



# **Information Technology Software Contract**

between

**The Virginia Information Technologies Agency**

on behalf of

**The Commonwealth of Virginia**

and

**Daly Computers, Inc**

# INFORMATION TECHNOLOGY SOFTWARE CONTRACT

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## INFORMATION TECHNOLOGY SOFTWARE CONTRACT

THIS INFORMATION TECHNOLOGY SOFTWARE CONTRACT ("**Contract**") is entered into by and between the Virginia Information Technologies Agency ("**VITA**") pursuant to §2.2-2012 of the Code of Virginia and on behalf of the Commonwealth of Virginia ("Commonwealth"), and Daly Computers, Inc. ("**Supplier**"), a corporation headquartered at 22521 Gateway Center Drive, Clarksburg, Maryland, 20871 to be effective as of Contract Award Date ("**Effective Date**").

### 1. PURPOSE AND SCOPE

VITA, on behalf of the Commonwealth, is seeking [a] solution that will provide Commercial Off-The-Shelf ("COTS") Software, installation services, training services and manufacturer's software maintenance. This Contract sets forth the terms and conditions under which Supplier shall provide a COTS Software solution to the Authorized Users.

### 2. DEFINITIONS

#### A. **Acceptance**

Acceptance shall take the form of successful delivery or completed and successful Acceptance testing in conformance with the Requirements as determined by the Authorized User in the applicable order.

#### B. **Agent**

Any third Party independent agent of any Authorized User.

#### C. **Authorized Users**

Except for telecommunications contracts, means all public bodies, including VITA, as defined by §2.2-4301 and referenced by §2.2-4304 and §2.2-2012 of the Code of Virginia. Authorized Users shall include private institutions of higher education that are listed at: <http://www.cicv.org/Our-Colleges/Profiles.aspx>.

#### D. **Claim**

Any and all losses, damages, claims, demands, proceedings, suits and actions, including any related liabilities, obligations, losses, damages, assessments, fines, penalties (whether criminal or civil), judgments, settlements, expenses (including attorneys' and accountants' fees and disbursements), and costs. Collectively, "Claims".

#### E. **Computer Virus**

Any malicious code, program, or other internal component (e.g., computer virus, computer worm, computer time bomb, or similar component), which could damage, destroy, alter or disrupt any computer program, firmware, or hardware or which could, in any manner, reveal, damage, destroy, alter or disrupt any data or other information accessed through or processed by such software in any manner.

#### F. **Commercial Off-The-Shelf ("COTS") Software**

Software that is general in nature, not broad enterprise applications, non-developmental software which has been created for specific uses and is available to the general public in commercial marketplaces. COTS Software are designed to be implemented easily into existing systems without the need for customization. Programs and code, and any subsequent releases, provided by Supplier under this Contract as set forth in Exhibit B or as described on Supplier's US and International price lists in effect at time of Authorized User's placement

#### G. **Commonwealth**

The Commonwealth of Virginia

#### H. **Commonwealth Indemnified Parties**

Means, collectively and individually, the Commonwealth, VITA, any Authorized User, their officers, directors, agents, and employees.

**I. Confidential Information**

Any confidential or proprietary information of a Party that is disclosed in any manner, including oral or written, graphic, machine readable or other tangible form, to any other Party in connection with or as a result of discussions related to this Contract or any order or SOW issued hereunder, and which at the time of disclosure either:

- (i) is marked as being "Confidential" or "Proprietary";
- (ii) is otherwise reasonably identifiable as the confidential or proprietary information of the disclosing Party;
- (iii) under the circumstances of disclosure should reasonably be considered as confidential or proprietary information of the disclosing Party;
- (iv) is identifiable or should be reasonably considered as protected health information; or
- (v) any personally identifiable information, including information about VITA's employees, contractors, and customers, that is protected by statute or other applicable law.

**J. Contract**

This agreement, including all exhibits, schedules, and attachments, entered into by VITA and Supplier.

**K. Contractor**

The use of the term "Contractor" in any of the following terms, conditions, links, or IRS Publication 1075 means the same as the term "Supplier," as defined and used in this Contract.

**L. Documentation**

Those materials detailing the information and instructions needed in order to allow any Authorized User and its Agents to install, implement, and make productive use of the Software.

**M. Electronic Self-Help**

Any use of electronic means to exercise Supplier's license termination rights, if allowable pursuant to the Contract, upon breach or cancellation, termination or expiration of this Contract or any Statement of Work or order placed hereunder.

**N. Effective Date**

The date this Contract goes into full force and effect. This Effective Date will be the later date, if applicable, of the dates upon which this Contract is signed by authorized representatives of VITA and Supplier below.

**O. Federal Tax Information ("FTI")**

FTI consists of federal tax returns and return information (and information derived from it) that is in the possession or control of any Authorized User, which is covered by the confidentiality protections of the Internal Revenue Code ("IRC") and subject to the IRC § 6103(p)(4) safeguarding requirements including IRS oversight. FTI is categorized as "Sensitive" but "Unclassified" information and may contain personally identifiable information.

**P. Industrial Funding Adjustment ("IFA")**

A fee paid by Supplier to cover VITA's cost of managing the Contract.

**Q. Installation Services**

Services limited to the installation of the COTS Software with only the configuration necessary to ensure that the COTS Software operates properly in an Authorized User's environment. Installation Services shall not include customization or installation of specific enhancements.

**R. Maintenance Coverage Period ("MCP")**

The term during which maintenance is to be provided for a unit of Software or Product.

- S. Maintenance Level**  
The defined parameters of Maintenance Services, including the times during which and time-frames in which Supplier shall respond to a request for Maintenance Services. The available Maintenance Levels shall be as defined in Exhibit C hereto or as defined in any Statement of Work or order issued hereunder. The actual Maintenance Level for a unit of Software or Product shall be set forth in the executed order or Statement of Work for Maintenance of that Software or Product referencing this Contract.
- T. Maintenance Services**  
Those services, preventive and remedial, provided or performed by Supplier under the Contract or for an Authorized User in order to ensure continued operation of the Software. Maintenance Services shall include support services.
- U. Party**  
Supplier, VITA or any Authorized User.
- V. Realized Sales**  
Sales under this Contract for which Supplier has received full and complete payment.
- W. Requirements**  
The functional, performance, operational, compatibility, Acceptance testing criteria and other parameters and characteristics of the Product, Software, Solution, Component, Service(s), Application and Licensed Services and Deliverables, as authorized by the Contract and/or as set forth in Exhibit A and/or the applicable Statement of Work or order and such other parameters, characteristics, or performance standards that may be agreed upon in writing by the Parties.
- X. Services**  
Any services, including installation, Software configuration, maintenance, support and training provided by Supplier under this Contract.
- Y. Software Publisher**  
The licensor of the Software, other than Supplier, provided by Supplier under this Contract.
- Z. Statement of Work ("SOW")**  
Any document in substantially the form of Exhibit D (describing the deliverables, due dates, assignment duration and payment obligations for a specific project, engagement, or assignment that Supplier commits to provide to an Authorized User), which, upon signing by both Parties, shall be deemed a part of the Contract.
- AA. Subcontractor**  
Any group or person that furnishes supplies or services to the Commonwealth on behalf of Supplier or another Subcontractor in performance of this Contract.
- BB. Supplier**  
The entity set forth in the preamble of this Contract and any entity that controls, is controlled by, or is under common control with Supplier.
- CC. Supplier Personnel**  
Any and all of Supplier's employees, agents, contractors, or subcontractors performing under this Contract.
- DD. Supplier Reporting System ("SRS")**  
The VITA system used by Supplier to fulfill reporting obligations under this Contract. The SRS can be accessed at the following URL(s): <http://vita2.virginia.gov/procurement/srs/>, or any successor URL(s).
- EE. SWaM**  
Any entity certified by the Commonwealth's Department of Small Business and Supplier Diversity as a small, women-owned, or minority-owned business, or a small service disabled veteran-

owned business, as defined in § 2.2-4310 or § 2.2-1401 of the Code of Virginia, or a certified micro business as defined in Executive Order Number 20 (2014).

**FF. Term**

The period of time beginning with the Effective Date and lasting for the length of time, including any extension periods, set forth in the "Contract Term" section below during which this Contract will be in full force and effect.

**GG. Transition Out Plan**

The written plan developed by Supplier addressing the transition of Supplier's contractual obligations, in whole or in part, away from the Supplier and to Authorized User, or its designee, after the expiration or termination of the Contract.

**HH. Transition Period**

The period of time after the expiration or termination of the Contract that, Supplier is obligated to continue providing assistance to Authorized Users so as to transition the Supplier's contractual obligations, or any portion thereof, to any other supplier.

**II. Update**

Any update, modification or new release of the Software, System Software, Application, Documentation, or Supplier Product that Supplier makes generally available to its customers at no additional cost. Software Updates include patches, fixes, upgrades, enhancements, improvements, or access mode, including without limitation additional capabilities to or otherwise improve the functionality, increase the speed, efficiency, or base operation of the Software.

**JJ. VITA**

The Virginia Information Technologies Agency, an agency of the Commonwealth of Virginia pursuant to Chapter 20.1 (§§ 2.2-2005 et seq.) of the Code of Virginia, or any successor agency.

**KK. Warranty Period**

The term during which maintenance is to be provided by Supplier for a unit of Software.

**3. TERM AND TERMINATION**

**A. Contract Term**

This Contract is effective and legally binding as of the Effective Date and, unless terminated as provided for in this section, shall continue to be effective and legally binding for a period of two (2) years. VITA, in its sole discretion, may extend this Contract for up to three (3) additional 1-year periods after the expiration of the initial two (2) year period. VITA will issue a written notification to the Supplier stating the extension period 30 days prior to the expiration of any current term. In addition, performance of an order or SOW issued during the term of this Contract may survive the expiration of the term of this Contract, in which case all contractual terms and conditions required for the operation of such order or SOW shall remain in full force and effect until all of Supplier's obligations pursuant to such order or SOW have met the final Acceptance criteria of the applicable Authorized User.

**B. Termination for Convenience**

VITA may terminate this Contract, in whole or in part, or any order or SOW issued hereunder, in whole or in part, or an Authorized User may terminate an order or SOW, in whole or in part, upon not less than 30 days prior written notice at any time for any reason. Any termination under this provision will not affect the rights and obligations attending any order or SOW outstanding at the termination date.

**C. Termination for Breach**

In the event of breach by the Supplier, VITA will have the right to terminate this Contract, in whole or in part, and an Authorized User may terminate an order or SOW issued hereunder, in whole or in part. Supplier will be deemed in breach in the event that Supplier fails to meet any material obligation set forth in this Contract or in any order or SOW issued hereunder. Any termination under the provisions of this section will be deemed a "Termination for Breach".

If VITA deems the Supplier to be in breach, VITA shall provide Supplier with notice of breach and allow Supplier 15 business days to cure the breach. If Supplier fails to cure the breach as noted, VITA may immediately terminate this Contract or any order or SOW issued pursuant to this Contract, in whole or in part. If an Authorized User deems the Supplier to be in breach of an order or SOW, that Authorized User shall provide Supplier with notice of breach and allow Supplier 15 business days to cure the breach. If Supplier fails to cure the breach as noted, the Authorized User may immediately terminate its order or SOW, in whole or in part. In addition, if Supplier is found by a court of competent jurisdiction to be in violation of or to have violated 31 U.S.C. § 1352, or if Supplier becomes a party excluded from Federal Procurement and Nonprocurement Programs, VITA may immediately terminate this Contract, in whole or in part, for breach, and VITA shall provide written notice to Supplier of such termination. Supplier shall provide prompt written notice to VITA if Supplier is charged with violation of 31 U.S.C. § 1352, or if federal debarment proceedings are instituted against Supplier.

**D. Termination for Non-Appropriation of Funds**

All payment obligations from public bodies under this Contract are subject to the availability of legislative appropriations at the federal, state, or local level, for this purpose. In the event of non-appropriation of funds, irrespective of the source of funds, for the items under this Contract, VITA may terminate this Contract, in whole or in part, or any order or SOW, in whole or in part, or an Authorized User may terminate an order or SOW, in whole or in part, for those goods or services for which funds have not been appropriated. Written notice will be provided to the Supplier as soon as possible after legislative action is completed.

**E. Effect of Termination**

Upon termination, neither the Commonwealth, nor VITA, nor any Authorized User shall have any future liability except for Deliverables accepted by the Authorized User or Services, including as applicable, Licensed Services and Maintenance Services, rendered by Supplier and accepted by the Authorized User prior to the termination date.

In the event of a Termination for Breach or Termination for Default, Supplier shall accept return of any Deliverable that was not accepted by the Authorized User(s), and Supplier shall refund any monies paid by any Authorized User for such Deliverable, and all costs of de-installation and return of Deliverables shall be borne by Supplier.

**F. Termination by Supplier**

In no instance will termination by Supplier be considered. Failure by an Authorized User to make timely payments owed to Supplier for its performance under this Contract will constitute a breach by that Authorized User. Supplier's remedy for a breach is limited to the remedies set forth in § 2.2-4363 of the Code of Virginia and the "Remedies" section of this Contract below.

**G. Transition of Services**

Prior to or upon expiration or termination of this Contract and at the request of VITA, Supplier shall provide all assistance as VITA or such Authorized User may reasonably require to transition the Supplier's contractual obligations, or any portion thereof, as requested by VITA or such Authorized User, to any other supplier with whom VITA or such Authorized User contracts for provision Of Software-related services. This obligation may extend beyond expiration or termination of the Contract for a period not to exceed 6 months. If this Contract includes Supplier's provision of licensed products, Supplier agrees that, without the expressed prior consent of VITA or such Authorized User, no action will be taken by Supplier to restrict or terminate the use of such licensed products after the date of expiration or termination of the Contract and/or during any Transition Period in which Supplier is contractually committed to work with VITA or any Authorized User. VITA or any Authorized User agree to pay for any additional maintenance or licensing fees during any Transition Period at the hourly rate or a charge agreed upon by Supplier and VITA or such Authorized User. Supplier must provide all reasonable transition assistance requested by VITA or such Authorized User to allow for the expired or terminated portion of the Services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Services to VITA or any Authorized User. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this Contract, except for those terms or conditions that do not reasonably apply to such transition



assistance. Further, any period of transition will not affect VITA's or any Authorized User's rights in regards to any purchased Software Perpetual Licenses which are paid in full.

**H. Contract Kick-Off Meeting**

Within 30 days of Contract award, Supplier may be required to attend a contract orientation meeting, along with the VITA contract manager/administrator, the VITA and/or other agency project manager(s) or authorized representative(s), technical leads, VITA representatives for SWaM and Sales/Industrial Funding Adjustment (IFA) reporting, as applicable, and any other significant stakeholders who have a part in the successful performance of this Contract. The purpose of this meeting will be to review all contractual obligations for both parties, all administrative and reporting requirements, and to discuss any other relationship, responsibility, communication and performance criteria set forth in the Contract. The Supplier may be required to have its assigned account manager as specified in Section 6.0 and a representative from its contracts department in attendance. The time and location of this meeting will be coordinated with Supplier and other meeting participants by the VITA contract manager.

