

City of Fayetteville Staff Review Form

2017-0240

Legistar File ID

5/16/2017

City Council Meeting Date - Agenda Item Only

N/A for Non-Agenda Item

Keith Macedo

4/26/2017

Information Technology /
Chief of Staff

Submitted By

Submitted Date

Division / Department

Action Recommendation:

Authorization to utilize State contract SP-16-0027 through Western States Contracting Alliance (WSCA) National Association of Procurement Officials (NASPO) ValuePoint Cooperative Contract #AR233, and purchase from authorized resellers of Cisco Systems, Inc. on an as needed basis for data communications products and services through May 31, 2019.

Budget Impact:

Vairous

Various

Account Number

Fund

Project Number

Project Title

Budgeted Item? Yes

Current Budget

\$ -

Funds Obligated

\$ -

Current Balance

\$ -

Does item have a cost? No

Item Cost

Budget Adjustment Attached?

Budget Adjustment

Remaining Budget

\$ -

V20140710

Previous Ordinance or Resolution #

Original Contract Number:

Approval Date:

Comments:

MEETING OF MAY 16, 2017

TO: Mayor Lioneld Jordan and City Council

THRU: Don Marr, Chief of Staff
Keith Macedo, Information Technology Director

FROM: Brad Fulmer, Infrastructure Manager

DATE: April 24, 2017

SUBJECT: **Authorization to utilize State contract SP-16-0027, through agreement #4600036986, for the purchase of data communications products and services.**

RECOMMENDATION:

Authorization to utilize State contract SP-16-0027 through Western States Contracting Alliance (WSCA) National Association of Procurement Officials (NASPO) ValuePoint Cooperative Contract #AR233, and purchase from authorized resellers of Cisco Systems, Inc. on an as needed basis for data communications products and services through May 31, 2019.

BACKGROUND:

Data communications products and services were bid through a reputable national cooperative known as WSCA or NASPO Value Point. The State of Arkansas signed participating contract SP-16-0027, through agreement #4600036986, to acknowledge NASPO ValuePoint #AR233 for data communications products and services which can be utilized by all Arkansas state agencies and cooperative participants including cities, counties, schools (K-12), colleges and universities. The NASPO ValuePoint purchasing cooperative program is led by State Procurement Officers from member States elected by their peers. Every NASPO ValuePoint contract is the result of a formal competitive solicitation conducted by trained, professional procurement officials of a lead state's central procurement office under direction of a lead state's State Procurement Official in accordance with that state's procurement statutes, regulations, and policies.

Contract SP-16-0027 was awarded to multiple vendors and is valid through May 31, 2019. All purchases and invoices resulting from these contracts will be made through an authorized dealer.

DISCUSSION:

Purchasing data communications products and services from the State of Arkansas contract gives the City an opportunity to have competitive pricing which is based off a high-volume discount. If the City were to bid such products and services itself, it would not benefit from the shared purchasing power that the NASPO ValuePoint cooperative contract provides. There is no fee to the City to purchase from the state contract.

BUDGET/STAFF IMPACT:

Data communications products are budgeted within each division and various capital improvement projects and operating budgets across the City.

Attachments:

Staff Review Form

WSCA / NASPO ValuePoint Participating Addendum with State of Arkansas

State of Arkansas Contract SP-16-0027 and Agreement #4600036986

State of Arkansas Cisco Authorized Dealers list

Cisco Cost Schedule JP14001

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING ORGANIZATION
Data Communications Products And Services
Administered by the State of Utah
(hereinafter "Lead State")
MASTER AGREEMENT
Master Agreement No: AR233
Cisco Systems, Inc.
(hereinafter "Contractor")
and
State of Arkansas
Contract No: 4600036986

