipment Operation Training

4. Participating Addendum Allowances and Restrictions

This PA shall allow and restrict the following:

- A. Any network equipment that may include, routers, switches, security components, telephony, cabling other networking devices is not allowed as a separate purchase. The network component must be a part of the total equipment solution.
- B. The only allowable software is operating system software and is subject to equipment configuration limits. Commercial off-the shelf (COTS) application software is not allowed;
- C. Software must be pre-loaded or provided as an electronic link with the initial purchase, exception is noted immediately below;
 - C1. Software such as middleware which is not installed on the equipment but is related to storage and server equipment purchased, is allowed and may be procured after the initial purchase of the equipment,
- D. Services must be related to the equipment. No additional professional services, such as consulting, regardless of length of engagement, is allowed;
- E. Wireless phone and internet service is not allowed;
- F. Cellular equipment and accessories are not allowed;
- G. Cloud services including acquisitions structured as managed on-site services are not allowed;
- H. Managed Print Services is not allowed
- I. Hosting Services are not allowed;
- J. Software training, or any other training other than equipment operation training, is not allowed;



Scope of Work

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Contract No: ADSPO15-093839
Description: Computer Hardware including Peripherals and Associated Services

- K. Employee Purchase Programs are not allowed in this PA; and
- L. Trade-In and Recycle Programs or offerings are not allowed in this PA.

5. Leasing and Rental Options

Leasing and rental options are allowable for the acquisition of the awarded equipment, if the Contractor provides this option. A Master Lease or Master Rental Agreement will not be negotiated by the State. Each Eligible Agency or Ordering Entity who chooses to pursue either method, shall be responsible for the review, possible negotiations, and signature on any leasing or rental documents. Additionally, it shall be clear that the Eligible Agency or Ordering Entity has the final financial responsibility. The following shall apply to all State agencies, boards and commissions. All cooperative members shall seek guidance from their internal Finance Department for applicability:

- A. Capital and operating lease agreements, as well as straight rental agreements, between the Contractor and any Eligible Agency or Ordering Entity are allowable under this Contract.
 - 1. Capital leases are those agreements which transfer title or ownership of the leased property at the end of the lease or contain a provision for a bargain purchase option; and
 - 2. Operating leases are those agreements where agencies do not obtain title to or ownership of, only the temporary possession and use of, the leased property.
- B. In the event of a conflict between the provisions of a lease agreement and Contract terms and conditions, the Contract terms and conditions shall prevail.
- C. Any State entity entering into a lease agreement as allowed herein shall follow the policies outlined in the State of Arizona Accounting Manual. Any questions as to the State's policy should be directed to the ADOA General Accounting Office. Inquiries can be sent via email to gaopolicy@azdoa.gov.
- D. To ensure compliance with Article 9, Section 5 of the State of Arizona Constitution, installment purchase agreements, or those agreements where title to the property is transferred to the lessee at the inception of the agreement, shall be prohibited under this contract.

6. Configuration Limits

The dollar limits below are based on a single computer configuration. This is not a restriction on the purchase of multiple configurations. Example – an entity may purchase 10 laptops at \$10K each for a total purchase price of \$100K. Configuration is defined as the combination of hardware and software components that make up the total functioning system. Software purchases are considered a part of the configuration limit on the equipment.

Servers	\$750,000
Storage	\$1,000,000
Desktops	\$10,000
Laptops	\$10,000
Tablets	\$5,000
Peripherals	\$25,000



Scope of Work

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Contract No: ADSP015-093839
Description: Computer Hardware including Peripherals and Associated Services

7. Reporting

At a minimum the Contractor shall provide sales reports as outlined in the Master contract and sample Participating Addendum, as provided by NASPO Value Point. Sales reports will only be requested as needed by either the State or any Ordering Entity. More importantly for this PA, is Contractor's compliance to Item 8, Administrative Fee and Usage Reports as stated in the Special Terms and Conditions of this document.

8. ePEAT

The State of Arizona has not waived this requirement. At a minimum the Contractor shall be ePEAT Bronze compliant.

