Department of Information Resources

Request for Offer
DIR-TSO-TMP-398

Emergency Preparedness and Disaster Recovery
Information Technology (IT)
Products and Related Services

Issued: February 16, 2017

Initial Responses Due: March 16, 2017
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1. Introduction

1.1. Purpose

The purpose of this Request for Offer (RFO) is to solicit responses from potential Vendors to provide Emergency Preparedness and Disaster Recovery Products and Related Services to the State of Texas, acting by and through the Department of Information Resources (DIR).

As a result of this RFO, DIR expects to receive and evaluate responses and select one or more qualified Vendors with whom to enter into negotiations. Section 4 of this RFO contains more information regarding the response evaluation and Vendor selection process. DIR reserves the right to award more than one contract from this RFO. All contracts awarded shall be indefinite quantity contracts with no minimum guarantees of any purchases.

As a result of this RFO, DIR expects to create a contract vehicle that satisfies statewide procurement requirements for Technology Based and Instructor Led Training Contracts and improves the efficiency of the procurement process by shortening the time required to procure Technology Based and Instructor Led Training.

As part of DIR’s initiatives to identify strategic sourcing opportunities, DIR reserves the right to make a single award or multiple awards as determined by DIR to achieve the highest overall value to the state.

1.2. Background

1.2.1 Information Technology Acquisition

Through its Cooperative Contracts Program, DIR assists state agencies and local governments (Customers) with cost-effective acquisition of their information resources by negotiating, managing, and administering contracts with information technology providers. Customers include any Texas state agency, unit of local government, or institution of higher education as defined in Texas Government Code, Section 2054.003; the Electric Reliability Council of Texas, the Lower Colorado River Authority, a private school, as defined by Section 5.001, Education Code, a private or independent institution of higher education, as defined by Section 61.003, Education Code, a volunteer fire department, as defined by Section 152.001, Tax Code; those state agencies purchasing from a DIR contract through an Interagency Agreement, as authorized by Texas Government Code, Chapter 771; any local government as authorized through Texas Government Code, Chapter 791; the Interlocal Cooperation Act; the state agencies and political subdivisions of other states as authorized by Texas Government Code, Section 2054.0565; and for non-telecommunications IT Commodity products and services, “assistance organizations” defined in Texas Government Code, Section 2175.001.

DIR combines the buying power of authorized Customers to obtain volume-discounted pricing for selected technology products and services. In addition to
offering volume-discounted pricing, DIR created the Cooperative Contracts (Co-op Contracts) Program to make it easier for Customers to acquire these products and services. Customers place orders with and issue payments directly to the Vendors participating in the Co-op Contracts Program. Subject to DIR rights set forth in Sections 3.8 and 3.9 of this RFO, DIR will award and negotiate base contract documents with Vendors as a result of this RFO. Customers contact the Vendor for product and/or services and pricing information, negotiate their own service level agreements and additional terms and conditions, if any, and send their purchase orders (with the DIR contract number) and payments directly to the participating awarded Vendor, not to DIR. Information regarding the Co-op Contracts Program is located on DIR’s Web site at http://dir.texas.gov/View-About-DIR/Pages/Content.aspx?id=41.

1.2.2 **Texas Government Code, Section 2157.068**

Texas Government Code, Section 2157.068, effective September 1, 2005, requires State agencies to buy commodity items, as detailed below, in accordance with contracts developed by DIR, unless the agency obtains an exemption from DIR.

Commodity items are commercially available software, hardware and technology services that are generally available to businesses or the public and for which DIR determines that a reasonable demand exists in two or more state agencies. Hardware is the physical technology used to process, manage, store, transmit, receive or deliver information. Software is a commercially available program that operates hardware and includes all supporting documentation, media on which the software may be contained or stored, related materials, modifications, versions, upgrades, enhancements, updates or replacements and may include Software provided as a service. Technology services are the services, functions and activities that facilitate the design, implementation, creation, or use of software or hardware. Technology services include seat management, staff augmentation, training, maintenance and subscription services. Seat management is a service through which a state agency transfers its responsibilities to a Vendor to manage its personal computing needs, including all necessary hardware, software and technology services.

Technology services do not include telecommunications services. Any service awarded under the TEX-AN Next Generation Procurement, RFO number DIR-TEX-AN-NG-001 is excluded. The following services were awarded under the TEX-AN Next Generation Procurement: Long Distance Services, Internet Services (including SOHO), Voice over Internet Protocol (VoIP), Local Voice Service, Wireless Service, Fixed Satellite and Access and Transport.

Institutions of higher education, K-12, and local governments are not required to purchase IT commodities from DIR, but may do so voluntarily. Information regarding Texas Government Code §2157.068, including processes and guidelines, is located on DIR’s Web site at: http://dir.texas.gov/View-Contracts-
1.2.3 **Cost Avoidance Performance Measures**
As part of its performance measures reported to state leadership, DIR must show the cost avoidance realized by the State for the products and services obtained under DIR contracts. Cost avoidance is the difference between the negotiated DIR contract price and the prevailing market price.

1.2.4 **Cost Recovery**
DIR recovers the costs of negotiating, executing, and administering the Co-op Contracts through an administrative fee. DIR is authorized to charge a reasonable administrative fee to all customers per Section 2157.068(d) of the Texas Government Code. The administrative fee must be included in the Vendor’s price to the customer and paid to DIR by the Vendor. The fee has been set at a not-to-exceed level of 2.00% by the current appropriations act of the State Legislature. For the purposes of responding to this RFO, the administrative fee of 0.75% shall be used in calculating the pricing specified in Bid Package 2. DIR may change the administrative fee at any time during a contract term. DIR will notify Vendors of any change in the administrative fee.

1.2.5 **Historical Sales**
Contracts negotiated and managed through the Cooperative Contracts Program resulted in over $5 billion in Customer purchases for the past three (3) fiscal years combined. Information contained within the table below shows the total purchases for the past three (3) fiscal years by Customer segment. These purchases represent contracts that are hardware, software, and services related. The State’s fiscal year runs September 1st through August 31st.

<table>
<thead>
<tr>
<th>Segment</th>
<th>Fiscal Year 2014</th>
<th>Fiscal Year 2015</th>
<th>Fiscal Year 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Agency</td>
<td>$553,788,672.80</td>
<td>$543,288,393.08</td>
<td>$517,306,688.54</td>
</tr>
<tr>
<td>Local Government</td>
<td>$437,786,573.74</td>
<td>$431,371,234.33</td>
<td>$461,084,970.28</td>
</tr>
<tr>
<td>Higher Education</td>
<td>$355,586,888.66</td>
<td>$399,967,445.25</td>
<td>$348,688,707.56</td>
</tr>
<tr>
<td>K-12</td>
<td>$702,583,186.28</td>
<td>$677,626,189.55</td>
<td>$628,637,425.00</td>
</tr>
<tr>
<td>Assistance Org</td>
<td>$5,479,813.56</td>
<td>$5,176,343.64</td>
<td>$5,237,895.30</td>
</tr>
<tr>
<td>Out of State</td>
<td>$1,369,739.79</td>
<td>$10,944,441.03</td>
<td>$8,767,492.85</td>
</tr>
<tr>
<td>Total FY</td>
<td>$2,056,594,874.83</td>
<td>$2,068,374,046.88</td>
<td>$1,969,723,179.53</td>
</tr>
</tbody>
</table>

1.2.6 **Current Contracts**
DIR currently has several contracts with Emergency Preparedness products and related services. These contracts expire between February 2017 and December 2017; the volume of products and related services sold through these contracts for fiscal years 2014 through 2016 was approximately $99,988,547.24.
1.2.7 Exclusions

The following manufacturers which would be within the scope of this RFO, are excluded due to direct contracts with those manufacturers:

- Adobe
- Apple
- Cisco
- Dell
- Hewlett Packard
- IBM
- Lenovo
- Microsoft
- Novell
- Oracle
- Panasonic

In the event that DIR identifies other Publishers to be excluded, the Publisher names will be included in a future addendum. Vendors should submit a written request should they have questions about a specific publisher on a current DIR contract.

2. Scope

2.1. Products

DIR intends to contract to provide Emergency Preparedness and Disaster Recovery products and related services. The purpose of this hardware and software is to aid DIR eligible customers in effectively preparing for and responding to a variety of disasters and emergency scenarios including natural disasters, chemical spills, forest fires, terrorist attacks, epidemiologic threats and related situations, as well as law enforcement response.

Hardware within this area of interest includes, but is not limited to:

- Emergency Alert Systems (endecs/decoders & other hardware components);
- mass communication products
- radios, mobile radios, mobile communications and accessories;
- mobile and static command centers;
- mobile and ruggedized laptops and tablets;
- mounts and docks;
- mobile printers;
- uninterruptible power supply (UPS);
• emergency power and backup;
• asset tracking and identification, including radio-frequency identification; evacuation tracking management;
• mobile disaster recovery centers;
• global positioning systems;
• mobile emergency radio towers and portable repeaters;
• mobile data centers
• drones and drone related products, includes:
  o Group 1 drones – under 20 pounds
  o Group 2 drones – between 21 and 50 pounds
  o Payloads relevant to Groups 1 and 2, including but not limited to: electro-optical (EO) sensors, infrared (IR) sensors, EO/IR dual sensors, sniffers, and LIDAR.
  o Command and Control (C2) data link

This RFO does not include fixed satellite services.

Software includes a software module and/or combination of software modules that the Vendor offers for Emergency Preparedness, Disaster Recovery functions. Examples of modules and functionality may consist of, but are not limited to, the following:

• Response Planning and Preparedness Management – Assists and facilitates the overall planning for emergency events such as incident command planning.
• Response and Incident management – Assists and facilitates the actual response to an emergency event.
• Business Continuity Management (BCM) – Identifies potential impacts that threaten an organization and provides a framework for building resilience and the capability for an effective response which keeps all aspects of the organization functioning in the midst of disruptive events.
• Backup and Recovery – Assists in the planning for resumption of applications, data, hardware, communications (such as networking) and other IT infrastructure.
• Interagency Collaboration/Interoperability Solutions – Assists in the planning and execution of collaboration and communications between the various entities involved in emergency response.
• Resource Management – Assist with organizing and effectively tracking all resources relevant to emergency response. Resources may include, but are not limited to, equipment, commodities, ground transportation and emergency personnel.
• Volunteer Management – Assists with the planning and execution of effective management of volunteer recruitment, records management and deployment during an emergency.
• Hospital Capacity Management - Provides for comprehensive planning and management of available hospital capacity before and during a major emergency event.
• Emergency Exercise Management – Assist with the planning and execution of emergency exercise training and events.
• Patient Registration - Manages and facilitates effective and timely patient registration.
• Evacuee Management – Assists with identifying and tracking evacuees in emergency events.
• Emergency Notification - Sometimes referred to as reverse 911, these systems allow for high volume, virtually simultaneous notification regarding emergencies or disasters. May include emergency broadcasting and text messaging. Includes Common Alerting Protocol (CAP) complaint/alerting software certified to operate in the Integrated Public Alert and Warning System (IPAWS) environment.
• Modeling and Simulation – Assist with measuring emergency planning and decision making.
• Grant Management - Assist in recovering disaster related funding, including large volume of applications and fund distribution in community recovery efforts after major disasters.

Products currently on DIR contract may be considered within scope of this solicitation only if those products are a component of a more comprehensive emergency preparedness disaster recovery solution. This RFO is not a solicitation for software products or replacement hardware currently on DIR contract.

Any Vendor responding to this RFO must submit pricing for the products requested herein. A representative sample of Emergency Preparedness, Disaster Recovery IT Products has been included for the purposes of obtaining pricing and evaluating the responses to this RFO. This sample is contained in the Excel spreadsheet attached as “bid package 2” to the posting for this RFO, requisition number DIR-SDD-TMP-398 on the Electronic State Business Daily, http://esbd.cpa.state.tx.us/. “Bid package 2” is a representative sample only. All products of Emergency Preparedness and Disaster Recovery IT Products and Related Services may be made available through a Contract.

Volume Pricing

1) Volume Pricing: DIR encourages Vendors to offer VOLUME pricing for specific Products and/or Services on the spreadsheet tabs of Bid Package 2, Pricing Index.

2) In addition to VOLUME pricing for specific Products and/or Services, DIR encourages Vendors to propose increased discount based on total statewide aggregate contract sales for Products and Services. See Instruction tab in Bid Package 2, Pricing Index for volume pricing instructions.

In addition to purchases, DIR and any Vendor awarded a Contract as a result of this RFO may agree to provisions that allow leasing of the products offered under the resulting Contract. Bid Package 9, Master Lease Agreement and Bid Package 10, Master Operating Lease Agreement will be the prevailing lease documents under any DIR contract award.

DIR is not soliciting Emergency Preparedness and Disaster Recovery products and related services for the agency. DIR establishes statewide master contracts for use by DIR eligible customers. DIR competitively bids for information technology products and services.
Customers must identify their own needs, then contact an awarded DIR Vendor and obtain a price quote for products/services. Customers may submit a statement of work or purchase order to the Vendor when obtaining a quote based on their needs. The Customer makes the best value determination and issues a purchase order directly to the Vendor.

2.2. Related Services

Related services are any value-added service that Vendor may perform as related to the products proposed in Section 2.1. Related services include but are not limited to: product installation, maintenance and technical support, project management, managed services and product training. Any Vendor offering product-related services must submit a description of those services and the related pricing in the Excel spreadsheet attached as “bid package 2”.

This RFO is not a solicitation for professional or consulting services as defined in Chapter 2254 of the Texas Government Code.

2.3. Emerging Technologies

DIR recognizes that technology is ever-evolving and advancing. DIR reserves the right to consider the addition of training services for emerging technology such as next generation, enhancements and upgrades for products or services that are within the scope of DIR-TSO-TMP-398. Vendor may propose such training services throughout the term of the contract. Pricing and terms will be negotiated upon DIR agreement. Any determination will be at DIR’s sole discretion and any decision will be final.

2.4. Threshold and SOW Requirements

State Agency Customers (not including institutions of higher education), must adhere to the requirements of Senate Bill 20 (84R) relating to DIR Cooperative Contracts. Senate Bill 20 (SB20) requires state agencies to adhere to the following purchasing thresholds:

<table>
<thead>
<tr>
<th>Contract Value</th>
<th>Number of DIR Vendors</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50,000 or less</td>
<td>May award directly to DIR Vendor of choice</td>
</tr>
<tr>
<td>$50,000.01 to $150,000</td>
<td>Three (or all DIR Vendors in a category with less than three vendors)</td>
</tr>
<tr>
<td>$150,000.01 to $1 million</td>
<td>Six (or all DIR Vendors in a category with less than six vendors)</td>
</tr>
<tr>
<td>More than $1,000,000.01</td>
<td>Agencies must conduct an independent procurement and cannot use DIR Cooperative Contracts</td>
</tr>
</tbody>
</table>

In addition, state agencies procuring more than $50,000 worth of services from DIR Contracts must submit their draft and final Statements of Work to DIR for review and
approval prior to making payment to a Vendor.

Threshold and SOW review and signature processes do not apply to Institutions of higher education, K-12, local governments, assistance organizations, or out-of-state customers.

2.5. Electronic and Information Resources (EIR) Accessibility

Under Texas Government Code, Chapter 2054, Subchapter M, and DIR implementing rules, DIR state agency Customers must procure EIR that complies with the Accessibility Standards defined in the Texas Administrative Codes 1 TAC 206, 1 TAC 213, and WCAG 2.0 AA as applicable, and when such products are available in the commercial marketplace or when such products are developed in response to a procurement solicitation.

Accordingly, all Vendors must submit completed VPAT form (Bid Package 5) or links to completed VPATs located on manufacturer websites for each proposed product or product family prior to an award for the proposed product or product family. Instructions on how to complete a VPAT® can be found on DIR’s website.

Vendors claiming that a proposed product or family of products is exempt from accessibility requirements must use the VPAT form to: (1) specify each exempt product or product family and indicate “Not Applicable” in the “Supporting Features” column of the Summary Table; (2) provide an explanation in the “Remarks” column of Summary Table.

- For Consumer Off the Shelf (COTS) products, including Software as a Service (SAAS), a completed, accurate Voluntary Product Accessibility Template (VPAT) for each product or service included in the submitted pricelist.

Vendors who do not already have accessibility documentation should complete the form located here: http://www.itic.org/public-policy/accessibility. Vendors that claim their products are exempt from accessibility requirements must present that position to DIR as a question during the question and answer period of the solicitation.

For non-COTS offerings (such as IT related development services, services that include user accessed, online components, etc.) Vendors should complete a Vendor Accessibility Development Services Questionnaire (Bid Package 6) which documents Vendor’s capability or ability to produce accessible electronic and information resources.

In addition to the VPAT requirement, vendors must complete the Policy Driven Adoption for Accessibility (PDAA) for Vendor Self-Assessment (Bid Package 4).

2.6. Form of Contract

2.6.1 Sample Contract and Terms Negotiation

Negotiation: The final terms and conditions of any contract awarded as a result of this RFO shall be agreed upon during negotiation. However, the minimum standard terms and conditions that shall be included in any awarded contract are contained in the sample Contract for Products and Related Services attached as “Bid Package 7” and the Standard
Terms and Conditions for Products and Related Services Contracts attached as “Bid Package 8” to the posting for this RFO, requisition number DIR-TSO-TMP-398, on the Electronic State Business Daily, [http://esbd.cpa.state.tx.us/](http://esbd.cpa.state.tx.us/)

2.6.2 Proposed Changes and Exceptions

Caution: Vendors’ Responses may be disqualified if their exceptions are excessive, or if they except to non-negotiable terms, as described below. Item 10 of Exhibit A contains the format for Vendor to note any exception to any provision, term, or condition specified in the Contract for Products and Related Services and Standard Terms and Conditions for Products and Related Services Contracts. Vendor should provide any proposed changes to contract language in redline in the “Proposed Language (redline)” column of the chart in Item 10 of Exhibit A. **Vendors may request exceptions to standard contract terms and conditions; however, (1) where noted, exceptions to certain terms and conditions will not be allowed. If Vendor is unable to comply with these provisions, the Vendor’s response may be subject to disqualification from further consideration for this solicitation; (2) DIR in its discretion may or may not accept the Vendor’s requested exceptions; and (3) material deviations (including excessive, additional, inconsistent, conflicting or alternative terms) may render the Offer non-responsive and may result in rejection of the bid.** An explanation as to why the Vendor cannot comply with the provision, term, or condition and proposed alternative language must be included in the response. If Vendor fails to note any exception, Vendor will not be allowed to request an exception upon award or at some later date.

DIR anticipates a contract term of two (2) years initially with one (1) optional two-year term and one (1) optional one-year extensions to be exercised by DIR at its discretion. In the event of prolonged contract negotiations due to the number and/or significance of exceptions taken, lack of Vendor responsiveness or other failure to close contract negotiations that are not due to a failure on the part of DIR, DIR may at its discretion offer Vendor a shorter contract term.

DIR reserves the right to make changes to the Contract for Products and Related Services or the Standard Terms and Conditions for Products and Related Services Contracts if it is in the best interest of the State to do so. Should this occur prior to the award of any contracts as a result of this RFO, any Vendors selected for negotiations will be notified.

3. **General Information**

3.1. **Point of Contact**

All communications regarding this RFO must be addressed in writing to:

Carrie Cooper  
Department of Information Resources  
300 W. 15th Street, Suite 1300  
Austin, Texas 78701  
Phone: 512-936-2353  
Fax: 512-936-6896  
Internet: carrie.cooper@dir.texas.gov
3.2. Contact with DIR Staff

Upon issuance of this RFO, employees and representatives of DIR other than the Point of Contact identified in Section 3.1 will not discuss the contents of this RFO with any Vendor or their representatives. **Failure of a Vendor and any of its representatives to observe this restriction may result in disqualification of any related response.** This restriction does not preclude discussions between affected parties for the purpose of conducting business unrelated to this procurement.

3.3. Anticipated Schedule

3.3.1 RFO Schedule

It is DIR’s intention to comply with the following schedule for this RFO. These dates represent a tentative schedule of events. DIR reserves the right to modify these dates at any time. Prospective Vendors will be notified of modifications to the schedule via the Electronic State Business Daily (ESBD) web site.

<table>
<thead>
<tr>
<th>Date/Time</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 16, 2017</td>
<td>Publish RFO on Electronic State Business Daily</td>
</tr>
<tr>
<td>March 1, 2017, 2:00 pm (CT)</td>
<td>Vendor Conference (optional)</td>
</tr>
<tr>
<td>March 3, 2017, 2:00 pm (CT)</td>
<td>Deadline for submitting questions</td>
</tr>
<tr>
<td>March 7, 2017, 5:00 pm (CT)</td>
<td>Estimated date for answering questions</td>
</tr>
<tr>
<td>March 16, 2017, 2:00 pm (CT)</td>
<td>Deadline for DIR to receive Vendor references</td>
</tr>
<tr>
<td>March 16, 2017, 2:00 pm (CT)</td>
<td>Deadline for submitting Responses to RFO</td>
</tr>
<tr>
<td>March 17, 2017 – until completed</td>
<td>Evaluation of responses, negotiation and contract execution</td>
</tr>
</tbody>
</table>

3.3.2 Vendor Conference

An optional Vendor Conference will be held on March 1, 2017, 2:00 pm Central Time (CT) at the location listed below. Please bring a copy of the RFO to the Vendor Conference, as DIR will only supply a limited amount of copies.

**William P. Clements, Jr. Building**  
300 W. 15th Street  
Room 103  
Austin, Texas 78701

**Webinar Information**

A webinar will be held on the date and time specified in RFO Section 3.3.1 above.

To reserve a webinar seat, register at: 
[https://attendee.gotowebinar.com/register/4994281261199169794](https://attendee.gotowebinar.com/register/4994281261199169794)
After registering, you will receive a confirmation email containing information about joining the Webinar.

DIR will provide conference and webinar attendees with an opportunity to submit written questions at the conference. All questions submitted at the conference must reference the appropriate RFO page and section number. Although DIR may provide tentative verbal responses to questions at the conference, responses are not official until they are posted as an addendum to this RFO on the Electronic State Business Daily, http://esbd.cpa.state.tx.us/. DIR reserves the right to amend answers prior to the offer submission deadline.

Any addenda and/or amendment to this procurement solicitation will be posted as an addendum on the Electronic State Business Daily. It is the responsibility of interested parties to periodically check the ESBD for updates to the procurement prior to submitting a bid. Respondent’s failure to periodically check the ESBD will in no way release the selected Vendor from “addenda or additional information” resulting in additional costs to meet the requirements of the RFO.

3.3.3 Written Questions and Official Answers
Vendors shall submit all questions regarding this RFO by fax, e-mail, or in writing to the Point of Contact listed in Section 3.1. Questions regarding this RFO will be accepted until the date and time specified above in Section 3.3.1, RFO Schedule. Note: Texas observes Daylight Savings Time. Official answers will be posted as an addendum to this RFO, requisition number DIR-SDD-TMP-398, on the Electronic State Business Daily (ESBD), http://esbd.cpa.state.tx.us/. DIR reserves the right to amend answers prior to the offer submission deadline.

Any addenda and/or amendment to this procurement solicitation will be posted as an addendum on the Electronic State Business Daily. It is the responsibility of interested parties to periodically check the ESBD for updates to the procurement prior to submitting a bid. Respondent’s failure to periodically check the ESBD will in no way release the selected vendor from “addenda or additional information” resulting in additional costs to meet the requirements of the RFO.

3.4. Historically Underutilized Businesses

The purpose of the Historically Underutilized Business (HUB) Program is to promote full and equal business opportunities for all businesses in State contracting in accordance with the goals specified in the State of Texas Disparity Study. Each state agency must make a good faith effort to meet or exceed the goals identified below and assist HUBs in receiving a portion of the total contract value of all contracts that the agency expects to award in a fiscal year in accordance with the following procurement goals/percentages:

1. 11.2% for heavy construction other than building contracts;
2. 21.1% for all building construction, including general contractors and operative builders’ contracts;
3. 32.9% for all special trade construction contracts;
4. 23.7% for professional services contracts;
5. 26.0% for all other services contracts;
6. 21.1% for commodities contracts.

It is the policy of DIR to make a good faith effort to achieve the annual program goals by contracting directly with HUBs or indirectly through subcontracting opportunities in accordance with the Texas Government Code, Chapter 2161, Subchapter F, and HUB Rules promulgated by the Comptroller of Public Accounts (CPA), 34 TAC, Chapter 20.

HUBs are strongly urged to respond to this RFO. Under Texas law, state agencies are required to make a good faith effort to assist HUBs in receiving certain percentages of the total value of contract awards. Vendors who meet the qualifications are strongly encouraged to apply for certification as HUBs.

3.4.1 HUB Subcontracting Plan
DIR has determined that subcontracting is probable under any contract awarded as a result of this RFO. The HUB Goal for this RFO is 26%. ALL VENDORS RESPONDING TO THIS RFO, INCLUDING THOSE THAT ARE HUB CERTIFIED OR THOSE WHO DO NOT PLAN TO SUBCONTRACT, MUST COMPLETE A HUB SUBCONTRACTING PLAN (HSP) IN ACCORDANCE WITH THE STATE’S POLICY ON UTILIZATION OF HUBs. THE HSP MUST BE INCLUDED AS PART OF THE RESPONSE TO THIS RFO. FAILURE TO COMPLETE THE HSP AS INSTRUCTED MAY RESULT IN DISQUALIFICATION OF THE RESPONSE FROM CONSIDERATION. The State’s Policy on Utilization of Historically Underutilized Businesses and HSP forms are attached to this RFO as Exhibit D. Please review the HSP forms carefully and allow sufficient time to identify and contact HUBs and allow them to respond. Note that Vendors must demonstrate a good faith effort to contract with new HUBs if currently proposed HUBs have performed as subcontractors to the Vendor for more than five years. If the Vendor does not plan to subcontract, Vendor must state that fact in their plan. An original, signed paper copy of the HSP must be submitted in an envelope that is separate from the rest of the proposal. The completed plan shall become a part of the contract that may be awarded as a result of this RFO.

3.4.2 HUB Continuing Performance
Any contracts awarded as a result of this RFO shall include reporting responsibilities related to HUB subcontracting. Awarded Vendors may not change any subcontractor without submitting a revised HUB Subcontracting Plan (HSP). Any change to a subcontractor and revised HSP must be approved in writing by DIR prior to implementation.