1. Scope:

Cisco Systems, Inc. ("Contractor" or "Cisco") and WSCA-NASPO Cooperative Purchasing Organization have executed Master Agreement No. AR 233 for Data Communications Products and Services 14-20 ("WSCA-NASPO Master Price Agreement" or "Master Agreement"). The Master Agreement is incorporated into this addendum ("Participating Addendum") as if set forth at length. This Participating Addendum covers the Data Communications Products and Services AR233 contract led by the State of Utah for use by Arkansas state agencies and other entities authorized by the Arkansas Department of Finance and Administration Office of State Procurement (Office of State Procurement) to utilize State contracts. The general purpose of this contract is to authorize Cisco Systems Inc. to provide data communications equipment and services in the following categories: Data Center Applications, Networking Software, Network Optimization & Acceleration, Optical Networking, Routers, Security, Storage Networking, Switches, Wireless, and Unified Communications. Capitalized terms not defined in this Participating Addendum shall have the meaning set forth in the Master Agreement. To the extent of a conflict of terms between the Master Agreement and this Participating Addendum, the order of precedence set forth in Section 1 of Attachment A of the Master Agreement shall apply.

2. Participation:

All eligible purchasers within the State of Arkansas are authorized to purchase Products and Services under the terms and conditions of this agreement. State agencies **shall** be those defined by Ark. Code Ann. § 19-11-203(30)(A). Political subdivisions **shall** be those defined by Ark. Code Ann. § 19-11-203(19).

3. Participating State Modifications or Additions to Master Agreement:

These modifications or additions **shall** apply only to actions and relationships within Arkansas.

A. Payment for completion of an order under the Participating Addendum is NET thirty (30) days following the date of invoice. After 60 days the Contractor may assess overdue account charges up to a maximum rate of one half (1/2) of one (1) percent per month on the outstanding balance. Payments may be remitted by mail. Payments may be made via a State or political subdivision "Purchasing Card" with no additional charges. Payments may be made via purchasing card if purchasing card is presented at time of order. Contract vendor **shall** not process the purchasing card for payment until after the product has been shipped.

B. Payment and shipment records relevant to State of Arkansas transactions **shall** be subject to examination by appropriate Arkansas government authorities for a period of five (5) years from the invoice date of the transaction under this Participating Addendum provided, however, that such government authorities **shall** provide thirty (30) days written notice to the Contractor of its intent to conduct such examination contemplated by this section. Access to contractor's records **shall** take place during normal business hours and **shall not** unduly interrupt or interfere with the Contractor's normal business operations. In the even such examination is conducted by a third party, such third party **shall**, prior to conducting such examination, execute a confidentiality agreement for the benefit of the Contractor in a form reasonably satisfactory to the Contractor.

C. The contractor **must** provide sales/utilization reports in accordance with the following requirements:

The contractor shall provide annual sales/utilization reports electronically to the Office of State Procurement via email to OSP.ITContracts@dfa.arkansas.gov for the fiscal period of July 1 through June 30. The annual report **shall** be due no later than September 1st of each year. The Contract Activity Report format **must** be in Microsoft Excel format. The State **shall** have the right to request such sales/utilization reports to be produced for other timeframes as deemed necessary. The reports **shall** include at a minimum:

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING ORGANIZATION
Data Communications Products And Services
Administered by the State of Utah
(hereinafter "Lead State")
MASTER AGREEMENT
Master Agreement No: AR233
Cisco Systems, Inc.
(hereinafter "Contractor")
and
State of Arkansas
Contract No: 4600036986

- | | |
|---|--------------------------------|
| 1) Vendor Contract Number | 7) Order Date |
| 2) State | 8) Product/Service Description |
| 3) Customer Type (State, Education, Local Government) | 9) Retail Price |
| 4) Bill To Name | 10) Discount Applied |
| 5) Customer PO Number | 11) Discounted Unit Price |
| 6) Customer Number | 12) Quantity |
| | 13) Total Price |