**I. Transition Out Plan**

Within three (3) months of the Effective Date, Supplier will develop and distribute to the applicable Authorized User a Transition Out Plan. The Supplier will maintain the Transition Out Plan throughout the Term, and update the Transition Out Plan as needed and subject to Authorized User's approval.

**J. Contract Closeout**

Prior to the contract's expiration date, Supplier may be provided contract close out documentation and shall complete, sign and return to VITA Supply Chain Management within 30 days of receipt. This documentation may include, but not be limited to: Patent/Royalty Certificate, Tangible Property/Asset Certificate, Escrow Certificate, SWaM Subcontracting Certification of Compliance, Sales Reports/Industrial Funding Adjustments (IFA) Payments Completion Certificate, and Final Payment Certificate. Supplier is required to process these as requested to ensure completion of close-out administration and to maintain a positive performance reputation with the Commonwealth of Virginia. Any closeout documentation not received within 30 days of Supplier's receipt of the Commonwealth's request will be documented in the contract file as Supplier non-compliance. Supplier's non-compliance may affect any pending payments due the Supplier, including final payment, until the documentation is returned.

**4. SUPPLIER PERSONNEL**

**A. Selection and Management of Supplier Personnel**

Supplier shall ensure that all Supplier Personnel performing under this Contract are competent and knowledgeable of the contractual arrangements and the applicable order or SOW between Authorized User and Supplier. Supplier acknowledges that Supplier is the employer of all Supplier Personnel and shall have the sole responsibility to supervise, counsel, discipline, review, evaluate, set the pay rates of, provide (to the extent required by law) health care and other benefits for, and terminate the employment of Supplier Personnel. Supplier shall be solely responsible for the supervision and conduct of Supplier Personnel, including all acts, omissions, gross negligence, and willful misconduct of Supplier Personnel. Additionally, Supplier shall ensure that Supplier Personnel comply with the appropriate Authorized User's site security, information security and personnel conduct rules, as well as applicable federal, state and local laws, including export regulations. Authorized User reserves the right to require the immediate removal from such Authorized User's premises of any Supplier Personnel whom such Authorized User believes has failed to comply with the above or whose conduct or behavior is unacceptable or unprofessional or results in a security or safety breach.

**B. Supplier Personnel Supervision**

Supplier acknowledges that Supplier or any of its agents, contractors, or subcontractors, is and shall be the employer of Supplier personnel, and shall have sole responsibility to supervise, counsel, discipline, review, evaluate, set the pay rates of, provide (to the extent required by law) health care and other benefits for, and terminate the employment of Supplier personnel. Neither

VITA nor an Authorized User shall have any such responsibilities for Supplier or subcontractor personnel.

**C. Key Personnel**

An order or SOW may designate certain of Supplier's personnel as "Key Personnel" or "Project Managers". Supplier's obligations with respect to Key Personnel and Project Managers shall be described in the applicable order or SOW. Failure of Supplier to perform in accordance with such obligations may be deemed a default of this Contract or of the applicable order or SOW.

**D. Subcontractors**

Supplier shall not use subcontractors to perform its contractual obligations under the Contract or any order or SOW issued thereunder unless specifically authorized in writing to do so by the Authorized User. If an order or SOW issued pursuant to this Contract is supported in whole or in part with federal funds, Supplier shall not subcontract to any subcontractor that is a Party excluded from Federal Procurement and Non-procurement Programs. In no event shall Supplier subcontract to any subcontractor which is debarred by the Commonwealth of Virginia or which owes back taxes to the Commonwealth and has not made arrangements with the Commonwealth for payment of such back taxes.

If Supplier subcontracts the provision of any performance obligation under this Contract to any other Party, Supplier will (i) act as prime contractor and shall be the sole point of contact with regard to all obligations under this Contract, and (ii) hereby represents and warrants that any authorized subcontractors shall perform in accordance with the warranties set forth in this Contract.

**5. NEW TECHNOLOGY**

**A. Access to New Technology**

Supplier will bring to VITA's attention any new products or services within the scope of the Contract that it believes will be of interest to VITA and will work to develop proposals for the provision of any such products or services as VITA requests.

**B. New Service Offerings Not Available from Supplier**

If new or replacement product or service offerings become available to VITA under the scope of the Contract, and cannot be competitively provided by the Supplier, VITA may purchase such new or replacement products or services from a third Party, and Supplier will reasonably assist VITA to migrate to such products or services, if VITA elects to use such new or replacement product or service offerings.

If VITA elects to acquire new products or services as described in the above paragraph and such services replace existing Supplier-provided services, and any commitments (as applicable per Contract) will be reduced to reflect reductions in purchases of the replaced products or services.

**6. SOFTWARE LICENSE**

If Authorized User is an agency as defined by §2.2-2006 and legislative, judicial and independent agencies of the Commonwealth, board, commission, or other quasi-political entity of the Commonwealth of Virginia or other body referenced in Title 2.2 of the Code of Virginia, the license shall be held by the Commonwealth. If Authorized User is a locality, municipality, school, school system, college, university, local board, local commission, or local quasi-political entity, the license shall be held by that public body. If Authorized User is a private institution of higher education which is listed at: <http://www.cicv.org/Our-Colleges/Profiles.aspx>, the license shall be held by that private institution.

**A. License Grant**

(Option 1 -Software licensed by Supplier)

Supplier grants to the Commonwealth and all Authorized Users a fully paid, perpetual, worldwide, nonexclusive, transferable, irrevocable object code license to use, copy, modify, transmit and distribute the Software and Documentation including any subsequent revisions, in accordance with the terms and conditions set forth herein and subject only to the limitations and/or restrictions

explicitly set forth in this Contract. It is expressly understood that "perpetual" license rights shall commence upon delivery of the Software to the Authorized User and shall exist in perpetuity unless otherwise terminated in accordance with the applicable provisions of the Contract. The Software is the property of Supplier, and no title or ownership of the Software or any of its parts, including Documentation, shall transfer to the Commonwealth or any Authorized User.

The Commonwealth and all Authorized Users shall have the right to use, copy, modify, transmit and distribute the Software for their benefit, for government use and purposes, and for the benefit of their Agents, including internal and third-Party information processing.

The Commonwealth and any Authorized User may allow access to the Software by third Party vendors who are under contract with an Authorized User to provide services to or on behalf of such Authorized User, or by other entities as required for conducting the business of government. Access includes loading or executing the Software on behalf of such Authorized Users or their Agents.

The license fee includes a test system copy, which consists of the right to use the Software for non-production test purposes, including but not limited to, problem/defect identification, remediation, and resolution, debugging, new version evaluation, Software interface testing, and disaster recovery technique analysis and implementation.

In the event that all of an Authorized User's copies of the Software, including all backup copies, are destroyed, irreparably damaged or otherwise lost due to fire, explosion, sabotage, flood or other disaster, Supplier shall provide to such Authorized User, at no additional cost, replacement copies of the Software and Documentation. Nothing contained in this Section shall obligate Supplier to replace or assist in the recovery of data lost concurrent with the loss of the Software.

An Authorized User may make a reasonable number of copies of the Software and Documentation for use in training, support, demonstrations, backup, archiving, disaster recovery and development, and may run the Software concurrently at a back-up site, for no additional license fees or costs. Such Authorized User agrees that any copies of the Software or Documentation that it makes under this Contract shall bear all copyright, trademark and other proprietary notices included therein by Supplier. An Authorized User may add its own copyright or other proprietary notice, or copyright or other proprietary notice of the Commonwealth, to any copy of the Software or Documentation, which contains modifications to which the Commonwealth or such Authorized User has ownership rights pursuant to this Contract.

Except as expressly authorized, an Authorized User shall not distribute the Software to any third Party without Supplier's prior written consent.

Except as provided or allowed by law, no Party shall reverse engineer, decompile, disassemble, or otherwise attempt to derive source code or other trade secrets from any software or other intellectual property of any other Party.

[end Option 1]

[Option 2-Software licensed by Software Publisher] Any Software provided by Supplier as part of its Solution, that is licensed directly from the Software Publisher through an End User Licensing Agreement (EULA) shall be subject to the License Agreement Addendum (LAA) attached hereto as Exhibit E. Supplier shall have sole responsibility for ensuring that any such Software Publisher executes the LAA. The Software Publisher's EULA, along with the LAA executed by Software Publisher shall be added to Exhibit F for reference, but shall not become a part of this Contract.

[end Option 2]

Nothing contained herein shall be construed to restrict or limit the rights of the Commonwealth or any Authorized User to use any technical data, which the Commonwealth or such Authorized User may already possess or acquire under proper authorization from other sources.

Compliance with the terms and conditions of any license granted pursuant to this Contract is solely the responsibility of the Authorized User which purchased such license or for which such license was purchased and not the responsibility of VITA, unless VITA purchased such license on its own behalf.



**B. License Type**

All licenses granted, regardless of the type, include all uses set forth above. License type may vary by Software product and shall be set forth in Exhibit B and identified on any order or SOW issued pursuant to this Contract. [Remember, license applies only to the pre existing code, not the new work created by Supplier for the Commonwealth.] [Note: The license types defined herein are examples and are not intended to limit the type of license offered by Supplier or requested by VITA.]

[option C1 - Designated CPU License]

The license(s) granted under this Section authorizes use of the Software only on the number of CPU(s) listed in the applicable order or SOW. An Authorized User may transfer the Software to a different machine to the extent that the license price for such new CPU(s) is equivalent to the CPU(s) initially licensed. If the licensed CPU is inoperative because of (i) malfunction, (ii) performance of maintenance, or (iii) modification to the licensed CPU, or (iv) because the Software is being transferred to another CPU, such Authorized User may use the Software on a replacement CPU as long as required by the mentioned conditions.

[option C2 - Concurrent User License]

The license(s) granted under this Section authorizes use of the Software on any system based on the total number of Concurrent Users. The number of "Concurrent Users" is defined as the maximum number of concurrent Sessions connected at a given point in time. A "Session" is defined as an active user executing the Software. The Authorized User shall specify an initial number of Concurrent User licenses in its initial order or SOW pursuant to this Contract. An Authorized User may increase the number of Concurrent User licenses upon issuing an order or SOW for additional Concurrent User licenses. The license fee for additional Concurrent User licenses and payment of the license fee is set forth on Exhibit B.

[option C3 – Site License]

The license(s) granted under this Section authorizes use of the Software on any system located at the "Site" as such term is defined in the applicable order or SOW.

[option C4 – Project Specific License]

The Project Specific License authorizes use of the Software on any CPU; system owned or opted by the Commonwealth or an Authorized User, and by any user, without limitation as to quantity or location for Project \_\_\_\_\_.

[option C5 – Enterprise Wide License]

The Enterprise Wide License authorizes use of the Software on any CPU, on any system, and by any user within the "Enterprise", as such term is defined in the applicable order or SOW, without limitation as to the quantity or location or project.

**C. Authorized User Compliance**

Compliance with the terms and conditions of any license granted pursuant to this Contract is solely the responsibility of the Authorized User that purchased the license or for whom that license was purchased. VITA will have no responsibility for compliance with the terms and conditions of the purchased license, unless VITA purchased the license on its own behalf.

**D. No Subsequent, Unilateral Modification of Terms by Supplier ("Shrink Wrap")**

The terms and conditions set forth in this section supersede and govern the licensing and delivery of all Software pursuant to this Contract. The terms and conditions of this Contract will supersede any other provision or other unilateral license terms that may be issued by Supplier after the Effective Date, regardless of when those provisions were proposed or the fact that another agreement may be affixed to, or accompany, Software upon delivery ("shrink wrap").

**E. Reservation of Rights**

Nothing contained in this section will be construed to restrict or limit the rights of the Commonwealth or any Authorized User to use any technical data that the Commonwealth or Authorized User may already possess or acquire under proper authorization from other sources.

## 7. GENERAL WARRANTY

Supplier warrants and represents to VITA that Supplier will fulfill its contractual obligations and meet all needed requirements as described in Exhibit A as follows:

### A. Ownership

Supplier has the right to perform and provide all contractual obligations and provide all needed services and products without violating or infringing any law, rule, regulation, copyright, patent, trade secret or other proprietary right of any third Party.

### B. Covered Period

During the Warranty Period of one (1) year, or as specified in the applicable order or SOW, Supplier warrants that the Software shall meet or exceed the Requirements. Supplier shall correct, at no additional cost to any Authorized User, all errors identified during the warranty period that result in supplier's failure to meet the Requirement or its contractual obligations.

### C. Performance Warranty

Supplier warrants and represents the following with respect to Performance:

- i. All contractual obligations shall be performed with care, skill and diligence, consistent with or above applicable professional standards currently recognized in Supplier's profession, and Supplier shall be responsible for the professional quality, technical accuracy, completeness and coordination of all plans, information, specifications, Deliverables and Services furnished under this Contract;
- ii. All contractual obligations pursuant to a particular Request for Proposal ("RFP") or Invitation for Bid ("IFB"), quote, or Request for Quote (RFQ), and any associated Deliverables shall be fit for the particular purposes specified by VITA in the RFP/IFB and in this Contract and, if applicable, by the Authorized User requesting such quote or issuing such RFQ, and Supplier is possessed of superior knowledge with respect to its contractual obligations and is aware that all Authorized Users are relying on Supplier's skill and judgment in providing its contractual obligations;

### D. Documentation and Deliverables

Supplier warrants the following with respect to Software:

- i. The Software is pursuant to a particular Request for Proposal ("RFP") therefore such Software shall be fit for the particular purposes specified by VITA, and Supplier is possessed of superior knowledge with respect to the Software and is aware that all Authorized Users are relying on Supplier's skill and judgment in providing the Software;
- ii. If the RFP specified or Exhibit A specifies the hardware equipment an Authorized User shall use to run the Software, then Supplier warrants the Software, and any subsequent release, is compatible with and shall perform as stated with such hardware for a period of five (5) years of the Effective Date. In no event, however, will Supplier be liable for the failure of Software if the failure is due to changes in the hardware or use of third party software by such Authorized User.
- iii. The Software provided pursuant to this Contract is at the current release level unless an Authorized User specifies an older version in its order or SOW, in which case item (ii) shall not apply and the older version of the Software, and any subsequent release, is compatible with and shall perform as stated with any hardware specified in the applicable order or SOW for a period of 5 years of the date of such order or SOW;
- iv. No corrections, work arounds or future Software releases provided by Supplier under the warranty provisions or under maintenance or support services shall degrade the Software, cause any other warranty to be breached, or require an Authorized User to acquire additional hardware equipment or software;
- v. Supplier warrants that the Documentation and all modifications or amendments thereto which Supplier is required to provide under this Contract shall be sufficient in detail and content to allow an Authorized user to load/use/operate the Software without reference to any other materials or information.