3.4.3 HUB Resources Available
A list of certified HUBs is available on the Texas Comptroller of Public Accounts (CPA) Website at: https://mycpa.cpa.state.tx.us/tpasscmblsearch/index.jsp. For additional information, contact the CPA’s HUB program office at StatewideHUBProgram@cpa.texas.gov. If Vendors know of any businesses that may qualify for certification as a HUB, they should encourage those businesses to contact the CPA HUB program office.
3.5. Vendor Qualifications

3.5.1 Authorized Vendors

Vendors who respond to this RFO must be one of the following:

1) Vendor who will sell directly to Customers through a Co-op Contract. Any proposing Vendor who is not the Manufacturer/Publisher must supply a signed letter from the Manufacturer/Publisher certifying that Vendor is an authorized reseller of Manufacturer’s/Publisher’s products to the agencies and political subdivisions of the State, including institutions of higher education, and may sell such products under the terms and conditions of the DIR Contract, in support of Vendor’s proposal. Signed letters of authorization must be submitted with Vendor’s proposal. **Failure to supply the letter may result in elimination of the related proposal from the solicitation process.**

2) Vendor who will execute a Co-op Contract with DIR and designate one or more qualified dealers or resellers (Order Fulfillers) to sell directly to Customers on its behalf. Vendor may also sell directly to Customers. Vendors responding to this RFO must supply a signed letter from the Manufacturer/Publisher certifying that Vendor is an authorized reseller of Manufacturer’s/Publisher’s products to the agencies and political subdivisions of the State, including institutions of higher education, and may sell such products under the terms and conditions of the DIR Contract, in support of Vendor’s proposal. Signed letters of authorization must be submitted with Vendor’s proposal. **Failure to supply the letter may result in elimination of the related proposal from the solicitation process.**

3.5.2 Federal Requirements

1) State agencies are prohibited from doing business with terrorists and terrorist organizations. Any Vendor listed in the prohibited Vendors list authorized by Executive Order #13224, “Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism”, published by the United States Department of the Treasury, Office of Foreign Assets Control (Terrorism List) shall not be awarded a Contract as a result of this RFO. Any Vendor awarded a Contract as a result of this RFO must agree that if at any time during the term of the contract the Vendor is listed on the Terrorism List, the Vendor shall promptly notify DIR. As part of DIR’s contract management, periodic checks will be performed to ensure any Vendor awarded a contract as a result of the RFO remains in compliance with these Federal Requirements. DIR shall have the absolute right to terminate the contract without recourse in the event Vendor becomes listed on the Terrorism List.

2) Should any Vendor or its principals awarded a Contract as a result of this RFO become suspended or debarred from doing business with the federal government as listed in the System for Award Management (SAM) maintained by the General Services Administration, the Vendor’s contract will be terminated without recourse.
3) Vendor shall comply with the requirements of the Immigration and Reform Act of 1986, the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 ("IIRIRA"), and the Immigration Act of 1990 (8 U.S.C.1101, et seq.) regarding employment verification and retention of verification forms for any individual(s) hired on or after the effective date of the 1996 Act who will perform any labor or services under this Contract.

3.5.3 Vendor Performance and Debarment
In accordance with 34 TAC, Chapter 20, Subchapter C, any Vendor that is debarred from doing business with the State of Texas will not be awarded a contract under this solicitation. The list of debarred Vendors is located on the CPA Web site at:
http://comptroller.texas.gov/procurement/prog/vendor_performance/debarred/

3.5.4 Required Vendor and Subcontractor Current and Former State Employee Disclosures
Vendor shall disclose, for itself and on behalf of all of its Subcontractors, in its response to Section 11 of Exhibit A to the RFO, all of the following:
1) Any current or former employees of Vendor who will spend 20% or more of their time on a contract resulting from this RFO and are current or former employees of DIR within the past five (5) years;
2) Any proposed Vendor personnel assigned to work directly on any Contract to arise from this RFO 20% or more of their time who are related within two degrees of consanguinity of any current or former employees of DIR. Disclosure of former state employees may be limited to the last five (5) years; and
3) Vendor will certify that they are in compliance with Texas Government Code, Title 6, Subtitle B, Section 669.003, relating to contracting with the executive head of a state agency. If Section 669.003 applies, Vendor will complete the following information in order for the response to be evaluated: Name of Former Executive, Name of State Agency, Date of Separation for State Agency, Position with Vendor, and Date of Employment with Vendor.

3.6. Response Deadline and Submission Requirements
Vendors are invited to submit responses in accordance with the requirements outlined in this document. Responses must be received by DIR on or before 2:00 pm (CT) on March 16, 2017. No late responses will be reviewed. Responses must be hand-delivered or mailed to the submittal address listed in Section 3.7.1. No facsimile or e-mail responses shall be accepted.

3.6.1 Official Timepiece
The clock in the DIR Purchasing Office at 300 W. 15th Street, 13th Floor, Room 1335, is the official timepiece for determining compliance with the deadline. All responses will be date and time stamped when received by the Purchasing Office on the 13th floor.
3.6.2 **Hand Delivery of Responses**
All Vendors and courier delivery service personnel will be required to check in at the security desk on the 1st floor at 300 W. 15th Street. Therefore, it is advised that Vendors allow extra time for building security check-in if hand-delivering responses or using a courier delivery service. DIR will not be responsible for delays associated with building security compliance.

3.6.3 **United States Postal Service Delivery of Responses**
Delivery of responses via United States Postal Service is acceptable. However, responses must be received, not post-marked, by the response deadline and, due to the State’s mail processing procedures, this method may cause a delay in delivery to the DIR Purchasing Office. DIR will not be responsible for any delays associated with this method of delivery.

3.7. **Response Format and Contents**

3.7.1 **Submittal Address and External Packaging of Response**
Responses should be addressed to:

Department of Information Resources  
300 W. 15th Street, Suite 1300  
Austin, Texas 78701  
Attn: Carrie Cooper

The external packaging of the response must reference “RFO DIR-TSO-TMP-398” and must include the name and address of the Vendor submitting the response.

3.7.2 **Number of Copies**
Each Vendor must submit the complete response as follows:

1. One (1) signed original (clearly marked) of the complete response, including one (1) signed original of the HUB Subcontracting Plan;
2. One (1) signed original of the HUB Subcontracting Plan in a separate envelope;
3. Three (3) USB Flash drives (clearly marked with Vendor name) containing the following;
   a) Two (2) USB Flash drives containing an electronic folder labeled “Complete Vendor Response” that shall contain the entire Vendor’s response.
   b) One (1) USB Flash drive containing a labeled electronic folder with any and all response materials, which Vendor asserts are confidential or proprietary*; and a labeled electronic folder containing all non-proprietary/confidential and non-copyrighted materials in the Vendor’s response* (redacted copy for public release).

* If Vendor’s response does not contain such materials, then USB Flash drive for these items are not required. DIR will release the non-proprietary/confidential and non-copyrighted version if DIR receives a Public Information Request.
Unless Vendor specifically identifies proprietary, confidential or copyrighted material as required, DIR will assume all information is available for public disclosure.

Paper responses must be bound in a 3-ring binder and the cover of the binders must reference “DIR-TSO-TMP-398” and include the name and address of the responding Vendor.

Each USB Flash drive must be clearly marked as to its contents. The response materials on each USB Flash drive must be compatible with Microsoft Office. All materials must be submitted in an editable format (e.g., Microsoft Word, Microsoft Excel). Do not submit electronic materials in PDF format. If there are any disparities between the contents of the printed response and any of the response materials on USB Flash drives, the contents of the signed original printed response will take precedence.

NOTE: USB Flash drive(s) must be securely fastened to the 3-ring binder.

3.7.3 Mandatory Response Contents

VENDOR MUST PROVIDE THE ITEMS LISTED BELOW OR THE RESPONSE WILL BE REJECTED.

1) Vendor Information – Exhibit A of this RFO
   This form must be filled out in its entirety and signed by an officer or agent empowered to contractually bind the Vendor. Vendors Response should offer information to support its capability to provide the services requested in this RFO. Attachments 1 and 2 must be completed and submitted with the response if applicable per Item 21, Canceled Contracts.

2) Vendor History and Experience - Exhibit B of this RFO

3) Contract Marketing and Support Plan – Exhibit C of this RFO
   Vendor must provide a plan that describes the Vendor’s ability and strategy for promoting and supporting the contract, if awarded.

4) HUB Subcontracting Plan Forms – Exhibit D of this RFO
   All Vendors, INCLUDING THOSE WITH HUB DESIGNATION AND THOSE THAT DO NOT PLAN TO USE SUBCONTRACTORS, must submit a HUB Subcontracting Plan. HUB Subcontracting Plan Forms are provided in Exhibit D. Refer to Section 3.4 for more information regarding HUB subcontracting. Note: For the purposes of the HUB Subcontracting Plan, Order Fulfillers designated by a manufacturer or publisher to sell directly to Customers on its behalf are considered subcontractors. The paper copy of the HSP must be submitted in a separate envelope.

5) Product Pricing – Bid Package 2
Vendor shall provide a detailed description and the specific pricing for any products and related services that Vendor is proposing to offer in response to this RFO in Excel format. Products and related services should be listed in the Excel spreadsheet that is attached as “Bid Package 2” to the posting for this RFO, requisition number DIR-TSO-TMP-398 on the Electronic State Business Daily, http://esbd.cpa.state.tx.us. Vendor shall provide specific pricing for the products and related services applicable to their response.

6) Signed letter(s) from the Manufacturer/Publisher certifying that Vendor is an authorized reseller of Manufacturer's/Publisher's products

7) Software License Agreements and/or Service Agreements
Vendor shall provide any Software License Agreements and/or Service Agreements that are applicable to the services Vendor is proposing. These Agreements must, at a minimum, allow and provide for inclusion of the terms and conditions of the Contract for Products and Related Services (Bid Package 7) and the Standard Terms and Conditions for Products and Related Services Contracts (Bid Package 8).

8) Policy-Driven Adoption for Accessibility – Bid Package 4
Vendors must provide the PDAA form (Bid Package 4) as requested in Section 2.5, Electronic and Information Resources (EIR) Accessibility, of this RFO.

3.7.4 References
Vendor must send the Vendor Reference Questionnaire (See Bid Package 3) to three (3) companies or government agencies. Instructions are included in Bid Package 3. DIR is not responsible for undeliverable e-mails or for non-responsive references. If DIR does not receive a vendor reference, Vendor will receive a score of “0” for that reference. Include all requested information. References must respond to DIR on the form provided by the due date in order to be considered in proposal evaluation. The Vendor Reference Questionnaire form must be submitted directly from the reference to DIR. The Vendor may not submit the reference form to DIR. Should this occur, the reference will be scored with a zero (0).

3.7.5 Accessibility of Electronic Response Documents
Vendor response documents should be submitted in a format that is accessible to people with disabilities. This can include, but is not limited to accessible Office, Adobe PDF, or other productivity document suite. Vendor should not submit scanned documents.

3.8. Rejection of Responses
DIR has sole discretionary authority and reserves the right to reject any and all responses received as a result of this RFO. Responses that do not comply with the mandatory submission requirements shall be rejected. In addition, DIR reserves the right to accept or reject, in whole or in part, any responses submitted, and to waive minor technicalities when in the best interest of the State.
3.9. Right to Amend or Withdraw RFO

DIR reserves the right to alter, amend or modify any provision of this RFO, or to withdraw this RFO, in whole or in part, at any time prior to the award of a contract if to do so is in the best interest of the State. DIR reserves the right to re-solicit for like or similar products and services whenever it determines re-solicitation to be in the best interest of the State.

Any changes or additional information regarding this RFO will be posted as an addendum to requisition number DIR-TSO-TMP-398 on the Electronic State Business Daily, http://esbd.cpa.state.tx.us/. It is the responsibility of Vendors to monitor the web site for addenda. Vendor's failure to periodically check the ESBD will in no way release the vendor from "addenda or additional information" resulting in additional costs to meet the requirements of the RFP.

3.10. Pre-agreement Costs

DIR shall not be responsible or liable for any cost incurred by any Vendor in the preparation and submission of its response to this RFO or for other costs incurred by participating in this procurement process.

3.11. Ownership of Responses

All responses become the property of DIR. DIR reserves the right to use any and all information or materials presented in response to this RFO. Disqualification of a Vendor's response does not eliminate this right.

3.12. Public Information

DIR is a government agency subject to the Texas Public Information Act. Responses submitted to DIR as a result of this RFO are subject to release as public information after contracts are executed or if the procurement is terminated. Vendor may not mark its complete proposal “copyrighted” or mark every page as proprietary or confidential but if a Vendor believes that its response, or parts of its response, may be exempted from disclosure under Texas law, the Vendor must specify page-by-page and line-by-line the parts of the response that it believes are exempt. In addition, the Vendor must specify which exception(s) are applicable and provide detailed reasons substantiating the exception(s).

The Office of the Attorney General (OAG) has the sole authority to determine whether information is confidential and not subject to disclosure under the Public Information Act DIR shall comply with all decisions of the OAG.

DIR assumes no responsibility for asserting legal arguments on behalf of any Vendor. Vendors are advised to consult with their legal counsel concerning disclosure issues resulting from this procurement process and to take precautions to safeguard trade secrets and other proprietary information.
4. **Evaluation, Negotiations, and Award**

4.1. **Evaluation of Responses**

DIR will review proposals to determine responsiveness to this RFO. All determinations about responsiveness to this RFO are final. All proposals determined to be responsive will go through a financial review overseen by the Chief Financial Officer’s (CFO’s) office. **The financial review is a pass/fail determination that is final.** Only proposals that receive a passing grade will proceed to the Evaluation Committee. DIR will establish an Evaluation Committee to review all responses that have not been rejected. At any time during the evaluation process, DIR may ask any or all Vendors to elaborate on or clarify specific points or portions of their response. DIR’s request and Vendor’s response shall be in writing. Once initial evaluation of responses has been completed, the Evaluation Committee shall turnover the tabulated scores to the DIR purchasing office and shall conclude their duties.

4.2. **Evaluation Criteria**

4.2.1 **Pass/Fail Criteria**

In addition to the weighted criteria listed below DIR also reviews additional Pass/Fail criteria as follows:

1. DUNS Number and report is a Pass/Fail review conducted by the Finance Group (Exhibit A, Item 12)
2. Compliance with applicable provisions of §§2155.074, 2155.075, 2156.007, 2157.003, and 2157.125, Gov’t Code. Respondents may fail this selection criterion for any of the following conditions:
   a. A score of less than 90% in the Vendor Performance System;
   b. Currently under a Corrective Action Plan through the CPA, having repeated negative Vendor Performance Reports,
   c. Having purchase orders that have been cancelled in the previous 12 months for non-performance (including but not limited to late delivery, etc.).
3. Completion of HUB Subcontract Plan (Exhibit D).

4.2.2 **Weighted Evaluation Criteria**

The criteria and weight to be used in determining the best value for the State are as follows:

- 45% - Pricing
- 25% - Vendor History and Experience in providing the products and services requested – Exhibit B
- 20% - Vendor’s plan for supporting the Contract – Exhibit C
- 10% - Vendor’s Customer references. (Bid Package 3)

Vendors will be evaluated on performance under existing and prior contracts for similar products or services and the evaluation may include consideration of Vendor performance as recorded in the CPA Vendor Performance Tracking System as described in the Texas Administrative Code, 34 TAC 20.108(b).

4.3. **Oral Presentations, Best and Final Offer**
DIR in its discretion shall make the determination whether to request oral presentations and/or engage in the Best and Final Offer process. Both oral presentations and the Best and Final Offer process, if held, will also be scored.

DIR reserves the right to continue to evaluate responses until such point as the best value, as defined by Texas Government Code, Section 2157.003, is obtained for the State.

4.4. Negotiations

At the conclusion of the evaluation, as described within Sections 4.1 through 4.3 above, DIR staff shall determine the number of Vendors with which it will start contract negotiations. In its discretion, DIR shall terminate contract negotiations when DIR determines that the best value for the State has been obtained. Then the staff will recommend award of one or more contracts to DIR Executive Management.

4.5. Award of Contract

DIR Executive Management shall make the decision to award any contracts, if in the best interest of DIR and the State to do so. The decision of Executive Management on any award is final. Any award for this RFO shall be posted under requisition number DIR-TSO-TMP-398 on the Electronic State Business Daily, [http://esbd.cpa.state.tx.us/](http://esbd.cpa.state.tx.us/), upon execution of a contract with one or more Vendors. All responses and working papers pursuant to this RFO are not subject to disclosure under the Public Information Act until all contracts resulting from this RFO have been executed.

Any Contract resulting from this solicitation is contingent upon the continued availability of lawful appropriations by the Texas Legislature.

4.6. Vendor Protest Procedures

Any Vendor who is aggrieved in connection with this RFO, evaluation, or award of a contract may formally protest to DIR in accordance with the Vendor protest procedures posted on the DIR Web site at: [http://dir.texas.gov/View-Information-For-Vendors/Pages/Content.aspx?id=21](http://dir.texas.gov/View-Information-For-Vendors/Pages/Content.aspx?id=21).

END OF RFO
This form must be filled out in its entirety and signed by an officer or agent empowered to contractually bind the Vendor.

1) Company Name: ____________________________________________________________

2) Comptroller of Public Accounts Vendor Identification Number: ________________

3) Principal place of business
   Address:
   City:
   State:
   Zip Code:

4) Facility responsible for servicing the contract
   Address:
   City:
   State:
   Zip Code:

5) Contact Person regarding Vendor’s response to the RFO
   Name:
   Address:
   City, State, Zip:
   Phone Number:
   Fax:
   Email:

6) Contact Person responsible for contract negotiation
   Name:
   Address:
   City, State, Zip:
   Phone Number:
   Fax:
   Email:

7) Indicate whether or not your company is a certified Historically Underutilized Business (HUB) with the State of Texas by the CPA.
   ___________Yes _________________No

8) Provide the year in which your company was created/incorporated.
9) Vendor must send the Vendor Reference Questionnaire (See Bid Package 3) to three (3) companies or government agencies. Instructions are included in Bid Package 3. DIR is not responsible for undeliverable e-mails or for non-responsive references. If DIR does not receive a vendor reference, Vendor will receive a score of “0” for that reference. Include all requested information. References must respond to DIR on the form provided by the due date in order to be considered in proposal evaluation. The Vendor Reference Questionnaire form must be submitted directly from the reference to DIR. The Vendor may not submit the reference form to DIR. Should this occur, the reference will be scored with a zero (0).

10) List below by subsection all exceptions to the Contract for Services and Standard Terms and Conditions for Services Contracts in redline form. You must include the basis of your exceptions and provide proposed alternate language. If Vendor fails to list exceptions in its response, Vendor shall not be permitted to submit exceptions to the same section during the negotiation process or thereafter. Vendor shall not redline the contract or Exhibit A. All exceptions must be listed in the chart below.

<table>
<thead>
<tr>
<th>Section</th>
<th>Section Title</th>
<th>Explanation of Exception</th>
<th>Proposed Language (redline)</th>
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11) Vendor and Subcontractor Conflict of Interest Disclosure
List below all current or former employees of Vendor and/or proposed Vendor personnel with conflict of interests as follows:

1) Any current or former employees of Vendor who will spend 20% or more of their time on a contract resulting from this RFO and are current or former employees of the State of Texas within the past five (5) years; and

2) Any proposed Vendor personnel assigned to work directly on any Contract to arise from this RFO 20% or more of their time who are related within two degrees of consanguinity of any current or former employees of the State of Texas. Disclosure of former state employees may be limited to the last five (5) years.

Vendor Personnel:

<table>
<thead>
<tr>
<th>Current or Former Employees who are current or former State employees (see Note 1 above)</th>
<th>Vendor Personnel related to State of Texas Employees (see Note 2 above)</th>
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</table>

Subcontractor personnel:

<table>
<thead>
<tr>
<th>Current or Former Employees of Subcontractor(s) who are current or former State employees (see Note 1 above)</th>
<th>Subcontractor Personnel related to State of Texas Employees (see Note 2 above)</th>
</tr>
</thead>
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</table>
3) Vendor certifies that they are in compliance with Texas Government Code, Title 6, Subtitle B, Section 669.003, relating to contracting with the executive head of a state agency. If Section 669.003 applies, Vendor will complete the following information in order for the response to be evaluated: Name of Former Executive, Name of State Agency, Date of Separation for State Agency, Position with Vendor, and Date of Employment with Vendor.


All Vendors responding to this RFO and all Vendors that will enter into a contract with DIR must be and remain current in payment of all taxes, including Sales and Franchise Taxes. In general, the Comptroller of Public Accounts must identify the Vendor to be “in good standing” and a Vendor with which the state is authorized to do business.

Vendors must provide a Dun and Bradstreet D-U-N-S number. The D-U-N-S number MUST be included in the Vendor’s response. **Failure to include the D-U-N-S number listed for the company shall cause automatic rejection of the response.**

13) Electronic Product Environment Assessment Tool (EPEAT). To the extent Customers use products provided by Vendor in the delivery of Services offered under this RFO, indicate whether the products provided are EPEAT certified and identify the applicable EPEAT rating (bronze, silver or gold) for certified products. If products provided are not EPEAT certified, describe Vendor’s efforts to obtain EPEAT certified products.

14) Officer or Agent empowered to contractually bind the Vendor:

Name:
Title:
Address:
Phone Number:
Fax:
Email:

15) For each manufacturer Vendor is proposing in the RFO, indicate whether or not the manufacturer has a program to recycle the manufacturer’s computer equipment and if they recycle computers from other manufacturers. If you are a reseller, you must indicate whether your company has a recycling program or will use the manufacturer’s recycling program for the products listed in this RFO.

Manufacturer Name__________________________________________
Recycles their own computers? ___________Yes ___________No
Recycles other manufacturer’s computers? ___________Yes ___________No
If Reseller, check one that applies:
___________Will use Manufacturer’s program
___________Will use Respondent’s own program

Provide documentation or citation (URL) where the recycling program resides to enable DIR to verify compliance with this requirement. ________________________________________
16) **Statement of Compliance**

A. **Checklist for the RFO**

The following checklist is provided for the convenience of Vendors in their response preparation process. It is not intended to represent an exhaustive list of the mandatory requirements for this RFO. Vendors must ensure that all mandatory requirements for this RFO are met, even if they are not included in this checklist. The mandatory documentation must be submitted with the original and each copy of the response.

A completed checklist shall not be binding on DIR’s administrative review for compliance with the mandatory response contents specified in this RFO. As step one of the evaluation process, DIR will review all responses to ensure compliance with the mandatory response contents as specified in Section 3.7.3. of the RFO and reject any response that does not comply.

**All responses must be received by DIR on or before the date and time specified in Section 3.3.1 of this RFO. No late responses will be reviewed.**

<table>
<thead>
<tr>
<th>Item</th>
<th>Check</th>
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<tbody>
<tr>
<td>Response addressed to: Department of Information Resources</td>
<td></td>
</tr>
<tr>
<td>300 W. 15th Street, Suite 1300 Austin, Texas 78701</td>
<td></td>
</tr>
<tr>
<td>Attn: Carrie Cooper</td>
<td></td>
</tr>
<tr>
<td>External packaging references “RFO DIR-TSO-TMP-398”</td>
<td></td>
</tr>
<tr>
<td>Package contains one (1) signed original (clearly marked) of the complete response with one (1) signed original HUB Subcontracting Plan</td>
<td></td>
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<tr>
<td>Package contains one (1) additional signed original HUB Subcontracting Plan in a separate envelope</td>
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<td></td>
</tr>
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<td>Paper responses are bound and the cover of the binder references “DIR-TSO-TMP-398” and include the name and address of the responding Vendor</td>
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</tr>
</tbody>
</table>

**Mandatory Response Contents**

- Vendor Information – Exhibit A
- Vendor History and Experience – Exhibit B
- Contract Support Plan – Exhibit C
- Manufacturer Letters, Section 3.5.1
- HUB Subcontracting Plan Forms – Exhibit D – in a separate envelope
- Product Pricing – Bid Package 2 in EXCEL Format
- Accessibility Documentation (PDAA), Section 2.5 RFO Requirement
- Service Agreement(s) *(if applicable)*
B. Certification Statement

The undersigned hereby certifies on behalf of insert company name here that RFO DIR-TSO-TMP-398 has been read and understood. In submitting its response insert company name here represents to DIR the following:

i) Vendor is capable of providing the products and services as described in the RFO;

ii) Vendor is offering true and correct pricing and discounts for the products and services;

iii) Vendor agrees, if awarded a contract, to abide by the terms and conditions of the resulting contract;

iv) as of the date of signature below, Vendor is not listed in the prohibited Vendors list authorized by Executive Order #13224, "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism", published by the United States Department of the Treasury, Office of Foreign Assets Control;

v) Vendor and its principals are not suspended or debarred from doing business with the federal government as listed in the System for Award Management (SAM) maintained by the General Services Administration;

vi) Vendor certifies, under Texas Government Code, Sections 2155.004 and 2155.006, that the individual or business entity named in this bid or contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate;

vii) Vendor certifies that, to the extent applicable to this scope of this RFO, Vendor is in compliance with Health and Safety Code, Chapter 361, Subchapter Y, related to the Computer Equipment Recycling Program, and the related rules found at 30 TAC Chapter 328;

viii) Vendor has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted response;

ix) Vendor has not received compensation for participation in the preparation of specifications for this solicitation as required by Texas Government Code, Section 2155.004(a);

x) Vendor has not, nor has anyone acting for Vendor, violated the antitrust laws of the United States or the State of Texas, nor communicated directly or indirectly to any competitor or any other person engaged in such line of business for the purpose of obtaining an unfair price advantage;

xi) Vendor is not currently delinquent in the payment of any franchise tax owed the State of Texas and is not ineligible to receive payment under Section 231.006 of the Texas Family Code and acknowledges the Contract may be terminated and payment withheld if this certification is inaccurate, and any Vendor subject to Section 231.006 must include names and social security numbers of each person with at least 25% ownership of the business entity submitting the response, prior to award; Enter the name and Social Security Numbers for each person below (alternatively, if this section applies, Vendor may make a note here and include Names and Social Security Numbers on a separate page and include it in the electronic folder labeled “Confidential and Proprietary.”

<table>
<thead>
<tr>
<th>Name:</th>
<th>Social Security Number:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name:</td>
<td>Social Security Number:</td>
</tr>
<tr>
<td>Name:</td>
<td>Social Security Number:</td>
</tr>
</tbody>
</table>

dev) Vendor agrees that any payments due under this Contract will be applied towards any debt, including but not limited to delinquent taxes and child support that is owed to the State of Texas;

xiii) Vendor agrees to comply with Texas Government Code, Section 2155.4441, relating to use of service contracts for products produced in the State of Texas;

xiv) Vendor certifies it is in compliance with Texas Government Code, Section 669.003, relating to contracting with executive head of a state agency;

xv) Vendor certifies for itself and its subcontractors that it has identified all current or former, within the last five years, employees of the State of Texas assigned to work on the DIR Contract 20% or more of their
time and has disclosed them to DIR and has disclosed or does not employ any relative of a current or former state employee within two degrees of consanguinity, and, if these facts change during the course of the Contract, Vendor certifies it shall disclose for itself and on behalf of subcontractors the name and other pertinent information about the employment of current and former employees and their relatives within two degrees of consanguinity;

(xvi) Vendor represents and warrants that the provision of goods and services or other performance under the Contract will not constitute an actual or potential conflict of interest and certifies that it will not reasonably create the appearance of impropriety;

(xvii) Vendor certifies that if a Texas address is shown as the Principle Place of Business in Exhibit A, Vendor Information Form, Vendor qualifies as a Texas Resident Bidder as defined in Texas Administrative Code, Title 34, Part I, Chapter 20;

(xviii) Vendor understands and agrees that Vendor may be required to comply with additional terms and conditions or certifications that an individual Customer may require due to state and federal law (e.g., privacy and security requirements); and

(xix) Vendor agrees that these representations will be incorporated into any subsequent agreement(s) between Vendor and Customer that result from this RFO.