9. Utilization of Partners

The Contractor may offer partners to provide additional services in support of this contract. The partners may provide the following:

- A. Marketing and Sales;
- B. Product Fulfillment;
- C. Customer Service;
- D. Expediting Services; and
- E. Administrative Services;
 - E1. Purchase Order Acceptance, and
 - E2. Accounts Receivable

If the Contractor chooses to allow partners to provide administrative services as noted above, Contractor has the responsibility to vet or ensure the partners capabilities including their financial systems and business processes to accept and process contract obligation and financial documents timely and accurately. The ultimate responsibility for the performance of these partners, rests with the Contractor. The State or any Ordering Entity shall not be obligated or forced to utilize a partner or partners.

Contractor may provide up to ten (10) partners. Contractor may remove and add partners within the contract term, as long as the State receives timely notification of these changes. All notifications shall be in writing. At a minimum, the notification shall include:

- A. The name of the Partner;
- B. Address;
- C. Contact Name(s);
- D. Phone and Email Contact Information; and
- E. Description of the Services they will provide.



Scope of Work

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Contract No; ADSP015-093839
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10. Current Product and Pricing Schedules

The Contractor is responsible to ensure that any changes made to the Product and Pricing Schedules are current and are accurate. It is required that the Contractor provide a Product and Pricing Schedule update to the State for each update provided to the NASPO Value Point Lead State. Notification regarding any changes shall be made in writing within thirty (30) days of when notification was provided to the NASPO Value Point Lead State.

11. Website Ordering or Punch-Out Capabilities

The State reserves the right to work with the Contractor at a later date, to initiate and implement a web enabled ordering mechanism, including a punch-out feature into the State's e-procurement system, ProcureAZ.

12. Ordering Instruments

Any order for equipment, or services, shall be placed with the Contractor or their approved Partner by either a valid purchase order or a government/commercially sponsored procurement card (P Card). Private and or individual credit may not be accepted.

Any credit card processing fees that may be imposed by the Contractor shall be listed as a separate line item on any invoice. The imposition of processing fees should be carefully considered by the Contractor and should not exceed the following:

- A. For transactions of \$25,000.00 or less, the Contractor may not charge a credit card fee; and
- B. For transactions greater than \$25,000.00, the Contractor may charge a credit card fee that shall not exceed 2.5%.



Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Contract No: ADSP015-093839
Description: Computer Hardware including Peripherals and Associated Services

1. Purpose

Pursuant to provisions of the Arizona Procurement Code, A.R.S. 41-2501 Et Seq., the State of Arizona intends to establish a Contract for the materials or services as listed herein.

2. Term of Contract

The term of the resultant Contract shall be effective the date specified on the Offer and Award or Signature page and shall remain in effect unless terminated, cancelled, or extended as otherwise provided herein. The initial first year term shall be July 1, 2015 to March 31, 2017 in order to coincide with the NASPO ValuePoint Master Contract.

3. Contract Extensions

The Contract term is for the stated period subject to additional successive periods of twelve (12) months per extension with a maximum aggregate including all extensions not to exceed five (5) years.

4. Master Contract and Participating Addendum Order of Precedence

As stated in the Participating Addendum of record, as posted on the NASPO Value Point website, the contract order of precedence for this PA is as follows:

- 4.1 State of Arizona Participating Addendum;
- 4.2 Minnesota NASPO ValuePoint Master Agreement;
- 4.3 The Solicitation including all Addendums; and
- 4.4 Contract Vendors response to the Solicitation

5. Non-Exclusive Contract

This contract has been awarded with the understanding and agreement that it is for the sole convenience of the State of Arizona. The State reserves the right to obtain like goods or services from another source when necessary. Off-contract purchase authorization(s) may be approved by the State Procurement Office. Approvals shall be at the exclusive discretion of the State and shall be final. Off-contract procurement shall be consistent with the Arizona Procurement Code.

6. Eligible Agencies

This Contract shall be for the use of all State of Arizona departments, agencies, commissions and boards. In addition, eligible State Purchasing Cooperative members may participate at their discretion. In order to participate in this contract, a cooperative member shall have entered into a Cooperative Purchasing Agreement with the Department of Administration, State Procurement Office as required by Arizona Revised Statutes § 41-2632.

Membership in the State Purchasing Cooperative is available to all Arizona political subdivisions including cities, counties, school districts, and special districts. Membership is also available to all non-profit organizations, as well as State governments, the US Federal Government and Tribal Nations. Non-profit organizations are defined in A.R.S. § 41-2631(4) as any nonprofit corporation as designated by the internal revenue service under section 501(c)(3) through 501(c)(6).