- D. The laws of the State of Arkansas **shall** govern this agreement. Nothing under this agreement or the Master Agreement **shall** be deemed or construed as a waiver of the State's right of sovereign immunity.
- E. In the event the State no longer needs the service or commodity specified in the contract due to program changes, changes in laws, rules, regulations, lack of funds appropriated for this purpose, or relocation of offices, the State may cancel the contract by giving the contractor written notice of such cancellation 30 days prior to the date of cancellation. Any cancellation under this provision shall not effect the rights and obligations attending purchase orders received and accepted by Authorized Reseller prior to the time of cancellation, including any right of a Purchasing Entity to indemnification by the Contractor, rights of payment for goods/services delivered and accepted, and rights attending any warranty or default in performance in association with any order. After cancellation of the contract, no new purchase orders will be accepted by Contractor or Authorized Resellers.
- F. Expenses for travel **shall not** be reimbursed unless specifically permitted under the duties of the contractor. All travel **must** be approved in advance by the State. Expenditures made by the contractor for travel will be reimbursed at the current rate paid by the State in accordance with the State's written travel procedures and guidelines as previously provided to Contractor. <http://www.dfa.arkansas.gov/travel/Pages/policy.aspx>
- G. **CONFIDENTIAL INFORMATION shall** only be considered confidential by Arkansas State law (Reference the Arkansas Freedom of Information Act, Ark Code Ann. § 25-19-105). In the event the State or political subdivision are disclosing any documents marked "Confidential" related to Contractor pursuant to the Arkansas Freedom of Information Act, the State or political subdivision shall take reasonable steps to notify Contractor prior to disclosure.
- H. The following Indemnification clause replaces in its entirety the Indemnification clause specified in the Master Agreement AR233. The contractor **shall** defend indemnify and hold harmless the other party along with their officers, agencies, and employees as well as any person or entity for which they may be liable from and against employees as well as any person or entity for which they may be liable from and against third-party claims, damages or causes of action including reasonable attorney's fees and related costs for any death, injury, or damage to tangible property to the extent arising from gross negligence or willful misconduct of the indemnifying party, its employees, subcontractors, or volunteers, at any tier, relating to the performance of its obligations under the Master Agreement. This section is not subject to any limitations of liability in the Master Agreement or in any other document executed in conjunction with the Master Agreement. The foregoing indemnification obligations are conditioned upon the indemnified party promptly notifying the indemnifying party in writing of the claim, suit, or proceeding for which the indemnifying party is obligated under this Subsection, cooperating with, assisting, and providing information to, the indemnifying party as reasonably required, and granting the indemnifying party the exclusive right to defend or settle such claim, suit, or proceeding; provided that any such settlement or compromise includes a release of the indemnified party from all liability arising out of such claim, suit or proceeding.

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING ORGANIZATION
Master Agreement No: AR233

4. Services:

The contractor **shall not** propose or provide value-added services unless they meet one (1) or more of the following criteria:

- The value-added service is of no cost to the purchasing entity
- The value-added service is linked to items the entity has purchased through a current or past transaction, such as maintenance services related to Cisco Products provided hereunder, partner services for the installation and configuration of Cisco Products purchased hereunder.

5. Lease Agreements:

Leasing **shall not** be permissible under this contract.

6. Subcontractors:

The Contractor may use Fulfillment Partners, as defined in the Master Agreement; however, the Contractor **shall** be responsible for any agreements between Contractor and such Fulfillment Partners. The State of Arkansas **shall not** agree to and **shall not** be responsible for any terms and conditions between Contractor and Fulfillment Partners.

Fulfillment Partners, authorized in the State of Arkansas, as shown on the dedicated Contractor's (cooperative contract) website, are approved to provide sales and service support to participants in the WSCA-NASPO Master Price Agreement, e.g. for direct order taking, processing, fulfillment or provisioning. The Fulfillment Partners participation will be in accordance with the terms and conditions set forth in this Participating Addendum and the aforementioned Master Agreement and which participation shall be approved at the sole discretion of the State of Arkansas, approval of which **shall not** be unreasonably withheld, conditioned or delayed.

Subject to approval of the State of Arkansas, Contractor may add Fulfillment Partners at any time during the term of this Participating Addendum. Contractor may designate a minimum of two Fulfillment Partners and no set maximum number of Fulfillment Partners to provide sales and services support. Contractor, in its sole discretion, is not required to add, and may delete upon thirty (30) days written notice, any Fulfillment Partner who does not meet Contractor's established qualifying criteria, or where the addition of the entity would violate any state or federal law or regulation.