**E. Malicious Code**

Supplier has used its best efforts through quality assurance procedures to ensure that there are no Computer Viruses or undocumented features in the Software as obligated and provided by Supplier under the order or SOW, at the time of delivery to the Authorized User. Supplier warrants that the Software as obligated and provided by Supplier under the order or SOW does not contain any embedded device or code (e.g., time bomb) that is intended to obstruct or prevent any Authorized User's use of the Software.

Notwithstanding any rights granted under this Contract or at law, Supplier hereby waives under any and all circumstances any right it may have or may hereafter have to exercise Electronic Self-Help. Supplier agrees that an Authorized User may pursue all remedies provided under law in the event of a breach or threatened breach of this Section, including injunctive or other equitable relief.

**F. Open Source**

Supplier will notify all Authorized Users if the Software contains any Open Source code and identify the specific Open Source License that applies to any embedded code dependent on Open Source code, provided by Supplier under this Contract.

**G. Supplier's Viability**

Supplier warrants that it has the financial capacity to perform and continue to perform its obligations under this Contract; that Supplier has no constructive or actual knowledge of a potential legal proceeding being brought against Supplier that could materially adversely affect performance of this Contract; and that entering into this Contract is not prohibited by any contract, or order by any court of competent jurisdiction.

**H. Supplier's Past Experience**

Supplier warrants that it has met similar contractual obligations and fulfilled the Requirements as set forth in Exhibit A and in this Contract, in similar or greater complexity, to other customers without significant problems due to Supplier's performance and without causing a contractual breach or default claim by any customer.

**THE OBLIGATIONS OF SUPPLIER UNDER THIS GENERAL WARRANTY SECTION ARE MATERIAL. SUPPLIER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY CONCERNING MERCHANTABILITY OR FITNESS FOR ANY OTHER PARTICULAR PURPOSE.**

**8. DELIVERY AND INSTALLATION**

**A. Scheduling**

Supplier shall deliver Software and perform the Services according to the delivery dates set forth on the appropriate order or SOW.

**B. Installation of Software**

**1. Supplier Installation of Software**

Unless otherwise agreed to, the software license fee listed in Exhibit B includes initial installation.

**2. Authorized User Installation of Software**

For Software that an Authorized User elects to install itself or to contract with a third Party to perform installation services, the Software will be deemed to be installed when all programs, program libraries and user interfaces are copied to and initialized on the appropriate equipment as executable by having the ordering Authorized User, its Agent, or its third Party installer invoke the primary function of each major component of the Software or when Acceptance criteria have been met. Authorized User shall provide to Supplier written notice of Acceptance upon completion of installation and successful Acceptance testing.

**C. Documentation of Software Configuration**

If the Services include configuration of Software by Supplier, Supplier shall provide Documentation containing a description of the configuration to the appropriate Authorized User.

The Documentation must be of sufficient detail so that any appropriately trained employee or Agent of any Authorized User may reconstruct the configuration of the Software.

## **9. ACCEPTANCE AND CURE PERIOD**

### **A. Acceptance**

Software is deemed accepted when the Authorized User determines, in writing, that the Software successfully operates in accordance with the Requirements. The Authorized User will commence Acceptance testing within five (5) calendar days after receipt of the Software, or within such other period as set forth in the applicable SOW or order. The Acceptance testing period for the first instance of each product type set forth in Exhibit B will last no longer than fifteen (15) calendar days, unless a longer period is agreed to in writing between Authorized User and Supplier. Supplier shall provide Authorized User with any assistance and advice the Authorized User may reasonably require. Throughout the Acceptance testing period, Supplier shall provide to the Authorized User any assistance and advice as the Authorized User may reasonably require. Supplier shall provide this assistance and advice at no additional cost, other than pre-approved travel expenses incurred which are reimbursable by the Authorized User pursuant to the terms and conditions of the "Reimbursement of Expenses" section of this Contract below. Authorized User shall provide to Supplier written notice of Acceptance upon completion of successful Acceptance testing. In the event that Authorized User fails to provide Supplier written notice of successful or unsuccessful Acceptance testing within five (5) business days following the end of the Acceptance testing period, the Software will be deemed Accepted.

### **B. Cure Period**

Supplier shall correct any non-conformities identified during Acceptance testing and re-submit the corrected Software for re-testing within seven (7) calendar days of the appropriate Authorized User's written notice of non-conformance, or as otherwise agreed between the Authorized User and Supplier in the applicable order or SOW. In the event Supplier fails to cure the non-conformity or deliver Software that meets the Requirements, the Authorized User may, in its sole discretion: (i) reject the Software in its entirety and recover amounts previously paid to Supplier; (ii) issue a "partial Acceptance" of the Software with an equitable adjustment in the price to account for any deficiency; or (iii) conditionally accept the applicable Software while reserving its right to revoke Acceptance if timely correction is not forthcoming. Failure of the Software to meet, in all material respects, the Requirements after the second set of Acceptance tests will constitute a breach by Supplier and the Authorized User may, at its sole discretion, terminate its order or SOW, in whole or in part, for the Software and Services to be provided by Supplier.

## **10. WARRANTY SERVICES**

At any time during the Warranty Period of one (1) year after Acceptance, Supplier shall provide the following warranty services (including unlimited telephonic support and all necessary travel and labor) without additional charge to any Authorized User to maintain the Software in accordance with the Requirements. During the Warranty Period, Supplier shall perform these services without additional charge to any Authorized User other than pre-approved travel expenses incurred which are reimbursable by the Authorized User pursuant to the terms and conditions of the "Reimbursement of Expenses" section of this Contract below.

### **A. Known Defects**

Supplier shall promptly notify all Authorized Users of any defects or malfunctions in the Software or Documentation of which it learns from any source other than an Authorized User and provide to all Authorized Users a correction of any such defects or malfunctions, or a work around until a correction is available, within 5 days of Supplier's knowledge of such defect or malfunction.

### **B. New Releases**

No later than the first day of general release, Supplier shall provide to all Authorized Users copies of the Software and Documentation revised to reflect any enhancements, including all new releases, upgrades, and access modes, to the Software made by Supplier, including, without limitation, modifications to the Software which can increase the speed, efficiency or base of

operation of the Software or add additional capabilities to or otherwise improve the functionality of the Software.

**C. Coverage**

Supplier shall provide all reasonably necessary telephone or written consultation requested by any Authorized Users in connection with use, problems, and operation of the Software. Supplier is obligated to provide coverage under this provision from 8 a.m. to 5 p.m., Monday through Friday, excluding Commonwealth holidays.

**D. Service Levels**

Supplier shall respond to problems with the Software identified by an Authorized User in no more than one (1) hour after notification. Supplier shall resolve all problems according to the following:

- i. Priority 1 (Software inoperable) within six (6) hours
- ii. Priority 2 (certain processing interrupted or malfunctioning but Software able to process) within 24 hours
- iii. Priority 3 (minor intermittent malfunctioning, Software able to process data) within three (3) days.

The level of severity (e.g., 1, 2, 3), shall be defined by such Authorized User.

**E. Warranty Remedies**

If the Software fails to conform in all material respects to the Requirements or the applicable order or SOW, Authorized User shall provide written notification of the failure to Supplier. If Supplier is unable to make the Software conform within 30 calendar days of receiving Authorized User's notice, Supplier shall cancel the license to the Software and accept return of the Software and Documentation at the Authorized User's request. Supplier shall return all monies paid by the affected Authorized User for the non-conforming Software and Documentation and any other related Service(s) rendered unusable.

**11. MAINTENANCE SERVICES**

At any time during the Maintenance Coverage Period, Supplier shall provide Maintenance Services to maintain the Software in accordance with the Requirements and to provide upgrades, updates, and new releases as they are made generally available. Exhibit B.

Throughout the MCP, Supplier shall provide the Maintenance Services at the prices identified in Exhibit B attached to this Contract. The prices identified in Exhibit B are inclusive of all necessary labor and, unless otherwise provided, all necessary travel. In the event travel is not included in the prices identified in Exhibit B, all travel expenses must be pre-approved and are reimbursable by the Authorized User pursuant to the terms and conditions of the "Reimbursement of Expenses" section of this Contract below.

In addition to the minimum Maintenance Services described in this section, Supplier may offer additional maintenance and support services. These additional offerings, and Supplier's Exhibit C associated responsibilities as well as remedies available to the Authorized User in the event Supplier fails to perform its maintenance obligations, are detailed in Exhibit B attached to this Contract. In addition, Exhibit B defines coverage periods, response times, and restore times applicable to Supplier's additional maintenance offerings.

**A. Ordering Maintenance Services**

An Authorized User may order Maintenance Services for any Software at any time during the term of the Contract, irrespective of whether such Software is covered under warranty or maintenance at the time the order is issued to Supplier. Each order shall identify:

- i. Software product and number of units for which Maintenance Services shall be provided,
- ii. Maintenance Level to be provided, and
- iii. MCP for Software Maintenance.

Authorized User may elect, at any time, an alternate Maintenance Level offered by Supplier. Such amendment shall take effect within thirty (30) days following Supplier's receipt of Authorized User's written notice, in the form of a modification to an order.

Unless otherwise agreed by the Authorized User and Supplier, the Maintenance Period for a unit of Software shall be 1 year from the effective date of any executed order for Maintenance on such Software product.

**B. Maintenance Renewal**

Not less than 60 calendar days prior to the expiration of the MCP for each unit of Software, Supplier shall notify the Authorized User in writing of the pending expiration. Authorized User may, at its sole discretion, issue an order to Supplier to renew Maintenance Services for an additional one (1) year period. The annual fee for renewed Maintenance Services may not exceed the fee charged for the preceding year's Maintenance Services by more than (i) three percent (3%), or (ii) the annual change in CPI, as defined in the "Fees, Ordering and Payment Procedure" section of this Contract below, in effect at the time, whichever is less. Termination of this Contract or cancellation of Maintenance Services by an Authorized User will not affect this Contract or the grant of any license.

**C. Maintenance Services**

At a minimum, Maintenance Services shall include the following:

1. Known Defects

Supplier's offerings and responsibilities related to known defects in the Software are described in Exhibit C.

2. New Releases

Supplier's offerings and responsibilities related to new releases of the Software are described in Exhibit C.

3. Coverage

Supplier's offerings and responsibilities related to coverage for telephonic and written consultation in connection with use, problems, and operation of the Software are described in Exhibit C.

4. Service Levels

Supplier's offerings and responsibilities related to response and restore times for any problems with the Software identified by an Authorized User, and any associated remedies are described in Exhibit C.

5. Additional Maintenance Services

Supplier's additional Maintenance Service offerings are described in Exhibit C.

**D. Software Evolution**

Should Supplier or Software Publisher merge or splinter the Software previously provided to any Authorized User, such action on the part of Supplier or Software Publisher shall not in any way result in any Authorized User being charged additional license or support fees in order to receive enhancements, releases, upgrade or support for the Software.

If Supplier or Software Publisher reduces or replaces functionality contained in a licensed Software product and provides the same or substantially similar functionality as or within a separate or renamed Software product, then the Commonwealth or the Authorized User shall be entitled to license such Software product at no additional license or maintenance fee, and subject to the terms and conditions herein.

If Supplier or Software Publisher releases an option, future Software product or other release that has substantially the same functionality as the Software products provided under this Contract, and Software Publisher and/or Supplier ceases to provide maintenance for the older Software product, then Supplier shall offer the Commonwealth or the Authorized User the option to exchange licenses for such replacement Software product or function at no additional charge.



**E. Escalation Procedures**

[To be provided by Supplier.]

**F. Maintenance Remedies**

If the Software fails to conform, in all material respects, to the Requirements, Authorized User shall provide written notification of the failure to the Supplier. If the Supplier is unable to make the Software conform within 30 calendar days of receiving Authorized User's notice, Supplier shall, at such Authorized User's request, accept cancellation of the license to the non-conforming Software and (i) return all monies paid by such Authorized User for the cancelled license, prorated using the straight-line method for an estimated software life cycle of five (5) years, or, if a term license, shall return the prorated license fee for the remainder of the license term; and (ii) return the prorated maintenance charge for the remainder of the MCP. The prorated amount due an Authorized User shall be calculated from the date on which the Software ceased operating in accordance with the Requirements. The remedies in this section will be in addition to, and not in lieu of, any remedies described in Exhibit C of this Contract.

**12. FEES, ORDERING AND PAYMENT PROCEDURE**

**A. Fees and Charges**

In consideration for the Supplier's performance obligations under this Contract, an Authorized User shall pay Supplier the fee(s) owed pursuant to the schedule of fees and charges as set forth on Exhibit B attached to this Contract. Supplier will only be entitled to those fees owed for Supplier's performance obligations and any additional Products and Services provided to an Authorized User in accordance with the scope of this Contract and the Requirements, as authorized by Exhibit A, and per the Authorized User's order or SOW. The fees, and any associated discounts, will be applicable throughout the Term of this Contract unless modified pursuant to the terms and conditions below. In the event the fees or discounts apply for any period less than the entire Term, Supplier agrees that it will not increase the fees during the first twelve (12) month period following the Effective Date, and will not increase the fees more than once in any subsequent twelve (12) month period thereafter. No increase in fee amounts will exceed the lesser of three percent (3%) or the annual increase in the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, All Items, Not Seasonally Adjusted, as published by the Bureau of Labor Statistics of the Department of Labor (<http://www.bls.gov/cpi/home.htm>), for the date of the increase compared with the same index one (1) year prior. Supplier must submit any change in price in writing to VITA and to the Authorized User if the change impacts any SOW or order and in accordance with the above and will not become effective for 60 calendar days thereafter. Supplier agrees to offer price reductions to ensure compliance with the "Competitive Pricing" section of this Contract below.

**B. Ordering**

Notwithstanding all Authorized User's rights to license or purchase Supplier's products or services under this Contract, an Authorized User is under no obligation to purchase or license from Supplier any of Supplier's products or services. This Contract is optional use and non-exclusive, and all Authorized Users may, at their sole discretion, purchase, license or otherwise receive benefits from third Party suppliers of products and services similar to, or in competition with, the products and services provided by Supplier. Supplier is required to accept any order or placed by an Authorized User through the eVA electronic procurement website portal (<http://www.eva.virginia.gov/>). eVA is the Commonwealth of Virginia's e-procurement system. Agencies, as defined by §2.2-2006 of the Code of Virginia and legislative, judicial and independent agencies of the Commonwealth, shall order through eVA. All other Authorized Users are encouraged to order through eVA, but may order through the following means:

- i. Purchase Order (PO): An official PO form issued by an Authorized User.
- ii. Any other order/payment charge or credit card process, such as AMEX, MASTERCARD, or VISA under contract for use by an Authorized User.