Special Terms and Conditions

State of Arizona
State Procurement Office
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Contract No: ADSP015-093839
Description: Computer Hardware including Peripherals and Associated Services

7. Estimated Quantities

The State anticipates considerable activity resulting from contract(s) that will be awarded as a result of this solicitation; however, no commitment of any kind is made concerning quantities actually acquired and that fact should be taken into consideration by each potential Contractor.

8. Administrative Fee and Usage Reports

Method of Assessment. At the completion of each quarter, the Contractor reviews all sales under their contract in preparation for submission of their Usage Report. The Contractor identifies all sales receipts transacted by members of the State Purchasing Cooperative and assesses one percent (1.0%) of this amount in their Usage Report. An updated list of State Purchasing Cooperative members may be found at: <https://spo.az.gov/state-purchasing-cooperative>. At its option, the State may expand or narrow the applicability of this fee. The State shall provide thirty (30) written notice prior to exercising or changing this option. The Contractor shall summarize all sales, along with all assessed Administrative Fee amounts within their Usage Report, including total amounts for the following:

- 8.1 Total sales receipts from State agencies, boards and commissions;
- 8.2 Total sales receipts from members of the State Purchasing Cooperative; and
- 8.3 Total Administrative Fee amount based on one percent (1.0%) of the sales receipts from members of the State Purchasing Cooperative.

Submission of Reports and Fees. Within thirty (30) days following the end of the quarter, the Contractor submits their Usage Report and if applicable, a check in the amount of one percent (1%) of their sales receipts from members of the State Purchasing Cooperative, to the Department of Administration, State Procurement Office. Contractors are required to use the State's current report templates unless you have authorization from your contract officer to use a different format. You need to complete Form 799, which is a cover letter that gives the totals of your transactions; and Form 801, which is an Excel spreadsheet that details your transactions. Sales to state agencies and the cooperative members are to be totaled separately. The most current forms can be downloaded at <https://spo.az.gov/statewide-contracts-administrative-fee>.

The submission schedule for Administrative Fees and Usage reports shall be as follows:

FY Q1, July through September	Due October 31
FY Q2, October through December	Due January 31
FY Q3, January through March	Due by April 30
FY Q4, April through June	Due by July 31

Usage Reports and any questions are to be submitted by email to the state's designated usage report email address: usage@azdoa.gov

Administrative Fees shall be made out to the "State Procurement Office" and mailed to:

Department of Administration
General Services Division
ATTN: "Statewide Contracts Administrative Fee"
100 N. 15th Avenue, Suite 202
Phoenix, AZ 85007

REVISED 07/2017



Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Contract No: ADSP015-093839
Description: Computer Hardware including Peripherals and Associated Services

The Administrative Fee shall be a part of the Contractor's unit prices and is not to be charged directly to the customer in the form of a separate line item. Statewide contracts shall not have separate prices for State Agency customers and State Purchasing Cooperative customers.

Contractor's failure to remit administrative fees in a timely manner consistent with the contract's requirements may result in the State exercising any recourse available under the contract or as provided for by law.

9. Licenses

The Contractor shall maintain in current status, all federal, state and local licenses and permits required for the operation of the business conducted by the Contractor.

10. Authorization to Purchase

Authorization for the purchase of equipment or services shall be made only upon the issuance of a Purchase Order or a government/commercial procurement card/credit card. The Purchase Order will indicate the contract number and the dollar amount of funds authorized. The Contractor shall only be authorized to perform up to the amount on the Purchase Order or the accepted quotation document. The State shall not have any legal obligation to pay for goods or services in excess of the amount indicated on the Purchase Order or accepted quotation document. No further obligation for payment shall exist unless:

- 10.1 The Purchase Order is changed or modified with an official Change Order, and/or
- 10.2 An additional Purchase Order is issued for the purchase of good and services under this Contract.

11. Invoicing

All billing notices or invoices shall be sent to the agency whose address appears on the contract release order/purchase order as the 'bill to address' and should contain, at a minimum, the information listed below.