7. Orders:

Any Order placed by an entity ordering under this Participating Addendum for hardware, software or services **shall** be deemed to be a sale under (and governed by the prices and other terms and conditions) the Master Agreement.

Purchasers may place orders directly only through Contractor's approved Fulfillment Partners or through Cisco on products or services only provided through Cisco. Only those Fulfillment Partners approved by the State and listed during the term of Participating Addendum at Contractor's website are authorized to directly provide quotes, receive purchase orders, invoice customers, and receive payment from purchasers on Contractor's behalf.

Except as otherwise set forth in the qualifying criteria, Contractor will not, directly or indirectly, restrict any Fulfillment Partner's participation or ability to quote pricing for a Customer. The approved Fulfillment Partners will not offer less favorable pricing discounts than the contract discounts established by Cisco under the Master Agreement. However, the Fulfillment Partner may offer any additional incremental discounts to WSCA purchasers, and such additional discounts if offered, may be provided in the discretion and as the sole legal obligation of the approved Fulfillment Partner to the Participating State/Entity.

The Master Agreement number and the State Contract Number must appear on every Purchase Order placed under this Participating Addendum.

8. Individual Customer:

Each State agency and political subdivision, as a Participating Entity, that purchases products/services **shall** be treated as if they were Individual Customers. Except to the extent modified by a Participating Addendum, each agency and political subdivision **shall** be responsible to follow the terms and conditions of the Master Agreement; and they **shall** have the same rights and responsibilities for their purchases as the Lead State has in the Master Agreement. Each agency and political subdivision **shall** be responsible for their own charges, fees, and liabilities. Each agency and political subdivision **shall** have the same rights to any indemnity or to recover any costs allowed in the contract for their purchases. The Contractor **shall** apply the charges to each Participating Entity individually.

PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING ORGANIZATION
Master Agreement No: AR233

9. Primary Contacts:

The primary contact individuals for this Participating Addendum are as follows (or their named successors):

Contractor	Name	Mimi Nguyen-Farr
	Address	2375 E. Camelback Road, Suite 450, 4 th Floor Phoenix, AZ 85016
	Telephone	408-527-2627
	E-mail	mimnguye@cisco.com
State PA/Contract Level Notifications		Agreement-notice@cisco.com
State of Arkansas	Name	Jaime Motley
	Address	1509 W 7th St 3rd Floor, Little Rock, AR 72201
	Telephone	501-371-6070
	E-mail	Jaime.Motley@dfa.arkansas.gov
NASPO ValuePoint	Name	Tim Hay
	Address	201 East Main St, Suite 1405, Lexington, KY 40607
	Telephone	503-428-5705
	E-mail	THay@NASPOValuePoint.org

The contacts listed above can be changed by the parties from time to time in writing. Such updates do not require an amendment to this Addendum.

10. Product & Services Offering:

The full suite of product and service offerings available under the Master Agreement may be procured under this Participating Addendum.

11. Term:

The term of this Participating Addendum shall begin on the date of last signature below. The term shall continue for a period ending on the Termination Date of the Master Agreement or when this Participating Addendum is terminated in accordance with the Master Agreement, whichever shall occur first.

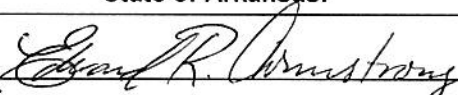
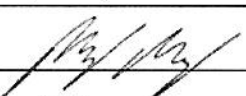
PARTICIPATING ADDENDUM
NASPO ValuePoint COOPERATIVE PURCHASING ORGANIZATION
Data Communications Products And Services
Administered by the State of Utah
(hereinafter "Lead State")
MASTER AGREEMENT
Master Agreement No: AR233
Cisco Systems, Inc.
(hereinafter "Contractor")
and
State of Arkansas
Contract No: 4600036986

12. Authority:

Each Party hereby warrants and represents it is legally authorized to enter into this Participating Addendum for the purposes and upon the terms set forth herein.