This ordering authority is limited to issuing orders or SOWs for the contractual offerings and Requirements available under the scope of this Contract. Under no circumstances shall any

Authorized User have the authority to modify this Contract. An order or SOW from an Authorized User may contain additional terms and conditions; however, to the extent that the terms and conditions of the Authorized User's order or SOW are inconsistent with the terms and conditions of this Contract, the terms of this Contract shall supersede. Notwithstanding the foregoing, Supplier shall not accept any order or SOW from an Authorized User if such order or SOW is to be funded, in whole or in part, by federal funds and if, at the time the order or SOW is placed, Supplier is not eligible to be the recipient of federal funds as may be noted on any of the Lists of Parties Excluded from Federal Procurement and Non-procurement Programs.

**ALL CONTRACTUAL OBLIGATIONS UNDER THIS CONTRACT IN CONNECTION WITH AN ORDER OR SOW PLACED BY ANY AUTHORIZED USER ARE THE SOLE OBLIGATION OF SUCH AUTHORIZED USER AND NOT THE RESPONSIBILITY OF VITA UNLESS SUCH AUTHORIZED USER IS VITA.**

**C. Reproduction Rights for Supplier-Provided Software**

At an Authorized User's request, Supplier shall provide the Authorized User with a reproducible CD-ROM or flash storage drive of Software and Updates. Such Authorized User shall be responsible for making copies and distributing the Software and Updates as required. Within 30 days of the end of each calendar quarter, such Authorized User shall provide to Supplier a report of the net number of additional copies of the Software and/or Updates deployed during the quarter. Supplier shall invoice such Authorized User for the net number of new licenses reported as deployed.

**D. Reimbursement of Expenses**

If allowable pursuant to an Authorized User's Statement of Work, such Authorized User shall pay, or reimburse Supplier, for all reasonable and actual travel-related expenses for greater than thirty (30) miles from portal to portal incurred by Supplier during the relevant period; provided, however, that such Authorized User shall only be liable to pay for Supplier's travel-related expenses, including transportation, meals, lodging and incidental expenses, that have been authorized by such Authorized User in advance in the Statement of Work and which will be reimbursable by such Authorized User at the then-current per diem amounts as published by the Virginia Department of Accounts (<http://www.doa.virginia.gov/>, or a successor URL(s)). Authorized Users who are not public bodies may have their own per diem amounts applicable to Supplier's pre-approved travel expenses.

All reimbursed expenses will be billed to the Authorized User on a pass-through basis without any markup by Supplier. At Authorized User's request, Supplier shall provide copies of receipts for all travel expenses over US\$30.00.

**E. Demonstration and/or Evaluation**

If the Supplier's contractual obligations include the provision of a Solution, an Application and Licensed Services, or Software-as-a-Service, at the request of any Authorized User, Supplier shall perform a demonstration of its Solution, or its Application and Licensed Services or Software-as-a Service at such Authorized User's location and at no charge.

If the Supplier's contractual obligations include the provision of Software, the Supplier shall make available to any Authorized User the Software for evaluation purposes at no charge. The evaluation period will be determined by the complexity of testing but will be a period not less than 30 days. Each new project is entitled to an evaluation copy regardless of whether an Authorized User has previously purchased the Software.

**F. Supplier Quote and Request for Quote**

An Authorized User, may at its sole discretion, issue a Request for Quote ("RFQ") for any combination of the Solution, Product, or Services provided under this Contract. Supplier shall respond to the RFQ by providing a written quote. Supplier's quote must include (a) a detailed description of each product or service proposed, including any applicable components, at the Exhibit B line item fee level; (b) the quantity of each line item; (c) the total contract price; (d) any additional percentage discount offered; (e) an extended price; (f) any optional or alternate pricing; and (g) any pricing assumptions. If requested by the Authorized User, Supplier's quote must also include a detailed description of the approach Supplier plans to take in developing,



implementing, and maintaining its offering pursuant to the RFQ for the Authorized User. If Supplier is unable to meet the requirements of the RFQ, Supplier shall notify the Authorized User in writing of its inability to perform the work requested by the Authorized User, and provide the reasons for its inability to perform, prior to the due date for the submission of quotes in response to the RFQ. Supplier's failure to respond to an RFQ may be deemed a breach of this Contract.

#### **Competitive Request for Quotes**

User determines that a competitive process is required to ensure it receives the best value for any combination of its needed Solution, Product, or Services under this Contract, then the Authorized User may, at its sole discretion, use a Competitive Request for Quote ("CRFQ") process to obtain identical or similar Solutions, Products, or Services to those provided by Supplier pursuant to this Contract. The CRFQ will clearly outline the project timing and requirements. If the Authorized User is not able to identify the exact specifications required, then the CRFQ respondents will be given the opportunity to identify and propose their recommended specifications.

#### **G. Request for Quote for SaaS Solution**

If an Executive Branch Agency or a public body in-scope to VITA determines that a SaaS solution is required for COTS Software under this Contract, then such Authorized User shall use a RFQ process to obtain identical or similar SaaS COTS Software to those provided by Supplier pursuant to this Contract.

The RFQ will clearly outline the SaaS COTS Software requirement.

Supplier shall respond to the RFQ by providing a quote, which must include (a) a detailed description of each product proposed, including any applicable components, at the Exhibit B line item fee level; (b) the quantity of each line item; (c) the total contract price; (d) any additional percentage discount offered; (e) an extended price; (f) any optional or alternate pricing; and (g) any pricing assumptions. Supplier's quote must also include the contact information for the SaaS Software Publisher.

Utilize Exhibit E for instructions on Executive Branch Agency SaaS COTS Software purchases.

#### **H. Invoice Procedures**

Supplier shall remit each invoice to the "bill-to" address provided with the order promptly after all Supplier's performance obligations have been accepted and in accordance with the milestone payment schedule, if any, in the applicable order or SOW. Payment for any support services, as authorized in the Contract and the Authorized user's applicable order or SOW, shall be annually in advance unless otherwise stated herein, or in any order or SOW referencing this Contract. No invoice shall include any costs other than those identified in the executed order or SOW, which costs shall be in accordance with Exhibit B. Without limiting the foregoing, all shipping costs are the Supplier's responsibility except to the extent such charges are identified in Exhibit B, or as noted in any executed order or SOW referencing this Contract. Invoices issued by the Supplier shall identify at a minimum:

- i. Dates/periods that invoice covers, including any service or subscription periods, as applicable.
- ii. Line item description of the Software as applicable to this Contract, including components thereof or service type, and, if applicable, the project milestone.
- iii. Quantity, charge and extended pricing for each line item
- iv. Applicable order and/or SOW date
- v. This Contract number and the applicable order number and/or SOW number
- vi. Supplier's Federal Employer Identification Number (FEIN)

Any terms included on Supplier's invoice shall have no force or effect and will in no way bind VITA or any Authorized User.

**I. Purchase Payment Terms**

Supplier is responsible for the accuracy of its billing information. Supplier agrees not to issue invoices hereunder until all Supplier's performance obligations have been accepted and in accordance with the milestone payment schedule, if any, in the applicable order or SOW, or until after services have been rendered. Charges for Deliverables, components or services accepted more than 90 days prior to receipt of a valid invoice may not be paid. Should Supplier repeatedly over bill Authorized User, Authorized User may assess a 1% charge for the amount over-billed for each month that such over-billing continues.

**J. Alternate Channel Participation (Resellers/Distributors)**

It is the intention of VITA to allow Resellers (including Value Added Resellers (VARs), distributors and dealers) to participate as alternate distribution sources for Supplier under the following conditions:

i. Supplier shall provide to VITA the names and applicable contact information of its authorized Resellers. VITA may, at its sole discretion, issue a solicitation in accordance with the Virginia Public Procurement Act (VPPA), §§ 2.2-4300 et seq. of the Code of Virginia, for the participation of such Resellers as alternate distribution sources for Supplier.

ii. Once a Reseller is issued a contract in accordance with the VPPA, an Authorized User may issue an order or SOW directly to such Reseller, in accordance with the VPPA and/or other applicable statutes or regulations. Reseller shall ship and bill Authorized Users directly in accordance with the terms of its contract with VITA, on behalf of the Commonwealth of Virginia.

iii. Orders or SOWs placed with Resellers pursuant to a contract awarded in accordance with items (i) and (ii) above may contain only Software previously approved for license under this Contract.

iv. Reseller may invoice and will be paid in accordance with the terms of its contract with VITA.

v. Supplier agrees that all licenses for the Software acquired by Authorized User through a Reseller shall be governed by the terms and conditions of this Contract in lieu of VITA's execution of a sublicense agreement with Reseller, regardless of whether such Authorized User referenced this Contract in its SOW or order.

vi. As to all Software acquired through Resellers, Supplier warrants and represents that all warranties and indemnities set forth in the Contract will be honored by Supplier as to such Software, regardless of whether the ordering Authorized User referenced this Contract in its SOW or order.

**13. REPORTING**

Supplier shall submit to VITA a monthly report containing data on:

- i. Amount of Realized Sales; and
- ii. Small Business Procurement and Subcontracting Spend

This report must be submitted in accordance with the instructions and further detailed requirements, and on the templates set forth on the "Supplier Reporting" webpage located at the following URL: <https://www.vita.virginia.gov/supply-chain/supplier-reporting/>, or any successor URL(s). Supplier is encouraged to review the site periodically for updates on Supplier reporting requirements and methods. Supplier's failure to comply with all reporting, payment, and other requirements in this section may be deemed by VITA, in its sole discretion, to be a breach of the Contract.

**A. Amount of Realized Sales**

Supplier shall submit to VITA a monthly report of all Realized Sales under this Contract.

In connection to the monthly report of Realized Sales, Supplier shall pay to VITA the following monthly fees in accordance with instructions described on the "Supplier Reporting" webpage located at: <https://www.vita.virginia.gov/supply-chain/supplier-reporting/>. The monthly report of Realized Sales must include these fees and percentages:



- IFA: 2% of monthly sales

**B. Small Business Procurement and Subcontracting Spend**

Supplier shall provide to VITA a report of monthly subcontracting spend data. This data must include the spend with all Subcontractors who provide direct performance for obligations under this Contract. Supplier's monthly subcontracting spend data must be submitted via the SRS webpage located at: <http://vita2.virginia.gov/procurement/srs/>.

In addition, every twelve (12) months following the Effective Date, Supplier shall submit to VITA a "SWaM Subcontracting Certification of Compliance" ("SSCC") certifying that Supplier has fully complied with the Contract's Supplier Procurement and Subcontracting Plan ("Plan"). A copy of Supplier's Plan is attached to this Contract as Exhibit H, and is incorporated by reference. The SSCC must include a written explanation of any variances of greater than 20% between the Plan and the actual subcontractor spend by Supplier. Supplier's SSCC will be maintained by VITA in the Supplier's procurement file. Supplier must submit the SSCC to the following address: [SCMInfo@vita.virginia.gov](mailto:SCMInfo@vita.virginia.gov). In the event that Supplier fails to comply with its contractually obligated Plan spend or fails to report its contractually obligated Plan spend, VITA may, at its sole discretion, prohibit or delay any renewals or extensions of the Contract, withhold any final payments due, or both. Supplier's failure to comply will be considered in the prospective award of any future contracts with Supplier.

**14. TRAINING AND DOCUMENTATION**

Unless otherwise agreed to, the license fee includes all costs for the training of one Authorized User trainer per order or SOW at such Authorized User's designated location on the use and operation of the Software, including instruction in any necessary conversion of Authorized User's data for such use. Pursuant to a mutually agreed upon schedule, Supplier shall provide personnel sufficiently experienced and qualified to conduct such training. Available optional training, and applicable pricing and discounts, are described in Exhibit B.

Supplier shall deliver to the Authorized User, one (1) complete hard copy or electronic media of Documentation, as requested by such Authorized User. Authorized User shall have the right, as part of the license granted herein, to make as many additional copies of the Documentation, in whole or in part, for its own use as required. This Documentation shall include, but not be limited to, overview descriptions of all major functions, detailed step-by-step installation and operating procedures for each screen and activity, and technical reference manuals. Authorized User shall have the right, as part of the license granted herein, at its own discretion, to take all or portions of the Documentation, modify or completely customize it in support of the authorized use of the Software and may duplicate such Documentation and include it in an Authorized User document or platform. Authorized User shall continue to include Supplier's copyright notice..

**15. AUTHORIZED USER SELF-SUFFICIENCY**

Prior to or at any time during Supplier's performance of an order or SOW issued pursuant to this Contract, an Authorized User may require that Supplier provide to Authorized User a detailed plan to develop Authorized User self-sufficiency and to transition operation and management to Authorized User or its Agent, which Agent may be VITA, or an agent of VITA, or a third Party provider under contract with Authorized User. At Authorized User's request and pursuant to an order or SOW for Supplier's Services issued hereunder, Supplier shall provide all assistance reasonably required by Authorized User to develop Authorized User's self-sufficiency in operating and managing the Solution, Software, Products and/or Services that Supplier provided to Authorized User under the applicable order or SOW. During and/or after the transition period, Authorized User may, at its sole discretion, elect to order or continue Maintenance Services from Supplier, if authorized under the scope of the Contract, for any of the Software or hardware Product, components or Solution Components delivered to Authorized User by Supplier.

**16. COMPETITIVE PRICING**

Supplier warrants and agrees that each of the charges, economic or product terms or warranties granted pursuant to this Contract are comparable to or better than the equivalent charge, economic or product term or warranty being offered to any commercial or government customer of Supplier. If Supplier enters into any arrangements with another customer of Supplier or with an Authorized User to provide the products and services, available under this Contract, under more favorable prices, as

the prices may be indicated on Supplier's current U.S. and International price list or comparable document, then this Contract shall be deemed amended as of the date of such other arrangements to incorporate those more favorable prices, and Supplier shall immediately notify VITA of such change.

## **17. CONFIDENTIALITY**

### **A. Treatment and Protection**

Each Party shall (i) hold in strict confidence all Confidential Information of any other Party, (ii) use the Confidential Information solely to perform or to exercise its rights under this Contract, and (iii) not transfer, display, convey or otherwise disclose or make available all or any part of such Confidential Information to any third-Party. However, an Authorized User may disclose the Confidential Information as delivered by Supplier to subcontractors, contractors or agents of such Authorized User that are bound by non-disclosure contracts with such Authorized User. Each Party shall take the same measures to protect against the disclosure or use of the Confidential Information as it takes to protect its own proprietary or confidential information (but in no event shall such measures be less than reasonable care).

### **B. Exclusions**

The term "Confidential Information" shall not include information that is:

- i. in the public domain through no fault of the receiving Party or of any other person or entity that is similarly contractually or otherwise obligated;
- ii. obtained independently from a third-Party without an obligation of confidentiality to the disclosing Party and without breach of this Contract;
- iii. developed independently by the receiving Party without reference to the Confidential Information of the other Party; or
- iv. required to be disclosed under The Virginia Freedom of Information Act (§§2.2-3700 et seq. of the Code of Virginia) or similar laws or pursuant to a court order.