- 10.1 The contract number, as applicable, the Task Order number, and the contract release/purchase order number;
- 10.2 Name and address of the contractor;
- 10.3 The Contractor's remittance address;
- 10.4 Contractor's representative to contact concerning billing questions;
- 10.5 Contractual payment terms;
- 10.6 Applicable taxes; and
- 10.7 Description of work products delivered.

12. Compliance with Applicable Laws - Negotiated

The Materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable licenses and permit requirements. Contractor represents and warrants to the State that Contractor has the skill and knowledge possessed by members of its trade or profession and Contractor will apply that skill and knowledge with care and diligence so Contractor and Contractor's employees and any authorized subcontractors shall perform the Services described in this Contract.



Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Contract No: **ADSP015-093839**
Description: **Computer Hardware including Peripherals and Associated Services**

Contractor represents that any Dell-branded products provided through this Contract shall be free of viruses, backdoors, worms, spyware, malware and other malicious code that will hamper performance of the Materials, collect unlawful personally identifiable information on users or prevent the Materials from performing as required under the terms and conditions of this Contract.

13. Price Adjustment - Negotiated

Contractor discounts accepted and subsequently awarded by a Contract shall remain in effect for a minimum of one (1) term. The Contractor may request a price adjustment, but the State will not review or approve an increase until the Contract has been in effect for the initial term. Contractor shall provide written justification for any price adjustment requested. Any price increase adjustment, if approved, will be effective upon execution of a written Contract amendment. In the advent of a price increase authorization allowed by the Lead State of Minnesota, this PA will be modified accordingly

14. Payment Procedures

The State will not make payments to any Entity, Group or individual other than the Contractor with the Federal Employer Identification (FEI) Number identified in the Contract. Contractor invoices requesting payment to any Entity, Group or individual other than the contractually specified Contractor shall be returned to the Contractor for correction.

The Contractor shall review and insure that the invoices for services provided show the correct Contractor name prior to sending them for payment.

If the Contractor Name and FEI Number change, the Contractor shall complete an "Assignment and Agreement" form transferring contract rights and responsibilities to the new Contractor. The State shall indicate consent on the form. A written Contract Amendment shall be signed by both parties and a new W-9 form shall be submitted by the new Contractor and entered into the system prior to any payments being made to the new Contractor.

15. Order Process

The award of a Contract shall be in accordance with the Arizona Procurement Code. Any attempt to represent any material and/or service not specifically awarded as being under contract with the State is a violation of the Contract and the Arizona Procurement Code. Any such action is subject to the legal and contractual remedies available to the State inclusive of, but not limited to, contract cancellation, suspension and/or debarment of the Contractor.

16. Offshore Performance of Work Prohibited

Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or "overhead" services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

17. First Party Limitation of Liability – Refer to Master MNWNC-108, Section 33

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Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Contract No: ADSP015-093839
Description: Computer Hardware including Peripherals and Associated Services

18. Access Constraints and Requirements

Contractor access to State facilities and resources shall be properly authorized by State personnel, based on business need and **will be restricted to least possible privilege**. Upon approval of access privileges, the Contractor shall maintain strict adherence to all policies, standards, and procedures. Policies / Standards, ADOA / ASET Policies / Procedures, and Arizona Revised Statutes (ARS) 28-447, 28-449, 28-450, 38-421, 13-2408, 13-2316, 41-770).

Failure of the Contractor, its agents or subcontractors to comply with policies, standards, and procedures including any person who commits an unlawful breach or harmful access (physical or virtual) will be subject to prosecution under all applicable state and / or federal laws.

Any and all recovery or reconstruction costs or other liabilities associated with an unlawful breach or harmful access shall be paid by the Contractor.

19. Section 508 Compliance

Unless specifically authorized in the Contract, any electronic or information technology offered to the State of Arizona under this Contract shall comply with A.R.S. § 41-2531 and § 41-2532 and Section 508 of the Rehabilitation Act of 1973, which requires that employees and members of the public shall have access to and use of information technology that is comparable to the access and use by employees and members of the public who are not individuals with disabilities.