This Participating Addendum and the Master Agreement AR233, together with its exhibits, set forth the entire agreement between the parties with respect to the subject matter of all previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. There are no conditions, understandings, agreements, representations or warranties, expressed or implied, that are not specified herein. Terms and conditions inconsistent with, contrary to or in addition to the terms and conditions of this Addendum and the Master Agreement AR233, together with its exhibits, will not be added to or incorporated into this Addendum or the Master Service Contract and its exhibits, by any subsequent purchase order or otherwise, and any such attempts to add or incorporate such terms and conditions are hereby rejected. The terms and conditions of this Addendum and the Master Agreement AR233 and its exhibits will prevail and govern in the case of any such inconsistent or additional terms within the Participating Entity. This Participating Addendum may be modified only by a written document executed by the parties hereto.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date of execution by both parties below.

State of Arkansas:	Cisco Systems, Inc. ("Cisco" or "Contractor"):
By: 	By: 
Name: <i>Edward R. Armstrong</i>	Name: <i>Phil Lozano</i>
Title: <i>Director, Office of State Procurement</i>	Title: Director, Finance
Date: <i>April 18, 2016</i>	Date: April 12, 2016

APPROVED BY LEGAL

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Data Communications Products & Services (WAN)

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Expiration Date	Contract Tracking #	Outline Agreement #	Vendor
5/31/2019	SP-16-0027	Multiple	Multiple

Buyer	Co-Op	Mandatory	Minority	Green
Stephanie Cellers	NASPO ValuePoint	No	No	No

Title	Posted
AASIS Multiple Vendor OA Instructions	11/05/2015
Contact Information	04/24/2017

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Brocade			
Contract Number: 4600033423		Vendor Number: 100209568	
	Contact Name	Phone	Email
	Tania Craythorne	(408) 333-6226	

Cisco Systems			
Contract Number: 4600036986		Vendor Number: 100078550	
	Contact Name	Phone	Email
	Mimi Nguyen-Farr	(408) 527-2627	mimnguye@cisco.com

PARTNER NO.

100178887
100138866
100093992
100137000
100220162
100178430
100220002
100203587
OA 100118473
PI 100158073
100000362
OA 100112277
PI 100208321

PARTNER	Contact Name	Phone	Email
AOS	Haley Thompson	(800) 473-1110	haley.thompson@aos5.com
BCI	Dan Yarbrough	(501) 537-7914	dyarbrough@bcianswers.com
CDW-G	Ashley DiCiurcio	(312) 705-4678	ashleyd@cdw.com
CenturyLink Communications	Randy Hardy	(479) 968-0129	randy.hardy@centrulylink.com
General Datatech	Owen Grove	(214) 857-6745	owen.grove@gdt.com
GKR dba Venture Technologies	Todd Via	(901) 255-1619	todd.via@ventech.com
MSN Communicaitons	Paul Maier	(651) 393-3902	pmaier@convergeone.com
NWN Corporation	Mathew S. Nieman	(916) 637-2135	mniemann@nwnit.com
Presidio Corporation	Rick Marendt	(501) 218-8297	rmarendt@presidio.com
SHI International Corporation	Nick Grappone	(732) 564-8189	nick_grappone@SHI.com
World Wide Technology	Carol Harting	(314) 995-6103	carol.harting@wwt.com

Extreme Networks			
Contract Number: 4600033952		Vendor Number: 100140011	
	Contact Name	Phone	Email
Extreme Networks	Mike Swierk, Contract Analyst	(603)952-5221	mswierk@extremenetworks.com
Extreme Networks	Greg Blum	(504)234-9121	gblum@extremenetworks.com
PARTNER	Contact Name	Phone	Email
Howard Technologies	Melissa Reeves	(601) 399-5681	mreeves@howard.com
IK Electric	Mike Seitz	(501) 376-2081	mseitz@IKELECTRIC.com
SignalShare	Deborah Costanzo	(919) 424-6066	dcostanzo@signalshare.com

PARTNER NO.

100167131
100001870
100213449

PARTNER NO.