(xx) Respondent certifies that there have been ☐ yes / ☐ no canceled contracts in the past five (5) years. Note: If yes is checked, Respondent must complete Exhibit A, Attachment 1 & 2 and submit with the response.

__________________________________________________________
Signature of Officer or Agent empowered to contractually bind the Vendor

__________________________________________
Date
Exhibit A
Attachment 1
List of Vendor's Cancelled Contracts

THIS FORM MUST BE COMPLETED/SIGNED BY RESPONDENT FOR ANY IDENTIFIED CONTRACT CANCELLED WITHIN THE PAST FOUR YEARS REFERENCE AND SUBMITTED WITH THE RESPONDENT'S REQUIREMENTS SUBMISSION

<table>
<thead>
<tr>
<th>COMPANY NAME</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>COMPANY ADDRESS</td>
<td>(Street, City, State, Zip Code)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>*CONTACT NAME / PHONE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>*E-MAIL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CONTRACT AWARD DATE:</td>
<td>OPERATIONS START DATE:</td>
<td>CONTRACT CANCELLATION DATE:</td>
<td></td>
</tr>
<tr>
<td>DESCRIPTION OF SERVICE:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>REASON FOR CANCELLATION:</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>COMPANY NAME</th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>COMPANY ADDRESS</td>
<td>(Street, City, State, Zip Code)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>*CONTACT NAME / PHONE</td>
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<td>*E-MAIL</td>
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<tr>
<td>CONTRACT AWARD DATE:</td>
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<tr>
<td>DESCRIPTION OF SERVICE:</td>
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</tr>
<tr>
<td>REASON FOR CANCELLATION:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Note: Do NOT complete these fields if DIR is the Cancelled Contract Reference
Exhibit A
Attachment 2
RESPONDENT RELEASE OF LIABILITY
(TO REFERENCE)

THIS FORM MUST BE COMPLETED/SIGNED BY RESPONDENT FOR EACH IDENTIFIED REFERENCE
(GENERAL REFERENCES AND CANCELLED CONTRACT REFERENCES) AND SUBMITTED WITH THE
RESPONDENTS REQUIREMENTS SUBMISSION

To company providing the reference:

Enter name of company providing the reference here

You are hereby requested to provide a business reference for:

Enter name of company (Respondent) or key staff person’s name needing a reference

to the:
Texas Department of Information Resources
Solicitation Evaluation Team

Please disclose any and all information that you deem relevant relating to the above-named parties’
business relationship. By signing this document, the entity and, if applicable, individual key staff person
signing below releases the above-named company providing a reference, its agents, employees, and all
persons, natural or corporate, in privity with above-named company providing a reference from any and
all liability, claims or causes of action arising from their disclosure of information pursuant to this request
for a business reference.

Signed the ______________ day of ______________, 20___.

____________________________________
(Respondent Signature)

____________________________________
(Respondent Printed Name)

____________________________________
(Respondent Title)

Signed the ______________ day of ______________, 20___.

____________________________________
(Key Staff Signature or “N/A” if Respondent-
level release)

____________________________________
(Key Staff Printed Name)
Department of Information Resources
Emergency Preparedness and Disaster Recovery
IT Products and Related Services
Request for Offer DIR-TSO-TMP-398

Exhibit B
Vendor History and Experience

1) Provide a detailed history of your company.

2) Provide the number of years your company has sold the products/services requested in this RFO.

3) Provide the number of years your company has sold the products/services requested in this RFO to Texas state agencies, local governments, independent school districts, and institutions of higher education.

4) Indicate whether or not Texas state agencies, local governments, independent school districts, and institutions of higher education have purchased the products/services listed in this RFO from your company within the last 12 months.

   __________ Yes  ____________ No

   If yes, provide the entity names, total sales, quantity sold, and discount % off list price.

5) Indicate whether or not your company holds a contract for use by public entities (state agencies, local governments, independent school districts, public universities) in any other states for the same products/services requested in this RFO.

   __________ Yes  ____________ No

   If yes, provide the entity names, total sales, quantity sold, and discount % off list price.

6) Indicate whether or not your company holds a contract with any entity or consortium authorized by Texas law to sell the products and services requested in this RFO to Texas state agencies, local governments, independent school districts, and institutions of higher education.

   __________ Yes  ____________ No

   If yes, provide the entity names, total sales, quantity sold, and discount % off list price.

END OF EXHIBIT B
Vendor must provide a plan that describes the Vendor’s ability and strategy for promoting and supporting the contract, if awarded. The plan must include the information listed below.

1) Describe your company’s strategy for marketing and selling the services listed in this RFO to eligible DIR Customers. A Contract Marketing Plan, as an example, would list the Marketing elements Vendor would use like publishing on DIR website, email signature tag, Trade Publication Advertisements etc.

2) Describe your company’s strategy for providing sales, order processing, and support of eligible DIR Customers throughout the State of Texas.

3) Provide the projected total sales of the services listed in this RFO that your company anticipates making to eligible DIR Customers within the next 12 months. If available, show the projected sales breakdown between the following segments: State and Local Governments, Higher Education, and K-12.

4) Do you have other existing DIR Contracts? If yes, list those existing DIR contracts, and explain how this contract will impact the marketing and support of your other contracts? How will your other contracts impact the marketing of this contract, should you receive an award?

5) Provide an overview of the management and customer relationship team that will be responsible for managing the State’s relationship in the event of being awarded a contract. Address the following:
   a. Describe the geographical reach of the Vendor, teaming partners and subcontractors (if any), to include, at a minimum, locations of corporate and branch offices as well as locations where work is currently taking place. Explain how these locations and any proposed new locations will be used in the performance of this contract.
   b. Provide names, titles, prior account management experience for accounts of the State’s size and type.
   c. Provide an organization chart identifying the chain of command for managing this contract, including resource sourcing responsibility, and organization components that support this contract. In a narrative, describe how the Vendor will manage the contract to ensure uninterrupted, high quality performance and overall contract effectiveness.

END OF EXHIBIT C
Exhibit D

Historically Underutilized Business (HUB) Subcontracting Plan
Instructions

Department of Information Resources
Request for Offer DIR-TSO-TMP-247
Information Technology Security (ITS) Hardware, Software and Services
BID PACKAGE 2 - PRICING SHEET

1) Vendor shall provide the **Category Number and Description**, **Manufacturer/Brand**, **Manufacturer's Suggested Retail Price (MSRP)**, identification of **Manufacturer or Reseller**, and **DIR Customer Discount % off MSRP** for products/services offered.

2) Provide the % of Discount off Manufacturers Suggested Retail Price (MSRP) or List Price

3) Service areas for proposed Related Services shall be identified by District Number(s) as referenced in Texas Highway District Map. If servicing the entire State of Texas, indicate “Statewide”; otherwise, district number must be indicated.

4) If Vendor is proposing Volume Discounts, the product must be listed separately with the associated type or grouped with an associated discount.
   For example:
   - ABC Product, 1-5 Systems - 10%
   - ABC Product, 6-10 Systems - 20%
   - ABC Product, 10+ Systems - 30%

5) If Vendor is proposing Increased discounts based on total statewide aggregate contract sales, Vendor must list total contract dollar amount threshold, specific product and/or service or ALL, and discount percentage increase.

6) **DO NOT** make any changes to the format of the grids. Insert additional rows as needed.

7) **THIS PRICING SHEET MUST BE SUBMITTED IN EXCEL FORMAT ON THUMB DRIVE.**
**COMPANY NAME:**

---

* DIR CUSTOMER PRICE contains 0.75% DIR Administrative Fee and it will be AUTOMATICALLY calculated once all other cells are filled.

For reference purposes, the formula to calculate DIR Customer Price is: DIN Customer Price = MSRP x (1-DIR Discount%) x (1+0.75%)

DO NOT make any changes to the format of the grids. Insert additional rows as needed.

### PRODUCT

<table>
<thead>
<tr>
<th>CATEGORY / DESCRIPTION (Refer to RFO Section 2.1)</th>
<th>Manufacturer / Brand</th>
<th>Product Description</th>
<th>Manufacturer's Part Number</th>
<th>Manufacturer or Authorized Reseller (M/R)</th>
<th>MSRP</th>
<th>DIR Customer Discount % off MSRP</th>
<th>DIR Customer Price *</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXAMPLE: Emergency Preparedness</td>
<td>Getac</td>
<td>Semi-Rugged Laptops</td>
<td>VCM-24VD</td>
<td>R</td>
<td>$1,000.00</td>
<td>35.00%</td>
<td>$654.88</td>
</tr>
<tr>
<td>EXAMPLE: Disaster Management Software</td>
<td>XYZ Co.</td>
<td>Resource Management Software</td>
<td>RMS-123</td>
<td>M</td>
<td>$1,500.00</td>
<td>40.00%</td>
<td>$906.75</td>
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<td></td>
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</tbody>
</table>

### RELATED SERVICES

<table>
<thead>
<tr>
<th>SERVICE CATEGORY</th>
<th>Detailed Service Description</th>
<th>Manufacturer's Part Number</th>
<th>Service Area (Indicate Hwy District)</th>
<th>MSRP</th>
<th>DIR Customer Discount % off MSRP</th>
<th>DIR Customer Price *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Example: Maintenance and Repair</td>
<td>Repair of XXX. Regular hours M-F 8:00-7:00 (Hourly rate)</td>
<td>XXX</td>
<td>Statewide</td>
<td>$100.00</td>
<td>40.00%</td>
<td>$60.45</td>
</tr>
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</tbody>
</table>

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Additional Discount Based On Aggregate Sales
<table>
<thead>
<tr>
<th>Contract Sales Threshold</th>
<th>Product or Category Description</th>
<th>Part Number if Applicable</th>
<th>Original Discount</th>
<th>Additional Discount</th>
<th>Total Discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Example: $50,000.00</td>
<td>XYZ Brand Software</td>
<td>XYZ123-4</td>
<td>30.00%</td>
<td>(+) 5.00%</td>
<td>35.00%</td>
</tr>
<tr>
<td>Example: $100,000</td>
<td>Installation</td>
<td>ALL</td>
<td>35.00%</td>
<td>(+) 15.00%</td>
<td>50.00%</td>
</tr>
</tbody>
</table>
Highway District Map

Texas counties are divided into 25 geographic highway districts as follows:

**District 01**

*Delta, Fannin, Franklin, Grayson, Hopkins, Hunt, Lamar, Rains, Red River*

**District 02**

**District 03**

*Archer, Baylor, Clay, Cooke, Montague, Throckmorton, Wichita, Wilbarger, Young*

**District 04**

*Armstrong, Carson, Dallam, Deaf Smith, Gray, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Potter, Randall, Roberts, Sherman*

**District 05**

*Bailey, Castro, Cochran, Crosby, Dawson, Floyd, Gaines, Garza, Hale, Hockley, Lamb, Lubbock, Lynn, Parmer, Swisher, Terry, Yoakum*

**District 06**

*Andrews, Crane, Ector, Loving, Martin, Midland, Pecos, Reeves, Terrell, Upton, Ward, Winkler*

**District 07**

*Coke, Concho, Crockett, Edwards, Glasscock, Irion, Kimble, Menard, Reagan, Real, Runnels, Schleicher, Sterling, Sutton, Tom Green*

**District 08**


District 09
Bell, Bosque, Coryell, Falls, Hamilton, Hill, Limestone, McLennan

District 10
Anderson, Cherokee, Gregg, Henderson, Rusk, Smith, Van Zandt, Wood

District 11
Angelina, Houston, Nacogdoches, Polk, Sabine, San Augustine, San Jacinto, Shelby, Trinity

District 12
Brazoria, Fort Bend, Galveston, Harris, Montgomery, Waller

District 13
Austin, Calhoun, Colorado, De Witt, Fayette, Gonzales, Jackson, Lavaca, Matagorda, Victoria, Wharton

District 14
Bastrop, Blanco, Burnet, Caldwell, Gillespie, Hays, Lee, Llano, Mason, Travis, Williamson

District 15
Atacosa, Bandera, Bexar, Comal, Frio, Guadalupe, Kendall, Kerr, McMullen, Medina, Uvalde, Wilson

District 16
Aransas, Bee, Goliad, Jim Wells, Karnes, Kleberg, Live Oak, Nueces, Refugio, San Patricio

District 17
Brazos, Burleson, Freestone, Grimes, Leon, Madison, Milam, Robertson, Walker, Washington

District 18
TX Highway District Map

Collin, Dallas, Denton, Ellis, Kaufman, Navarro, Rockwall

District 19
Bowie, Camp, Cass, Harrison, Marion, Morris, Panola, Titus, Upshur

District 20
Chambers, Hardin, Jasper, Jefferson, Liberty, Newton, Orange, Tyler

District 21
Brooks, Cameron, Hidalgo, Jim Hogg, Kenedy, Starr, Willacy, Zapata

District 22
Dimmit, Duval, Kinney, La Salle, Maverick, Val Verde, Webb, Zavala

District 23
Brown, Coleman, Comanche, Eastland, Lampasas, McCulloch, Mills, San Saba, Stephens

District 24
Brewster, Culberson, El Paso, Hudspeth, Jeff Davis, Presidio

District 25
Briscoe, Childress, Collingsworth, Cottle, Dickens, Donley, Foard, Hall, Hardeman, King, Knox, Motley, Wheeler
Department of Information Resources

Request for Offer

Emergency Preparedness and Disaster Recovery
Information Technology (IT)
Products and Related Services

DIR-TSO-TMP-398

Bid Package 3

Vendor References
REFERENCE DEADLINE TO DIR: No later than March 16, 2017 – 2:00 pm CT

Texas Department of Information Resources (DIR) requests your assistance in providing a Vendor reference for Emergency Preparedness and Disaster Recovery Information Technology (IT) Products and Related Services. The reference should only be applicable to the Emergency Preparedness and Disaster Recovery Information Technology (IT) Products and Related Services.

NOTE TO THE RATER: The Vendor that is responding to this RFO is providing this document for you to fill out. Please return directly to DIR at the email address: emergencyprep@dir.texas.gov

This portion to be completed by the Vendor requesting reference information

Vendor Name
Product/Services Category
Prime Contractor
Subcontractor(s)

Dates of Performance: Starting Date ___________ Ending Date ______________
Total Est. Contract Dollar Amount

This portion to be completed by the Rater providing reference and returned to DIR at emergencyprep@dir.texas.gov

Rating: (0) Unsatisfactory; (1) Marginally Satisfactory; (2) Satisfactory; (3) Exceeds Expectations; (N/A) Not Applicable
Definitions for each rating category are contained on the following page.
Please provide your opinion by rating the following:

Quality of the Products and Services
1. Have you purchased any Emergency Preparedness and Disaster Recovery Information Technology (IT) Products and Related Services from this Vendor in past two years? Yes___ No____
2. Vendor’s ability to provide the products or services in a timely manner? 0.___ 1. ___ 2. ___ 3. ___ N/A____
3. Vendor’s knowledge and ability to answer questions regarding the products? 0.___ 1. ___ 2. ___ 3. ___ N/A____
4. Vendor’s ability to resolve problems? 0.___ 1. ___ 2. ___ 3. ___ N/A____

Cost
5. Timely, current, accurate & complete invoices 0. ___ 1. ___ 2. ___ 3. ___ N/A____

Timeliness of Performance
6. Adherence to delivery schedule (major tasks, milestones 0. ___ 1. ___ 2. ___ 3. ___ N/A____
Business Relations & Customer Satisfaction
7. Effectively communicated with customer management & staff 0. ___ 1. ___ 2. ___ 3. ___ N/A____
8. Vendor personnel (professional, cooperative & flexible) 0. ___ 1. ___ 2. ___ 3. ___ N/A____
9. Vendor’s attitude toward customer service 0. ___ 1. ___ 2. ___ 3. ___ N/A____
10. Overall Satisfaction with Vendor 0. ___ 1. ___ 2. ___ 3. ___ N/A____

Comments: (Please use additional page if necessary)
__________________________________________________________

In your opinion, should this Vendor be used again for Emergency Preparedness and Disaster Recovery Information Technology (IT) Products and Related Services? Yes___ No____
In your opinion, should this Vendor be recommended to others? Yes___ No____

Rater’s Name: _______________________________ Date: __________________
Organization: ________________________________
Title: _________________________________
Phone Number: ______________ Fax Number: ______________ Email address: __________________
<table>
<thead>
<tr>
<th>VENDOR REFERENCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating Scale</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Excellent (3)</th>
<th>Satisfactory (2)</th>
<th>Marginal (1)</th>
<th>Unsatisfactory (0)</th>
</tr>
</thead>
<tbody>
<tr>
<td>There are no quality problems.</td>
<td>There are no cost issues.</td>
<td>There are no delays.</td>
<td>Responses to inquiries, technical, service, and administrative issues are effective and responsive.</td>
</tr>
<tr>
<td>Satisfactory (2)</td>
<td>Cost issues do not impact achievement of contract requirements.</td>
<td>Delays do not impact achievement of contract requirements.</td>
<td>Response to inquiries, technical, service, and administrative issues is usually effective and responsive.</td>
</tr>
<tr>
<td>Marginal (1)</td>
<td>Nonconformances require minor Agency resources to ensure achievement of contract requirements.</td>
<td>Cost issues require minor Agency resources to ensure achievement of contract requirements.</td>
<td>Nonconformances are compromising the achievement of contract requirements.</td>
</tr>
<tr>
<td>Unsatisfactory (0)</td>
<td>Nonconformances are compromising the achievement of contract requirements.</td>
<td>Delays are compromising the achievement of contract requirements.</td>
<td>Responses to inquiries, technical, service, and administrative issues are not effective and responsive.</td>
</tr>
</tbody>
</table>
Department of Information Resources

Request for Offer
DIR-TSO-TMP-398

Emergency Preparedness and Disaster Recovery
IT Products and Related Services

Bid Package 5

Vendor ICT Accessibility Policy Assessment
(PDAA)
Vendor ICT Accessibility Policy Assessment

This Information and Communications Technology (ICT) accessibility assessment is for vendor organizations to describe how they are currently implementing accessibility policy and practices within their organizations.

Please complete this form by checking a box for each topic that most closely match the current state of your organization. A completed example is available using the "Example" tab of the worksheet. This assessment is not a substitute for other requested accessibility information such as VPATs.

(PDAA) should be directed to Jeff Kline: Phone: 512-463-3248 Email: Jeff.Kline@dir.texas.gov

All questions, inquiries, etc. regarding Bid Package 10, Vendor ICT Accessibility Policy

Organization Information
Organization name: ___________________________________________________
Organization address: _________________________________________________
Responder contact information: _________________________________________
Date of assessment completion: _________________

My organization is a (choose one or more if applicable)
☐ Manufacturer: My organization develops and sells its own ICT products / services
☐ Service Provider: My organization sells IT development services
☐ Integrator: My organization develops customer solutions using a combination of products / services from manufacturers and products / components developed by my organization
☐ Reseller or Catalog Supplier: Does not develop or have its own products, but offers COTS 3rd party products

For each criteria statement, please enter the number corresponding to your response in the shaded areas of the "Response" column for the status statement in each grouping that is most relevant to your organization today.

Responses

1. Develop, implement, and maintain an ICT accessibility policy.
   0 My organization has no plan to have an ICT accessibility policy. (If selected, skip to next section or provide comments at the end of this section)
   1a. Having an ICT accessibility policy.
      1 My organization is developing an ICT accessibility policy.
      2 My organization is finalizing an ICT accessibility policy.
      3 My organization has approved an ICT accessibility policy.
   1b. Having appropriate plans in place to implement and maintain the policy.
      1 My organization is developing plans to implement our ICT accessibility policy and ensure that it is maintained.
      2 My organization has completed planning for initial implementation and maintenance of our accessibility policy.
      3 My organization has approved plans for accessibility policy implementation and maintenance.
   1c. Establishing metrics and tracking progress towards achieving compliance to the policy.
      1 My organization is identifying metrics that can be used to gauge policy compliance.
      2 My organization is collecting metrics and has begun designing progress reporting based on them.
      3 My organization is tracking progress on policy adoption and continues to refine the metrics.

Section 1 Comments (Provide any comments or additional information on this section here.)

2. Establish and maintain an organizational structure that enables and facilitates progress in ICT accessibility.
   0 My organization has no plan to develop a governance system to support ICT accessibility. (If selected, skip to next section or provide comments at the end of this section)
   2a. Developing an organization wide governance system.
      1 My organization is investigating opportunities to improve organization wide governance for ICT accessibility.
      2 My organization is finalizing plans that will result in an organization wide governance system.
      3 My organization has approved plans for an organization wide governance system.
   2b. Designating one or more individuals responsible for implementation.
      1 My organization has identified key individuals in the implementation process.
      3 My organization has assigned implementation duties and responsibilities to appropriate individuals.
   2c. Implementing reporting/decision mechanism and maintain records.
1. My organization is developing tools and procedures for tracking ICT accessibility issues.
2. My organization is tracking and keeping records of ICT accessibility reporting and decisions.
3. My organization uses reports to make organizational changes to improve ICT accessibility.

Section 2 Comments (Provide any comments or additional information on this section here.)

3. Integrate ICT accessibility criteria into key phases of development, procurement, acquisitions, and other relevant business processes.

Manufacturers: Address processes that pertain to your development of ICT products.
Service providers: Address processes that pertain to your development of ICT services.
Integrators: Address processes that pertain to your ICT integration services and solutions.
Catalog Vendor/Reseller: Address processes that pertain to your reseller or catalogue offerings.

0. My organization has no plan to integrate accessibility criteria into key business processes. (If selected, skip to next section or provide comments at the end of this section.)

3a. Identifying candidate processes for criteria integration.
1. My organization has a plan to identify and evaluate its key business processes for accessibility gaps.
2. My organization has evaluated its key business processes for accessibility gaps and is developing plans to better integrate accessibility criteria into these processes.
3. My organization has approved plans to integrate accessibility criteria into these processes.

3b. Implementing process changes.
1. My organization has begun modifying its key business processes to integrate accessibility criteria.
2. My organization has completed accessibility criteria modification for some of its key business processes and has begun using these modified processes.
3. My organization has completed accessibility criteria modification for most of its key business processes and has begun using these modified processes.

3c. Integrate fully into all key processes.
1. My organization has fully integrated accessibility criteria into all of its key business processes and is using these processes to improve the accessibility of its product / service offerings.
3. My organization has fully integrated accessibility criteria ACROSS its key business processes and is using these integrated processes to improve the accessibility of its product / service offerings.

Section 3 Comments (Provide any comments or additional information on this section here.)

4. Provide processes for addressing inaccessible ICT.

Manufacturers: Address processes that pertain to your development of ICT products in 4a, 4b, 4c, and 4d.
Service providers: Address processes that pertain to your development of ICT services in 4a, 4b, 4c, and 4d.
Integrators: Address processes that pertain to your ICT integration services and solutions in 4a, 4b, 4c, and 4d.
Catalogue Vendor/Reseller: Address processes that pertain to your reseller or catalogue offerings in 4e.

0. We do not have plans to provide processes for bringing ICT developed and sold by our organization into accessibility compliance. (If selected, skip to next section or provide comments at the end of this section.)

4a. Creating plans that include dates for compliance of inaccessible ICT.
1. We are developing plans to identify and test ICT developed and sold by our organization.
2. We have begun identifying and testing for accessibility in ICT products / services developed and sold by our organization and are developing plans that include dates for bringing inaccessible ICT into compliance.
3. We perform accessibility testing on all products / services developed and sold by our organization, and have plans in place that include dates for bringing inaccessible ICT into compliance.

4b. Providing alternate means of access until the ICT is accessible.
0. We do not have plans for providing alternate means of access for our organization's ICT offerings.
1. We are developing plans for providing alternate means of access for our organization's ICT offerings.
2. We are implementing methods providing alternate means of access for our organization's ICT offerings.
3. We have fully implemented a repeatable process for providing alternate means for our organization's ICT offerings.

4c. Implementing a corrective actions process(s) for handling accessibility technical issues and defects
1. We are developing a corrective actions process for handling accessibility technical issues and defects.
2. We are implementing a corrective actions process for handling accessibility technical issues and defects.
3. We have fully implemented an integrated corrective actions process for handling accessibility technical issues and defects.

4d. Maintaining records of identified inaccessible ICT, corrective action, and tracking.
1. We plan to develop a record keeping system for tracking the accessibility status of current and future products / services.
1. We plan to develop a record keeping process for corrective action tracking and handling of accessibility related issues / defects.
2. We have a record keeping system for tracking the accessibility status of current and future products / services.
2. We have a record keeping process for corrective action tracking and handling of accessibility related issues / defects.
3. We have a record keeping system for tracking the accessibility status of current and future products / services and use this system to improve the accessibility of our offerings.
3. We have a record keeping process for corrective action tracking and handling of accessibility related issues / defects and use this system to improve the accessibility of our offerings.

4e. Maintaining records of identified inaccessible ICT, corrective action, and tracking. (Catalogue Vendor/Reseller only)
1. We have a plan to develop a record keeping system for obtaining and tracking accessibility documentation for vendor products and services offered through our organization.
2. We have a record keeping system for obtaining and tracking accessibility documentation for vendor products and services offered through our organization.
3. We have a record keeping system for obtaining and tracking accessibility documentation for vendor products and services offered through our organization, and use this system to improve the accessibility of our offerings.

Section 4 Comments (Provide any comments or additional information on this section here.)

5. Ensure the availability of relevant ICT accessibility skills within (or to) the organization.
0. We do not have plans in place to define, identify existing, or acquire ICT accessibility skills. (If selected, skip to next section or provide comments at the end of this section.)

5a. Defining skills/job descriptions.
1. We have defined general skills and knowledge needs for ICT accessibility.
2. We have identified the fields of practice that require at least some level of accessibility knowledge and/or skills (examples include, but are not limited to: product manager, project manager, product/system designer, application architect, application developer, quality assurance tester, and/or training/instructional designer.)
3. We have mapped key accessibility skills and knowledge needs to specific fields of practice.

5b. Identifying existing resources that match up and address gaps.
2. We have performed a gap analysis correlating accessibility skills and knowledge and current resources.
3. We have organized the gaps in order of priority.

5c. Managing progress in acquiring skills and allocating qualified resources.
1. We have a high level management plan in place to acquire accessibility skills and/or allocate those resources.
2. We have developed a training plan for in-house resources and identified external resources for training and/or augmentation.
2. We have developed a process to track resource training and augmentation.
3. All resources have the appropriate skills and continuous monitoring and improvement systems are in place.

Section 5 Comments (Provide any comments or additional information on this section here.)

6. Make information regarding ICT accessibility policy, plans, and progress available to customers.
0. We do not have a plan to make our accessibility policy or other accessibility information publically available. (If selected, skip to next section or provide comments at the end of this section.)

6a. ICT Accessibility policy and VPAT documentation availability
1. Our ICT accessibility policy is publicly available.
2. Our accessibility policy and documentation (VPATs, etc.) for some products is publicly available or available upon request.
2. Our accessibility policy and documentation (VPATs, etc.) for all released products is complete and publicly available or available upon request.