20. Health Insurance Portability and Accountability Act of 1996

The Contractor warrants that it is familiar with the requirements of HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH Act) of 2009, and accompanying regulations and will comply with all applicable HIPAA requirements in the course of this Contract. Contractor warrants that it will cooperate with the State in the course of performance of the Contract so that both the State and the Contractor will be in compliance with HIPAA, including cooperation and coordination with the ADOA-ASET Office, the Statewide Information Security and Privacy Office (SISPO) Chief Privacy Officer and HIPAA Coordinator, and other compliance officials required by HIPAA and its regulations. Contractor will sign any documents that are reasonably necessary to keep the State and Contractor in compliance with HIPAA, including but not limited to, business associate agreements.

If requested, the Contractor agrees to sign a "Pledge to Protect Confidential Information" and to abide by the statements addressing the creation, use and disclosure of confidential information, including information designated as protected health information and all other confidential or sensitive information as defined in policy. In addition, if requested, Contractor agrees to attend or participate in job related HIPAA training that is: (1) intended to make the Contractor proficient in HIPAA for purposes of performing the services required and (2) presented by a HIPAA Privacy Officer or other person or program knowledgeable and experienced in HIPAA and who has been approved by the ADOA-ASET/SISPO Chief Privacy Officer and HIPAA Coordinator.

21. Indemnification - Negotiated

To the extent allowed by law, Contractor shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against third party claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the gross negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or

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Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Contract No: ADSP015-093839
Description: Computer Hardware including Peripherals and Associated Services

arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the gross negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against third party claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State of Arizona.

This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

22. Intellectual Property Indemnification

Indemnification - Patent and Copyright. With respect solely to Materials provided or proposed by Contractor or Contractor's agents, employees, or subcontractors (each a "Contractor Party") for performance of this Contract, Contractor shall indemnify, defend and hold harmless the State, its departments, agencies, boards, commissions, universities, officers, agents and employees (collectively, the "Indemnitee"), against any third-party claims for liability, including, but not limited to, reasonable costs and expenses, including attorneys' fees, for infringement or violation of any patent, trademark, copyright or trade secret, by such Materials or the State's use thereof.

In addition, with respect to claims arising from computer hardware or software manufactured or developed solely by a third party, Contractor shall pass through to the State such indemnity rights as it receives from such third party (the "Third Party Obligation") and will cooperate in enforcing them; provided, however, that (i) if the third party manufacturer fails to honor the Third Party Obligation, or (ii) the Third Party Obligation is insufficient to fully indemnify the State, Contractor shall indemnify, defend and hold harmless the State against such claims in their entirety or for the balance of any liability not fully covered by the Third Party Obligation.

The State shall reasonably notify the Contractor of any claim for which Contractor may be liable under this section. If the Contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply. Contractor shall have control, subject to the reasonable approval of the State, of the defense of any action on such claim and all negotiations for its settlement or compromise, provided, however, that when substantial principles of government or public law are involved or when involvement of the State is otherwise mandated by law, the State may elect, in its sole and absolute discretion, to participate in such action at its own expense with respect to attorneys' fees and costs, but not liability, and the State shall have the right to approve or disapprove any settlement, which approval shall not be unreasonably withheld or delayed. The State shall reasonably cooperate in the defense and any related settlement negotiations.

If Contractor believes at any time that any Materials provided or in use pursuant to this Contract infringe a third party's intellectual property rights, Contractor shall, at Contractor's sole cost and expense, and upon receipt of the State's prior written consent, which shall not be unreasonably withheld, (i) replace an infringing Material with a non-infringing Material; (ii) obtain for the State the right to continue to use the infringing Material; or (iii) modify the infringing Material to be non-infringing, provided that following any replacement or modification made pursuant to the foregoing, the Material continues to function in accordance with the Contract. Contractor's failure or inability to accomplish any of the foregoing shall be deemed a material breach of this Contract.

Notwithstanding the foregoing, Contractor shall not be liable for any claim for infringement based solely on any Indemnitee's:

(i) modification of Materials provided by Contractor other than as contemplated by the Contract or the specifications of such Materials or as otherwise authorized or proposed in any way by Contractor or a Contractor Party;



Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Contract No: ADSP015-093839
Description: Computer Hardware including Peripherals and Associated Services

(ii) use of the Materials in a manner other than as contemplated by this Contract or the specifications of such Materials, or as otherwise authorized or proposed in any way by Contractor or a Contractor Party; or

(iii) use of the Materials in combination, operation, or use with other products in a manner not contemplated by the Contract, or, the specifications of such Materials, or as otherwise authorized or proposed in any way by Contractor or a Contractor Party.