100093992
100206250
100060859
100084080
OA 100001471
PI 100182156
100001870
100204739
100155462
100171554
100178087

Hewlett Packard Enterprise			
Contract Number: 4600036167		Vendor Number: 10021557	
	Contact Name	Phone	Email
HP Enterprise	Chad Price	(832) 502-9135	chad.price@hpe.com
HP Enterprise	Stacey Kearns	(501) 205-6277	stacey.lyn.kearns@hpe.com
PARTNER	Contact Name	Phone	Email
CDW-G	Jumana Dihi	(312) 547-2495	jumdihi@cdw.com
Cima Solutions Group	Kevin Grace	(501) 773-0411	kgrace@cimasg.com
Complete Computing Inc	Dan Harpool	(501) 372-3379	dan.harpool@complete.com
Connection Public Sector	John Giordano	(800) 986-2294	jgiordano@govconnection.com
Howard Technology Solutions	Yareasia D. Ellis	(601) 399-5633	yellis@howard.com
IK Electric	Mike Seitz	(501) 376-2081	mseitz@ik-ns.com
Next Step Innovation	Lanny Edgar	(601) 631-8100	lanny_edgar@nextstepinnovation.com
TeleComp	Roger Thomas	(479) 721-8000	roger@telecomp.com
White River Services	Tracy McMahan	(501) 944-5971	tracy@whiteriverservices.com
United Data Tech	Steven Johnson	(501) 773-0132	sjohnson@udtonline.com

PARTNER NO.

100160815
100137000
100224104
100018599
OA 100118473
PI 100158073
OA 100112277
PI 100208321

Juniper			
Contract Number: 4600032329		Vendor Number: 100171802	
	Contact Name	Phone	Email
Juniper	Roxanne Bieniek	(978) 589-0636	rbieniek@juniper.net
PARTNER	Contact Name	Phone	Email
BCI	Dan Yarbrough	(501) 366-4144	dyarbrough@bcianswers.com
CenturyLink	Randy Hardy	(479) 698-0129	Randy.Hardy@centurylink.com
enfoPoint Solutions	Sales: Tom Spear	(615) 414-4721	tom@efopoint.com
	Reports: Judy Spear	(615) 645-0303	judy@enfopoint.com
OPTIV	Sales: Jeep Keyser	(816) 701-2034	jeep.keyser@optiv.com
	Reports: Brenda Milam	(816) 701-2034	PubSecReports@optiv.com
Presidio Corporation	Todd Smithson	(501) 765-1550	Tsmithson@PRESIDIO.com
World Wide Technology, Inc.	Sales: Doug Reeves	(479) 856-1441	doug.reeves@wwt.com
	Reports: Carol Harting	(314) 995-6103	carol.harting@wwt.com

PARTNER NO.

100093992
100018599

Palo Alto			
Contract Number: 4600036782		Vendor Number: 100218534	
	Contact Name	Phone	Email
Palo Alto	Ryan Carter	(669) 444-6154	rcarter@paloaltonetworks.com
PARTNER	Contact Name	Phone	Email
CDW-G	Matt Felvey	(312) 705-6220	matfelv@cdwg.com
Optiv	Terry Morrison	(501) 804-1805	terry.morrison@optiv.com

PARTNER NO.
100001870

Shoretel			
Contract Number: 4600033977		Vendor Number: 100180247	
	Contact Name	Phone	Email
Shoretel	Jim McGarry	(408) 962-2517	JMcGarry@shoretel.com
PARTNER	Contact Name	Phone	Email
IK Electric	Mike Seitz	(501) 320-0431	Mseitz@ik-ns.com

EXHIBIT 1 to Attachment C – Cost Schedule
Solicitation Number JP14001
WSCA-NASPO Data Communications RFP

RFP Product Categories: *Minimum Discount Percentage Clarification

- 1) Additional Incremental Discounts: Cisco may solicit on behalf of WSCA Utah and the Participating States additional discounts from the Authorized Resellers (as defined in the bid response) under each Participating Addendum. Such effort will be consistent with the current practice today under the Cisco WSCA Data Communications AR-233 Agreement. The Authorized Resellers, at their sole discretion, may provide additional incremental discounts.
- 2) Hosting Services: Per the Q&A dated July 22, 2013, Cisco, through applicable Authorized Resellers but at Cisco's discretion and approval, wishes to also provide hosted service offerings for certain technology categories in the bid (Attachment C). These hosted offerings provide WSCA-NASPO customers with an alternate way to consume the technology to best meet their needs and provide flexible payment models. These models may be well suited for WSCA-NASPO customers that have limited technical staff for technology deployment and ongoing administration.