6b. Availability of other accessibility documentation beyond policy and VPATs
2. We are beginning to make other accessibility technical information available such as how accessibility testing is performed.
3. We make accessibility information available beyond policy and VPAT information including information on how accessibility testing is performed and other information that demonstrates our organization's capability to produce accessible products / services.

6c. ICT Accessibility policy and documentation availability
2. We are implementing an accessibility support program within our organization to address questions related to our accessibility documentation.
3. We have a fully implemented accessibility support program within our organization to provide requested documentation and address questions related to the accessibility of our products.

Section 6 Comments (Provide any comments or additional information on this section here.)

Results

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<tr>
<td>0%</td>
<td></td>
</tr>
</tbody>
</table>
Frequently Asked Question (FAQ) for Vendors regarding Policy-Driven Adoption for Accessibility (PDAA)

1. What is PDAA?
   Policy-driven Adoption for Accessibility (PDAA) is a tool that Vendors can use to demonstrate the extent to which their organization has implemented accessibility best practices within operations. The PDAA concept is based on the following principles:
   - Integrating accessibility policies and practices into their business and culture enables organizations to drive themselves towards the creation of accessible offerings over the long term.
   - Enabling products for accessibility requires integrating accessibility criteria into all phases of a product life cycle, and other business processes where accessibility plays a role.
   - Many state and federal agencies are required by law to procure or develop accessible offerings based on technical standards. Gaps in Vendor internal governance systems and leadership commitment inhibit their ability to meet these standards.
   - Agency procurement organizations need assurances that vendors have the ability to produce accessible offerings and continue to improve them over time.

2. Why are buying organizations requesting information on company accessibility policy?
   Making an organization’s information and communications technology (ICT) offerings accessible to people with disabilities requires commitment in many areas of that organization. PDAA data helps buying organizations understand a Vendor’s accessibility policy, progress and commitment to accessibility holistically.

   A mature accessibility policy implementation signals that the Vendor is fully aware of the implications of accessibility requirements and is prepared to resolve any issues in a timely manner with minimal friction. It also makes it more likely that the Vendor understands that accessibility is more than meeting a set of technical guidelines or standards, and that usability will be a factor in how they go about meeting the technical requirements. Accessibility that is planned, designed, and built in from the beginning consistently results in a friendlier product for all users, including those with disabilities.

3. Why is PDAA information important to the buying organization?
   The requested information provides insight into Vendors’ ability to develop accessible commercial off the shelf (COTS) and non-COTS offerings, which can increase the procuring organizations’ confidence in the accuracy of Vendor’s accessibility documentation.

   Current ICT accessibility reporting formats such as VPATs (Voluntary Product Assessment Templates) only apply to COTS products and services. In many cases, Vendor VPATs lack credibility due to limited knowledge about their offerings’ accessibility. Additionally, there is no standard reporting format for non-COTS offerings such as development services for websites, web applications, system software, etc.
4. How will this information be used?
The initial completed form will establish a baseline for where a vendor stands with regard to its ICT accessibility policy. The baseline illustrates the depth and maturity of the Vendor’s support for accessibility policy and practices as illustrated via the PDAA Maturity Model (Link on next line. If prompted for a password, select “cancel”)
(http://publishingext.dir.texas.gov/portal/internal/resources/DocumentLibrary/PDAA%20Maturity%20Matrix.pptx)

The questionnaire may also be included in future solicitations so that progress can be assessed. The Vendor responses from the questionnaire may be considered as an element in Vendor selection; however, this would be determined by the procuring organization.

Additionally, Vendor organizations can use the results as a roadmap for implementing their organization-wide ICT accessibility initiatives, which will help ensure that programs and processes are in place to facilitate the development of future accessible offerings.

5. We already submit VPATs as part of solicitation responses. Is that adequate?
No. VPATs (Voluntary Product Assessment Templates) are product-specific. PDAA is a holistic presentation of the organization’s approach to accessibility. The expectation is that organizations with mature approaches to PDAA will greatly improve the levels of accessibility in products. It should also result in well documented, accurate VPATs, improving their value in product-level assessments

6. What is the PDAA Maturity Model?
Based on the Capability Maturity Model (CMM) concept, the PDAA Maturity Model (Link on next line) provides buying organizations and vendors with a simple dashboard or matrix to track and demonstrate Vendors’ progress toward full system-wide support of accessibility.
(http://publishingext.dir.texas.gov/portal/internal/resources/DocumentLibrary/PDAA%20Maturity%20Matrix.pptx)

7. Where can I obtain more information on Accessibility Policy implementation for my organization?
(http://dir.texas.gov/View-Resources/Pages/Content.aspx?id=39#Procurement)

Or contact the Statewide EIR Accessibility Coordinator via Email at:
statewideaccessibilitycoordinator@dir.texas.gov
For government organizations/agencies

8. **What is PDAA?**
Policy-driven Adoption for Accessibility (PDAA) is a tool that Vendors can use to demonstrate the extent to which their organization has implemented accessibility best practices within operations. The PDAA concept is based on the following principles:

- Integrating accessibility policies and practices into their business and culture enables organizations to drive themselves towards the creation of accessible offerings over the long term.
- Enabling products for accessibility requires the integration of accessibility criteria in all phases of a product life cycle, and other business process where accessibility plays a role.
- Many state and federal agencies are required by law to procure or develop accessible offerings based on technical standards, but gaps in internal governance and commitment by industry inhibits the adoption and implementation of these standards.
- Agency procurement organizations need assurances that vendors have the ability to produce accessible offerings and continue to improve them over time.

9. **Does the PDAA replace VPATs?**
No. VPATs (Voluntary Product Assessment Templates) are product-specific. PDAA is a holistic presentation of the organization’s approach to accessibility. VPATs are still a valuable tool at the product level, and the expectation is that vendors with mature approaches to PDAA will have accurate and informative VPATs.

10. **Why a “maturity model” of evaluation?**
Successfully enabling an organization for ICT accessibility requires implementation within various areas of an organization. As with any organization-wide initiative, implementation cannot occur all at once. The PDAA Maturity Model is used to gauge progress towards the complete implementation of PDAA core criteria.

11. **Why should we support vendors who have mature PDAA practices?**
A mature accessibility policy implementation signals that the vendor is fully aware of the implications of accessibility requirements and is prepared to resolve any issues in a timely manner with minimal friction. It also makes it more likely that the vendor understands that accessibility is more than meeting a set of technical guidelines or standards, and that usability will be a factor in how they go about meeting the technical requirements. Accessibility that is planned, designed, and built in from the beginning consistently results in a friendlier product for all users, including those with disabilities.

12. **How should we score PDAA information?**
In general, the PDAA questionnaire is meant to ensure that the same information is collected from all bidders, and how the agency uses that information will depend on circumstances.

13. **Where does the PDAA information fit within the procurement process?**
Using consistent information in evaluating bids is a key element of open and competitive public procurements. The information given in a PDAA report can help judge the ability of a Vendor to: complete a VPAT correctly, produce accessible custom ICT offerings (web sites, web applications, software, etc.), resolve accessibility defects when discovered, and otherwise be a partner in helping you meet your compliance obligations. The specific role of PDAA responses may be determined in part by the procurement laws, policies and practices for your organization.

14. **What happens if the vendor claims the information is confidential or a trade secret?**
Vendors often claim this for information required in procurements. Your organization’s procurement laws, policies, or practices may already address how you handle such claims.

15. **What other states are using the PDAA model?**
The PDAA model is in its early stages. A coalition of states are working with several national associations to harmonize the criteria for this model, and for obtaining and evaluating PDAA information. The goal is for more states and other government entities to adopt the PDAA model in their procurement processes.

16. **Where can I obtain more information on Accessibility Policy implementation for my organization?**
Or contact the Statewide EIR Accessibility Coordinator at: statewideaccessibilitycoordinator@dir.texas.gov
**1. Develop, implement, and maintain an ICT accessibility policy.**

<table>
<thead>
<tr>
<th>Number</th>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a.</td>
<td>Having an ICT accessibility policy.</td>
</tr>
<tr>
<td>1b.</td>
<td>Having appropriate plans in place to implement and maintain the policy.</td>
</tr>
<tr>
<td>2a.</td>
<td>Developing an organization-wide governance system.</td>
</tr>
<tr>
<td>2b.</td>
<td>Designating one or more individuals responsible for implementation.</td>
</tr>
<tr>
<td>3a.</td>
<td>Identifying candidate processes for criteria integration.</td>
</tr>
<tr>
<td>3b.</td>
<td>Implementing process changes.</td>
</tr>
<tr>
<td>3c.</td>
<td>Integrate fully into all key processes.</td>
</tr>
</tbody>
</table>

**2. Establish and maintain an organizational structure that enables and facilitates progress in ICT Accessibility.**

<table>
<thead>
<tr>
<th>Number</th>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>My organization has no plan to have an ICT accessibility policy.</td>
</tr>
<tr>
<td>2.</td>
<td>My organization is developing an ICT accessibility policy.</td>
</tr>
<tr>
<td>3.</td>
<td>My organization is finalizing an ICT accessibility policy.</td>
</tr>
<tr>
<td>4.</td>
<td>My organization has approved an ICT accessibility policy.</td>
</tr>
<tr>
<td>5.</td>
<td>My organization has completed planning for initial implementation and maintenance of our accessibility policy.</td>
</tr>
<tr>
<td>6.</td>
<td>My organization has approved plans for accessibility policy implementation and maintenance.</td>
</tr>
<tr>
<td>7a.</td>
<td>Establishing metrics and tracking progress towards achieving compliance to the policy.</td>
</tr>
<tr>
<td>7b.</td>
<td>My organization is collecting metrics and has been designing progress reporting based on them.</td>
</tr>
<tr>
<td>8.</td>
<td>My organization is tracking progress on policy adoption and continues to refine the metrics.</td>
</tr>
</tbody>
</table>

**3. Integrate ICT accessibility criteria into key phases of development, procurement, acquisitions, and other relevant business processes.**

<table>
<thead>
<tr>
<th>Number</th>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a.</td>
<td>Identifying candidate processes for criteria integration.</td>
</tr>
<tr>
<td>1b.</td>
<td>My organization has a plan to identify and evaluate its key business processes for accessibility gaps.</td>
</tr>
<tr>
<td>2a.</td>
<td>My organization has evaluated its key business processes for accessibility gaps and is developing plans to better integrate accessibility criteria into these processes.</td>
</tr>
<tr>
<td>3a.</td>
<td>My organization has approved plans to integrate accessibility criteria into these processes.</td>
</tr>
<tr>
<td>3b.</td>
<td>Implementing process changes.</td>
</tr>
<tr>
<td>3c.</td>
<td>My organization has been modifying its key business processes to integrate accessibility criteria.</td>
</tr>
<tr>
<td>4a.</td>
<td>My organization has completed accessibility criteria modification for some of its key business processes and has begun using these modified processes.</td>
</tr>
<tr>
<td>4b.</td>
<td>My organization has completed accessibility criteria modification for most of its key business processes and has begun using these modified processes.</td>
</tr>
<tr>
<td>5a.</td>
<td>My organization has fully integrated accessibility criteria into all of its key business processes and is using these integrated processes to improve the accessibility of its product/service offerings.</td>
</tr>
</tbody>
</table>

**4. Provide processes for addressing inaccessible ICT.**

<table>
<thead>
<tr>
<th>Number</th>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a.</td>
<td>We are developing plans to identify and test ICT developed and sold by our organization.</td>
</tr>
<tr>
<td>1b.</td>
<td>We have identified testing for accessibility in ICT products/services developed and sold by our organization and are developing plans that include dates for bringing inaccessible ICT into compliance.</td>
</tr>
<tr>
<td>4a.</td>
<td>We are implementing corrective actions to address accessibility issues and defects.</td>
</tr>
<tr>
<td>4b.</td>
<td>We have fully implemented an integrated correction actions process for handling accessibility technical issues and defects.</td>
</tr>
<tr>
<td>5a.</td>
<td>We have developed a corrective actions process for handling accessibility technical issues and defects.</td>
</tr>
<tr>
<td>5b.</td>
<td>We have fully implemented an integrated corrective actions process for handling accessibility technical issues and defects.</td>
</tr>
</tbody>
</table>

Additional comments or information on this section can be provided at the end of this section.
EXAMPLE

4e. Maintaining records of identified inaccessible ICT, corrective action, and tracking. (Catalogue Vendor/Reseller only)
1. We have a plan to develop a record keeping system for obtaining and tracking accessibility documentation for vendor products and services offered through our organization.
2. We have a record keeping system for obtaining and tracking accessibility documentation for vendor products and services offered through our organization.
3. We have a record keeping system for obtaining and tracking accessibility documentation for vendor products and services offered through our organization, and use this system to improve the accessibility of our offerings.

Section 4 Comments (Provide any comments or additional information on this section here.)

5. Ensure the availability of relevant ICT accessibility skills within (or to) the organization.

5a. Defining skills/job descriptions.
1. We have defined general skills and knowledge needs for ICT accessibility.
2. We have identified the fields of practice that require at least some level of accessibility knowledge and/or skills (examples include, but are not limited to: product manager, project manager, product/system designer, application architect, application developer, quality assurance tester, and/or training/instructional designer.
3. We have mapped key accessibility skills and knowledge needs to specific fields of practice.

5b. Identifying existing resources that match up and address gaps.
1. We have performed a gap analysis correlating accessibility skills and knowledge and current resources.
2. We have organized the gaps in order of priority.
3. We have a high level management plan in place to acquire accessibility skills and/or allocate those resources.
4. We have developed a training plan for in-house resources and identified external resources for training and/or augmentation.
5. All resources have the appropriate skills and continuous monitoring and improvement systems are in place.

Section 5 Comments (Provide any comments or additional information on this section here.)

5c. Managing progress in acquiring skills and allocating qualified resources.
1. We have a high level management plan in place to acquire accessibility skills and/or allocate those resources.
2. We have developed a process to track resource training and augmentation.
3. All resources have the appropriate skills and continuous monitoring and improvement systems are in place.

Section 5 Comments (Provide any comments or additional information on this section here.)

6. Make information regarding ICT accessibility policy, plans, and progress available to customers.

6a. ICT Accessibility policy and VPAT documentation availability
1. Our ICT accessibility policy is publicly available.
2. Our accessibility policy and documentation (VPATs, etc.) for some products is publicly available or available upon request.
3. Our accessibility policy and documentation (VPATs, etc.) for all released products is complete and publicly available or available upon request.

6b. Availability of other accessibility documentation beyond policy and VPATs
1. We are beginning to make other accessibility technical information available such as how accessibility testing is performed.
2. We make accessibility information available beyond policy and VPAT information including information on how accessibility testing is performed and other information that demonstrates our organization’s capability to produce accessible product / services.

6c. ICT Accessibility policy and documentation availability
1. We are implementing an accessibility support program within our organization to address questions related to our accessibility documentation.
2. We have a fully implemented accessibility support program within our organization to provide requested documentation and address questions related to the accessibility of our products.

Section 6 Comments (Provide any comments or additional information on this section here.)

Results

Company X

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Launch | Integrate | Optimize

Company X

Launch | Integrate | Optimize

Launch | Integrate | Optimize

Launch | Integrate | Optimize
The purpose of the Voluntary Product Accessibility Template, or VPAT™, is to assist Federal contracting officials and other buyers in making preliminary assessments regarding the availability of commercial “Electronic and Information Technology” products and services with features that support accessibility. It is assumed and recommended that offerers will provide additional contact information to facilitate more detailed inquiries.

The first table of the Template provides a summary view of the Section 508 Standards. The subsequent tables provide more detailed views of each subsection. There are three columns in each table. Column one of the Summary Table describes the subsections of subparts B and C of the Standards. The second column describes the supporting features of the product or refers you to the corresponding detailed table, e.g., “equivalent facilitation.” The third column contains any additional remarks and explanations regarding the product. In the subsequent tables, the first column contains the lettered paragraphs of the subsections. The second column describes the supporting features of the product with regard to that paragraph. The third column contains any additional remarks and explanations regarding the product.

Date:
Name of Product:
Contact for more Information (name/phone/email):
<table>
<thead>
<tr>
<th>Criteria</th>
<th>Supporting Features</th>
<th>Remarks and explanations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1194.21 <strong>Software Applications and Operating Systems</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Section 1194.22 <strong>Web-based Internet Information and Applications</strong></td>
<td></td>
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<tr>
<td>Section 1194.23 <strong>Telecommunications Products</strong></td>
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<tr>
<td>Section 1194.24 <strong>Video and Multi-media Products</strong></td>
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<td>Section 1194.25 <strong>Self-Contained, Closed Products</strong></td>
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<td>Section 1194.26 <strong>Desktop and Portable Computers</strong></td>
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<td>Section 1194.31 <strong>Functional Performance Criteria</strong></td>
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<tr>
<td>Section 1194.41 <strong>Information, Documentation and Support</strong></td>
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</tbody>
</table>

Return to the top of the page: [http://www.itic.org/Local Settings/Temporary Internet Files/OLK42/VPAT.html](http://www.itic.org/Local Settings/Temporary Internet Files/OLK42/VPAT.html)
### Section 1194.21 Software Applications and Operating Systems – Detail

**VPAT™**

**Voluntary Product Accessibility Template®**

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Supporting Features</th>
<th>Remarks and explanations</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) When software is designed to run on a system that has a keyboard, product functions shall be executable from a keyboard where the function itself or the result of performing a function can be discerned textually.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Applications shall not disrupt or disable activated features of other products that are identified as accessibility features, where those features are developed and documented according to industry standards. Applications also shall not disrupt or disable activated features of any operating system that are identified as accessibility features where the application programming interface for those accessibility features has been documented by the manufacturer of the operating system and is available to the product developer.</td>
<td></td>
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</tr>
<tr>
<td>(c) A well-defined on-screen indication of the current focus shall be provided that moves among interactive interface elements as the input focus changes. The focus shall be programmatically exposed so that Assistive Technology can track focus and focus changes.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
(d) Sufficient information about a user interface element including the identity, operation and state of the element shall be available to Assistive Technology. When an image represents a program element, the information conveyed by the image must also be available in text.

(e) When bitmap images are used to identify controls, status indicators, or other programmatic elements, the meaning assigned to those images shall be consistent throughout an application’s performance.

(f) Textual information shall be provided through operating system functions for displaying text. The minimum information that shall be made available is text content, text input caret location, and text attributes.

(g) Applications shall not override user selected contrast and color selections and other individual display attributes.

(h) When animation is displayed, the information shall be displayable in at least one non-animated presentation mode at the option of the user.

(i) Color coding shall not be used as the only means of conveying information, indicating an action, prompting a response, or distinguishing a visual element.

(j) When a product permits a user to adjust color and contrast settings, a variety of color selections capable of producing a range of contrast levels shall be provided.
(k) Software shall not use flashing or blinking text, objects, or other elements having a flash or blink frequency greater than 2 Hz and lower than 55 Hz.

(l) When electronic forms are used, the form shall allow people using Assistive Technology to access the information, field elements, and functionality required for completion and submission of the form, including all directions and cues.

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**Section 1194.22 Web-based Internet information and applications – Detail**

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<table>
<thead>
<tr>
<th>Criteria</th>
<th>Supporting Features</th>
<th>Remarks and explanations</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) A text equivalent for every non-text element shall be provided (e.g., via &quot;alt&quot;, &quot;longdesc&quot;, or in element content).</td>
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<td>(b) Equivalent alternatives for any multimedia presentation shall be synchronized with the presentation.</td>
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<tr>
<td>(c) Web pages shall be designed so that all information conveyed with color is also available without color, for example from context or markup.</td>
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<td>(d)</td>
<td>Documents shall be organized so they are readable without requiring an associated style sheet.</td>
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<tr>
<td>(e)</td>
<td>Redundant text links shall be provided for each active region of a server-side image map.</td>
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<tr>
<td>(f)</td>
<td>Client-side image maps shall be provided instead of server-side image maps except where the regions cannot be defined with an available geometric shape.</td>
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<tr>
<td>(g)</td>
<td>Row and column headers shall be identified for data tables.</td>
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<tr>
<td>(h)</td>
<td>Markup shall be used to associate data cells and header cells for data tables that have two or more logical levels of row or column headers.</td>
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<tr>
<td>(i)</td>
<td>Frames shall be titled with text that facilitates frame identification and navigation</td>
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<tr>
<td>(j)</td>
<td>Pages shall be designed to avoid causing the screen to flicker with a frequency greater than 2 Hz and lower than 55 Hz.</td>
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<tr>
<td>(k)</td>
<td>A text-only page, with equivalent information or functionality, shall be provided to make a web site comply with the provisions of this part, when compliance cannot be accomplished in any other way. The content of the text-only page shall be updated whenever the primary page changes.</td>
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<tr>
<td>(l)</td>
<td>When pages utilize scripting languages to display content, or to create interface elements, the information provided by the script shall be identified with functional text that can be read by Assistive Technology.</td>
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</tbody>
</table>
(m) When a web page requires that an applet, plug-in or other application be present on the client system to interpret page content, the page must provide a link to a plug-in or applet that complies with §1194.21(a) through (l).

(n) When electronic forms are designed to be completed on-line, the form shall allow people using Assistive Technology to access the information, field elements, and functionality required for completion and submission of the form, including all directions and cues.

(o) A method shall be provided that permits users to skip repetitive navigation links.

(p) When a timed response is required, the user shall be alerted and given sufficient time to indicate more time is required.

Note to 1194.22: The Board interprets paragraphs (a) through (k) of this section as consistent with the following priority 1 Checkpoints of the Web Content Accessibility Guidelines 1.0 (WCAG 1.0) (May 5 1999) published by the Web Accessibility Initiative of the World Wide Web Consortium: Paragraph (a) - 1.1, (b) - 1.4, (c) - 2.1, (d) - 6.1, (e) - 1.2, (f) - 9.1, (g) - 5.1, (h) - 5.2, (i) - 12.1, (j) - 7.1, (k) - 11.4.

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### Section 1194.23 Telecommunications Products – Detail

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<tr>
<th>Criteria</th>
<th>Supporting Features</th>
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<tr>
<td>(a) Telecommunications products or systems which provide a function allowing voice communication and which do not themselves provide a TTY functionality shall provide a standard non-acoustic connection point for TTYs. Microphones shall be capable of being turned on and off to allow the user to intermix speech with TTY use.</td>
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<td>(b) Telecommunications products which include voice communication functionality shall support all commonly used cross-manufacturer non-proprietary standard TTY signal protocols.</td>
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<td>(c) Voice mail, auto-attendant, and interactive voice response telecommunications systems shall be usable by TTY users with their TTYs.</td>
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<tr>
<td>(d) Voice mail, messaging, auto-attendant, and interactive voice response telecommunications systems that require a response from a user within a time interval, shall give an alert when the time interval is about to run out, and shall provide sufficient time for the</td>
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user to indicate more time is required.

(e) Where provided, caller identification and similar telecommunications functions shall also be available for users of TTYs, and for users who cannot see displays.

(f) For transmitted voice signals, telecommunications products shall provide a gain adjustable up to a minimum of 20 dB. For incremental volume control, at least one intermediate step of 12 dB of gain shall be provided.

(g) If the telecommunications product allows a user to adjust the receive volume, a function shall be provided to automatically reset the volume to the default level after every use.

(h) Where a telecommunications product delivers output by an audio transducer which is normally held up to the ear, a means for effective magnetic wireless coupling to hearing technologies shall be provided.

(i) Interference to hearing technologies (including hearing aids, cochlear implants, and assistive listening devices) shall be reduced to the lowest possible level that allows a user of hearing technologies to utilize the telecommunications product.

(j) Products that transmit or conduct information or communication, shall pass through cross-manufacturer, non-proprietary, industry-standard codes, translation protocols, formats or other information necessary to provide the information or communication in a
usable format. Technologies which use encoding, signal compression, format transformation, or similar techniques shall not remove information needed for access or shall restore it upon delivery.

(k)(1) Products which have mechanically operated controls or keys shall comply with the following: Controls and Keys shall be tactiley discernible without activating the controls or keys.

(k)(2) Products which have mechanically operated controls or keys shall comply with the following: Controls and Keys shall be operable with one hand and shall not require tight grasping, pinching, twisting of the wrist. The force required to activate controls and keys shall be 5 lbs. (22.2N) maximum.

(k)(3) Products which have mechanically operated controls or keys shall comply with the following: If key repeat is supported, the delay before repeat shall be adjustable to at least 2 seconds. Key repeat rate shall be adjustable to 2 seconds per character.

(k)(4) Products which have mechanically operated controls or keys shall comply with the following: The status of all locking or toggle controls or keys shall be visually discernible, and discernible either through touch or sound.

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**Section 1194.24 Video and Multi-media Products – Detail**

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<th>Criteria</th>
<th>Supporting Features</th>
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<tbody>
<tr>
<td>a) All analog television displays 13 inches and larger, and computer equipment that includes analog television receiver or display circuitry, shall be equipped with caption decoder circuitry which appropriately receives, decodes, and displays closed captions from broadcast, cable, videotape, and DVD signals. As soon as practicable, but not later than July 1, 2002, widescreen digital television (DTV) displays measuring at least 7.8 inches vertically, DTV sets with conventional displays measuring at least 13 inches vertically, and stand-alone DTV tuners, whether or not they are marketed with display screens, and computer equipment that includes DTV receiver or display circuitry, shall be equipped with caption decoder circuitry which</td>
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</table>
appropriately receives, decodes, and displays closed captions from broadcast, cable, videotape, and DVD signals.

(b) Television tuners, including tuner cards for use in computers, shall be equipped with secondary audio program playback circuitry.

(c) All training and informational video and multimedia productions which support the agency's mission, regardless of format, that contain speech or other audio information necessary for the comprehension of the content, shall be open or closed captioned.

(d) All training and informational video and multimedia productions which support the agency's mission, regardless of format, that contain visual information necessary for the comprehension of the content, shall be audio described.

(e) Display or presentation of alternate text presentation or audio descriptions shall be user-selectable unless permanent.

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## Section 1194.25 Self-Contained, Closed Products – Detail

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<th>Supporting Features</th>
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<td>(a) Self contained products shall be usable by people with disabilities without requiring an end-user to attach Assistive Technology to the product. Personal headsets for private listening are not Assistive Technology.</td>
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<tr>
<td>(b) When a timed response is required, the user shall be alerted and given sufficient time to indicate more time is required.</td>
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<tr>
<td>(c) Where a product utilizes touchscreens or contact-sensitive controls, an input method shall be provided that complies with §1194.23 (k) (1) through (4).</td>
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<tr>
<td>(d) When biometric forms of user identification or control are used, an alternative form of identification or activation, which does not require the user to possess particular</td>
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</table>
(e) When products provide auditory output, the audio signal shall be provided at a standard signal level through an industry standard connector that will allow for private listening. The product must provide the ability to interrupt, pause, and restart the audio at anytime.