Contractor certifies, represents and warrants to the State that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of the Contract for the acquisition, operation or maintenance of Materials in violation of intellectual property laws.

23. Insurance

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

A. MINIMUM SCOPE AND LIMITS OF INSURANCE: Contractor shall provide coverage at least as broad and with limits of liability not less than those stated below.

1. Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage, personal and advertising injury and broad form contractual liability.

• General Aggregate	\$2,000,000
• Products – Completed Operations Aggregate	\$1,000,000
• Personal and Advertising Injury	\$1,000,000
• Damage to Rented Premises	\$ 50,000
• Each Occurrence	\$1,000,000

a. The policy shall include the following additional insured language: ***"The State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor."*** Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.

b. Policy shall contain a waiver of subrogation endorsement (**Blanket Endorsements are not acceptable**) in favor of the **"State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees"** for losses arising from work performed by or on behalf of the Contractor.

2. Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

• Combined Single Limit (CSL)	\$1,000,000
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Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Contract No: ADSP015-093839
Description: Computer Hardware including Peripherals and Associated Services

- a. The policy shall include the following additional insured language: *"The State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor."* Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.
- b. Policy shall contain a waiver of subrogation endorsement (**Blanket Endorsements are not acceptable**) in favor of the "State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees" for losses arising from work performed by or on behalf of the Contractor.
- c. Policy shall contain a severability of interest provision.

3. Worker's Compensation and Employers' Liability

- Workers' Compensation Statutory
 - Employers' Liability
 - Each Accident \$1,000,000
 - Disease – Each Employee \$1,000,000
 - Disease – Policy Limit \$1,000,000
- a. Policy shall contain a waiver of subrogation endorsement (**Blanket Endorsements are not acceptable**) in favor of the "State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees" for losses arising from work performed by or on behalf of the Contractor.
 - b. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. § 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

B. **ADDITIONAL INSURANCE REQUIREMENTS**: The policies are to contain, or be endorsed to contain, the following provisions:

1. The Contractor's policies shall stipulate that the insurance afforded the Contractor shall be primary insurance and that any insurance carried by the Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).
2. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

C. **NOTICE OF CANCELLATION**: With the exception of (10) day notice of cancellation for non-payment of premium, any changes material to compliance with this contract in the insurance policies above shall require (30) days written notice to the State of Arizona. Such notice shall be sent directly to the Department and shall be sent by certified mail, return receipt requested.

D. **ACCEPTABILITY OF INSURERS**: Contractors insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. **VERIFICATION OF COVERAGE**: Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by an authorized representative.



Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Contract No: ADSPO15-093839

Description: Computer Hardware including Peripherals and Associated Services

All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the Department. The State of Arizona project/contract number and project description are to be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

F. **APPROVAL:** Any modification or variation from the *insurance requirements* in this Contract shall be made by the contracting agency in consultation with the Department of Administration, Risk Management Division. Such action will not require a formal Contract amendment, but may be made by administrative action.

G. **EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university then none of the above shall apply.

24. Compliance Requirements for A.R.S. § 41-4401, Government Procurement: e-Verify Requirement

The Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A. (That subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.")

A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the Contract and the Contractor may be subject to penalties up to and including termination of the Contract.

Failure to comply with a State audit process to randomly verify the employment records of Contractors and subcontractors shall be deemed a material breach of the Contract and the Contractor may be subject to penalties up to and including termination of the Contract.

The State Agency retains the legal right to inspect the papers of any employee who works on the Contract to ensure that the Contractor or subcontractor is complying with the warranty under paragraph One (1).

25. Negotiated Uniform Terms and Conditions

The following terms and conditions have been negotiated, and based on contract order of precedence shall be placed in the Special Terms and Conditions for greater clarity and position.

25.1. **Audit.** Pursuant to ARS § 35-214, at any reasonable time during the term of this Contract and five (5) years thereafter, the Contractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, only to the extent that the books and records relate to the performance of the Contract or Subcontract.

25.2. **Property of the State.** Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor shall not use or release these materials without the prior written consent of the State.



Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Contract No: **ADSP015-093839**
Description: **Computer Hardware including Peripherals and Associated Services**

- 25.3 Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.