### **C. Return or Destruction**

Upon the termination or expiration of this Contract or upon the earlier request of the disclosing Authorized User, Supplier shall (i) at its own expense, (a) promptly return to the disclosing Authorized User all tangible Confidential Information (and all copies thereof except the record required by law) of the disclosing Authorized User, or (b) upon written request from the disclosing Authorized User, destroy such Confidential Information and provide the disclosing Authorized User with written certification of such destruction, and (ii) cease all further use of the Authorized User's Confidential Information, whether in tangible or intangible form.

VITA or the Authorized User shall retain and dispose of Supplier's Confidential Information in accordance with the Commonwealth of Virginia's records retention policies or, if Authorized User is not subject to such policies, in accordance with such Authorized User's own records retention policies.

## **18. INDEMNIFICATION AND LIABILITY**

### **A. Indemnification**

Supplier agrees to indemnify, defend and hold harmless the Commonwealth Indemnified Parties against any third-party Claims and shall indemnify all Commonwealth Indemnified Parties from all any and all damages, liabilities, costs, and expenses resulting from any Claims that are incurred by, borne by or asserted against any of Commonwealth's Indemnified Parties to the extent such Claims in any way relate to, arise out of or result from:

- (i) any intentional or willful conduct or negligence of any employee, agent, or subcontractor of Supplier,
- (ii) any act or omission of any employee, agent, or subcontractor of Supplier,
- (iii) breach of any representation, warranty or covenant of Supplier contained herein,
- (iv) any defect in the Supplier-provided products or services, or

(v) any actual or alleged infringement or misappropriation of any third Party's intellectual property rights by any of the Supplier-provided products or services.

Selection and approval of counsel and approval of any settlement shall be accomplished in accordance with all applicable laws, rules and regulations. For agencies the applicable laws include §§ 2.2-510 and 2.2-514 of the Code of Virginia. In all cases involving the Commonwealth or agencies, the selection and approval of counsel and approval of any settlement shall be satisfactory to the Commonwealth. In the event of a settlement between Supplier and a private institution of higher education who is an Authorized User of this contract, such settlement shall be satisfactory to that institution.

In the event that a Claim is commenced against any of Commonwealth's Indemnified Parties alleging that use of the Supplier-provided products or services, including any components thereof, or that the Supplier's performance or delivery of any product or service under this Contract infringes any third Party's intellectual property rights and Supplier is of the opinion that the allegations in such Claim in whole or in part are not covered by this indemnification provision, Supplier shall immediately notify VITA and the affected Authorized User(s) in writing, via certified mail, specifying to what extent Supplier believes it is obligated to defend and indemnify under the terms and conditions of this Contract. Supplier shall in such event protect the interests of the Commonwealth's Indemnified Parties and secure a continuance to permit VITA and the affected Authorized User(s) to appear and defend their interests in cooperation with Supplier as is appropriate, including any jurisdictional defenses VITA or the affected Authorized User(s) may have.

In the event of a Claim pursuant to any actual or alleged infringement or misappropriation of any third Party's intellectual property rights by any of the Supplier-provided Deliverables, Products, Software, Services, Solution, including Solution Components, Application and Licensed Services, as applicable, or Supplier's performance, and in addition to all other obligations of Supplier in this Section, Supplier shall at its expense, either (a) procure for all Authorized Users the right to continue use of such infringing Deliverables, Products, Software, Services, Solution, including Solution Components, Application and Licensed Services, as applicable, or any component thereof; or (b) replace or modify such infringing Deliverables, Products, Software, Services, Solution, including Solution Components, Application and Licensed Services, as applicable, or any component thereof, with non-infringing Deliverables, Products, Software, Services, Solution or Solution Component(s), Application and Licensed Services, as applicable, satisfactory to VITA.

And in addition, Supplier shall provide any Authorized User with a comparable temporary replacement products and/or services or reimburse VITA or any Authorized User for the reasonable costs incurred by VITA or such Authorized User in obtaining an alternative product or service, in the event such Authorized User cannot use the affected Deliverable, Product, Software, Services, Solution or Solution Component(s), Application and Licensed Services, as applicable, or any component thereof. If Supplier cannot accomplish any of the foregoing within a reasonable time and at commercially reasonable rates, then Supplier shall accept the return of the infringing Deliverables, Products, Software, Services, Solution, Solution Component, Application and Licensed Services, as applicable, or any component thereof, along with any other components rendered unusable by any Authorized User as a result of the infringing component, and refund the price paid to Supplier for such components.

## **B. Liability**

Except for liability with respect to:

- (i) any intentional or willful misconduct or negligence of any employee, agent, or subcontractor of Supplier,
- (ii) any act or omission of any employee, agent, or subcontractor of Supplier,
- (iii) claims for bodily injury, including death, and real and tangible property damage,
- (iv) Supplier's indemnification obligations,
- (v) Supplier's confidentiality obligations,
- (vi) Supplier's security compliance obligations, and



(vii) Supplier's data privacy and security obligations as specified under this Contract, Supplier's liability shall be limited to twice the aggregate value of the delivered and accepted Deliverables, Products, Software, Services, Solution, including Solution Components, Application and Licensed Services, as applicable, provided by Supplier to all Authorized Users under this Contract. Supplier agrees that it is fully responsible for all acts and omissions of its employees, agents, and subcontractors, including their gross negligence or willful misconduct. The limitation shall apply on a per-incident basis, it being understood that multiple losses stemming from the same root cause constitute a single incident.

**FOR ALL OTHER CONTRACTUAL CLAIMS, IN NO EVENT WILL ANY PARTY BE LIABLE TO ANY OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING (WITHOUT LIMITATION) LOSS OF PROFIT, INCOME OR SAVINGS, EVEN IF ADVISED OF THE POSSIBILITY THEREOF, EXCEPT WHEN SUCH DAMAGES ARE CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE PARTY, ITS EMPLOYEES, AGENTS OR SUBCONTRACTORS.**

## **19. INSURANCE**

In addition to the insurance coverage required by law as referenced in the "Incorporated Contractual Provisions" section of this Contract, Supplier shall carry:

Errors and omissions insurance coverage in the amount of \$2,000,000 per occurrence.

## **20. SECURITY COMPLIANCE**

Supplier shall comply with all provisions of the then-current Commonwealth security procedures, published by VITA and which may be found at: <https://www.vita.virginia.gov/it-governance/itrm-policies-standards/>, or any successor URL(s), as are pertinent to Supplier's operation. Further, Supplier shall comply with all applicable provisions of the relevant Authorized User's then-current security procedures as are pertinent to Supplier's operation and that have been provided to Supplier by the Authorized User. Supplier shall also comply with all applicable federal, state, and local laws and regulations. Any unauthorized release of proprietary or Personal information by the Supplier or any Supplier Personnel shall constitute a breach of Supplier's obligations under this Section and the Contract.

Supplier shall ensure performance of an audit of Supplier's environment at least annually to provide assurance of "Controls Relevant to Security, Availability, Processing Integrity, Confidentiality or Privacy" in accordance with the then-current standards set forth by the American Institute of CPAs.

VITA reserves the right to review Supplier's information security program prior to the commencement of Licensed Services and at least once annually during the term of this Agreement. During the performance of the Licensed Services, and on an annual basis, VITA will be entitled, at its own expense, to perform, or to have performed, an on-site audit of Supplier's information security program. In lieu of an on-site audit, upon request by VITA, Supplier shall implement any reasonably required safeguards as identified by any program audit.

## **21. BANKRUPTCY**

If Supplier becomes insolvent, takes any step leading to its cessation as a going concern, fails to pay its debts as they become due, or ceases business operations continuously for longer than 15 business days, then VITA may immediately terminate this Contract, and an Authorized User may terminate an order or SOW, on notice to Supplier unless Supplier immediately gives VITA or such Authorized User adequate assurance of the future performance of this Contract or the applicable order or SOW. If bankruptcy proceedings are commenced with respect to Supplier, and if this Contract has not otherwise terminated, then VITA may suspend all further performance of this Contract until Supplier assumes this Contract and provides adequate assurance of performance thereof or rejects this Contract pursuant to Section 365 of the Bankruptcy Code or any similar or successor provision, it being agreed by VITA and Supplier that this is an executory contract. Any such suspension of further performance by VITA or Authorized User pending Supplier's assumption or rejection shall not be a breach of this Contract, and shall not affect the rights of VITA or any Authorized User to pursue or enforce any of its rights under this Contract or otherwise.

## 22. GENERAL PROVISIONS

### A. Relationship Between VITA and Authorized User and Supplier

Supplier has no authority to contract for VITA or any Authorized User or in any way to bind, to commit VITA or any Authorized User to any agreement of any kind, or to assume any liabilities of any nature in the name of or on behalf of VITA or any Authorized User. Under no circumstances shall Supplier, or any of its employees, hold itself out as or be considered an agent or an employee of VITA or any Authorized User, and neither VITA nor any Authorized User shall have any duty to provide or maintain any insurance or other employee benefits on behalf of Supplier or its employees. Supplier represents and warrants that it is an independent contractor for purposes of federal, state and local employment taxes and agrees that neither VITA nor any Authorized User is responsible to collect or withhold any federal, state or local employment taxes, including, but not limited to, income tax withholding and social security contributions, for Supplier. Any and all taxes, interest or penalties, (including, but not limited to, any federal, state or local withholding or employment taxes, and any penalties related to health care or employee benefits laws) that are imposed, assessed or levied as a result of this Contract or Services performed pursuant to this Contract shall be paid or withheld by Supplier or, if assessed against and paid by VITA or any Authorized User, shall be reimbursed by Supplier upon demand by VITA or such Authorized User.

### B. Incorporated Contractual Provisions

The contractual provisions at the following URL, or any successor URL(s), are mandatory contractual provisions, required by law or by VITA, and are incorporated by reference:

<https://www.vita.virginia.gov/media/vitavirginiagov/supply-chain/pdf/StatutorilyMandatedTsandCs.pdf>.

The contractual claims provision of § 2.2-4363 of the Code of Virginia and the required eVA provisions found at <https://www.vita.virginia.gov/media/vitavirginiagov/supply-chain/pdf/eVATsandCs.pdf>, or any successor URL(s), are also incorporated by reference.

IRS Publication 1075 applies to any orders or SOWs issued by an Authorized User under the Contract that will or may include the entry, handling, processing, storage, movement, sharing of, or access to, FTI by Supplier, or any Subcontractor of Supplier, in any manner. The Tax Information Security Guidelines for Federal, State and Local Agencies – Exhibit 7, Safeguarding Contract Language, as appropriate, and the requirements specified in Exhibit 7 in accordance with IRC§ 6103(n) are included by reference and are located at:

[https://www.vita.virginia.gov/media/vitavirginiagov/supply-chain/pdf/Mandatory\\_IRS\\_Pub\\_1075\\_for\\_FTI\\_data.pdf](https://www.vita.virginia.gov/media/vitavirginiagov/supply-chain/pdf/Mandatory_IRS_Pub_1075_for_FTI_data.pdf), or any successor URL(s). Supplier

hereby acknowledges that it will comply with all applicable requirements of these terms and IRS Publication 1075 in its entirety. Non-compliance with the terms and IRS Publication 1075 may be deemed, solely by VITA, as a material breach of the applicable order or SOW or of the Contract. Supplier is responsible for verifying the correct and current version of this IRS publication and related safeguarding terms language and acknowledges that any Authorized User issuing the order or SOW will be held harmless.

The terms and conditions in documents posted to the aforereferenced URLs are subject to change pursuant to action by the legislature of the Commonwealth of Virginia, change in VITA policy, adoption of revised eVA business requirements, or change to IRS Publication 1075. Supplier is responsible for verifying the correct and current version of this IRS publication and related safeguarding terms language and acknowledges that VITA Authorized User issuing the order or SOW will be held harmless. If a change is made to the mandatory terms and conditions, a new effective date will be noted in the document title. Supplier is advised to check the URLs periodically.

### C. Compliance with the Federal Lobbying Act

Supplier's signed certification of compliance with 31 USC 1352 (entitled "Limitation on use of appropriated funds to influence certain Federal Contracting and financial transactions") or by the regulations issued from time to time thereunder (together, the "Lobbying Act") is incorporated as an exhibit to this Contract.



**D. Governing Law**

This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia without regard to that body of law controlling choice of law. Any and all litigation shall be brought in the circuit courts of the Commonwealth of Virginia. The English language version of this Contract prevails when interpreting this Contract. The United Nations Convention on Contracts for the International Sale of Goods and all other laws and international treaties or conventions relating to the sale of goods are expressly disclaimed. UCITA shall apply to this Contract only to the extent required by §59.1-501.15 of the Code of Virginia.

**E. Dispute Resolution**

In accordance with §2.2-4363 of the Code of Virginia, Contractual claims, whether for money or other relief, shall be submitted in writing to the public body from whom the relief is sought no later than sixty (60) days after final payment; however, written notice of the Supplier's intention to file such claim must be given to such public body at the time of the occurrence or beginning of the work upon which the claim is based. Pendency of claims shall not delay payment of amounts agreed due in the final payment. The relevant public body shall render a final decision in writing within thirty (30) days after its receipt of the Supplier's written claim.

The Supplier may not invoke any available administrative procedure under §2.2-4365 of the Code of Virginia nor institute legal action prior to receipt of the decision of the relevant public body on the claim, unless that public body fails to render its decision within thirty (30) days. The decision of the relevant public body shall be final and conclusive unless the Supplier, within six (6) months of the date of the final decision on the claim, invokes appropriate action under §2.2-4364, Code of Virginia or the administrative procedure authorized by §2.2-4365, Code of Virginia.

Upon request from the public body from whom the relief is sought, Supplier agrees to submit any and all contractual disputes arising from this Contract to such public body's alternative dispute resolution (ADR) procedures, if any. Supplier may invoke such public body's ADR procedures, if any, at any time and concurrently with any other statutory remedies prescribed by the Code of Virginia.

In the event of any breach by a public body or a private institution, Supplier's remedies shall be limited to claims for damages and Prompt Payment Act interest and, if available and warranted, equitable relief, all such claims to be processed pursuant to this Section. In no event shall Supplier's remedies include the right to terminate any license or support services hereunder.

**F. Advertising and Use of Proprietary Marks**

Supplier shall not use the name of VITA or any Authorized User or refer to VITA or any Authorized User, directly or indirectly, in any press release or formal advertisement without receiving prior written consent of VITA or such Authorized User. In no event may Supplier use a proprietary mark of VITA or an Authorized User without receiving the prior written consent of VITA or the Authorized User.

**G. Notices**

Any notice required or permitted to be given under this Contract shall be in writing and shall be deemed to have been sufficiently given if delivered in person, or if deposited in the U.S. mails, postage prepaid, for mailing by registered, certified mail, or overnight courier service addressed to:

i. To VITA and to Supplier, if Supplier is incorporated in the Commonwealth of Virginia, to the addresses shown on the signature page.

ii. To Supplier, if Supplier is incorporated outside the Commonwealth of Virginia, to the Registered Agent registered with the Virginia State Corporation Commission.