(f) When products deliver voice output in a public area, incremental volume control shall be provided with output amplification up to a level of at least 65 dB. Where the ambient noise level of the environment is above 45 dB, a volume gain of at least 20 dB above the ambient level shall be user selectable. A function shall be provided to automatically reset the volume to the default level after every use.

(g) Color coding shall not be used as the only means of conveying information, indicating an action, prompting a response, or distinguishing a visual element.

(h) When a product permits a user to adjust color and contrast
settings, a range of color selections capable of producing a variety of contrast levels shall be provided.

(i) Products shall be designed to avoid causing the screen to flicker with a frequency greater than 2 Hz and lower than 55 Hz.

(j) (1) Products which are freestanding, non-portable, and intended to be used in one location and which have operable controls shall comply with the following: The position of any operable control shall be determined with respect to a vertical plane, which is 48 inches in length, centered on the operable control, and at the maximum protrusion of the product within the 48 inch length on products which are freestanding, non-portable, and intended to be used in one location and which have operable controls.

(j)(2) Products which are freestanding, non-portable, and intended to be used in one location and which have operable controls shall comply with the following: Where any operable control is 10 inches or less behind the reference plane, the
height shall be 54 inches maximum and 15 inches minimum above the floor.

(j)(3) Products which are freestanding, non-portable, and intended to be used in one location and which have operable controls shall comply with the following: Where any operable control is more than 10 inches and not more than 24 inches behind the reference plane, the height shall be 46 inches maximum and 15 inches minimum above the floor.

(j)(4) Products which are freestanding, non-portable, and intended to be used in one location and which have operable controls shall comply with the following: Operable controls shall not be more than 24 inches behind the reference plane.
### Section 1194.26 Desktop and Portable Computers – Detail

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<tr>
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<th>Supporting Features</th>
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<tbody>
<tr>
<td>(a) All mechanically operated controls and keys shall comply with §1194.23 (k) (1) through (4).</td>
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<tr>
<td>(b) If a product utilizes touchscreens or touch-operated controls, an input method shall be provided that complies with §1194.23 (k) (1) through (4).</td>
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<tr>
<td>(c) When biometric forms of user identification or control are used, an alternative form of identification or activation, which does not require the user to possess particular biological characteristics, shall also be provided.</td>
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<td>(d) Where provided, at least one of each type of expansion slots, ports and connectors shall comply with publicly available industry standards</td>
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### Section 1194.31 Functional Performance

#### Criteria – Detail

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<tr>
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<tr>
<td>(a) At least one mode of operation and information retrieval that does not require user vision shall be provided, or support for Assistive Technology used by people who are blind or visually impaired shall be provided.</td>
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<tr>
<td>(b) At least one mode of operation and information retrieval that does not require visual acuity greater than 20/70 shall be provided in audio and enlarged print output working together or independently, or support for Assistive Technology used by people who are visually impaired shall be provided.</td>
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<td>(c) At least one mode of operation and information retrieval that does not require user hearing shall be provided, or support for Assistive Technology used by people who are</td>
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<td>deaf or hard of hearing shall be provided</td>
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<tr>
<td>(d) Where audio information is important for the use of a product, at least one mode of operation and information retrieval shall be provided in an enhanced auditory fashion, or support for assistive hearing devices shall be provided.</td>
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<tr>
<td>(e) At least one mode of operation and information retrieval that does not require user speech shall be provided, or support for Assistive Technology used by people with disabilities shall be provided.</td>
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<tr>
<td>(f) At least one mode of operation and information retrieval that does not require fine motor control or simultaneous actions and that is operable with limited reach and strength shall be provided.</td>
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### Section 1194.41 Information, Documentation and Support – Detail

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<th>Criteria</th>
<th>Supporting Features</th>
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<tr>
<td>(a) Product support documentation provided to end-users shall be made available in alternate formats upon request, at no additional charge.</td>
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<tr>
<td>(b) End-users shall have access to a description of the accessibility and compatibility features of products in alternate formats or alternate methods upon request, at no additional charge.</td>
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<tr>
<td>(c) Support services for products shall accommodate the communication needs of end-users with disabilities.</td>
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1. Vendor Information

<table>
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<tr>
<th>Vendor Name:</th>
<th>Submitter Name:</th>
<th>Date:</th>
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<tr>
<th>Email:</th>
<th>Phone: ( )</th>
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<tr>
<th>Address:</th>
<th>City:</th>
<th>State:</th>
<th>ZIP:</th>
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2. Instructions

Complete this form if your company or organization is responding to a Texas Agency solicitation that includes one or more of the following Information and Communications Technologies (ICT) offering types:

- Website development services
- Web Application Development Services
- Custom development services as part of an integrated solution.
- Client based software application development services
- Other software development services containing one or more user interfaces (end user, admin, etc.)

Please direct any questions regarding this request to the DIR Procurement Office.

3. Please respond to the questions below as applicable

1. Describe or provide documentation regarding your organization’s key business processes that include the integration of ICT accessibility activities. (Examples are product development, procurement, HR, etc.):

2. Describe the skills and training resources that your organization uses (internal or third party) to develop and produce accessible ICT offerings:

3. Describe the development and test tools used within your organization to produce accessible ICT offerings. Provide examples of typical project test cases for accessibility and examples of how test results are documented:

4. Describe your organizations corrective actions process(es) or system(s) for documenting, tracking, and resolving accessibility issues / defects:

5. Describe alternate methods for ICT products that are not compliant with accessibility technical standards. (example: 24hour / 7day/week toll free phone support number):

6. Provide links to example websites or other examples of ICT work that your organization has produced that meet accessibility technical standards such as US Section 508, or WCAG 2.0 AA:
STATE OF TEXAS  
DEPARTMENT OF INFORMATION RESOURCES  

CONTRACT FOR PRODUCTS AND RELATED SERVICES  

VENDOR NAME  

1. Introduction  

A. Parties  
This Contract for products and related services is entered into between the State of Texas, acting by and through the Department of Information Resources (hereinafter “DIR”) with its principal place of business at 300 West 15th Street, Suite 1300, Austin, Texas 78701, and VENDOR NAME (hereinafter “Vendor”), with its principal place of business at VENDOR ADDRESS.  

B. Compliance with Procurement Laws  
This Contract is the result of compliance with applicable procurement laws of the State of Texas. DIR issued a solicitation on the Comptroller of Public Accounts’ Electronic State Business Daily, Request for Offer (RFO) DIR-SDD-TMP-XXX, on POSTING DATE, for NAME OF RFO. DIR subsequently issued a BAFO opportunity on BAFO DATE. Upon execution of this Contract, a notice of award for RFO DIR-SDD-TMP-XXX shall be posted by DIR on the Electronic State Business Daily.  

C. Order of Precedence  
For purchase transactions under this Contract, the order of precedence shall be as follows: this Contract; Appendix A, Standard Terms and Conditions For Products and Related Services Contracts; Appendix B, Vendor’s Historically Underutilized Businesses Subcontracting Plan; Appendix C, Pricing Index; Appendix D, Customer Service Agreement; Appendix E, Master Operating Lease Agreement; Appendix F, Master Lease Agreement; Exhibit 1, Vendor’s Response to RFO DIR-TSO-TMP-XXX, including all addenda; and Exhibit 2, RFO DIR-TSO-TMP-XXX, including all addenda; are incorporated by reference and constitute the entire agreement between DIR and Vendor governing purchase transactions. For Lease transactions under this Contract the order of precedence shall be as follows: this Contract; Appendix E, Master Operating Lease Agreement; Appendix F, Master Lease Agreement, as applicable depending on the type of lease; Appendix A, Standard Terms and Conditions For Products and Related Services Contracts; Appendix B, Vendor’s Historically Underutilized Businesses Subcontracting Plan; Appendix C, Pricing Index; Appendix D, Customer Service Agreement; Exhibit 1, Vendor’s Response to RFO DIR-TSO-TMP-XXX, including all addenda; and Exhibit 2, RFO DIR-SDD-TMP-160, including all addenda; are incorporated by reference and constitute the entire agreement between DIR and Vendor governing lease transactions. In the event of a conflict between the documents listed in this paragraph related to purchases, the controlling document shall be this Contract, then Appendix A, then Appendix B, then
Appendix C, then Appendix D, then Appendix E, then Appendix F, then Exhibit 1, and finally Exhibit 2. In the event of a conflict between the documents listed in this paragraph related to lease transactions, the controlling document shall be this Contract, then Appendix E or Appendix F, depending on the type of lease transaction, then Appendix A, then Appendix B, then Appendix C, then Appendix D, then Exhibit 1, and finally Exhibit 2. In the event and to the extent any provisions contained in multiple documents address the same or substantially the same subject matter but do not actually conflict, the more recent provisions shall be deemed to have superseded earlier provisions.

2. Term of Contract
The term of this Contract shall be two (2) year commencing on the last date of approval by DIR and Vendor. Prior to expiration of the original term, DIR and Vendor may extend the Contract, upon mutual agreement, for up to three (3) optional one-year terms. Additionally, the parties by mutual agreement may extend the term for up to ninety (90) additional calendar days.

3. Product and Service Offerings

A. Products
Products available under this Contract are limited to insert product description here as specified in Appendix C, Pricing Index. Vendor may incorporate changes to their product offering; however, any changes must be within the scope of products awarded based on the posting described in Section 1.B above. Vendor may not add a manufacturer’s product line which was not included in the Vendor’s response to the solicitation described in Section 1.B above.

B. Services
Services available under this Contract are limited to insert SPECIFIC services here as specified in Appendix C, Pricing Index. Vendor may incorporate changes to their service offering; however, any changes must be within the scope of services awarded based on the posting described in Section 1.B above.

4. Pricing
Pricing to the DIR Customer shall be as set forth in Appendix A, Section 8, Pricing, Purchase Orders, Invoices and Payment, and as set forth in Appendix C, Pricing Index, and shall include the DIR Administrative Fee.

5. DIR Administrative Fee
A) The administrative fee to be paid by the Vendor to DIR based on the dollar value of all sales to Customers pursuant to this Contract is insert number percent (insert number%). Payment will be calculated for all sales, net of returns and credits. For example, the administrative fee for sales totaling $100,000 shall be $insert dollars.

B) All prices quoted to Customers shall include the administrative fee. DIR reserves the right to change this fee upwards or downwards during the term of this Contract, upon
written notice to Vendor without further requirement for a formal contract amendment. Any change in the administrative fee shall be incorporated in the price to the Customer.

6. Notification

All notices under this Contract shall be sent to a party at the respective address indicated below.

If sent to the State:
Dana L. Collins, CTPM, CTCM
Manager, Contract and Vendor Management
Department of Information Resources
300 W. 15th St., Suite 1300
Austin, Texas 78701
Phone: (512) 936-2233
Facsimile: (512) 475-4759
Email: dana.collins@dir.texas.gov

If sent to the Vendor:
Vendor Representative
Company Name
Address
City, State Zip
Phone: ( ) -
Facsimile: ( ) -
Email:

7. Software License, Service and Leasing Agreements

A. Software License Agreement

1) Customers acquiring software licenses under the Contract shall hold, use and operate such software subject to compliance with the Software License Agreement set forth in Appendix D of this Contract. No changes to the Software License Agreement terms and conditions may be made unless previously agreed to between Vendor and DIR. Customers may not add, delete or alter any of the language in Appendix D; provided however, that the Customer and Vendor may agree to additional terms and conditions that do not diminish a term or condition in the Software License Agreement, or in any manner lessen the rights or protections of Customer or the responsibilities or liabilities of Vendor. Order Fulfiller shall make the Software License Agreement terms and conditions available to all Customers at all times.

2) Compliance with the Software License Agreement is the responsibility of the Customer. DIR shall not be responsible for any Customer’s compliance with the Software License Agreement. If DIR purchases software licenses for its own use under this Contract, it shall be responsible for its compliance with the Software License Agreement terms and conditions.
B. Shrink/Click-wrap License Agreement
Regardless of any other provision or other license terms which may be issued by Vendor after the effective date of this Contract, and irrespective of whether any such provisions have been proposed prior to or after the issuance of a Purchase Order for products licensed under this Contract, or the fact that such other agreement may be affixed to or accompany software upon delivery (shrink-wrap), the terms and conditions set forth in this Contract shall supersede and govern the license terms between Customers and Vendor. **It is the Customer’s responsibility to read the Shrink/Click-wrap License Agreement and determine if the Customer accepts the license terms as amended by this Contract. If the Customer does not agree with the license terms, Customer shall be responsible for negotiating with the reseller to obtain additional changes in the Shrink/Click-wrap License Agreement language from the software publisher.**

C. Service Agreement
Services provided under this Contract shall be in accordance with the Service Agreement as set forth in Appendix E of this Contract. No changes to the Service Agreement terms and conditions may be made unless previously agreed to by Vendor and DIR.

D. Master Operating Lease Agreement
DIR and Vendor hereby agree that Vendor is authorized to utilize the Master Operating Lease Agreement in Appendix D of this Contract for Lessees that are Texas State Agencies or otherwise authorized to conduct lease transactions through DIR contracts.

E. Master Lease Agreement
DIR and Vendor hereby agree that Vendor is authorized to utilize the Master Lease Agreement in Appendix E of this Contract for DIR authorized entities as Lessees that are not Texas State Agencies or otherwise required by statute to utilize the Texas Public Finance Authority for such leasing transactions. Texas State Agencies that have the requisite capital authority and who are not required to utilize such authority via the Texas Public Finance Authority may or may not be eligible to utilize the Master Lease Agreement; each such agency must confer with its own counsel to make this determination.

F. Conflicting or Additional Terms
In the event that conflicting or additional terms in Vendor Software License Agreements, Shrink/Click Wrap License Agreements, Service Agreements or linked or supplemental documents amend or diminish the rights of DIR Customers or the State, such conflicting or additional terms shall not take precedence over the terms of this Contract.

In the event of a conflict, any linked documents may not take precedence over the printed or referenced documents comprising this contract; provided further that any update to such linked documents shall only apply to purchases or leases of the associated Vendor product or service offering after the effective date of the update; and, provided further, that, if
Vendor has responded to a solicitation or request for pricing, no update of such linked documents on or after the initial date of Vendor’s initial response shall apply to that purchase unless Vendor directly informs Customer of the update before the purchase is consummated.

In the event that different or additional terms or conditions would otherwise result from accessing a linked document, agreement to said linked document shall not be effective until reviewed and approved in writing by Customer’s authorized signatory.

Vendor shall not [without prior written agreement from Customer’s authorized signatory.] require any document that: 1) diminishes the rights, benefits, or protections of the Customer, or that alters the definitions, measurements, or method for determining any authorized rights, benefits, or protections of the Customer; or 2) imposes additional costs, burdens, or obligations upon Customer, or that alters the definitions, measurements, or method for determining any authorized costs, burdens, or obligations upon Customer.

If Vendor attempts to do any of the foregoing, the prohibited documents will be void and inapplicable to the contract between DIR and Vendor or Vendor and Customer, and Vendor will nonetheless be obligated to perform the contract without regard to the prohibited documents, unless Customer elects instead to terminate the contract, which in such case may be identified as a termination for cause against Vendor.

The foregoing requirements apply to all contracts, including, but not limited to, contracts between Customer and a reseller who attempts to pass through documents and obligations from its Manufacturer of Publisher.


No exceptions have been agreed to by DIR and Vendor.
This Contract is executed to be effective as of the date of last signature.

**VENDOR NAME**

Authorized By: ______________________

Name: ______________________________

Title: _______________________________

Date: _______________________________

The State of Texas, acting by and through the Department of Information Resources

Authorized By: ______________________

Name:  __Hershel Becker________________

Title:  __Chief Procurement Officer_______

Date:  __________________________________

Office of General Counsel:  ____________

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The following terms and conditions shall govern the conduct of DIR and Vendor during the term of the Contract.

1. **Contract Scope**
   
   **Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED**
   
   The Vendor shall provide the products and related services specified in Section 3 of the Contract for purchase by Customers. In addition, DIR and Vendor may agree to provisions that allow Vendor and/or Order Fulfiler to lease the products offered under the Contract. Terms used in this document shall have the meanings set forth below in Section 3.

2. **No Quantity Guarantees**
   
   **Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED**
   
   The Contract is not exclusive to the Vendor. Customers may obtain products and related services from other sources during the term of the Contract. DIR makes no express or implied warranties whatsoever that any particular quantity or dollar amount of products and related services will be procured through the Contract.

3. **Definitions**
   
   A. **Customer** - any Texas state agency, unit of local government, institution of higher education as defined in Section 2054.003, Texas Government Code, the Electric Reliability Council of Texas, the Lower Colorado River Authority, a private school, as defined by Section 5.001, Education Code, a private or independent institution of higher education, as defined by Section 61.003, Education Code, a volunteer fire department, as defined by Section 152.001, Tax Code, and those state agencies purchasing from a DIR contract through an Interagency Agreement, as authorized by Chapter 771, Texas Government Code, any local government as authorized through the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the state agencies and political subdivisions of other states as authorized by Section 2054.0565, Texas Government Code and, except for telecommunications services under Chapter 2170, Texas Government Code, assistance organizations as defined in Section 2175.001, Texas Government Code to mean:
   
   1) A non-profit organization that provides educational, health or human services or assistance to homeless individuals;
   
   2) A nonprofit food bank that solicits, warehouses, and redistributes edible but unmarketable food to an agency that feeds needy families and individuals;
   
   3) Texas Partners of the Americas, a registered agency with the Advisory Committee on Voluntary Foreign Aid, with the approval of the Partners of the Alliance Office of the Agency for International Development;
   
   4) A group, including a faith-based group, that enters into a financial or non-financial agreement with a health or human services agency to provide services to that agency’s clients;
   
   5) A local workforce development board created under Section 2308.253;
   
   6) A nonprofit organization approved by the Supreme Court of Texas that provides free legal services for low-income households in civil matters;
   
   7) The Texas Boll Weevil Eradication Foundation, Inc., or an entity designated by the commissioner of agriculture as the foundation’s successor entity under Section 74.1011, Texas Agriculture Code;
8) A nonprofit computer bank that solicits, stores, refurbishes and redistributes used computer equipment to public school students and their families; and

9) A nonprofit organization that provides affordable housing.

B. Compliance Check – an audit of Vendor’s compliance with the Contract may be performed by, but not limited to, a third party auditor, DIR Internal Audit department, or DIR contract management staff or their designees.

C. Contract – the document executed between DIR and Vendor into which this Appendix A is incorporated.

D. CPA – refers to the Texas Comptroller of Public Accounts.

E. Day - shall mean business days, Monday through Friday, except for State and Federal holidays, unless otherwise specified as calendar days. If the Contract calls for performance on a day that is not a business day, then performance is intended to occur on the next business day.

F. Order Fulfiller – the party, either Vendor or a party that may be designated by Vendor, who is fulfilling a Purchase Order pursuant to the Contract.

G. Purchase Order - the Customer’s fiscal form or format, which is used when making a purchase (e.g., formal written Purchase Order, Procurement Card, Electronic Purchase Order, or other authorized instrument).

H. State – refers to the State of Texas.


A. Entire Agreement

The Contract, Appendices, and Exhibits constitute the entire agreement between DIR and the Vendor. No statement, promise, condition, understanding, inducement or representation, oral or written, expressed or implied, which is not contained in the Contract, Appendices, or its Exhibits shall be binding or valid.

B. Modification of Contract Terms and/or Amendments

1) The terms and conditions of the Contract shall govern all transactions by Customers under the Contract. The Contract may only be modified or amended upon mutual written agreement of DIR and Vendor.

2) Customers shall not have the authority to modify the terms of the Contract; however, additional Customer terms and conditions that do not conflict with the Contract and are acceptable to Order Fulfiller may be added in a Purchase Order and given effect. No additional term or condition added in a Purchase Order issued by a Customer can conflict with or diminish a term or condition of the Contract. Pre-printed terms and conditions on any Purchase Order issued by Customer hereunder will have no force and effect. In the event of a conflict between a Customer’s Purchase Order and the Contract, the Contract term shall control.

3) Customers and Vendor will negotiate and enter into written agreements regarding statements of work, service level agreements, remedies, acceptance criteria, information confidentiality and security requirements, and other terms specific to their Purchase Orders under the Contract with Vendors.
C. Invalid Term or Condition

1) To the extent any term or condition in the Contract conflicts with the applicable State and/or United States law or regulation, such Contract term or condition is void and unenforceable. By executing a contract which contains the conflicting term or condition, DIR makes no representations or warranties regarding the enforceability of such term or condition and DIR does not waive the applicable State and/or United States law or regulation which conflicts with the Contract term or condition.

2) If one or more terms or conditions in the Contract, or the application of any term or condition to any party or circumstance, is held invalid, unenforceable, or illegal in any respect by a final judgment or order of the State Office of Administrative Hearings or a court of competent jurisdiction, the remainder of the Contract and the application of the term or condition to other parties or circumstances shall remain valid and in full force and effect.

D. Assignment

DIR or Vendor may assign the Contract without prior written approval to: i) a successor in interest (for DIR, another state agency as designated by the Texas Legislature), or ii) a subsidiary, parent company or affiliate, or iii) as necessary to satisfy a regulatory requirement imposed upon a party by a governing body with the appropriate authority. Assignment of the Contract under the above terms shall require written notification by the assigning party and, for Vendor, a mutually agreed written Contract amendment. Any other assignment by a party shall require the written consent of the other party and a mutually agreed written Contract amendment.

E. Survival

All applicable software license agreements, warranties or service agreements that were entered into between Vendor and a Customer under the terms and conditions of the Contract shall survive the expiration or termination of the Contract. All Purchase Orders issued and accepted by Vendor or Order Fulfiller shall survive expiration or termination of the Contract for the term of the Purchase Order, unless the Customer terminates the Purchase Order sooner. However, regardless of the term of the Purchase Order, no Purchase Order shall survive the expiration or termination of the Contract for more than five years, unless Customer makes an express finding and justification for the longer term. The finding and justification must either be included in the Purchase Order, or referenced in it and maintained in Customer’s procurement record. Rights and obligations under this Contract which by their nature should survive, including, but not limited to the DIR Administrative Fee; and any and all payment obligations invoiced prior to the termination or expiration hereof; obligations of confidentiality; and, indemnification, will remain in effect after termination or expiration hereof.

F. Choice of Law

The laws of the State shall govern the construction and interpretation of the Contract. Exclusive venue for all actions will be in state court, Travis County, Texas. Nothing in the Contract or its Appendices shall be construed to waive the State’s sovereign immunity.
G. Limitation of Authority
Vendor shall have no authority to act for or on behalf of the Texas Department of Information Resources or the State except as expressly provided for in this Contract; no other authority, power or use is granted or implied. Vendor may not incur any debts, obligations, expenses, or liabilities of any kind on behalf of the State or DIR.

H. Proof of Financial Stability
Either DIR or Customer may require Vendor to provide proof of financial stability prior to or at any time during the contract term.

5. Intellectual Property Matters

A. Definitions

1) “Work Product” means any and all deliverables produced by Vendor for Customer under a Statement of Work issued pursuant to this Contract, including any and all tangible or intangible items or things that have been or will be prepared, created, developed, invented or conceived at any time following the effective date of the Contract, including but not limited to any (i) works of authorship (such as manuals, instructions, printed material, graphics, artwork, images, illustrations, photographs, computer programs, computer software, scripts, object code, source code or other programming code, HTML code, flow charts, notes, outlines, lists, compilations, manuscripts, writings, pictorial materials, schematics, formulae, processes, algorithms, data, information, multimedia files, text web pages or web sites, other written or machine readable expression of such works fixed in any tangible media, and all other copyrightable works), (ii) trademarks, service marks, trade dress, trade names, logos, or other indicia of source or origin, (iii) ideas, designs, concepts, personality rights, methods, processes, techniques, apparatuses, inventions, formulas, discoveries, or improvements, including any patents, trade secrets and know-how, (iv) domain names, (v) any copies, and similar or derivative works to any of the foregoing, (vi) all documentation and materials related to any of the foregoing, (vii) all other goods, services or deliverables to be provided to Customer under the Contract or a Statement of Work, and (viii) all Intellectual Property Rights in any of the foregoing, and which are or were created, prepared, developed, invented or conceived for the use or benefit of Customer in connection with this Contract or a Statement of Work, or with funds appropriated by or for Customer or Customer’s benefit: (a) by any Vendor personnel or Customer personnel, or (b) any Customer personnel who then became personnel to Vendor or any of its affiliates or subcontractors, where, although creation or reduction-to-practice is completed while the person is affiliated with Vendor or its personnel, any portion of same was created, invented or conceived by such person while affiliated with Customer.

2) “Intellectual Property Rights” means the worldwide legal rights or interests evidenced by or embodied in: (i) any idea, design, concept, personality right, method, process, technique, apparatus, invention, discovery, or improvement, including any patents, trade secrets, and know-how; (ii) any work of authorship, including any copyrights, moral rights or neighboring rights; (iii) any trademark, service mark, trade dress, trade name, or other indicia of source or origin; (iv) domain name registrations;
and (v) any other proprietary or similar rights. The Intellectual Property Rights of a party include all worldwide legal rights or interests that the party may have acquired by assignment or license with the right to grant sublicenses.

3) “Statement of Work” means a document signed by Customer and Vendor describing a specific set of activities and/or deliverables, which may include Work Product and Intellectual Property Rights, that Vendor is to provide Customer, issued pursuant to the Contract.

4) “Third Party IP” means the Intellectual Property Rights of any third party that is not a party to this Contract, and that is not directly or indirectly providing any goods or services to Customer under this Contract.

5) “Vendor IP” shall mean all tangible or intangible items or things, including the Intellectual Property Rights therein, created or developed by Vendor (a) prior to providing any Services or Work Product to Customer and prior to receiving any documents, materials, information or funding from or on behalf of Customer relating to the Services or Work Product, or (b) after the Effective Date of the Contract if such tangible or intangible items or things were independently developed by Vendor outside Vendor’s provision of Services or Work Product for Customer hereunder and were not created, prepared, developed, invented or conceived by any Customer personnel who then became personnel to Vendor or any of its affiliates or subcontractors, where, although creation or reduction-to-practice is completed while the person is affiliated with Vendor or its personnel, any portion of same was created, invented or conceived by such person while affiliated with Customer.