Notwithstanding the above, the Purchasing Entity will not own any of the Contract Vendor's pre-existing intellectual property that was created prior to the Master Agreement and which the Purchasing Entity did not pay the Contract Vendor to create. Subject to payment in full for the products, equipment or services, the Contract Vendor grants the Purchasing Entity a perpetual, irrevocable, non-exclusive, royalty free license for Contract Vendor's pre-existing intellectual property that is contained in the products, materials, equipment or services that are purchased through this Master Agreement. Contract Vendor will retain all right, title and interest in and to all Intellectual Property Rights in or related to the services, or tangible components thereof, including but not limited to (a) all know-how, intellectual property, methodologies, processes, technologies, algorithms, software or development tools used in performing the services, and (b) such ideas, concepts, know-how, processes and reusable reports, designs, charts, plans, specifications, documentation, forms, templates or output which are developed, created or otherwise used by or on behalf of Contract Vendor in the course of performing the services or creating the deliverables, other than portions that specifically incorporate proprietary or Confidential Information or data of Ordering Entity (collectively, the "Residual IP"), even if embedded in the deliverable.

- 25.4 Indemnification – Contractor/Vendor Indemnification – Please refer to Master MNWNC-108, Section 2C17
- 25.5 Public Agency Language – Please refer to Master MNWNC-108, Section 2C17
- 25.6 Indemnification Patent and Copyright – See Master MNWNC-108, Section 2C17
- 25.7 Third Party Antitrust Violations - Contract Vendor irrevocably assigns to a Participating Entity any claim for relief or cause of action which the Contract Vendor now has or which may accrue to the Contract Vendor in the future by reason of any violation of state or federal antitrust laws (15 U.S.C. § 1-15 or a Participating Entity's state antitrust provisions), as now in effect and as may be amended from time to time, in connection with any goods or services provided to the Contract Vendor for the purpose of carrying out the Contract Vendor's obligations under this Master Agreement or Participating Addendum, including, at a Participating Entity's option, the right to control any such litigation on such claim for relief or cause of action.
- 25.8 Warranties - The warranty provided must be the manufacturers written warranty tied to the product at the time of purchase and must include the following: (a) the Product performs according to the specifications (b) the Product is suitable for the ordinary purposes for which such Product is used, (c) the Product is designed and manufactured in a commercially reasonable manner, and (d) the Product is free of defects.



Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Contract No: ADSP015-093839
Description: Computer Hardware including Peripherals and Associated Services

For third party products sold by the Contract Vendor, the Contract Vendor will assign the manufacturer or publisher's warranty and maintenance. The Contract Vendor will provide warranty and maintenance call numbers and assist the customer in engaging the manufacturer on warranty and maintenance issues.

Upon breach of the warranty, the Contract Vendor will repair or replace (at no charge to the Purchasing Entity) the Product whose nonconformance is discovered and made known to the Contract Vendor. If the repaired and/or replaced Product proves to be inadequate, or fails of its essential purpose, the Contract Vendor will refund the full amount of any payments that have been made. The rights and remedies of the parties under this warranty are in addition to any other rights and remedies of the parties provided by law or so ordered by the court.

- 25.9. Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it, specifically to include the provision of a notice to cure any deficiency within thirty (30) days.
- 25.9 Termination for Convenience. Both parties reserves the right to terminate the Contract, in whole or in part at any time In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.



Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Contract No. ADSP015-093839

Description: Computer Hardware including Peripherals and Associated Services

1. Definition of Terms

As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

- 1.1. "Attachment" means any item the Solicitation requires the Offeror to submit as part of the Offer.
- 1.2. "Contract" means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
- 1.3. "Contract Amendment" means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
- 1.4. "Contractor" means any person who has a Contract with the State.
- 1.5. "Days" means calendar days unless otherwise specified.
- 1.6. "Exhibit" means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
- 1.7. "Gratuity" means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
- 1.8. "Materials" means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.
- 1.9. "Procurement Officer" means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
- 1.10. "Services" means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.
- 1.11. "Subcontract" means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
- 1.12. "State" means the State of Arizona and Department or Agency of the State that executes the Contract.
- 1.13. "State Fiscal Year" means the period beginning with July 1 and ending June 30.