Pursuant to Title 13.1 of the Code of Virginia, VITA or Supplier may change its address for notice purposes by giving the other notice of such change in accordance with this Section.

Administrative contract renewals, modifications or non-claim related notices are excluded from the above requirement. Such written and/or executed contract administration actions may be processed by the assigned VITA and Supplier points of contact for this Contract and may be given in person, via U.S. mail, courier service or electronically.



**H. No Waiver**

Any failure to enforce any terms of this Contract shall not constitute a waiver.

**I. Assignment**

This Contract shall be binding upon and shall inure to the benefit of the permitted successors and assigns of VITA and Supplier. Supplier may not assign, subcontract, delegate or otherwise convey this Contract or any of its rights and obligations hereunder, to any entity without the prior written consent of VITA, and any such attempted assignment or subcontracting without consent shall be void. VITA may assign this Contract to any entity, so long as the assignee agrees in writing to be bound by the all the terms and conditions of this Contract.

If any law limits the right of VITA or Supplier to prohibit assignment or nonconsensual assignments, the effective date of the assignment shall be 30 days after the Supplier gives VITA prompt written notice of the assignment, signed by authorized representatives of both the Supplier and the assignee. Any payments made prior to receipt of such notification shall not be covered by this assignment.

**J. Severability**

Invalidity of any term of this Contract, in whole or in part, shall not affect the validity of any other term. VITA and Supplier further agree that in the event such provision is an essential part of this Contract, they shall immediately begin negotiations for a suitable replacement provision.

**K. Survival**

Any provisions of this Contract regarding Software License, Rights To Work Product, Warranty, Escrow, Confidentiality, Content Privacy and Security, Liability, Indemnification, Transition of Services, and the General Provisions shall survive the expiration or termination of this Contract.

**L. Force Majeure**

No Party shall be responsible for failure to meet its obligations under this Contract if the failure arises from causes beyond the control and without the fault or negligence of the non-performing Party. If any performance date under this Contract is postponed or extended pursuant to this section for longer than 30 calendar days, VITA, by written notice given during the postponement or extension, may terminate Supplier's right to render further performance after the effective date of termination without liability for that termination, and in addition an Authorized User may terminate any order or SOW affected by such postponement or delay.

**M. Remedies**

The remedies set forth in this Contract are intended to be cumulative. In addition to any specific remedy, VITA and all Authorized Users reserve any and all other remedies that may be available at law or in equity.

**N. Right to Audit**

VITA reserves the right to audit those Supplier records that relate to the Contract or any SOWs or orders issued there under. VITA's right to audit shall be limited as follows:

- i. 3 years from end date of the Contract;
- ii. Performed at Supplier's premises, during normal business hours at mutually agreed upon times; and
- iii. Excludes access to Supplier cost information. In no event shall Supplier have the right to audit, or require to have audited, VITA or any Authorized User.

**O. Taxes**

The Commonwealth is exempt from Federal excise and all State and Local taxes and any such taxes may not be included in Contract prices. Tax certificates of exemption, Form ST-12 can be obtained from Authorized Users upon request. Deliveries against this Contract shall be free of Federal excise and transportation taxes. The Commonwealth's excise tax exemption registration number is 54-73-0076K.

**P. Currency**

All prices, costs, or fees in this Contract and all exhibits, schedules, orders, or SOWs will be in United States dollars.

**Q. Contract Administration**

Supplier agrees that at all times during the term of this Contract an account executive, at Supplier's senior management level, shall be assigned and available to VITA. Supplier reserves the right to change such account executive upon reasonable advance written notice to VITA.

**R. Captions**

The captions are for convenience and in no way define, limit or enlarge the scope of this Contract or any of its Sections.

**S. Entire Contract**

The following Exhibits, including all subparts thereof, are attached to this Contract and are made a part of this Contract for all purposes:

Exhibit A – Software Functional Requirements

Exhibit B – Software Product List, License Fee and Service Charges

Exhibit C – Software Maintenance Services description

Exhibit E – Executive Branch Agency - SaaS ordering instructions

Exhibit F - Certification Regarding Lobbying

Exhibit G - Supplier Procurement and Subcontracting Plan

This Contract, its Exhibits, and any prior non-disclosure agreement constitute the entire agreement between VITA and Supplier and supersede any and all previous representations, understandings, discussions or agreements between VITA and Supplier as to the subject matter hereof. Any and all terms and conditions contained in, incorporated into, or referenced by the Supplier's Proposal shall be deemed invalid. The provisions of the Virginia Department of General Services, Division of Purchases and Supply Vendor's Manual shall not apply to this Contract or any order issued hereunder. This Contract may only be amended by an instrument in writing signed by VITA and Supplier. In the event of a conflict, the following order of precedence shall apply: this Contract document, An Authorized User and Supplier may enter into an ordering agreement pursuant to this Contract. To the extent that such ordering agreement, or any order or SOW issued hereunder, include any terms and conditions inconsistent with the terms and conditions of this Contract, such terms and conditions shall be of no force and effect.

VITA and Supplier each acknowledge that it has had the opportunity to review this Contract and to obtain appropriate legal review if it so chose.

**T. Order of Precedence**

In the event of a conflict, the following order of precedence shall apply: this Contract document, Exhibit A, Exhibit B, Exhibit C, any individual SOW then any project specific order. In the event of a conflict or inconsistency between the negotiated terms of this Contract and any provision incorporated by reference into the Contract (e.g., a section of a License Agreement), the negotiated terms of this Contract will take precedence. For purposes of this section, a "conflict" exists with respect to a subject that has been comprehensively addressed in the Contract when supplementary terms contained in a provision incorporated by reference would alter the rights and obligations of the Parties set forth in the Contract.

**U. Counterparts and Electronic Signatures**

This Contract may be executed in multiple counterparts, each of which, when assembled to include an original signature for each Party to this Contract, will constitute a complete and fully executed original. All fully executed original counterparts will collectively constitute a single agreement. Signatures transmitted by fax or electronic mail (in portable data format (PDF)) are also permitted as binding signatures to this Contract.

**V. Opportunity to Review**

VITA and Supplier each acknowledge that it has had the opportunity to review this Contract and to obtain appropriate legal review if it so chose.

[SIGNATURE PAGE(S) TO FOLLOW]

Signed and effective as of the last date set forth below by the undersigned authorized representatives of VITA and Supplier.

Daly Computers Inc

By: Ryan Yu  
(Signature)

Name: RYAN YU  
(Print)

Title: President

Date: 9/11/2018

Address for Notice:

Daly Computers  
22521 Gateway Center Drive  
Clarksburg, MD 20871

Attention: Ryan Yu

VITA

By: Nelson P. McEl  
(Signature)

Name: NEILSON P. McEL  
(Print)

Title: CTO OF The Commonwealth

Date: 9/17/18

Address for Notice:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: Contract Administrator

## Appendix E Requirements

	Description
5.1	General
5.2	Reports
5.3	Related Services

	5.1 General	A	B
5.1.1	<p>Does your Solution comply with all current COV ITRM Policies and Standards, as applicable, found at:  <a href="http://www.vita.virginia.gov/library/default.aspx?id=537">http://www.vita.virginia.gov/library/default.aspx?id=537</a>.</p> <p>If proposed solution does not, please provide details that specify the Standard/Policy and how Supplier's solution does not comply.</p>	Y	<p>Daly's solution complies with current COV ITRM Policies and Standards.</p> <p>Daly has reviewed the Commonwealth of Virginia Information Security Program that provides the framework and practices for Agencies to use in securing their information.</p>
5.1.2	<p>Do your proposed interfaces, to Commonwealth systems, comply with or have approved exceptions to all applicable Commonwealth Data Standards as found at:  <a href="http://www.vita.virginia.gov/oversight/default.aspx?id=10344">http://www.vita.virginia.gov/oversight/default.aspx?id=10344</a></p> <p>If not, please explain.</p>	Y	<p>Daly's current interfaces to Commonwealth systems comply with applicable Commonwealth Data Standards as specified. For example, Daly has worked with VITA for many years in providing its ecommerce punch-out services.</p>



	5.1 General	A	B
5.1.3	<p>Does your Solution provide effective, interactive control and use with nonvisual means and provide 508 Compliance in accordance with the following standard regarding IT Accessibility and 508 Compliance:</p> <p><a href="http://www.vita.virginia.gov/uploadedFiles/Library/AccessibilityStandard_GOV103-00_Eff_11-04-05.pdf">http://www.vita.virginia.gov/uploadedFiles/Library/AccessibilityStandard_GOV103-00_Eff_11-04-05.pdf</a> (Refer to <a href="http://www.section508.gov">www.section508.gov</a> and <a href="http://www.access-board.gov">www.access-board.gov</a> for further information)</p> <p>If yes, please describe how this functionality is achieved and include a completed Voluntary Product Accessibility Template (VPAT) with your proposal: (The VPAT template is located in APPENDIX C of the Accessibility Standard (GOV103-00)).</p> <p>If no, does your solution/application/product provide alternate accessibility functionality? Please describe.</p> <p>If not applicable to this procurement, mark "N/A."</p>	F	<p>In the past several years, Daly has worked with its web development team to have its web site 508 compliant. A recent accessibility analysis of Daly's web site using the tool from the Bureau of Internet Accessibility has found that the site has failed in several checkpoints. Subsequently, Daly has an initiative to have this remedied in the coming weeks. Daly is reviewing a proposal from Accessibility Partners, LLC, a Section 508 web consulting firm to have its web site 508 compliant. A copy of the proposal is available upon request.</p>
5.1.4	<p>Does your Solution require incorporating subcontractors or alliances to provide sales/service coverage for the entire Commonwealth of Virginia or will you provide all in-house sale/service personnel? Please explain.</p>	Y	<p>Daly maintains the sales and technical resources in house to provide sales / service coverage for the entire Commonwealth of Virginia. In response to the small business and SWaM requirement of this solicitation, when appropriate, Daly will use a qualified Virginia certified SWaM to deliver on the needed technical services.</p>

	5.1 General	A	B
5.1.5	VITA encourages Suppliers to develop a catalog website that <i>interfaces</i> with eVA. Can your Solution produce a punch-out catalog website? Refer to: <a href="http://www.eva.virginia.gov/vendors/pages/catalogcreation.htm">http://www.eva.virginia.gov/vendors/pages/catalogcreation.htm</a> Please provide either screen shots or a link to serve as an example.	Y	Daly Computers currently already maintains several punch-out catalogs, some of which are for Daly's current VITA contracts. Should Daly be awarded a contract under this solicitation, it will provide a catalog website that interfaces with eVA for this contract. Sample screen shot of Daly's current VITA punch-out catalog is shown in Exhibit 1.
5.1.6	Does your Solution include a detailed comprehensive list of COTS software available under each manufacturer that your firm is authorized to sell? Please provide details.	Y	Daly is proposing a comprehensive list of COTS software available under each of the manufacturers proposed. The detail list of the manufacturers' products is very extensive, exceeding hundreds of thousands of line items, and is too lengthy to print. Detail list can be found online at Daly's ecommerce site at <a href="http://www.daly.com">www.daly.com</a> . A list of the COTS manufacturers that Daly offers is shown in Exhibit 2.
5.1.7	Does your Solution have the ability to have a catalog website up, functioning and interfacing with eVA within 30 days of contract award? Please provide details.	Y	Daly currently already maintains several punch-out catalogs for VITA. Daly will have a catalog website for this contract up, functioning and interfacing with eVA within 30 days of contract award.
5.1.8	Does your Solution have the ability to have individual portals for each agency to view purchase history, updates and expirations to maintain compliance? Please provide details.	Y	Daly can provide each agency a secure web portal to view their software purchase history, updates and expirations. Only authorized personnel from each agency will have access to this secure portal. A sample screen shot of this portal is shown in Exhibit 3.



	5.1 General	A	B
5.1.9	Does your Solution include a dedicated account management team? Please provide details.	Y	<p>Daly maintains a dedicated account management team to Serve VITA, this contract and the Commonwealth of Virginia. The management teams consists of the following key personnel:</p> <p>Ryan Yu - President  Jeff DiBella - Director of Sales  Janet Kelman - Director of Operations  Afgem Shiek - Director of Marketing  Ray Morton - Director of Technical Services  Jim Rowland - Chief Technology Officer  Diane Gasper-Jones - Sales Manager  John Brophy – Senior Account Executive and Manager responsible for interfacing and visiting VITA on a weekly basis. John Brophy has been with Daly for over 20 years and is intimately familiar with all aspect of the company.  Dan Thompson – Senior Account Executive and Manager responsible for visiting and supporting government agencies in the western part of the Commonwealth.  Richard Cope - Senior Account Executive and Manager responsible for visiting and supporting government agencies in Northern Virginia and Tide Water region.  Steven Carter - Senior Account Executive and Manager responsible for visiting and supporting government agencies from Northern Virginia and the Richmond area.</p> <p>Customers are welcome to call anyone on the above list. Detail information of the personnel listed above is shown in Exhibit 4.</p>

	5.1 General	A	B
5.1.10	Does your Solution include an account management team with experience working with State and local government ? Please provide details.	Y	Daly's account management has over 30 years of experience working with state and local governments; in Virginia, regionally and nationwide. For example, Daly has held a Commonwealth of Virginia statewide IT contract for over 19 years straight dating back to awards from the former Virginia Department of Information Technology. In this capacity, Daly has worked with various executive and non-executive state agencies and local governments. As an example of an extensive local government working relationship, Daly received its first IT contract from Fairfax County Government in 1995. Daly continues to work with Fairfax County now under several IT contract awards. From a regional perspective, Daly has held a Maryland statewide IT contract for over 29 years straight and works with most of the state and local government. In this period, Daly has also held government contracts in the State of Florida, Commonwealth of Pennsylvania, State of Illinois and other states.
5.1.11	Does your Solution include more than one field account executive? Please provide details.	Y	Daly has several field account executives that will be assigned to this contract. They are John Brophy, Dan Thompson, Richard Cope, and Steven Carter. Additional field account support personnel will include project managers and technical support personnel. They are David Whipp, Andrea Powell, and Ron Domowicz. See Exhibit 4 for their contact information.