B. Ownership.

As between Vendor and Customer, the Work Product and Intellectual Property Rights therein are and shall be owned exclusively by Customer, and not Vendor. Vendor specifically agrees that the Work Product shall be considered “works made for hire” and that the Work Product shall, upon creation, be owned exclusively by Customer. To the extent that the Work Product, under applicable law, may not be considered works made for hire, Vendor hereby agrees that the Contract effectively transfers, grants, conveys, assigns, and relinquishes exclusively to Customer all right, title and interest in and to all ownership rights in the Work Product, and all Intellectual Property Rights in the Work Product, without the necessity of any further consideration, and Customer shall be entitled to obtain and hold in its own name all Intellectual Property Rights in and to the Work Product. Vendor acknowledges that Vendor and Customer do not intend Vendor to be a joint author of the Work Product within the meaning of the Copyright Act of 1976. Customer shall have access, during normal business hours (Monday through Friday, 8AM to 5PM) and upon reasonable prior notice to Vendor, to all Vendor materials, premises and computer files containing the Work Product. Vendor and Customer, as appropriate, will cooperate with one another and execute such other documents as may be reasonably appropriate to achieve the objectives herein. No license or other right is granted hereunder to any Third Party IP, except as may be incorporated in the Work Product by Vendor.
C. Further Actions.
Vendor, upon request and without further consideration, shall perform any acts that may be deemed reasonably necessary or desirable by Customer to evidence more fully the transfer of ownership and/or registration of all Intellectual Property Rights in all Work Product to Customer to the fullest extent possible, including but not limited to the execution, acknowledgement and delivery of such further documents in a form determined by Customer. In the event Customer shall be unable to obtain Vendor’s signature due to the dissolution of Vendor or Vendor’s unreasonable failure to respond to Customer’s repeated requests for such signature on any document reasonably necessary for any purpose set forth in the foregoing sentence, Vendor hereby irrevocably designates and appoints Customer and its duly authorized officers and agents as Vendor’s agent and Vendor’s attorney-in-fact to act for and in Vendor’s behalf and stead to execute and file any such document and to do all other lawfully permitted acts to further any such purpose with the same force and effect as if executed and delivered by Vendor, provided however that no such grant of right to Customer is applicable if Vendor fails to execute any document due to a good faith dispute by Vendor with respect to such document. It is understood that such power is coupled with an interest and is therefore irrevocable. Customer shall have the full and sole power to prosecute such applications and to take all other action concerning the Work Product, and Vendor shall cooperate, at Customer’s sole expense, in the preparation and prosecution of all such applications and in any legal actions and proceedings concerning the Work Product.

D. Waiver of Moral Rights.
Vendor hereby irrevocably and forever waives, and agrees never to assert, any Moral Rights in or to the Work Product which Vendor may now have or which may accrue to Vendor’s benefit under U.S. or foreign copyright or other laws and any and all other residual rights and benefits which arise under any other applicable law now in force or hereafter enacted. Vendor acknowledges the receipt of equitable compensation for its assignment and waiver of such Moral Rights. The term “Moral Rights” shall mean any and all rights of paternity or integrity of the Work Product and the right to object to any modification, translation or use of the Work Product, and any similar rights existing under the judicial or statutory law of any country in the world or under any treaty, regardless of whether or not such right is denominated or referred to as a moral right.

E. Confidentiality.
All documents, information and materials forwarded to Vendor by Customer for use in and preparation of the Work Product shall be deemed the confidential information of Customer, and subject to the license granted by Customer to Vendor under sub-paragraph H. hereunder. Vendor shall not use, disclose, or permit any person to use or obtain the Work Product, or any portion thereof, in any manner without the prior written approval of Customer.

F. Injunctive Relief.
The Contract is intended to protect Customer’s proprietary rights pertaining to the Work Product, and the Intellectual Property Rights therein, and any misuse of such rights would cause substantial and irreparable harm to Customer’s business. Therefore, Vendor acknowledges and stipulates that a court of competent jurisdiction may immediately enjoin any material breach of the intellectual property, use, and confidentiality provisions of this
Contract, upon a request by Customer, without requiring proof of irreparable injury as same should be presumed.

G. Return of Materials Pertaining to Work Product.
Upon the request of Customer, but in any event upon termination or expiration of this Contract or a Statement of Work, Vendor shall surrender to Customer all documents and things pertaining to the Work Product, including but not limited to drafts, memoranda, notes, records, drawings, manuals, computer software, reports, data, and all other documents or materials (and copies of same) generated or developed by Vendor or furnished by Customer to Vendor, including all materials embodying the Work Product, any Customer confidential information, or Intellectual Property Rights in such Work Product, regardless of whether complete or incomplete. This section is intended to apply to all Work Product as well as to all documents and things furnished to Vendor by Customer or by anyone else that pertain to the Work Product.

H. Vendor License to Use.
Customer hereby grants to Vendor a non-transferable, non-exclusive, royalty-free, fully paid-up license to use any Work Product solely as necessary to provide the Services to Customer. Except as provided in this Section, neither Vendor nor any Subcontractor shall have the right to use the Work Product in connection with the provision of services to its other customers without the prior written consent of Customer, which consent may be withheld in Customer’s sole discretion.

I. Third-Party Underlying and Derivative Works.
To the extent that any Vendor IP or Third Party IP are embodied or reflected in the Work Product, or are necessary to provide the Services, Vendor hereby grants to the Customer, or shall obtain from the applicable third party for Customer’s benefit, the irrevocable, perpetual, non-exclusive, worldwide, royalty-free right and license, for Customer’s internal business purposes only, to (i) use, execute, reproduce, display, perform, distribute copies of, and prepare derivative works based upon such Vendor IP or Third Party IP and any derivative works thereof embodied in or delivered to Customer in conjunction with the Work Product, and (ii) authorize others to do any or all of the foregoing. Vendor agrees to notify Customer on delivery of the Work Product or Services if such materials include any Third Party IP. On request, Vendor shall provide Customer with documentation indicating a third party’s written approval for Vendor to use any Third Party IP that may be embodied or reflected in the Work Product.

J. Agreement with Subcontracts.
Vendor agrees that it shall have written agreement(s) that are consistent with the provisions hereof related to Work Product and Intellectual Property Rights with any employees, agents, consultants, contractors or subcontractors providing Services or Work Product pursuant to the Contract, prior to their providing such Services or Work Product, and that it shall maintain such written agreements at all times during performance of this Contract, which are sufficient to support all performance and grants of rights by Vendor. Copies of such agreements shall be provided to the Customer promptly upon request.
K. License to Customer.
Vendor grants to Customer, a perpetual, irrevocable, royalty free license, solely for the Customer’s internal business purposes, to use, copy, modify, display, perform (by any means), transmit and prepare derivative works of any Vendor IP embodied in or delivered to Customer in conjunction with the Work Product. The foregoing license includes the right to sublicense third parties, solely for the purpose of engaging such third parties to assist or carryout Customer’s internal business use of the Work Product. Except for the preceding license, all rights in Vendor IP remain in Vendor.

L. Vendor Development Rights.
To the extent not inconsistent with Customer’s rights in the Work Product or as set forth herein, nothing in this Contract shall preclude Vendor from developing for itself, or for others, materials which are competitive with those produced as a result of the Services provided hereunder, provided that no Work Product is utilized, and no Intellectual Property Rights of Customer therein are infringed by such competitive materials. To the extent that Vendor wishes to use the Work Product, or acquire licensed rights in certain Intellectual Property Rights of Customer therein in order to offer competitive goods or services to third parties, Vendor and Customer agree to negotiate in good faith regarding an appropriate license and royalty agreement to allow for such.

6. Product Terms and Conditions

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED

A. Electronic and Information Resources Accessibility Standards, As Required by 1 TAC Chapters 206 and 213 (Applicable to State Agency and Institution of Higher Education Purchases Only)

1) Effective September 1, 2006 state agencies and institutions of higher education shall procure products which comply with the State Accessibility requirements for Electronic and Information Resources specified in 1 TAC Chapters 206 and 213 when such products are available in the commercial marketplace or when such products are developed in response to a procurement solicitation.

2) Upon request, but not later than thirty (30) calendar days after request, Vendor shall provide DIR with a completed Voluntary Product Accessibility Template (VPAT) of the specified product or a URL to the VPAT for reviewing compliance with the State Accessibility requirements (based on the federal standards established under Section 508 of the Rehabilitation Act).

B. Purchase of Commodity Items (Applicable to State Agency Purchases Only)

1) Texas Government Code, §2157.068 requires State agencies to buy commodity items, as defined in 6.B.2, below, in accordance with contracts developed by DIR, unless the agency obtains an exemption from DIR or a written certification that a commodity is not on DIR contract (for the limited purpose of purchasing from a local government purchasing cooperative).

2) Commodity items are commercially available software, hardware and technology services that are generally available to businesses or the public and for which DIR determines that a reasonable demand exists in two or more state agencies. Hardware is
the physical technology used to process, manage, store, transmit, receive or deliver information. Software is the commercially available programs that operate hardware and includes all supporting documentation, media on which the software may be contained or stored, related materials, modifications, versions, upgrades, enhancements, updates or replacements. Technology services are the services, functions and activities that facilitate the design, implementation, creation, or use of software or hardware. Technology services include seat management, staffing augmentation, training, maintenance and subscription services. Technology services do not include telecommunications services. Seat management is services through which a state agency transfers its responsibilities to a vendor to manage its personal computing needs, including all necessary hardware, software and technology services.

3) Vendor agrees to coordinate all State agency commodity item sales through existing DIR contracts. Institutions of higher education are exempt from this Subsection 6.B.

7. **Contract Fulfillment and Promotion**

A. **Service, Sales and Support of the Contract**

Vendor shall provide service, sales and support resources to serve all Customers throughout the State. It is the responsibility of the Vendor to sell, market, and promote products and services available under the Contract. Vendor shall use its best efforts to ensure that potential Customers are made aware of the existence of the Contract. All sales to Customers for products and services available under the Contract shall be processed through the Contract.

B. **Use of Order Fulfillers**

DIR agrees to permit Vendor to utilize designated Order Fulfillers to provide service, sales and support resources to Customers. Such participation is subject to the following conditions:

1) **Designation of Order Fulfillers**
   a) Vendor may designate Order Fulfillers to act as the distributors for products and services available under the Contract. In designating Order Fulfillers, Vendor must be in compliance with the State’s Policy on Utilization of Historically Underutilized Businesses. In addition to the required Subcontracting Plan, Vendor shall provide DIR with the following Order Fulfiller information: Order Fulfiller name, Order Fulfiller business address, Order Fulfiller CPA Identification Number, Order Fulfiller contact person email address and phone number.

   b) DIR reserves the right to require the Vendor to rescind any such Order Fulfiller participation or request that Vendor name additional Order Fulfillers should DIR determine it is in the best interest of the State.

   c) Vendor shall be fully liable for its Order Fulfillers’ performance under and compliance with the terms and conditions of the Contract. Vendor shall enter into contracts with Order Fulfillers and use terms and conditions that are consistent with the terms and conditions of the Contract.

   d) Vendor shall have the right to qualify Order Fulfillers and their participation under the Contract provided that: i) any criteria is uniformly applied to all potential Order Fulfillers based upon Vendor’s established, neutrally applied criteria, ii) the
criteria is not based on a particular procurement, and iii) all Customers are supported under the different criteria.

e) Vendor shall not prohibit Order Fulfiller from participating in other procurement opportunities offered through DIR.

2) Changes in Order Fulfiller List
Vendor may add or delete Order Fulfillers throughout the term of the Contract upon written authorization by DIR. Prior to adding or deleting Order Fulfillers, Vendor must make a good faith effort in the revision of its Subcontracting Plan in accordance with the State’s Policy on Utilization of Historically Underutilized Businesses. Vendor shall provide DIR with its updated Subcontracting Plan and the Order Fulfiller information listed in Section 7.B.1.a above.

3) Order Fulfiller Pricing to Customer
Order Fulfiller pricing to the Customer shall comply with the Customer price as stated within Appendix A, Section 8, Pricing, Purchase Orders, Invoices and Payment, and as set forth in Appendix C, Pricing Index, and shall include the DIR Administrative Fee. This pricing shall only be offered by Order Fulfillers to Customers for sales that pass through the Contract.

C. Product Warranty and Return Policies
Order Fulfiller will adhere to the Vendor’s then-currently published policies concerning product warranties and returns. Product warranty and return policies for Customers will not be more restrictive or more costly than warranty and return policies for other similarly situated Customers for like products.

D. Customer Site Preparation
Customers shall prepare and maintain its site in accordance with written instructions furnished by Order Fulfiller prior to the scheduled delivery date of any product or service and shall bear the costs associated with the site preparation.

E. Internet Access to Contract and Pricing Information
1) Vendor Webpage
Within thirty (30) calendar days of the effective date of the Contract, Vendor will establish and maintain a webpage specific to the products and services awarded under the Contract that are clearly distinguishable from other, non-DIR Contract offerings on the Vendor’s website. The webpage must include:

   a) the products and services awarded;
   b) description of product and service awarded
   c) a current price list or mechanism (for example, a services calculator or product builder) to obtain specific contracted pricing;
   d) discount percentage (%) off MSRP or List Price;
   e) designated Order Fulfillers;
   f) contact information (name, telephone number and email address) for Vendor and designated Order Fulfillers;
g) instructions for obtaining quotes and placing Purchase Orders;
h) warranty policies;
i) return policies;
j) the DIR Contract number with a hyperlink to the Contract’s DIR webpage;
k) a link to the DIR “Cooperative Contracts” webpage; and
l) the DIR logo in accordance with the requirements of this Section.

If Vendor does not meet the webpage requirements listed above, DIR may cancel the contract without penalty.

2) Accurate and Timely Contract Information
Vendor warrants and represents that the website information specified in the above paragraph will be accurately and completely posted, maintained and displayed in an objective and timely manner. Vendor, at its own expense, shall correct any non-conforming or inaccurate information posted at Vendor’s website within ten (10) business days after written notification by DIR.

3) Webpage Compliance Checks
Periodic compliance checks of the information posted for the Contract on Vendor’s webpage will be conducted by DIR. Upon request by DIR, Vendor shall provide verifiable documentation that pricing listed upon this webpage is compliant with the pricing as stated in the Contract.

4) Webpage Changes
Vendor hereby consents to a link from the DIR website to Vendor’s webpage in order to facilitate access to Contract information. The establishment of the link is provided solely for convenience in carrying out the business operations of the State. DIR reserves the right to suspend, terminate or remove a link at any time, in its sole discretion, without advance notice, or to deny a future request for a link. DIR will provide Vendor with subsequent notice of link suspension, termination or removal. Vendor shall provide DIR with timely written notice of any change in URL or other information needed to access the site and/or maintain the link.

5) Use of Access Data Prohibited
If Vendor stores, collects or maintains data electronically as a condition of accessing Contract information, such data shall only be used internally by Vendor for the purpose of implementing or marketing the Contract and shall not be disseminated to third parties or used for other marketing purposes. The Contract constitutes a public document under the laws of the State and Vendor shall not restrict access to Contract terms and conditions including pricing, i.e., through use of restrictive technology or passwords.

6) Responsibility for Content
Vendor is solely responsible for administration, content, intellectual property rights, and all materials at Vendor’s website. DIR reserves the right to require a change of listed content if, in the opinion of DIR, it does not adequately represent the Contract.
F. DIR Logo

Vendor and Order Fulfiller may use the DIR logo in the promotion of the Contract to Customers with the following stipulations: (i) the logo may not be modified in any way, (ii) when displayed, the size of the DIR logo must be equal to or smaller than the Order Fulfiller logo, (iii) the DIR logo is only used to communicate the availability of products and services under the Contract to Customers, and (iv) any other use of the DIR logo requires prior written permission from DIR.

G. Vendor and Order Fulfiller Logo

If DIR receives Vendor’s or Order Fulfiller’s prior written approval, DIR may use the Vendor’s and Order Fulfiller’s name and logo in the promotion of the Contract to communicate the availability of products and services under the Contract to Customers. Use of the logos may be on the DIR website or on printed materials. Any use of Vendor’s and Order Fulfiller’s logo by DIR must comply with and be solely related to the purposes of the Contract and any usage guidelines communicated to DIR from time to time. Nothing contained in the Contract will give DIR any right, title, or interest in or to Vendor’s or Order Fulfiller’s trademarks or the goodwill associated therewith, except for the limited usage rights expressly provided by Vendor and Order Fulfiller.

H. Trade Show Participation

At DIR’s discretion, Vendor and Order Fulfillers may be required to participate in no more than two DIR sponsored trade shows each calendar year. Vendor understands and agrees that participation, at the Vendor’s and Order Fulfiller’s expense, includes providing a manned booth display or similar presence. DIR will provide four months advance notice of any required participation. Vendor and Order Fulfillers must display the DIR logo at all trade shows that potential Customers will attend. DIR reserves the right to approve or disapprove of the location or the use of the DIR logo in or on the Vendor’s or Order Fulfiller’s booth.

I. Orientation Meeting

Within thirty (30) calendar days from execution of the Contract, Vendor and Order Fulfillers will be required to attend an orientation meeting to discuss the content and procedures of the Contract to include reporting requirements. DIR, at its discretion, may waive the orientation requirement for Vendors who have previously held DIR contracts. The meeting will be held in the Austin, Texas area at a date and time mutually acceptable to DIR and the Vendor or by teleconference, at DIR’s discretion. DIR shall bear no cost for the time and travel of the Vendor or Order Fulfillers for attendance at the meeting.

J. Performance Review Meetings

DIR will require the Vendor to attend periodic meetings to review the Vendor’s performance under the Contract. The meetings will be held within the Austin, Texas area at a date and time mutually acceptable to DIR and the Vendor or by teleconference, at DIR’s discretion. DIR shall bear no cost for the time and travel of the Vendor for attendance at the meeting.

K. DIR Cost Avoidance

As part of the performance measures reported to state leadership, DIR must provide the cost avoidance the State has achieved through the Contract. Upon request by DIR, Vendor shall provide DIR with a detailed report of a representative sample of products sold under the
Contract. The report shall contain: product part number, product description, list price and price to Customer under the Contract.

8. Pricing, Purchase Orders, Invoices, and Payments

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED

A. Manufacturer’s Suggested Retail Price (MSRP) or List Price

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED

MSRP is defined as the product sales price list published in some form by the manufacturer or publisher of a product and available to and recognized by the trade. A price list especially prepared for a given solicitation is not acceptable.

B. Customer Discount

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED

The minimum Customer discount for all products and services will be the percentage off MSRP as specified in Appendix C, Pricing Index.

C. Customer Price

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED FOR SECTION C1

1) The price to the Customer shall be calculated as follows:

Customer Price = (MSRP or List Price – Customer Discount as set forth in Appendix C, Pricing Index) x (1 + DIR Administrative Fee, as set forth in the Contract).

2) Customers purchasing products and services under this Contract may negotiate more advantageous pricing or participate in special promotional offers. In such event, a copy of such better offerings shall be furnished to DIR upon request.

3) If pricing for products or services available under this Contract is provided by the Vendor at a lower price to: (i) an eligible Customer who is not purchasing those products or services under this Contract or (ii) to any other customer under the same terms and conditions provided for the State for the same commodities and services under this contract, then the available Customer Price in this Contract shall be adjusted to that lower price. This requirement applies to products or services quoted by Vendor or its resellers for a quantity of one (1) under like terms and conditions, and does not apply to volume or special pricing purchases. Vendor shall notify DIR within ten (10) days and this Contract shall be amended to reflect the lower price.

D. Shipping and Handling Fees

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED

The price to the Customer under this Contract shall include all shipping and handling fees. Shipments will be Free On Board Customer’s Destination. No additional fees shall be charged to the Customer for standard shipping and handling. If the Customer requests expedited or special delivery, Customer will be responsible for any charges for expedited or special delivery.
E. Tax-Exempt

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED

As per Section 151.309, Texas Tax Code, Customers under this Contract are exempt from the assessment of State sales, use and excise taxes. Further, Customers under this Contract are exempt from Federal Excise Taxes, 26 United States Code Sections 4253(i) and (j). Customers shall provide evidence of tax-exempt status to Vendor upon request.

F. Travel Expense Reimbursement

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED

Pricing for services provided under this Contract are exclusive of any travel expenses that may be incurred in the performance of those services. Travel expense reimbursement may include personal vehicle mileage or commercial coach transportation, hotel accommodations, parking and meals; provided, however, the amount of reimbursement by Customers shall not exceed the amounts authorized for state employees as adopted by each Customer; and provided, further, that all reimbursement rates shall not exceed the maximum rates established for state employees under the current State Travel Management Program (http://www.window.state.tx.us/procurement/prog/stmp/). Travel time may not be included as part of the amounts payable by Customer for any services rendered under this Contract. The DIR administrative fee specified in the Contract is not applicable to travel expense reimbursement. Anticipated travel expenses must be pre-approved in writing by Customer. Customer reserves the right not to pay travel expenses which are not pre-approved in writing by the Customer.

G. Changes to Prices

Subject to the requirements of this section, Vendor may change the price of any product or service at any time, based upon changes to the MSRP, but discount levels shall remain consistent with the discount levels specified in this Contract.

Vendor may revise its pricing (but not its discount rate, if any, and not the products or services on its contract pricing list) by posting a revised pricing list. Such revised pricing lists are subject to review by DIR. If DIR finds that a product’s or service’s price has been increased unreasonably, DIR may request Vendor to reduce its pricing for the product or service to the level published before the revision. Vendor must reduce its pricing, or remove the product from its pricing list. Failure to do so will constitute an act of default by Vendor.

H. Purchase Orders

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED

All Customer Purchase Orders will be placed directly with the Vendor or Order Fulfiller. Accurate Purchase Orders shall be effective and binding upon Vendor or Order Fulfiller when accepted by Vendor or Order Fulfiller. Customer and Vendor may work together to include specific requirements as to what constitutes a valid Purchase Order.

Vendors will be required to comply with the disclosure requirements of Section 2252.908, Texas Government Code, as enacted by House Bill 1295, 84th Regular
Session, when execution of a contract requires an action or vote by the governing body of a governmental entity before the contract may be signed.

I. Invoices

**Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED**

1) Invoices shall be submitted by the Vendor or Order Fulfiller directly to the Customer and shall be issued in compliance with Chapter 2251, Texas Government Code. All payments for products and/or services purchased under the Contract and any provision of acceptance of such products and/or services shall be made by the Customer to the Vendor or Order Fulfiller. For Customers that are not subject to Chapter 2251, Texas Government Code, Customer and Vendor will agree to acceptable terms.

2) Invoices must be timely and accurate. Each invoice must match Customer’s Purchase Order and include any written changes that may apply, as it relates to products, prices and quantities. Invoices must include the Customer’s Purchase Order number or other pertinent information for verification of receipt of the product or services by the Customer.

3) The administrative fee as set forth in the Contract shall not be broken out as a separate line item when pricing or invoice is provided to Customer.

J. Payments

**Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED**

Customers shall comply with Chapter 2251, Texas Government Code, in making payments to Order Fulfiller. The statute states that payments for goods and services are due thirty (30) calendar days after the goods are provided, the services completed, or a correct invoice is received, whichever is later. Payment under the Contract shall not foreclose the right to recover wrongful payments. For Customers that are not subject to Chapter 2251, Texas Government Code, Customer and Vendor will agree to acceptable terms.

9. Contract Administration

**Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED FOR A.C-D**

K. Contract Managers

**Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED**

DIR and the Vendor will each provide a Contract Manager to support the Contract. Information regarding the Contract Manager will be posted on the Internet website designated for the Contract.

1) State Contract Manager

DIR shall provide a Contract Manager whose duties shall include but not be limited to: i) advising DIR and Vendor of Vendor’s compliance with the terms and conditions of the Contract, ii) periodic verification of product pricing, and iii) verification of monthly reports submitted by Vendor.

2) Vendor Contract Manager

Vendor shall identify a specific Contract Manager whose duties shall include but not be limited to: i) supporting the marketing and management of the Contract, ii)
facilitating dispute resolution between a Order Fulfiller and a Customer, and iii) advising DIR of Order Fulfillers performance under the terms and conditions of the Contract. DIR reserves the right to require a change in Vendor’s then-current Contract Manager if the assigned Contract Manager is not, in the reasonable opinion of DIR, adequately serving the needs of the State.

B. Reporting and Administrative Fees

1) Reporting Responsibility
   a) Vendor shall be responsible for reporting all products and services purchased through Vendor and Order Fulfillers under the Contract. Vendor shall file the monthly reports, subcontract reports, and pay the administrative fees in accordance with the due dates specified in this section.
   
   b) DIR shall have the right to verify required reports and to take any actions necessary to enforce its rights under this section, including but not limited to compliance checks of Vendor’s applicable Contract. Vendor will provide all required documentation at no cost.

2) Detailed Monthly Report
   Vendor shall electronically provide DIR with a detailed monthly report in the format required by DIR showing the dollar volume of any and all sales under the Contract for the previous calendar month period. Reports are due on the fifteenth (15th) calendar day of the month following the month of the sale. If the 15th calendar day falls on a weekend or state or federal holiday, the report shall be due on the next business day. The monthly report shall include, per transaction: the detailed sales for the period, Customer name, invoice date, invoice number, description, quantity, MSRP or List Price, unit price, extended price, Customer Purchase Order number, contact name, Customer’s complete billing address, the estimated administrative fee for the reporting period, subcontractor name, EPEAT designation (if applicable), configuration (if applicable), contract discount percentage, actual discount percentage, negotiated contract price (if fixed price is offered instead of discount off of MSRP), and other information as required by DIR. Each report must contain all information listed above per transaction or the report will be rejected and returned to the Vendor for correction in accordance with this section. Vendor shall report in a manner required by DIR which is subject to change dependent upon DIR’s business needs. Failure to do so may result in contract termination.

3) Historically Underutilized Businesses Subcontract Reports
   a) Vendor shall electronically provide each Customer with Vendor’s relevant Historically Underutilized Business Subcontracting Report, pursuant to the Contract, as required by Chapter 2161, Texas Government Code. Reports shall also be submitted to DIR.
   
   b) Reports shall be due in accordance with the CPA rules.

4) DIR Administrative Fee
   a) The Vendor shall pay an administrative fee to DIR to defray the DIR costs of negotiating, executing, and administering the Contract. The maximum administrative fee is set by the Texas Legislature in the biennial General
Appropriations Act. DIR will review Vendor monthly sales reports, close the sales period, and notify the Vendor of the administrative fee no later than the fourteenth (14th) day of the second month following the date of the reported sale. Vendor shall pay the administrative fee by the twenty-fifth (25th) calendar day of the second month following the date of the reported sale. For example, Vendor reports January sales by February 15th; DIR closes January sales and notifies Vendor of administrative fee by March 14th; Vendor submits administrative fee for January sales by March 25th.

b) DIR may change the amount of the administrative fee upon thirty (30) calendar days written notice to Vendor without the need for a formal contract amendment.

c) Vendor shall reference the DIR Contract number, reporting period, and administrative fee amount on any remittance instruments.

5) Accurate and Timely Submission of Reports

a) The reports and administrative fees shall be accurate and timely and submitted in accordance with the due dates specified in this section. Vendor shall correct any inaccurate reports or administrative fee payments within three (3) business days upon written notification by DIR. Vendor shall deliver any late reports or late administrative fee payments within three (3) business days upon written notification by DIR. If Vendor is unable to correct inaccurate reports or administrative fee payments or deliver late reports and fee payments within three (3) business days, Vendor must contact DIR and provide a corrective plan of action, including the timeline for completion of correction. The corrective plan of action shall be subject to DIR approval.

b) Should Vendor fail to correct inaccurate reports or cure the delay in timely delivery of reports and payments within the corrective plan of action timeline, DIR reserves the right to require an independent third party audit of the Vendor’s records as specified in C.3 of this Section, at Vendor’s expense. DIR will select the auditor (and all payments to auditor will require DIR approval).

Failure to timely submit three (3) reports or administrative fee payments within any rolling twelve (12) month period may, at DIR’s discretion, result in the addition of late fees of $100/day for each day the report or payment is due (up to $1000/month) or suspension or termination of Vendor’s Contract..