2. Contract Interpretation

- 2.1. Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
- 2.2. Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
- 2.3. Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
 - 2.3.1. Special Terms and Conditions;
 - 2.3.2. Uniform Terms and Conditions;
 - 2.3.3. Statement or Scope of Work;
 - 2.3.4. Specifications;
 - 2.3.5. Attachments;



Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Contract No. ADSP015-093839

Description: Computer Hardware Including Peripherals and Associated Services

2.3.6. Exhibits;

2.3.7. Documents referenced or included in the Solicitation.

2.4. Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.

2.5. Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.

2.6. No Parole Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.

2.7. No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3. Contract Administration and Operation

3.1. Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.

3.2. Non-Discrimination. The Contractor shall comply with State Executive Order No. 2009-09 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.

3.3. Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.

3.4. Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines non-compliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.

3.5. Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.

3.6. Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.

3.7. Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.



Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Contract No. ADSP015-093839

Description:: Computer Hardware including Peripherals and Associated Services

3.8. Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.

3.9. Federal Immigration and Nationality Act. The contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.

3.10 E-Verify Requirements. In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A.

3.11 Offshore Performance of Work Prohibited.

Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

4. Costs and Payments

4.1. Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.

4.2. Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.

4.3. Applicable Taxes.

4.3.1. Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.

4.3.2. State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.



Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Contract No. ADSP015-093839

Description: Computer Hardware including Peripherals and Associated Services

4.3.3. Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

4.3.4. IRS W9 Form. In order to receive payment the Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona, unless not required by law.

4.4. Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.

4.5. Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:

4.5.1. Accept a decrease in price offered by the contractor;

4.5.2. Cancel the Contract; or

4.5.3. Cancel the contract and re-solicit the requirements.

5. Contract Changes

5.1. Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the procurement officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.

5.2. Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.

5.3. Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6. Risk and Liability

6.1. Risk of Loss: The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.

6.2. Indemnification

6.2.1. Contractor/Vendor Indemnification (Not Public Agency). The parties to this contract agree that the State of Arizona, its departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its departments, agencies,



Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Contract No. ADSP015-093839

Description: Computer Hardware including Peripherals and Associated Services

boards and commissions shall be responsible for its own negligence. Each party to this contract is responsible for its own negligence.

- 6.2.2. Public Agency Language Only Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers."
- 6.3. Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.
- 6.4. Force Majeure.
- 6.4.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "*force majeure*" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.
- 6.4.2. Force Majeure shall not include the following occurrences:
- 6.4.2.1. Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;
- 6.4.2.2. Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or
- 6.4.2.3. Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.
- 6.4.3. If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.
- 6.4.4. Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.
- 6.5. Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.



Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Contract No. ADSP015-093839

Description: Computer Hardware including Peripherals and Associated Services

7. Warranties

- 7.1. Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.
- 7.2. Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:
 - 7.2.1. Of a quality to pass without objection in the trade under the Contract description;
 - 7.2.2. Fit for the intended purposes for which the materials are used;
 - 7.2.3. Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;
 - 7.2.4. Adequately contained, packaged and marked as the Contract may require; and
 - 7.2.5. Conform to the written promises or affirmations of fact made by the Contractor.
- 7.3. Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.
- 7.4. Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.
- 7.5. Compliance With Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.
- 7.6. Survival of Rights and Obligations after Contract Expiration or Termination.
 - 7.6.1. Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
 - 7.6.2. Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

8. State's Contractual Remedies

- 8.1. Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.
- 8.2. Stop Work Order.
 - 8.2.1. The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under



Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Contract No. ADSP015-093839

Description: Computer Hardware including Peripherals and Associated Services

this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

- 8.2.2. If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.
- 8.3. Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.
- 8.4. Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.
- 8.5. Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

9. Contract Termination

- 9.1. Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.
- 9.2. Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.
- 9.3. Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.
- 9.4. Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time when in the best interest of the State, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.



Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Contract No. ADSP015-093839

Description:: Computer Hardware including Peripherals and Associated Services

9.5. Termination for Default.

9.5.1. In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

9.5.2. Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.

9.5.3. The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.

9.6. Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

10. Contract Claims

All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

11. Arbitration

The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (Title 41).

12. Comments Welcome

The State Procurement Office periodically reviews the Uniform Terms and Conditions and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 201, Phoenix, Arizona, 85007.