	5.1 General	A	B
5.1.12	Does your Solution have the marketing ability and resources to promote this contract to schools, universities, localities and state agencies? Please provide marketing plan and examples of marketing tools.	Y	<p>Daly has in place the marketing programs and resources to promote this contract to schools, universities, localities, and state agencies statewide. Daly maintains a dedicated in house Marketing Department and believes that it has one of the strongest and most proactive marketing programs in the Commonwealth. For the past 18 years, its marketing campaigns have actively reached out to all sectors of the Virginia state / local governments, educational institutions, non-Executive branch and Executive branch state agencies. Daly believes that its ability to market and promote this contract is second to none. Daly's marketing goals are as follows:</p> <ul style="list-style-type: none"> <li>• Promote the contract, its offerings and its advantages to all parties eligible to use the contract.</li> <li>• Educate the customer base on the contract details, the usage of the contract, and show customers how the contract can be utilized to obtain their needed solutions.</li> <li>• Educate customers on the benefits of the various technologies and related solutions from the manufacturers proposed.</li> <li>• Advertise solutions that can be customized to the customer's specific needs.</li> <li>• Endeavor to make this contract the most used contract vehicle in the Commonwealth for the technologies, and solutions proposed.</li> <li>• Put Daly in the leadership position in terms of contract buys and usages.</li> </ul> <p>In addition to participating in most of the Virginia government and education technology events that occur each year, Daly continues to proactively host its own technology shows and events several times a year in different parts of the Commonwealth. In each of Daly's larger hosted events, at least 20 to 25 of Daly's technology/vendor partners are invited to showcase their technologies and share with the Commonwealth various state of the art technology solutions and best business practices.</p>

	5.1 General	A	B
			<p>Daly's field account executives, inside sales staff as well as its marketing personnel are constantly visiting and talking to customers on a daily basis in regards to state contracts, their usages, technology trends and various IT solutions. Our marketing efforts try to incorporate knowledge gained from customers located statewide into productive email and web campaigns, mailers, promo events, demonstration campaigns, and other fun filled technology / education related events.</p> <p>Daly is always open to marketing ideas and welcomes customer's feedback on our marketing programs, performances and events. We want to know what more we can do for our customers. Simply call and talk to us. Many of our marketing events are a result of customer's requests.</p>
5.1.13	Does your Solution allow the use of purchasing cards, credit cards and eVA for small purchases? Please provide details.	Y	<p>Under this contract, Daly accepts purchasing cards, credit cards, and eVA punch-out catalog orders for customer purchases. Customers can purchase products directly from Daly's ecommerce site using their credit cards. This ecommerce site also accepts customer purchase orders. Customers can of course always access Daly's ecommerce site via the eVA punch-out process and make the desired purchases. A screen shot of Daly's eVA punch-out catalog is shown in Exhibit 1 and a screen shot of Daly's ecommerce site with various purchase options is shown in Exhibit 5.</p>

	5.1 General	A	B
5.1.14	Does your Solution provide product incentives, credits and or rebate programs? Please provide details.	Y	<p>Daly offers a variety of product incentives, credits and rebate programs to its government and education customers. Examples of some such programs are as follows:</p> <p><u>Incentive Programs</u></p> <ol style="list-style-type: none"> <li>1. Additional significant discounts above and beyond the proposed contract price may be available based on identified large volume purchases and requirements.</li> <li>2. Additional discounts may be available during a manufacturer's quarter or fiscal year end cycle or during a product promotion campaign. Daly will proactively provide such information.</li> <li>3. Significantly discounted licenses or perhaps even free licenses may be available from a software manufacturer, when that particular manufacturer is promoting certain newly released product sets.</li> <li>4. Most often, software incentives may be in the form of significant discounts and or credits.</li> </ol> <p>Daly's incentive programs are primarily driven by its availability from the manufacturers. Working with the customer institutions, incentive programs can be crafted that will meet the customer's specific needs.</p> <p><u>Rebate Program</u></p> <p>Rebate programs are typically associated with new equipment purchases.</p>
5.1.15	Does your Solution provide additional discounts on software maintenance? Please describe.	Y	<p>Additional discounts on software maintenance are available from time to time. These discounts on software maintenance are typically based on volume purchases. At times these additional discounts are readily available during a manufacturer's promotion period and or year end / quarter end sales periods. When available, Daly will certainly work closely with the customer to obtain these additional discounts.</p>
5.1.16	Does your Solution offer a comprehensive catalog of COTS Software? Please describe.	Y	<p>A list of the COTS manufacturers that Daly offers is shown in Exhibit 2. The detail list of the manufacturers' products is very extensive, exceeding hundreds of thousands of line items, and is too lengthy to print. Detail list can be found online at Daly's ecommerce site at <a href="http://www.daly.com">www.daly.com</a>.</p>



	<b>5.2 Reports</b>	<b>A</b>	<b>B</b>
<b>5.2.1</b>	Does your Solution include standardized invoicing and reporting formats to VITA and all other public bodies?	<b>Y</b>	Daly provides standardized invoicing and reporting formats to VITA and all public bodies. Sample copies of these invoices and reports are shown in Exhibit 6. Please note that Daly will customize its invoicing and reporting formats to VITA upon request.
<b>5.2.2</b>	Does your Solution include reports on request to users detailing software products that have been placed in any of their locations? Please provide examples.	<b>Y</b>	Daly Computers can easily generate and provide a variety of reports detailing software products and orders that have been placed in any of its customer's locations. Daly's ERP system meticulously records and tracks all products shipped to all customer locations. Products are categorized as software and a variety of hardware categories for easy distinctions. For software products, detail information includes but is not limited to the following: part numbers, descriptions, quantities purchased, unit and or extended price, maintenance or contract numbers if any, quantities shipped, customer PO numbers, buying agency and their information, delivered locations and contact person, date shipped, Daly's invoice numbers, etc. Some sample reports are shown in Exhibit 7. All requested information is available in hard and or electronic copy via email or online access.



	5.2 Reports	A	B
5.2.3	Does your Solution include additional reports that would be an added value to the Commonwealth? Please describe and provide examples.	Y	<p>Daly can provide a variety of reports that may be of added value and benefits to the Commonwealth. Some such reports are as follows:</p> <ol style="list-style-type: none"> <li>1. A comprehensive report of all products purchased by the Commonwealth to include related services purchased.</li> <li>2. Complete purchase report by departments.</li> <li>3. Reports documenting software licensing and their maintenance schedule. This information is important for server related software such as VMware, Adobe, Microsoft, etc. This information allows customers to properly plan their budget and upgrade schedule.</li> <li>4. Complete asset inventory report listed by products per location as well as unit price, maintenance starts and end dates, etc. Daly can also conduct onsite asset inventory audits on customer's software.</li> <li>5. Complete service call history report and trending charts.</li> <li>6. Various trending reports can be provided based on customer's specifications.</li> <li>7. By tracking customer's purchases, Daly can help the customers manage their assets.</li> </ol> <p>Daly's account managers and project managers will work closely with the customers to design reports that will bring added value and meet the customer's specific requirements. As a VAR and a total solution provider, it is Daly's mission to constantly find ways to provide additional value for its customers. All information can be available in hard copy and or electronic copy. Examples of some of the value add reports are shown in Exhibit 8.</p>

	5.3 Services	A	B
5.3.1	Does your Solution include COTS software installation services? Please provide details.	Y	Daly maintains engineers, subject matter experts and technical personnel to provide Commonwealth customers with onsite and offsite COTS software installation services. Daly technical personnel are available to provide COTS installation services at the customer site statewide. If the customer is purchasing the computers from Daly, Daly can with the permission of the customer and with the proper licensing key from the customer, preinstall the COTS software onto the ordered computers.
5.3.2	Does your Solution include COTS software training services? Please provide details.	Y	<p>Daly's proposed solution provides customers with a wide variety of training services. They include:</p> <ul style="list-style-type: none"> <li>• Instructor led onsite training at customer site</li> <li>• Instructor led offsite training at a convenient location for the customer</li> <li>• Instructor led offsite training provided by Daly during one of its many technology briefing events held statewide</li> <li>• Instructor led WebEx online training</li> <li>• Online training with self-help functions</li> </ul> <p>Daly maintains a customer training division led by former school teachers and technical personnel. Instructor led training services will be conducted by these personnel. At times, software manufacturer's technical personnel will be called upon to help with the instructor led training also.</p>
5.3.3	Does your Solution include software maintenance that offers online self help functions? Please provide details.	Y	<p>Most commercial off the shelf COTS software has software maintenance that offers software self-help functions. These self-help functions are either embedded in the application already or they are available via online from the manufacturer's web site. The online self-help features may either be free and included with the initial purchase price or if the help requires in-depth engineering coding may not be free. Some software maintenance packages are purchased separately and include free upgrades of the software for a designated period of time.</p> <p>To complement the online self-help functions, most COTS software have other "help" avenues. They include: web site with "Frequently Asked Questions (FAQ)", online software user groups, manufacturer sponsored online "knowledge base", manufacturer online help support groups, etc.</p>

	5.3 Services	A	B
5.3.4	Does your Solution include software maintenance support via email? Please provide details.	Y	Daly's solution includes software maintenance via email. The email support will either be provided by Daly's technical services personnel or from the software manufacturers. Daly's sales, project management and or technical personnel are available to work with the customers to make sure that the customers are aware of the options and have access to the desired resources.
5.3.5	Does your Solution include remote technical support? Please provide details.	Y	<p>Daly provides customers with various types of remote technical support. They include the following:</p> <ol style="list-style-type: none"> <li>1. Daly' technical support team can remotely access the customer's computer system and provide real time "on the spot" virtual support using either WebEx, Zoom, TeamViewer, or other preferred access methods. This process requires customer's specific permission.</li> <li>2. Customers calling Daly's toll free technical support line at (800) DALY-TEC.</li> <li>3. Customers reaching out to Daly's help desk at support@daly.com.</li> </ol> <p>Customers also have the option to reach out to the software manufacturers' technical support line via their website or toll free number. Many software manufacturers also provide remote access technical support services.</p>

	5.3 Services	A	B
5.3.6	Does your Solution include a customer support program? Please describe your firm's ability to keep users informed of new products, changes in technology, advanced specification documentation and other market information.	Y	<p>Daly Computers has been working with the Commonwealth of Virginia state local governments and educational institutions for over 15 years and has a long track record of proactively informing its customers of new products, changes in technology, advanced specification documentation and other market information. A combination of different approaches is used to achieve optimal results. The approaches include the following combination of activities:</p> <ol style="list-style-type: none"> <li>1. Throughout the year, Daly's field account executives and project managers visit customers statewide disseminating vital product information, technology trends, best business practices, and future technology roadmaps.</li> <li>2. Daly's inside sales reps along with Daly's marketing personnel call on customers throughout the year disseminating important change information. Daly maintains its own in-house telemarketing team.</li> <li>3. Technology seminars, technology briefings, and technology roadmap presentations are conducted throughout the year at different customer sites or at a convenient off site location.</li> <li>4. Daly's web site connects users to different current industry trends and technologies.</li> <li>5. Daly's ecommerce engine has a feature that effectively compares the specifications from different products.</li> <li>6. Mailers and email notices are sent out throughout the year informing customers of different product information, news, and trends.</li> <li>7. Daly actively works with its manufacturer partners throughout the year to educate our customer base via technology events and seminars.</li> </ol>
			<p>Some other customer support programs available are as follows:</p> <ol style="list-style-type: none"> <li>1. Daly's help desk and call center are available to help customers.</li> <li>2. Consultation and engineering design services provided by Daly's senior engineers and solution architects.</li> <li>3. Programming services for application designs, implementation, and support.</li> <li>4. Technical resources for staff augmentation services.</li> <li>5. Project management services to support technology implementation and deployment services.</li> <li>6. Technology and program customization and design services.</li> </ol> <p>Daly will work with Virginia customers to design and optimize a support program that will meet the customer's specific requirements and needs.</p>



	5.3 Services	A	B
5.3.7	Does your Solution respond to an order within two (2) business hours? Please provide detail on how this will be accomplished.	Y	<p>Daly absolutely can and will respond to an order within two (2) business hours. Knowing that the Commonwealth of Virginia is a relatively large state with a diverse set of state and local government agencies and educational institutions, Daly has customized different response programs to suit those entities' requirements.</p> <p>For examples, Daly currently receives orders from Virginia state local governments and educational institutions in the following manners:</p> <ul style="list-style-type: none"> <li>• eVA orders (punch-out orders) received via online email notifications</li> <li>• Orders received via emails from the customers</li> <li>• Orders received directly into Daly's ecommerce site</li> <li>• Within the past two years, Daly's ERP system has been programmed to receive orders directly from customer's procurement systems via CXML.</li> </ul> <p>Automated email responses and acknowledgements are sent out immediately when the orders are received directly into Daly's ecommerce site or received directly into Daly's ERP system. For those orders that are sent in electronically but manually via emails, responses and acknowledgements are typically made within 2 hours. Responses are made either via emails and or telephone calls based on customer's preferences. For customers with relatively complex or large purchases, response times may vary depending on the amount of work needed to quality control the order.</p> <p>Orders that are clean with no problems (i.e. no pricing issues, correct product part numbers, correct quantities, correct ship to information, etc.), they are typically responded to and processed within 2 business hours.</p>



	5.3 Services	A	B
5.3.8	Does your Solution include 8am to 5pm EST software support? Please provide details.	Y	<p><u>From Daly's Technical Services Organization</u>  Daly's standard hour is 8am to 5pm EST. Off hour is defined as 5pm to 8am. Daly also offers help desk and call center technical support services. During these periods, software support services are available to all Commonwealth of Virginia customers. Depending on the scope and hours of the support, the software support may not be free. Customers can reach Daly's support line via the following methods:  Toll Free Tel: (888)DALY-TEC  Email: Support@daly.com  Service Web Portal: <a href="https://ww3.autotask.net/ClientPortal/Login.aspx?ci=8411">https://ww3.autotask.net/ClientPortal/Login.aspx?ci=8411</a></p> <p><u>From Daly's Sales</u>  Daly's sales organization is available 8am to 5pm EST. Our staff is committed to being available when required. As such if the customer needs off hours support, simply let us know and we will do all we can to be available during those hours. We do this for our customers all the time. Daly's sales staffs are often in the office by 7am and stay until after 6pm supporting its customers. Sales support can be reached via the following methods:  Tel: (800) 955-DALY, Email: vasales@daly.com, Fax: (301) 963-1516</p> <p><u>Mission Critical Response</u>  For mission critical support services, customers simply need to let us know what they need and we will craft a program to ensure that proper coverage and response are available and provided.</p>
5.3.9	Does your Solution include after hours software support? Please provide details.	Y	<p>A 7x24 help desk and call center is available from Daly for authorized customers. As such Daly can provide after-hours software support. After-hours software support is also available directly from the software manufacturers as part of the software maintenance program included and or purchased with the software program.</p>