The hosted service offerings are based on Cisco validated architectures and delivered through carefully vetted and approved Authorized Resellers. Due to the unique requirements of each customer, Cisco and the approved Authorized Resellers can work with the customer to understand their unique requirements and deploy hosted offerings to best meet their needs. Additional contractual terms and conditions specific to the hosted solutions may be required.

Maintenance Services: *Clarification on Cisco's Offerings

Cisco is pleased to offer customized maintenance services through our Authorized Resellers, subject to Cisco's discretion and approval. While each Authorized Reseller that is assigned to the contract for a Participating State may be able to offer a lower hourly rate, Cisco is providing Not-to-Exceed (NTE) hourly rates on behalf of our Authorized Resellers. Once the Authorized Resellers have been selected for each executed Participating Addendum, Cisco will solicit specific NTE rates from such Authorized Resellers, if they are interested in offering such services and subject to Cisco's discretion and approval.

In addition to customized maintenance offerings, Cisco is pleased to offer its own OEM-branded SMARTnet Services and other technical/maintenance services and Advanced Services. Cisco's SMARTnet operates like an insurance plan for the hardware a customer purchases. For each Cisco hardware SKU, there are several SMARTnet service level options that a customer can choose from. Accordingly, the list price of SMARTnet will vary based on the service level that is selected by the customer for the associated hardware. For these reasons, Cisco is not able to offer this particular OEM-branded maintenance offering in an hourly rate format, only a percentage discount off of the then-current list price. Table 1 below is an illustration to show the different SMARTnet service levels and associated pricing.

Table 1. Examples of SMARTnet Maintenance Offering by Service Level

Hardware SKU	Service Level	SMARTnet SKU	List Price	Discount % (Government) 1 Year	Discount % (Education) 1 Year
WS-C6509-E	SMARTnet 8x5xNBD	CON-SNT-WS-C6509	\$6,825	10.00%	25.00%
WS-C6509-E	SMARTnet 8x5x4	CON-SNTE-WS-C6509	\$9,896	10.00%	25.00%

Hardware SKU	Service Level	SMARTnet SKU	List Price	Discount % (Government) 1 Year	Discount % (Education) 1 Year
WS-C6509-E	SMARTnet 24x7x4	CON-SNTP-WS-C6509	\$10,920	10.00%	25.00%
WS-C6509-E	SMARTnet 24x7x2	CON-S2P-WS-C6509	\$14,503	10.00%	25.00%

Regardless of the service level that is selected by the customer, Cisco agrees to offer the following discounts for its SMARTnet maintenance services.

Cisco SMARTnet Maintenance Services

Listed in **Table 2** below are the discounts for a SMARTnet service contract for a 1-, 3-, or 5-year term.

Table 2. Cisco SMARTnet Discounts

Cisco SMARTnet	Discount % (Government)	Discount % (Education)
1-Year Contract	10.00%	25.00%
3-Year Prepaid Contract*	17.00%	28.00%
5-Year Prepaid Contract*	21.00%	30.00%

** If a 3- or 5-year prepaid term is selected, full payment is made upfront at the beginning of the subscription term. The above discounts do not assume or factor in any applicable finance or interest charges for the prepaid terms. It is the responsibility of the customer to determine the mechanism for funding.*

Other Cisco Technical /Maintenance and Advanced Services

Cisco is pleased to also offer its portfolio of other technical/maintenance services for certain product categories that are not under our SMARTnet program. See **Table 3** below. For example, some Cisco technologies (i.e., Telepresence, UCS, UC, Optical, Remote Management, etc.) have maintenance services that are not under Cisco's SMARTnet Program. In addition, Cisco offers Advanced Services that are not SOW-based (i.e., Network Optimization Service, AS Fixed Priced, etc.).