4) Historically Underutilized Businesses Subcontract Reports

c) Vendor shall electronically provide each Customer with Vendor’s relevant Historically Underutilized Business Subcontracting Report, pursuant to the Contract, as required by Chapter 2161, Texas Government Code. Reports shall also be submitted to DIR.

d) Reports shall be due in accordance with the CPA rules.

5) DIR Administrative Fee

d) An administrative fee shall be paid by Vendor to DIR to defray the DIR costs of negotiating, executing, and administering the Contract. The maximum administrative fee is set by the Texas Legislature in the biennial General Appropriations Act. Payment of the administrative fee shall be due on the fifteenth (15th) calendar day after the close of the previous month period. DIR may change
the amount of the administrative fee upon thirty (30) calendar days written notice to Vendor without the need for a formal contract amendment.

e) Vendor shall reference the DIR Contract number, reporting period, and administrative fee amount on any remittance instruments.

6) **Accurate and Timely Submission of Reports**

c) The reports and administrative fees shall be accurate and timely and submitted in accordance with the due dates specified in this section. Vendor shall correct any inaccurate reports or administrative fee payments within three (3) business days upon written notification by DIR. Vendor shall deliver any late reports or late administrative fee payments within three (3) business days upon written notification by DIR. If Vendor is unable to correct inaccurate reports or administrative fee payments or deliver late reports and fee payments within three (3) business days, Vendor must contact DIR and provide a corrective plan of action, including the timeline for completion of correction. The corrective plan of action shall be subject to DIR approval.

d) Should Vendor fail to correct inaccurate reports or cure the delay in timely delivery of reports and payments within the corrective plan of action timeline, DIR reserves the right to require an independent third party audit of the Vendor’s records as specified in C.3 of this Section, at Vendor’s expense. DIR will select the auditor (and all payments to auditor will require DIR approval).

e) Failure to timely submit three (3) reports or administrative fee payments within any rolling twelve (12) month period may, at DIR’s discretion, result in the addition of late fees of $100/day for each day the report or payment is due (up to $1000/month) or suspension or termination of Vendor’s Contract.

C. **Records and Audit**

*Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED IN SUBPARAGRAPH ONE (1)*

1) Acceptance of funds under the Contract by Vendor and/or Order Fulfiller acts as acceptance of the authority of the State Auditor’s Office, or any successor agency or designee, to conduct an audit or investigation in connection with those funds. Vendor further agrees to cooperate fully with the State Auditor’s Office or its successor or designee in the conduct of the audit or investigation, including providing all records requested. Vendor will ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through Vendor or directly by Order Fulfillers and the requirement to cooperate is included in any subcontract or Order Fulfiller contract it awards pertaining to the Contract. Under the direction of the Legislative Audit Committee, a Vendor that is the subject of an audit or investigation by the State Auditor’s Office must provide the State Auditor’s Office with access to any information the State Auditor’s Office considers relevant to the investigation or audit.

2) Vendor and Order Fulfillers shall maintain adequate records to establish compliance with the Contract until the later of a period of seven (7) years after termination of the Contract or until full, final and unappealable resolution of all Compliance Check or litigation issues that arise under the Contract. Such records shall include per transaction: the Order Fulfiller’s company name if applicable, Customer name, invoice date, invoice number, description, part number, manufacturer, quantity,
MSRP or list price, unit price, extended price, Customer Purchase Order number, contact name, Customer’s complete billing address, the calculations supporting each administrative fee owed DIR under the Contract, Historically Underutilized Businesses Subcontracting reports, and such other documentation as DIR may request.

3) Vendor and/or Order Fulfillers shall grant access to all paper and electronic records, books, documents, accounting procedures, practices, customer records including but not limited to contracts, agreements, purchase orders and statements of work, and any other items relevant to the performance of the Contract to the DIR Internal Audit department or DIR Contract Management staff, including the compliance checks designated by the DIR Internal Audit department, DIR Contract Management staff, the State Auditor’s Office, and of the United States, and such other persons or entities designated by DIR for the purposes of inspecting, Compliance Checking and/or copying such books and records. Vendor and/or Order Fulfillers shall provide copies and printouts requested by DIR without charge. DIR shall provide Vendor and/or Order Fulfillers ten (10) business days’ notice prior to inspecting, Compliance Checking, and/or copying Vendor’s and/or Order Fulfiller’s records. Vendor’s and/or Order Fulfillers records, whether paper or electronic, shall be made available during regular office hours. Vendor and/or Order Fulfiller personnel familiar with the Vendor’s and/or Order Fulfiller’s books and records shall be available to the DIR Internal Audit department, or DIR Contract Management staff and designees as needed. Vendor and/or Order Fulfiller shall provide adequate office space to DIR staff during the performance of Compliance Check. If Vendor is found to be responsible for inaccurate reports, DIR may invoice for the reasonable costs of the audit, which Vendor must pay within thirty (30) calendar days of receipt.

4) For procuring State Agencies whose payments are processed by the Texas Comptroller of Public Accounts, the volume of payments made to Order Fulfillers through the Texas Comptroller of Public Accounts and the administrative fee based thereon shall be presumed correct unless Vendor can demonstrate to DIR’s satisfaction that Vendor’s calculation of DIR’s administrative fee is correct.

D. Contract Administration Notification

1) Prior to execution of the Contract, Vendor shall provide DIR with written notification of the following: i) Vendor Contract Administrator name and contact information, ii) Vendor sales representative name and contact information, and iii) name and contact information of Vendor personnel responsible for submitting reports and payment of administrative fees specified herein.

2) Upon execution of the Contract, DIR shall provide Vendor with written notification of the following: i) DIR Contract Administrator name and contact information, and ii) DIR Cooperative Contracts E-Mail Box information.

9. Vendor Responsibilities

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED IN C-M, O-S, V-W

A. Indemnification

1) INDEPENDENT CONTRACTOR

VENDOR AGREES AND ACKNOWLEDGES THAT DURING THE EXISTENCE OF THIS CONTRACT, IT IS FURNISHING PRODUCTS AND SERVICES IN THE
CAPACITY OF AN INDEPENDENT CONTRACTOR AND THAT VENDOR IS NOT AN EMPLOYEE OF THE CUSTOMER OR THE STATE OF TEXAS.

2) ACTS OR OMISSIONS
Vendor shall indemnify and hold harmless the State of Texas and Customers, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES arising out of, or resulting from any acts or omissions of the Vendor or its agents, employees, subcontractors, Order Fulfillers, or suppliers of subcontractors in the execution or performance of the Contract and any Purchase Orders issued under the Contract. THE DEFENSE SHALL BE COORDINATED BY VENDOR WITH THE OFFICE OF THE ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND VENDOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL. VENDOR AND THE CUSTOMER AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

3) INFRINGEMENTS
   a) Vendor shall indemnify and hold harmless the State of Texas and Customers, AND/OR THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES from any and all third party claims involving infringement of United States patents, copyrights, trade and service marks, and any other intellectual or intangible property rights in connection with the PERFORMANCES OR ACTIONS OF VENDOR PURSUANT TO THIS CONTRACT. VENDOR AND THE CUSTOMER AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM. VENDOR SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE INCLUDING ATTORNEYS’ FEES. THE DEFENSE SHALL BE COORDINATED BY VENDOR WITH THE OFFICE OF THE ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND VENDOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL.
   
   b) Vendor shall have no liability under this section if the alleged infringement is caused in whole or in part by: (i) use of the product or service for a purpose or in a manner for which the product or service was not designed, (ii) any modification made to the product without Vendor’s written approval, (iii) any modifications made to the product by the Vendor pursuant to Customer’s specific instructions, (iv) any intellectual property right owned by or licensed to Customer, or (v) any use of the product or service by Customer that is not in conformity with the terms of any applicable license agreement.
   
   c) If Vendor becomes aware of an actual or potential claim, or Customer provides Vendor with notice of an actual or potential claim, Vendor may (or in the case of
an injunction against Customer, shall), at Vendor’s sole option and expense: (i) procure for the Customer the right to continue to use the affected portion of the product or service, or (ii) modify or replace the affected portion of the product or service with functionally equivalent or superior product or service so that Customer’s use is non-infringing.

4) PROPERTY DAMAGE

B. Taxes/Worker’s Compensation/UNEMPLOYMENT INSURANCE
1) VENDOR AGREES AND ACKNOWLEDGES THAT DURING THE EXISTENCE OF THIS CONTRACT, VENDOR SHALL BE ENTIRELY RESPONSIBLE FOR THE LIABILITY AND PAYMENT OF VENDOR’S AND VENDOR’S EMPLOYEES’ TAXES OF WHATEVER KIND, ARISING OUT OF THE PERFORMANCES IN THIS CONTRACT. VENDOR AGREES TO COMPLY WITH ALL STATE AND FEDERAL LAWS APPLICABLE TO ANY SUCH PERSONS, INCLUDING LAWS REGARDING WAGES, TAXES, INSURANCE, AND WORKERS' COMPENSATION. THE CUSTOMER AND/OR THE STATE SHALL NOT BE LIABLE TO THE VENDOR, ITS EMPLOYEES, AGENTS, OR OTHERS FOR THE PAYMENT OF TAXES OR THE PROVISION OF UNEMPLOYMENT INSURANCE AND/OR WORKERS’ COMPENSATION OR ANY BENEFIT AVAILABLE TO A STATE EMPLOYEE OR EMPLOYEE OF ANOTHER GOVERNMENTAL ENTITY CUSTOMER.

2) VENDOR AGREES TO INDEMNIFY AND HOLD HARMLESS CUSTOMERS, THE STATE OF TEXAS AND/OR THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, AND/OR ASSIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEYS’ FEES, AND EXPENSES, RELATING TO TAX LIABILITY, UNEMPLOYMENT INSURANCE AND/OR WORKERS’ COMPENSATION IN ITS PERFORMANCE UNDER THIS CONTRACT. VENDOR SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE INCLUDING ATTORNEYS’ FEES. THE DEFENSE SHALL BE COORDINATED BY VENDOR WITH THE OFFICE OF THE ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND VENDOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL.
VENDOR AND THE CUSTOMER AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

C. Vendor Certifications

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED

Vendor certifies on behalf of Vendor and its designated Order Fulfillers that they:

(i) have not given, offered to give, and do not intend to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the Contract;

(ii) are not currently delinquent in the payment of any franchise tax owed the State and are not ineligible to receive payment under §231.006 of the Texas Family Code and acknowledge the Contract may be terminated and payment withheld if this certification is inaccurate;

(iii) neither they, nor anyone acting for them, have violated the antitrust laws of the United States or the State, nor communicated directly or indirectly to any competitor or any other person engaged in such line of business for the purpose of obtaining an unfair price advantage;

(iv) have not received payment from DIR or any of its employees for participating in the preparation of the Contract;

(v) under Section 2155.004, Texas Government Code, the vendor certifies that the individual or business entity named in this bid or contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate;

(vi) to the best of their knowledge and belief, there are no suits or proceedings pending or threatened against or affecting them, which if determined adversely to them will have a material adverse effect on the ability to fulfill their obligations under the Contract;

(vii) Vendor and its principals are not suspended or debarred from doing business with the federal government as listed in the System for Award Management (SAM) maintained by the General Services Administration;

(viii) as of the effective date of the Contract, are not listed in the prohibited vendors list authorized by Executive Order #13224, "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism", published by the United States Department of the Treasury, Office of Foreign Assets Control;

(ix) Vendor represents and warrants that, for its performance of this contract, it shall purchase products and materials produced in the State of Texas when available at the price and time comparable to products and materials produced outside the state, to the extent that such is required under Texas Government Code, Section 2155.4441;
(x) agrees that all equipment and materials used in fulfilling the requirements of this contract are of high-quality and consistent with or better than applicable industry standards, if any. All Works and Services performed pursuant to this Contract shall be of high professional quality and workmanship and according consistent with or better than applicable industry standards, if any;

(xi) to the extent applicable to this scope of this Contract, Vendor hereby certifies that it is in compliance with Subchapter Y, Chapter 361, Health and Safety Code related to the Computer Equipment Recycling Program and its rules, 30 TAC Chapter 328;

(xii) agree that any payments due under this contract will be applied towards any debt, including but not limited to delinquent taxes and child support that is owed to the State of Texas;

(xiii) are in compliance Section 669.003, Texas Government Code, relating to contracting with executive head of a state agency;

(xiv) represent and warrant that the provision of goods and services or other performance under the Contract will not constitute an actual or potential conflict of interest and certify that they will not reasonably create the appearance of impropriety, and, if these facts change during the course of the Contract, certify they shall disclose the actual or potential conflict of interest and any circumstances that create the appearance of impropriety;

(xv) under Section 2155.006, and Section 2261.053, Texas Government Code, are not ineligible to receive the specified contract and acknowledge that this contract may be terminated and payment withheld if this certification is inaccurate;

(xvi) have complied with the Section 556.0055, Texas Government Code, restriction on lobbying expenditures. In addition, they acknowledge the applicability of §2155.444 and §2155.4441, Texas Government Code, in fulfilling the terms of the Contract; and

(xvii) represent and warrant that the Customer’s payment and their receipt of appropriated or other funds under this Agreement are not prohibited by Sections 556.005 or Section 556.008, Texas Government Code.

During the term of the Contract, Vendor shall, for itself and on behalf of its Order Fulfillers, promptly disclose to DIR all changes that occur to the foregoing certifications, representations and warranties. Vendor covenants to fully cooperate in the development and execution of resulting documentation necessary to maintain an accurate record of the certifications, representations and warranties.

In addition, Vendor understands and agrees that if Vendor responds to certain Customer pricing requests or Statements of Work, then, in order to contract with the Customer, Vendor may be required to comply with additional terms and conditions or certifications that an individual customer may require due to state and federal law (e.g., privacy and security requirements).
D. Ability to Conduct Business in Texas

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED
Vendor and its Order Fulfiller shall be authorized and validly existing under the laws of its state of organization, and shall be authorized to do business in the State of Texas in accordance with Texas Business Organizations Code, Title 1, Chapter 9.

E. Equal Opportunity Compliance

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED
Vendor agrees to abide by all applicable laws, regulations, and executive orders pertaining to equal employment opportunity, including federal laws and the laws of the State in which its primary place of business is located. In accordance with such laws, regulations, and executive orders, the Vendor agrees that no person in the United States shall, on the grounds of race, color, religion, national origin, sex, age, veteran status or handicap, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed by Vendor under the Contract. If Vendor is found to be not in compliance with these requirements during the term of the Contract, Vendor agrees to take appropriate steps to correct these deficiencies. Upon request, Vendor will furnish information regarding its nondiscriminatory hiring and promotion policies, as well as specific information on the composition of its principals and staff, including the identification of minorities and women in management or other positions with discretionary or decision-making authority.

F. Use of Subcontractors

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED
If Vendor uses any subcontractors in the performance of this Contract, Vendor must make a good faith effort in the submission of its Subcontracting Plan in accordance with the State’s Policy on Utilization of Historically Underutilized Businesses (HUB). A revised Subcontracting Plan approved by DIR’s HUB Office shall be required before Vendor can engage additional subcontractors in the performance of this Contract. A revised Subcontracting Plan approved by DIR’s HUB Office shall be required before Vendor can remove subcontractors currently engaged in the performance of this Contract. Vendor shall remain solely responsible for the performance of its obligations under the Contract.

G. Responsibility for Actions

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED
1) Vendor is solely responsible for its actions and those of its agents, employees, or subcontractors, and agrees that neither Vendor nor any of the foregoing has any authority to act or speak on behalf of DIR or the State.

2) Vendor, for itself and on behalf of its subcontractors, shall report to DIR promptly when the disclosures under Certification Statement of Exhibit A to the RFO and/or Section 10.C. (xiii), Vendor Certifications of this Appendix A to the Contract change. Vendor covenants to fully cooperate with DIR to update and amend the Contract to accurately disclose the status of conflicts of interest.

H. Confidentiality

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED
1) Vendor acknowledges that DIR and Customers that are governmental bodies as defined by Texas Government Code, Section 552.003 are subject to the Texas Public
Information Act. Vendor also acknowledges that DIR and Customers that are governmental bodies will comply with the Public Information Act, and with all opinions of the Texas Attorney General’s office concerning this Act.

2) Under the terms of the Contract, DIR may provide Vendor with information related to Customers. Vendor shall not re-sell or otherwise distribute or release Customer information to any party in any manner.

I. Security of Premises, Equipment, Data and Personnel

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED

Vendor and/or Order Fulfiller may, from time to time during the performance of the Contract, have access to the personnel, premises, equipment, and other property, including data, files and/or materials (collectively referred to as “Data”) belonging to the Customer. Vendor and/or Order Fulfiller shall use their best efforts to preserve the safety, security, and the integrity of the personnel, premises, equipment, Data and other property of the Customer, in accordance with the instruction of the Customer. Vendor and/or Order Fulfiller shall be responsible for damage to Customer's equipment, workplace, and its contents when such damage is caused by its employees or subcontractors. If a Vendor and/or Order Fulfiller fails to comply with Customer’s security requirements, then Customer may immediately terminate its Purchase Order and related Service Agreement.

J. Background and/or Criminal History Investigation

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED

Prior to commencement of any services, background and/or criminal history investigation of the Vendor and/or Order Fulfiller’s employees and subcontractors who will be providing services to the Customer under the Contract may be performed by the Customer. Should any employee or subcontractor of the Vendor and/or Order Fulfiller who will be providing services to the Customer under the Contract not be acceptable to the Customer as a result of the background and/or criminal history check, then Customer may immediately terminate its Purchase Order and related Service Agreement or request replacement of the employee or subcontractor in question.

K. Limitation of Liability

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED

For any claims or cause of action arising under or related to the Contract: i) to the extend permitted by the Constitution and the laws of the State, none of the parties shall be liable to the other for punitive, special, or consequential damages, even if it is advised of the possibility of such damages; and ii) Vendor’s liability for damages of any kind to the Customer shall be limited to the total amount paid to Vendor under the Contract during the twelve months immediately preceding the accrual of the claim or cause of action. However, this limitation of Vendor’s liability shall not apply to claims of bodily injury; violation of intellectual property rights including but not limited to patent, trademark, or copyright infringement; indemnification requirements under this Contract; and violation of State or Federal law including but not limited to disclosures of confidential information and any penalty of any kind lawfully assessed as a result of such violation.

L. Overcharges

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED

Vendor hereby assigns to DIR any and all of its claims for overcharges associated with this
contract which arise under the antitrust laws of the United States, 15 U.S.C.A. Section 1, et seq., and which arise under the antitrust laws of the State of Texas, Tex. Bus. and Comm. Code Section 15.01, et seq.

**M. Prohibited Conduct**

**Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED**

Vendor represents and warrants that, to the best of its knowledge as of the date of this certification, neither Vendor nor any Order Fulfiller, subcontractor, firm, corporation, partnership, or institution represented by Vendor, nor anyone acting for such Order Fulfiller, subcontractor, firm, corporation or institution has: (1) violated the antitrust laws of the State of Texas under Texas Business & Commerce Code, Chapter 15, or the federal antitrust laws; or (2) communicated its response to the Request for Offer directly or indirectly to any competitor or any other person engaged in such line of business during the procurement for the Contract.

**N. Required Insurance Coverage**

As a condition of this Contract with DIR, Vendor shall provide the listed insurance coverage within 5 business days of execution of the Contract if the Vendor is awarded services which require that Vendor’s employees perform work at any Customer premises and/or use employer vehicles to conduct work on behalf of Customers. In addition, when engaged by a Customer to provide services on Customer premises, the Vendor shall, at its own expense, secure and maintain the insurance coverage specified herein, and shall provide proof of such insurance coverage to the related Customer within five (5) business days following the execution of the Purchase Order. Vendor may not begin performance under the Contract and/or a Purchase Order until such proof of insurance coverage is provided to, and approved by, DIR and the Customer. All required insurance must be issued by companies that have an A rating and a Financial Size Category Class of VII from A.M. Best and are licensed in the State of Texas and authorized to provide the corresponding coverage. The Customer and DIR will be named as Additional Insureds on all required coverage. The policy shall contain the following provisions:

1) **Commercial General Liability**

   Commercial General Liability must include $1,000,000 per occurrence for Bodily Injury and Property Damage, with a separate aggregate limit of $2,000,000; Medical Expense per person of $5,000; Personal Injury and Advertising Liability of $1,000,000; Products/Completed Operations Aggregate Limit of $2,000,000; and Damage to Premises Rented: $50,000. Agencies may require additional Umbrella/Excess Liability insurance. The policy shall contain the following provisions:

   a) Blanket contractual liability coverage for liability assumed under the Contract;
   b) Independent Contractor coverage;
   c) State of Texas, DIR and Customer listed as an additional insured; and
   d) Waiver of Subrogation

2) **Workers’ Compensation Insurance**
WORKERS’ COMPENSATION INSURANCE AND EMPLOYERS’ LIABILITY COVERAGE MUST INCLUDE LIMITS CONSISTENT WITH STATUTORY BENEFITS OUTLINED IN THE TEXAS WORKERS’ COMPENSATION ACT (ART. 8308-1.01 ET SEQ. TEX. REV. CIV. STAT) AND MINIMUM POLICY LIMITS FOR EMPLOYERS’ LIABILITY OF $1,000,000 BODILY INJURY PER ACCIDENT, $1,000,000 BODILY INJURY DISEASE PER EMPLOYEE AND $1,000,000 PER DISEASE POLICY LIMIT.

3) Business Automobile Liability Insurance

Business Automobile Liability Insurance must cover all owned, non-owned and hired vehicles with a minimum combined single limit of $500,000 per occurrence for bodily injury and property damage. The policy shall contain the following endorsements in favor of DIR and/or Customer:

a) Waiver of Subrogation; and
b) Additional Insured.

O. Use of State Property

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED
Vendor is prohibited from using the Customer’s equipment, the customer’s location, or any other resources of the Customer or the State for any purpose other than performing services under this Agreement. For this purpose, equipment includes, but is not limited to, copy machines, computers and telephones using State long distance services. Any charges incurred by Vendor using the Customer’s equipment for any purpose other than performing services under this Agreement must be fully reimbursed by Vendor to the Customer immediately upon demand by the Customer. Such use shall constitute breach of contract and may result in termination of the contract and other remedies available to DIR and Customer under the contract and applicable law.

P. Immigration

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED
The Vendor shall comply with all requirements related to federal immigration laws and regulations, to include but not be limited to, the Immigration and Reform Act of 1986, the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 ("IIRIRA") and the Immigration Act of 1990 (8 U.S.C.1101, et seq.) regarding employment verification and retention of verification forms for any individual(s) who will perform any labor or services under this Contract.

Pursuant to Executive Order No. RP-80, issued by the Governor of Texas on December 3, 2014, and as subsequently clarified, the Vendor shall, as a condition of this Contract, also comply with the United States Department of Homeland Security’s E-Verify system to determine the eligibility of:

- all persons 1) to whom the E-Verify system applies, and 2) who are hired by the Vendor during the term of this Contract to perform duties within Texas; and
- all subcontractors’ employees 1) to whom the E-Verify system applies, and 2) who are hired by the subcontractor during the term of this Contract and assigned by the subcontractor to perform work pursuant to this Contract.
The Vendor shall require its subcontractors to comply with the requirements of this Section and the Vendor is responsible for the compliance of its subcontractors. Nothing herein is intended to exclude compliance by Vendor and its subcontractors with all other relevant federal immigration statutes and regulations promulgated pursuant thereto.

Q. Public Disclosure

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED

No public disclosures or news releases pertaining to this contract shall be made by Vendor without prior written approval of DIR.

R. Product and/or Services Substitutions

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED

Substitutions are not permitted without the written permission of DIR or Customer.

S. Secure Erasure of Hard Disk Products and/or Services

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED

Vendor agrees that all products and/or services equipped with hard disk drives (i.e. computers, telephones, printers, fax machines, scanners, multifunction devices, etc.) shall have the capability to securely erase data written to the hard drive prior to final disposition of such products and/or services, either at the end of the Customer’s Managed Services product’s useful life or the end of the related Customer Managed Services Agreement for such products and/or services, in accordance with 1 TAC 202.

T. Deceptive Trade Practices; Unfair Business Practices

1) Vendor represents and warrants that neither Vendor nor any of its Subcontractors has been (i) found liable in any administrative hearing, litigation or other proceeding of Deceptive Trade Practices violations as defined under Chapter 17, Texas Business & Commerce Code, or (ii) has outstanding allegations of any Deceptive Trade Practice pending in any administrative hearing, litigation or other proceeding.

2) Vendor certifies that it has no officers who have served as officers of other entities who (i) have been found liable in any administrative hearing, litigation or other proceeding of Deceptive Trade Practices violations or (ii) have outstanding allegations of any Deceptive Trade Practice pending in any administrative hearing, litigation or other proceeding.

U. Drug Free Workplace Policy

Vendor shall comply with the applicable provisions of the Drug-Free Work Place Act of 1988 (Public Law 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.) and maintain a drug-free work environment; and the final rule, government-wide requirements for drug-free work place (grants), issued by the Office of Management and Budget and the Department of Defense (32 CFR Part 280, Subpart F) to implement the provisions of the Drug-Free Work Place Act of 1988 is incorporated by reference and Vendor shall comply with the relevant provisions thereof, including any amendments to the final rule that may hereafter be issued.

V. Accessiblity of Public Information

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED
1) Pursuant to S.B. 1368 of the 83rd Texas Legislature, Regular Session, Vendor is required to make any information created or exchanged with the State pursuant to this Contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the State.

2) Each State government entity should supplement the provision set forth in Subsection 1, above, with the additional terms agreed upon by the parties regarding the specific format by which the Vendor is required to make the information accessible by the public.

W. Vendor Reporting Requirements

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED

Vendor shall comply with Subtitle C, Title 5, Business & Commerce Code, Chapter 109 as added by HB 2539 of the 83rd Texas Legislature, Regular Session, requiring computer technicians to report images of child pornography.

10. Contract Enforcement

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED TO A, B2, 5-7

A. Enforcement of Contract and Dispute Resolution

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED

1) Vendor and DIR agree to the following: (i) a party’s failure to require strict performance of any provision of the Contract shall not waive or diminish that party’s right thereafter to demand strict compliance with that or any other provision, (ii) for disputes not resolved in the normal course of business, the dispute resolution process provided for in Chapter 2260, Texas Government Code, shall be used, and (iii) actions or proceedings arising from the Contract shall be heard in a state court of competent jurisdiction in Travis County, Texas.

2) Disputes arising between a Customer and the Vendor shall be resolved in accordance with the dispute resolution process of the Customer that is not inconsistent with subparagraph A.1 above. DIR shall not be a party to any such dispute unless DIR, Customer, and Vendor agree in writing.

3) State agencies are required by rule (34 TAC §20.108(b)) to report vendor performance through the Vendor Performance Tracking System (VPTS) on every purchase over $25,000.