	5.3 Services	A	B
5.3.10	Does your Solution's installation and maintenance technicians have and maintain current industry certifications? Please provide details and types of certifications.	Y	Daly's installation, service and maintenance technicians maintain a wide range of industry certifications. As a company policy, all Daly technicians must be A+ certified upon hiring or be A+ certified within 90 days of hiring in order to maintain its employment eligibility. Many technicians also attain Server+, Network+, Security+ and other industry certifications such as from Microsoft, VMware, Palo Alto, Aruba, Absolute, Adobe, etc. Daly technicians also are required to have expertise and certifications from at least one of the leading manufacturers such as HP, Lenovo, Aruba, or Smart Technologies. Samples certifications are shown in Exhibit 9.
5.3.11	Does your Solution have an in-house order tracking system that can be accessed 24 x7 by a user? Please provide details.	Y	<p>Daly has in-house order tracking system whereby customers can have the option to track their orders. If the order was placed on Daly's ecommerce site and processed through the online system, customers will receive automated notices and have the online option to track the shipment on Daly's ecommerce site. Screen shots of the order tracking steps are shown in Exhibit 10.</p> <p>If the order is placed through a PO process, customers will have the ability to track its order via several means. They include: 1) receiving an order status from Daly electronically or via email, 2) logging into an authorized secure web portal to track the status, or 3) receive status update from Daly's account manager or project manager. Typically for complex orders with installation and training schedules to multiple locations, a series of daily and or weekly order status reports will be sent to the customers. Examples of these reports are also shown in Exhibit 11. The sample reports shown are: order status with delivery dates and ETA dates; orders that have been delivered but not yet invoiced; invoice status reports on customer orders; and installation schedules on open orders. These are just some sample customized reports that Daly is generating for its customers. Customers can receive these reports automatically on a daily or weekly basis.</p>

	5.3 Services	A	B
5.3.12	Does your Solution offer any additional license tracking and inventory management services that would be an added value to the Commonwealth? Please describe and provide examples.	Y	<p>Daly can customize a variety of license tracking and inventory management services specific to customer's requirements. Information for such services will include but not limited to the following:</p> <ul style="list-style-type: none"> <li>• Software purchased by SKUs, quantities, and purchase price</li> <li>• License start and end dates</li> <li>• Services purchased, i.e. types of installation, training, and maintenance services purchased</li> <li>• Any enterprise license agreements</li> <li>• Software purchased by agency and locations</li> <li>• Software purchasers</li> </ul> <p>The above information is securely archived within Daly's ERP system and can be made available to authorized customers upon request. The information is available in electronic and hard copy formats. The electronic formats can be in Excel, Microsoft Access or other formats. The information is also available at a secure Daly website for customers to access and download. When requested, Daly can also provide technical and management resources to help customers assess, inventory, and or audit their inventory.</p> <p>Manufacturer license tracking and inventory management services when available will also be made available to the customers. Daly can either project manage and facilitate such services.</p>

	5.3 Services	A	B
5.3.13	Does your Solution provide any additional services that would be an added value to the Commonwealth? Please describe and provide examples.	Y	<p>With over 30 years of experience working in the public sector arena, Daly has learned from experience to provide solutions that are practical, cost effective, proven, and most importantly, the solution must have great value and a high return on investment for the customers. Combined that focus with the diversity of government and education customers within the Commonwealth, many of the most value added solutions developed and provided are customized. Listed below are some of the value added solutions that Daly can offer the Commonwealth under this contract:</p> <ul style="list-style-type: none"> <li>• Customized Training – Daly can customize trainings to accommodate all types of users from single user to groups of users. The users can be typical non-technical “end users” and to technical administrators. Trainings can be conducted on site, off site, and in class room type, conference room, or lecture hall type settings. Training contents and documentation can also be customized to the customer’s specific needs. A variety of online training is also available.</li> <li>• Installation Services – COTS software installation can be provided using a single user approach or in-mass via a network imaging technology. If customer is purchasing computers from Daly, Daly can also image the computers ahead of time with the customer’s images. Knowing that customized installation services is beyond the scope of the requirements of this contract, different customer environments across the Commonwealth may require that special accommodation and configuration be given to ensure that the COTS software operates properly in that particular user’s environment. Daly’s technical personnel working with the customers will determine such requirements.</li> <li>• Customized Maintenance – Maintenance programs can be customized to the customer’s specifications. Some such customizations may include: 7x24 access, basic or advance support, remote access support, various types of online help / support, software updates / upgrade support, and license co-termination support services, etc.</li> </ul>



	5.3 Services	A	B
			<ul style="list-style-type: none"> <li>• Project Management – For large and complex deployments, Daly will assign a project manager to work closely with the customer to ensure that all expectations are met to specifications.</li> <li>• License Co-Termination – Quite often government agencies and educational institutions purchase software throughout the year and the accompanying software license period can get quite complicated. Daly has operational and management personnel that can work with customers to sort out the various license expiration periods and work with the manufacturers to try and consolidate the software to co-terminate at the same time. This process helps future software purchases and the customer's budget management process.</li> <li>• Service Call Trends &amp; Monitoring – Daly can provide customers with a variety of reports detailing calls received. Reports based on these call trends may help customers determine their user base's training requirements. Daly is open to customizing various reports to the customer's specifications.</li> <li>• Statewide Software Assessment and Audit – Over the years, Daly has helped various government agencies audit their software inventory. Auditing services also include determining the software version levels, patch updates, and the customer's overall software management processes. These are quite important as part of an overall security concern.</li> <li>• License Management – Daly can customize programs to help customers manage their software license inventory by computer devices and or license count in the data center server and storage systems.</li> </ul> <p>Daly's technical personnel and project managers are opened to customer ideas and customizing programs that will enhance the customers' ability to effectively use and manage their software investment.</p>



## Appendix C Pricing

Enter discounts for publishers

Publisher	Gov't Discount %	Academic Discount %
ABSOLUTE	25.00%	25.00%
Adobe	1.00%	1.00%
Articulate	5.00%	5.00%
Autodesk	6.00%	6.00%
CA TECHNOLOGIES	5.00%	5.00%
Checkpoint	1.00%	1.00%
Citrix	1.00%	1.00%
CommVault	6.00%	6.00%
Corel	2.00%	5.00%
FARONICS	4.00%	3.00%
Flemaker	5.00%	5.00%
FourWinds	0.00%	0.00%
Google	13.00%	12.00%
IPSwitch	3.00%	3.00%
KOFAX	20.00%	20.00%
McAfee	15.00%	15.00%
Nuance	5.00%	6.00%
ONSSI	15.00%	15.00%
PaperCut	10.00%	10.00%
Parallels	10.00%	10.00%
Quest	4.00%	4.00%
Red Hat	4.00%	4.00%
SAP	5.00%	5.00%
SilverPeak	5.00%	6.00%
SMART Technologies	21.00%	10.00%
SOLARWINDS	5.00%	5.00%
SonicWall	16.00%	16.00%
Sophos	14.00%	14.00%
Symantec	21.00%	20.00%
Techsmith	9.00%	9.00%
Tenable	1.00%	1.00%
TREND MICRO	20.00%	20.00%
Veeam	5.00%	5.00%
VERITAS	20.50%	20.50%
VMWare	6.50%	6.50%

Enter discount and price from publicly available price list for individual titles based on the most current versions

Title	Gov't Discount %	Gov't Price \$	Academic Discount %	Academic Price \$
Absolute DDS	30.00%	\$32.17	30.00%	\$32.17
Adobe Acrobat Professional	3.54%	\$381.99	2.08%	\$155.70
Adobe Creative Cloud for Teams	1.12%	\$949.17	1.74%	\$294.67
Arserve - CA Technologies	9.46%	\$1,363.03	9.46%	\$1,363.03
Sharefile - Citrix	27.74%	\$69.37	27.74%	\$54.04
Citrix XenApp	6.17%	\$18.58	29.69%	\$18.58
Citrix XenDesktop	25.38%	\$447.71	3.11%	\$348.80
Citrix XenServer	9.59%	\$959.00	3.11%	\$569.88
VM Backup - Commvault	8.60%	\$959.68	7.61%	\$970.10
Draw - Corel	2.74%	\$70.00	5.05%	\$84.00
Deep Freeze	4.68%	\$66.06	3.35%	\$33.67
Flemaker Pro	5.69%	\$169.75	5.69%	\$169.75
Google Chrome Management	20.67%	\$119.00	16.67%	\$25.00
Whatsup Gold	4.09%	\$1,851.56	4.09%	\$1,851.56
VisualRescan - Kofax	32.80%	\$459.00	32.80%	\$459.00
McAfee Complete Endpoint Threat Protection	23.00%	\$84.00	23.00%	\$84.00
McAfee Endpoint Threat Defense and Response	21.90%	\$53.00	21.90%	\$53.00
Dragon Naturally Speaking	16.76%	\$141.51	16.77%	\$141.48
Ocularis - OnSSI	18.35%	\$113.50	18.35%	\$113.50
Print Management - PaperCut	10.00%	\$765.00	10.00%	\$765.00
Parallels Desktop	18.70%	\$65.00	18.70%	\$65.00
Quest TOAD for Oracle Base Edition	4.00%	\$936.00	4.00%	\$936.00
Red Hat Enterprise Linux Server	4.25%	\$334.17	4.25%	\$334.17
Red Hat Enterprise Linux Developer Suite	4.02%	\$95.02	4.02%	\$95.02
Crystal Reports	5.09%	\$399.57	5.09%	\$399.57
Unity Edge Connect - Silver Peak	5.02%	\$3,385.00	5.02%	\$3,385.00
SolarWinds Network Configuration Manager	9.86%	\$3,691.29	9.86%	\$3,691.29
Network Performance Monitor - Solar Winds	9.55%	\$2,618.40	9.55%	\$2,618.40
Sophos Central Endpoint Advanced	14.29%	\$44.39	13.04%	\$22.00
Symantec Endpoint Protection	27.78%	\$13.00	27.78%	\$13.00
Symantec Protection Suite Enterprise Edition	28.26%	\$33.00	28.26%	\$33.00
Snagit	16.18%	\$36.00	13.19%	\$26.00
Tenable Nessus Professional	1.04%	\$2,167.19	1.04%	\$2,167.19
Trend Micro Deep Security Network Security	22.52%	\$230.51	22.52%	\$230.51
Veeam Availability Suite Enterprise for VMware	5.00%	\$1,539.00	5.00%	\$1,539.00
Veeam Backup & Replication Enterprise for VMware	5.51%	\$1,646.81	5.51%	\$1,646.81
Veritas NetBackup Enterprise Client	22.32%	\$1,786.72	22.32%	\$1,786.72
Veritas Backup Exec Agent for Windows	21.30%	\$360.10	21.30%	\$360.10
VMware vSphere Enterprise Plus Edition	7.26%	\$3,241.40	7.26%	\$1,944.84
VMware vSphere Essentials Kit	7.26%	\$459.09	7.26%	\$275.45
Vsphere	7.26%	\$922.81	7.26%	\$553.68

\*Please provide link to publicly available price list.

\*Warranty is software publisher's warranty.

\*Delivery Terms (If Applicable): F.O.B. Destination.

\*For purposes of evaluation VITA will create a market basket.

### Notes:

- Discounts proposed above are for the software publisher's products only and are considered minimum discounts.
- Discounts for manufacturer's professional services vary widely. At this time, Daly can only propose a minimum 1% discount for manufacturer's services.
- Discounts for manufacturer's license renewals, upgrades, and maintenance vary widely also. At this time, Daly can offer a minimum of a 1% discount for these items.
- Volume discounts for all of the above may be available with known set quantities, and requirements.
- Products proposed are based on software manufacturer's government and education price structure. Some manufacturer's government and education programs have minimum purchase requirements at the initial point of sale.
- Many software publishers/manufacturers are offering cloud subscription models in addition to their traditional software licensing discount models. Many of these cloud based pricing models offer very low to no discounts. For this reason, overall discounts offered by Daly is lower than traditionally offered. Volume discounts may be obtained and provided once the quantities and scaled of the requirements are better understood by Daly and the software publishers/manufacturers.
- Available list prices can be found at the manufacturer's website or at [www.daly.com](http://www.daly.com)
- Learning Suite from SMART Technologies is only available for "Education" accounts. Therefore, no pricing is provided for the government version.
- FourWinds Interactive does not offer any type of MSRP/UST pricing. Therefore, Daly cannot offer any type of discounts off of list price at this time.
- FourWinds Enterprise pricing is based on a quantity of 10, as this is the minimum amount that can be purchased. There is no list price available from FourWinds.
- The Sharefile proposed in the market basket is the single year 1 years unlimited, MFG Part # 3022991-E1 for the government.
- Citrix XenApp proposed is MFG Part # 4043760-E5, secure browser 1 user license for the government.
- Citrix XenDesktop proposed is MFG Part # 3013060-E1, Platinum edition 1 concurrent user for the government.
- Citrix XenServer proposed is MFG Part # 3009822-E2, Enterprise License 1 socket for the government.
- Commvault VM Backup proposed is MFG Part # SB-CSM-S-F, VM Backup and Recovery foundation license with 1 year maintenance, 1 Socket
- Whatsup Gold proposed is MFG Part # NM-603F-0170, 1 year service agreement with 25 devices.
- McAfee Complete Endpoint Threat Protection proposed is MFG Part # CTPCDE-AA-AI.
- Nuance Dragon Naturally Speaking is MFG Part # K609A-500-13.0. This is Dragon Naturally Speaking v13.0 Premium, 1 User, Government.
- OnSSI Ocularis proposed is MFG Part # OC-PRO-10. This is the Ocularis 5 Professional Camera License.
- PaperCut proposed is the MF Professional Billing Edition as a stand-alone product.
- Parallels Desktop for MAC v. 13 is MFG Part # PDFM13L-BX1-NA
- Quest Toad for Oracle proposed is MFG Part # TOD-TOD-P6
- Red Hat Enterprise Linux Server Entry Level, Self Support, (1) Socket Pair, 1 Year is MFG Part # RH00005
- Red Hat Enterprise Linux Developer Suite, 1 Year, PC is MFG Part # RH2282474
- Unity Edge Connect proposed is MFG Part # 300208-003
- Solar Winds Network Configuration Manager proposed is MFG Part # 4101.
- Solar Winds Network Performance Monitor proposed is MFG Part # 4100.
- Tenable Nessus Professional proposed is MFG Part # SERV-NES
- Veeam Availability Suite Enterprise for VMware proposed is MFG Part # P-VASENT-VS-P0000-00
- Veeam Backup & Replication Enterprise for VMware proposed is MFG Part # v-BMPEENT-VS-P0000-00
- Veritas NetBackup Enterprise Client proposed is MFG Part # 13346-M1
- Veritas Backup Exec Agent for Windows proposed is MFG Part # 13131-M0010
- VMware vSphere Enterprise Plus Edition proposed is MFG Part # VSE-EP-L-C
- VMware vSphere Essentials Kit proposed is MFG Part # VSE-ESL-KIT-C
- VMware vSphere proposed is MFG Part # VSE-STD-C

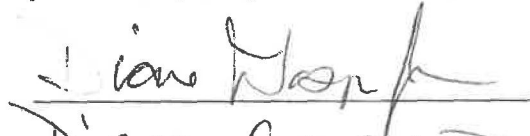
## EXHIBIT F: CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

- i). No Federal appropriated funds have been paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee or an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement.
- ii). If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- iii). The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and Contracts under grants, loans and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signature:



Printed Name:

Diane Casper Jones

Organization:

Daly Computers

Date:

05/24/18