Table 3. Other Cisco Technical/Maintenance and Advanced Services Discount

Other Cisco Services	Discount %
Technical/Maintenance Services (Not Under SMARTnet Program)	10.00%*
Advanced Services (Non-SOW Based)	0.00%*

**Multiple year terms are available and discounts may be provided once unique customer requirements are understood.*

Professional Services - Deployment Services, Consulting/Advisory Services, Architectural Design Services, and Statement of Work Services: *Clarification with respect to Cisco's Professional Services Offerings

For each of the professional services categories listed in Attachment C (Deployment Services, Consulting/Advisory Services, Architectural Design Services, and Statement of Work Services), Cisco presents Onsite and Remote hourly rates as Not-to-Exceed (NTE) rates. ***However, please be advised that individual hours, or blocks of hours, may not be purchased separately. Instead, Cisco will use the quoted hourly rates to determine the total fixed price of a customer-approved Statement of***

Work (SOW) with specific deliverables. The NTE hourly rates that Cisco is offering are valid for the 7-year term of the contract.

To calculate the total fixed price of the SOW, Cisco will evaluate, after consultation with the customer, which required grade level skill set(s), analytical tools, processes, and level of effort are necessary to complete the required deliverables for the customer. Once all the cost elements have been built up against the specific deliverables, a total cost of the SOW will be determined. This approach allows the customer to potentially save because the most efficient and cost-effective resources will be utilized for various project tasks instead of one labor rate resource for all project tasks. Because the SOW is offered at a fixed price and not billed as Time and Materials, Cisco does not keep time cards.

Partner Services: *Clarification on Cisco's Offerings

Based on existing rates that partners/resellers have provided under the current Cisco WSCA Data Communications AR-223 Agreement, Cisco is offering the NTE hourly rates for Partner Services, subject to Cisco's discretion and approval. These rates are valid for the 7-year term of the contract. As with the existing WSCA Data Communications AR-233 contract, once Cisco adds the specific Authorized Resellers to each executed Participating Addendum, we will solicit, in coordination with the WSCA Utah Contract Administrator, such Authorized Resellers for their specific onsite and remote hourly rates, if they wish to provide such services and subject to Cisco's discretion and approval.

Training Deployment Services: *Clarification on Cisco's Training and Learning Credits Offerings

In addition to the hourly rates for training, Cisco is pleased to offer WSCA-NASPO customers with Cisco Training SKUs and Learning Credits for purchase under the contract. Cisco Training SKUs include the following types of courses: e-learning and classroom. See Table 4 below for examples. As of the date of bid submission, Cisco Learning Credits are also available for purchase at \$100 per credit on the U.S. Global Price Lists and sold in packages of 10, 100, 500, and 1500. See Table 5 below for examples. They can be added to any Cisco hardware, software, or solution purchase and redeemed within 1 year from activation on the Cisco Learning Credits Management Tool (LCMT). Cisco Learning Credits can be redeemed for high-quality, authorized training from a Cisco Learning Partner or their affiliated organizations, or from Cisco Advanced Services Education.

Table 4. Examples of Cisco Training SKUs

Part Number	Description	Price (USD)	Discount %
CON-TRN-CTE-200UL (e-learning)	200 User License	\$178,000	0.00%
CON-TRN-CTE-1UL (e-learning)	Single User License	\$1,000	0.00%
TRN-ESMBU-15	VCO4K Advanced SS7 Class, 5 Days	\$2,100	0.00%
TRN-ESMBU-9	VCO4K-SS7 Class, 4 Days	\$1,900	0.00%

Table 5. Examples of Cisco Learning Credits

Part Number	Credits	Price (USD)	Discount %
TRN-CLC-000	10	\$1,000	0.00%
TRN-CLC-001	100	\$10,000	0.00%
TRN-CLC-002	500	\$50,000	0.00%
TRN-CLC-003	1500	\$150,000	0.00%