B. Termination

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED FOR 2, 5-7

1) Termination for Non-Appropriation

a) Termination for Non-Appropriation by Customer

Customer may terminate Purchase Orders if funds sufficient to pay its obligations under the Contract are not appropriated: i) by the governing body on behalf of local governments; ii) by the Texas legislature on behalf of state agencies; or iii) by budget execution authority provisioned to the Governor or the Legislative Budget Board as provided in Chapter 317, Texas Government Code. In the event of non-appropriation, Vendor and/or Order Fulfiller will be provided ten (10) calendar days written notice of intent to terminate. Notwithstanding the foregoing, if a Customer issues a Purchase Order and has accepted delivery of the product or
services, they are obligated to pay for the product or services or they may return the product and discontinue using services under any return provisions that Vendor offers. In the event of such termination, the Customer will not be considered to be in default or breach under this Contract, nor shall it be liable for any further payments ordinarily due under this Contract, nor shall it be liable for any damages or any other amounts which are caused by or associated with such termination.

b) Termination for Non-Appropriation by DIR
DIR may terminate Contract if funds sufficient to pay its obligations under the Contract are not appropriated: by the i) Texas legislature or ii) by budget execution authority provisioned to the Governor or the Legislative Budget Board as provided in Chapter 317, Texas Government Code. In the event of non-appropriation, Vendor and/or Order Fulfiller will be provided thirty (30) calendar days written notice of intent to terminate. In the event of such termination, DIR will not be considered to be in default or breach under this Contract, nor shall it be liable for any further payments ordinarily due under this Contract, nor shall it be liable for any damages or any other amounts which are caused by or associated with such termination.

2) Absolute Right
Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED
DIR shall have the absolute right to terminate the Contract without recourse in the event that: i) Vendor becomes listed on the prohibited vendors list authorized by Executive Order #13224, "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism”, published by the United States Department of the Treasury, Office of Foreign Assets Control; ii) Vendor becomes suspended or debarred from doing business with the federal government as listed in the System for Award Management (SAM) maintained by the General Services Administration; or (iii) Vendor is found by DIR to be ineligible to hold this Contract under Subsection (b) of Section 2155.006, Texas Government Code. Vendor shall be provided written notice in accordance with Section 12.A, Notices, of intent to terminate.

3) Termination for Convenience
DIR may terminate the Contract, in whole or in part, by giving the other party thirty (30) calendar days written notice. A Customer may terminate a Purchase Order or other contractual document or relationship by giving the other party thirty (30) calendar days written notice.

4) Termination for Cause
a) Contract
Either DIR or Vendor may issue a written notice of default to the other upon the occurrence of a material breach of any covenant, warranty or provision of the Contract, upon the following preconditions: first, the parties must comply with the requirements of Chapter 2260, Texas Government Code in an attempt to resolve a dispute; second, after complying with Chapter 2260, Texas Government Code, and
the dispute remains unresolved, then the non-defaulting party shall give the defaulting party thirty (30) calendar days from receipt of notice to cure said default. If the defaulting party fails to cure said default within the timeframe allowed, the non-defaulting party may, at its option and in addition to any other remedies it may have available, cancel and terminate the Contract. Customers purchasing products or services under the Contract have no power to terminate the Contract for default.

**b) Purchase Order**

Customer or Order Fulfiller may terminate a Purchase Order or other contractual document or relationship upon the occurrence of a material breach of any term or condition: (i) of the Contract, or (ii) included in the Purchase Order or other contractual document or relationship in accordance with Section 4.B.2 above, upon the following preconditions: first, the parties must comply with the requirements of Chapter 2260, Texas Government Code, in an attempt to resolve a dispute; second, after complying with Chapter 2260, Texas Government Code, and the dispute remains unresolved, then the non-defaulting party shall give the defaulting party ten (10) calendar days from receipt of notice to cure said default. If the defaulting party fails to cure said default within the timeframe allowed, the non-defaulting party may, at its option and in addition to any other remedies it may have available, cancel and terminate the Purchase Order. Customer may immediately suspend or terminate a Purchase Order without advance notice in the event Vendor fails to comply with confidentiality, privacy, security requirements, environmental or safety laws or regulations, if such non-compliance relates or may relate to vendor provision of goods or services to the Customer.

**5) Immediate Termination or Suspension**

*Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED*

DIR may immediately suspend or terminate this Contract without advance notice if DIR receives notice or knowledge of potentially criminal violations by Vendor or Order Fulfiller (whether or not such potential violations directly impact the provision of goods or services under this Contract). In such case, the Vendor or Order Fulfiller may be held ineligible to receive further business or payment but may be responsible for winding down or transition expenses incurred by Customer. DIR or Customer will use reasonable efforts to provide notice (to the extent allowed by law) to vendor within five (5) business days after imposing the suspension or termination. Vendor may provide a response and request an opportunity to present its position. DIR or Customer will review vendor presentation, but is under no obligation to provide formal response.

**6) Customer Rights Under Termination**

*Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED*

In the event the Contract expires or is terminated for any reason, a Customer shall retain its rights under the Contract and the Purchase Order issued prior to the termination or expiration of the Contract. The Purchase Order survives the expiration or termination of the Contract for its then effective term.

**7) Vendor or Order Fulfiller Rights Under Termination**

*Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED*
In the event a Purchase Order expires or is terminated, a Customer shall pay: 1) all amounts due for products or services ordered prior to the effective termination date and ultimately accepted, and 2) any applicable early termination fees agreed to in such Purchase Order.

C. Force Majeure

DIR, Customer, or Order Fulfiller may be excused from performance under the Contract for any period when performance is prevented as the result of an act of God, strike, war, civil disturbance, epidemic, or court order, provided that the party experiencing the event of Force Majeure has prudently and promptly acted to take any and all steps that are within the party’s control to ensure performance and to shorten the duration of the event of Force Majeure. The party suffering an event of Force Majeure shall provide notice of the event to the other parties when commercially reasonable. Subject to this provision, such non-performance shall not be deemed a default or a ground for termination. However, a Customer may terminate a Purchase Order if it is determined by the Customer that Order Fulfiller will not be able to deliver product or services in a timely manner to meet the business needs of the Customer.

11. Notification

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED

A. Notices

All notices, demands, designations, certificates, requests, offers, consents, approvals and other instruments given pursuant to the Contract shall be in writing and shall be validly given on: (i) the date of delivery if delivered by email, facsimile transmission, mailed by registered or certified mail, or hand delivered, or (ii) three business days after being mailed via United States Postal Service. All notices under the Contract shall be sent to a party at the respective address indicated in Section 6 of the Contract or to such other address as such party shall have notified the other party in writing.

B. Handling of Written Complaints

In addition to other remedies contained in the Contract, a person contracting with DIR may direct their written complaints to the following office:

Public Information Office
Department of Information Resources
Attn: Public Information Officer
300 W. 15th Street, Suite 1300
Austin, Texas 78701
(512) 475-4759, facsimile

12. Captions

Note: NO EXCEPTIONS OR REVISIONS WILL BE CONSIDERED

The captions contained in the Contract, Appendices, and its Exhibits are intended for convenience and reference purposes only and shall in no way be deemed to define or limit any provision thereof.
1. Scope.

Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor the Equipment described on each Supplementary Schedule (“Schedule”), which is a separate agreement executed from time to time by Lessor and Lessee and makes specific reference to this Master Lease Agreement (“MLA”). The terms and conditions contained herein shall apply to each Schedule that is properly executed in conjunction with this MLA and made subject to such terms and conditions as if a separate MLA were executed for each Schedule by the Lessee. Each Lessee has made an independent legal and management determination to enter into each Schedule. DIR has not offered or given any legal or management advice to the Lessor or to any Lessee under any Schedule. Lessee may negotiate additional terms or more advantageous terms with the Lessor to satisfy individual procurements, such terms shall be developed by the Lessor and Lessee and stated within a Rider to the MLA or the Schedule. To the extent that any of the provisions of the MLA conflict with any of the terms contained in any Schedule, the terms of the Schedule shall control. It is expressly understood that the term “Equipment” shall refer to the Products and any related Services as allowed within said Contract number DIR-TSO-XXX, as described on a Schedule and any associated items therewith, including but not limited to all parts, replacements, additions, repairs, and attachments incorporated therein and/or affixed thereto, all documentation (technical and/or user manuals), operating system and application software as needed.

If more than one Lessee is named in a Schedule, the liability of each named Lessee shall be joint and several. However, unless DIR leases Equipment for its own use, DIR is not a party to any Schedule executed under this MLA and is not responsible for Rents, payments or any other obligations under such Lessee’s Schedule. The invalidation, fulfillment, waiver, termination, or other disposition of any rights or obligations of either a Lessee or the Lessor or both of them arising from the use of this MLA in conjunction with any one Schedule shall not affect the status of the rights or obligations of either or both of those parties arising from the use of this MLA in conjunction with any other Schedule, except in the Event of Default as provided in Section 23 of this MLA.

Any reference to “MLA” shall mean this Agreement, including the Opinion of Counsel, and any riders, amendments and addenda thereto, and any other documents as may from time to time be made a part hereof upon mutual agreement by DIR and Lessor.

As to conditions precedent to Lessor’s obligation to purchase any Equipment, (i) Lessee shall accept the MLA terms and conditions as set forth herein and execute all applicable documents such as the Schedule, the Acceptance Certificate, Opinion of Counsel, and any other documentation as may be required by the Lessor that is not in conflict with this MLA, and (ii) there shall be no material adverse change in Lessee’s financial condition except as provided for within Section 7 of this MLA.
2. Term of MLA.

The term of this MLA shall commence on the last date of approval by DIR and Lessor of Amendment Number XXX (XX) and shall continue until (i) the obligations of Lessee under every Schedule are fully discharged, (ii) the full and final expiration date of the Contract, or (iii) either party exercises their termination rights as stated within Appendix A, Section 11B of the Contract. In regards to either the Contract expiration date or Contract termination date or the termination of this MLA, before all obligations of Lessee under every Schedule are fully discharged, such Schedules and such other provisions of the Contract and this MLA as may be necessary to preserve the rights of the Lessor or Lessee hereunder shall survive said termination or expiration.

3. Term of Schedule.

The term for each Schedule, executed in conjunction to this MLA, shall commence on the date of execution of an Acceptance Certificate by the Lessee or twenty (20) days after the delivery of the last piece of Equipment to the Lessee (“Commencement Date”), and unless earlier terminated as provided for in the MLA, shall continue for the number of whole months or other payment periods as set forth in the applicable Schedule Term, commencing on the first day of the month following the Commencement Date (or commencing on the Commencement Date if such date is the first day of the month). The Schedule Term may be earlier terminated upon: (i) the Non-appropriation of Funds pursuant to Section 7 of this MLA, (ii) an Event of Loss pursuant to Section 18 of this MLA, or (iii) an Event of Default by Lessee and Lessor’s election to cancel the Schedule pursuant to Section 24 of this MLA.

4. Administration of MLA.

(a) For requests involving the leasing of Equipment, each potential Lessee will submit its request directly to the Lessor. Lessor shall apply the then current Equipment pricing discounts as stated within the Contract or the price as agreed upon by Lessee and Lessor, whichever is lower. Lessor shall submit the lease proposal and all other applicable documents directly to the potential Lessee and negotiate the Schedule terms directly with the potential Lessee.

(b) All leasing activities in conjunction to this MLA shall be treated as a “purchase sale” in regards to the requirements of the Lessor to report the sale and make payment of the DIR administrative fee as defined within Section 5 of the Contract.

(c) Upon agreement by Lessor and Lessee on pricing, availability and the like, Lessee may issue a purchase order in the amount indicated on the Schedule to Lessor for the Equipment and reference said Contract number DIR- TSO-XXX on the purchase order. Any pre-printed terms and conditions on the purchase order submitted by the Lessee shall not be effective with respect to the lease of Equipment hereunder. Rather, the terms and conditions of this MLA and applicable Schedule terms and conditions shall control in all respects.
(d) Nothing herein shall require the Lessor to use this MLA exclusively with Lessees. Further, this MLA shall not constitute a requirements Agreement and Lessor shall not be obligated to enter into any Schedule for the lease of Equipment with any Lessee.

5. Rent Payments.

During the Schedule Term and any renewal terms, Lessee agrees to pay Lessor Rent Payments. Rent Payments shall be the amount equal to the Rent Payment amount specified in the Schedule multiplied by the amount of the total number of Rent Payments specified therein. Lessee shall pay Rent Payments in the amount and on the due dates specified by Lessor until all Rent Payments and all other amounts due under the Schedule have been paid in full. If the Schedule Commencement Date is other than the first day of a month, Lessee shall make an initial payment on the Schedule Commencement Date in an amount equal to one-thirtieth of the Rent Payment specified in the Schedule for each day from the Schedule Commencement Date (including the Schedule Commencement Date) through the last day of such month (including that day). For example, if a scheduled payment amount is $3,000 and the Scheduled Commencement date is the 15th of the month, a payment of $1,500 will be made.

Any amounts received by Lessor from the Lessee in excess of Rent Payments and any other sums required to be paid by the Lessee shall be held as non-interest bearing security for Lessee’s faithful performance under the conditions of this MLA and any Schedule. All Rent Payments shall be paid to the Lessor at the address stated on the Schedule or any other such place as the Lessor or its assigns may hereafter direct to the Lessee. Lessee shall abide by Appendix A, Section 8J of the Contract in making payments to the Lessor. Any sum received by the Lessor later than ten (10) business days after its due date will bear interest from such due date at the rate of one-percent (1%) per month (or the maximum rate allowable by law, if less) until paid. Late charges, attorney’s fees and other costs or expenses necessary to recover Rent Payments and any other amounts owed by Lessee hereunder are considered an integral part of this MLA.

Each Schedule is a net lease and except as specifically provided herein, Lessee shall be responsible for all costs and expenses arising in connection with the Schedule or Equipment. Lessee acknowledges and agrees, except as specifically provided for in Section 7 of this MLA, that its obligation to pay Rent and other sums payable hereunder, and the rights of Lessor and Lessor’s assignees, shall be absolute and unconditional in all events, and shall not be abated, reduced or subject to offset or diminished as a result of any event, including without limitation damage, destruction, defect, malfunction, loss of use, or obsolescence of the Equipment, or any other event, defense, counterclaim or recoupment due or alleged to be due by reason of any past, present or future claims Lessee may have against Lessor, Lessor’s assigns, the manufacturer, vendor, or maintainer of the Equipment, or any person for any reason whatsoever.

“Price” shall mean the actual purchase price of the Equipment. Rent Payments shall be adjusted proportionately downward if the actual price of the Equipment is less than the estimate (original proposal), and the Lessee herein authorizes Lessor to adjust the Rent Payments downward in the event of the decrease in the actual Equipment price. However, in the event that the Equipment price is more than the estimate (original proposal), the Lessor may not adjust the Rent Payment without prior written approval of the Lessee.

Lessee shall keep the Equipment free and clear of all levies, liens and encumbrances, except those in favor of Lessor or its assigns, and shall give Lessor immediate notice of any attachment or other judicial process affecting any item of Equipment. Unless Lessee first provides proof of exemption therefrom, Lessee shall promptly reimburse Lessor, upon receipt of an accurate invoice, as an additional sum payable under this MLA, or shall pay directly if so requested by Lessor, all license and registration fees, sales, use, personal property taxes and all other taxes and charges imposed by any federal, state, or local governmental or taxing authority, from which the Lessee is not exempt, whether assessed against Lessee or Lessor, relating to the purchase, ownership, leasing, or use of the Equipment or the Rent Payments, excluding all taxes computed upon the net income of Lessor. Any tax statement received by the Lessor, for taxes payable by the Lessee, shall be promptly forwarded by the Lessor to the Lessee for payment.

7. Appropriation of Funds.

(a) This paragraph applies only to Lessees designated as state agencies defined in Section 2054.003, Texas Government Code, including institutions of higher education as defined in Texas Education Code, Section 61.003 and those state agencies utilizing a DIR contract through an Interagency Agreement, as authorized by Chapter 771, Texas Government Code.

Lessee intends to continue each Schedule to which it is a party for the Schedule Term and to pay the Rent and other amounts due thereunder. Lessee reasonably believes that legally available funds in an amount sufficient to pay all Rent during the Schedule Term can be obtained. Lessee further intends to act in good faith to do those things reasonably and lawfully within its power to obtain and maintain funds from which the Rent may be paid. Notwithstanding the foregoing, in the event sufficient funds are not appropriated to continue the Schedule Term for any Fiscal Period (as set forth on the Schedule) of Lessee beyond the Fiscal Period first in effect at the Commencement of the Schedule Term, Lessee may terminate the Schedule with regard to not less than all of the Equipment on the Schedule so affected. Lessee shall endeavor to provide Lessor written notice sixty (60) days prior to the end of its current Fiscal Period confirming the Schedule will be so terminated. All obligations of Lessee to pay Rent due after the end of the Fiscal Period for which such termination applies will cease, all interests of Lessee in the Equipment will terminate and Lessee shall surrender the Equipment in accordance with Section 13 of this MLA. Notwithstanding the foregoing, Lessee agrees, without creating a pledge, lien or encumbrance upon funds available to Lessee in other than its current Fiscal Period, that it will use reasonable efforts to obtain appropriation of funds to avoid termination of the Schedule by taking reasonable and appropriate action including the inclusion in Lessee’s budget request for each Fiscal Period during the Schedule Term hereof a request for adequate funds to meet its obligations and to continue the Schedule in force. Lessee represents and warrants it has adequate funds to meet its obligations during the first Fiscal Period of the Schedule Term. Lessor and Lessee understand and intend that the obligation of Lessee to pay Rent hereunder shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general revenues, funds or monies of Lessee or the State of Texas beyond the Fiscal Period for which sufficient funds have been appropriated to pay Rent hereunder.

(b) This paragraph applies only to Lessees designated as local government entities.
Lessee intends to continue each Schedule to which it is a party for the Schedule Term and to pay the Rent and other amounts due thereunder. Lessee reasonably believes that legally available funds in an amount sufficient to pay all Rent during the Schedule Term can be obtained. Lessee further intends to act in good faith to do those things reasonably and lawfully within its power to obtain and maintain funds from which the Rent may be paid. Notwithstanding the foregoing, in the event sufficient funds are not appropriated for Lessee to continue the Schedule Term for any Fiscal Period (as set forth on the Schedule) of the Lessee beyond the Fiscal Period first in effect at the commencement of the Schedule Term, the Lessee may terminate the Schedule with regard to not less than all of the Equipment on the Schedule so affected. Lessee shall endeavor to provide Lessor written notice sixty (60) days prior to the end of its current Fiscal Period confirming the Schedule will be terminated. All obligations of Lessee to pay Rent due after the end of the Fiscal Period first in effect at the commencement of the Schedule Term will cease, all interests of Lessee in the Asset(s) will terminate and Lessee shall surrender the Equipment in accordance with Section 13 of this MLA. Notwithstanding the foregoing, Lessee agrees, without creating a pledge, lien or encumbrance upon funds available to Lessee in other than its current Fiscal Period, that it will use reasonable efforts to obtain appropriation of funds to avoid termination of the Schedule by taking reasonable and appropriate action including the inclusion in Lessee’s budget request for each Fiscal Period during the Schedule Term hereof a request for adequate funds to meet its obligations and to continue the Schedule in force. Lessee represents and warrants it has adequate funds to meet its obligations during the first Fiscal Period of the Schedule Term.

8. Selection of Equipment.

The Equipment is the size, design, capacity and manufacture selected by Lessee in its sole judgment and not in reliance on the advice or representations of Lessor. No representation by the manufacturer or a vendor shall in any way affect Lessee’s duty to pay Rent and perform its other obligations hereunder. Each Schedule is intended to be a “finance lease” as defined in Article 2A of the Uniform Commercial Code. Lessor has acquired or will acquire the Equipment in connection with this MLA. Lessor shall not be liable for damages for any reason, for any act or omission of the supplying manufacturer. Lessor agrees, to the extent they are assignable, to assign the Lessee, without recourse to Lessor, any warranties provided to Lessor with respect to the Equipment during the Term of the applicable Schedule. Lessee acknowledges that neither its dissatisfaction with any unit of Equipment, nor the failure of any of the Equipment to remain in useful condition for the Schedule Term, nor the loss of possession or the right of possession of the Equipment or any part thereof by the Lessee, shall relieve Lessee from the obligations under this MLA or Schedule Term. Lessee shall have no right, title or interest in or to the Equipment except the right to use the same upon the terms and conditions herein contained. The Equipment shall remain the sole and exclusive personal property of the Lessor and not be deemed a fixture whether or not it becomes attached to any real property of the Lessee. Any labels supplied by Lessor to Lessee, describing the ownership of the Equipment, shall be affixed by Lessee upon a prominent place on each item of Equipment.


Promptly upon delivery of the Equipment, Lessee will inspect and test the Equipment, and not later than ten (10) business days following the Commencement Date, Lessee will execute and deliver either (i) an Acceptance Certificate, or (ii) written notification of any defects in the Equipment. If Lessee has not given notice within such time period, the Equipment shall be conclusively deemed accepted by the Lessee as of
the tenth (10th) business day. Lessor, its assigns or their agents, shall be permitted free access at reasonable times authorized by the Lessee, the right to inspect the Equipment.

10. Installation and Delivery; Use of Equipment; Repair and Maintenance.

(a) All transportation, delivery, and installation costs associated with the Equipment shall be borne by the Lessee. Lessor is not and shall not be liable for damages if for any reason the manufacturer of the Equipment delays the delivery or fails to fulfill the order by the Lessee’s desired timeframe. Any delay in delivery by the manufacturer shall not affect the validity of any Schedule. Lessee shall provide a place of installation for the Equipment, which conforms to the requirements of the manufacturer and Lessor.

(b) Subject to the terms hereof, Lessee shall be entitled to use the Equipment in compliance with all laws, rules, and regulations of the jurisdiction wherein the Equipment is located and will pay all cost, claims, damages, fees and charges arising out of its possession, use or maintenance. Lessee agrees to solely use the Equipment in the conduct of Lessee’s business. Lessee agrees, at its expense, to obtain all applicable permits and licenses necessary for the operation of the Equipment, and keep the Equipment in good working order, repair, appearance and condition (reasonable wear and tear is acceptable). Lessee shall not use or permit the use of the Equipment for any purpose, which according to the specification of the manufacturer, the Equipment is not designed or reasonably suited. Lessee shall use the Equipment in a careful and proper manner and shall comply with all of the manufacturer’s instructions, governmental rules, regulations, requirements, and laws, and all insurance requirements, if any, with regard to the use, operation or maintenance of the Equipment.

(c) Lessee, at its expense, shall take good and proper care of the Equipment and make all repairs and replacements necessary to maintain and preserve the Equipment and keep it in good order and condition. Unless Lessor shall otherwise consent in writing, Lessee shall, at its own expense, enter into and maintain in force a maintenance agreement covering each unit of Equipment. Lessee shall furnish Lessor with a copy of such agreement, upon request. Lessee shall pay all costs to install and dismantle the Equipment. Lessee shall not make any alterations, additions, or improvements, or add attachments to the Equipment without the prior written consent of Lessor, except for additions or attachments to the Equipment purchased by Lessee from the original supplier of the Equipment or any other person approved by Lessor. If Lessee desires to lease any such additions or attachments, Lessee hereby grants to Lessor the right of first refusal to provide such lease financing to Lessee for such items. Subject to the provisions of Section 13B of this MLA, Lessee agrees to restore the Equipment to Return Condition prior to its return to the Lessor.

11. Relocation of Equipment.

Lessee shall at all times keep the Equipment within its exclusive possession and control. Upon Lessor’s prior written consent, which shall not be unreasonably withheld, Lessee may move the Equipment to another location of Lessee within the continental United States, provided (i) Lessee is not in default on any Schedule, (ii) Lessee executes and causes to be filed at its expense such instruments as are necessary to preserve and protect the interests of Lessor and its assigns in the Equipment, (iii) Lessee pays all costs of, and provides adequate insurance during such movement, and (iv) Lessee pays all costs otherwise associated with such relocation. Notwithstanding the foregoing, Lessee may move the Equipment to another location within
Texas without notification to, or the consent of, Lessor. Provided, however, that not later than December 31 of each calendar year, Lessee shall provide Lessor a written report detailing the total amount of Equipment at each location of Lessee as of that date, and the complete address for each location. Lessor shall make all filings and returns for property taxes due with respect to the Equipment, and Lessee agrees that it shall not make or file any property tax returns, including information returns, with respect to the Equipment.

12. Ownership.

The Equipment shall at all times be and remain the sole and exclusive property of Lessor, subject to the parties rights under any applicable software license agreement. Lessee shall have no right, title or interest in the Equipment except a leasehold interest as provided for herein. Lessee agrees that the Equipment shall be and remain personal property and shall not be so affixed to realty as to become a fixture or otherwise to lose its identity as the separate property of the Lessor. Upon request, Lessee will enter into any and all agreements necessary to ensure that the Equipment remain the personal property of Lessor.

13. Purchase and Renewal Options; Location and Surrender of Equipment.

(a) Not less than ninety (90) days prior to the expiration of the initial Schedule Term Lessor shall notify Lessee of options for continued use of Equipment. Lessee shall have the option to: (i) renew the Schedule as to all but not less than all of the Equipment, or (ii) purchase all but not less than all of the Equipment for cash or by the Lessor’s acceptance of a purchase order from Lessee upon the last business day on or prior to the expiration of the Schedule Term thereof for a price equal to the amount set forth in the Schedule. If the Fair Market Value (FMV) Purchase Option was selected on the Schedule, the FMV shall be determined on the basis of and shall be equal in amount to, the value which would be obtained in an arms-length transaction between an informed and willing buyer-user (other than a used equipment dealer), who would be retaining the Equipment as part of its current operations, in continuing and consistent use, and an informed and willing seller under no compulsion to sell, and in such determination, costs of removal from the location of current use shall not be a deduction from such value. If Lessee desires to exercise either option, it shall give Lessor irrevocable written notice of its intention to exercise such option at least sixty (60) days (and not more than 180 days) before the expiration of such Schedule Term. In the event that Lessee exercises the purchase option described herein, upon payment by Lessee to Lessor of the purchase price for the Equipment, together will all Rent Payments and any other amounts owing to Lessor hereunder, Lessor shall transfer to Lessee without any representation or warranty of any kind, express or implied, title to such Equipment.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, IF LESSEE FAILS TO NOTIFY LESSOR OF ITS INTENT WITH RESPECT TO THE EXERCISE OF THE OPTIONS DESCRIBED IN THIS SECTION 13 WITHIN THE TIME FRAMES CONTEMPLATED HEREIN, THE INITIAL SCHEDULE TERM SHALL BE TERMINATED ON THE DATE AS STATED IN THE SCHEDULE.

(b) The Equipment shall be delivered to and thereafter kept at the location specified in the Schedule and shall not be removed therefrom without Lessor’s prior written consent and in accordance with Section 11 of this MLA. Upon the expiration, early termination as provided herein, or upon final termination of the Schedule, upon at least ninety (90) days prior written notice to Lessor, Lessee at its cost and expense, shall immediately disconnect, properly package for transportation and return all (not part) of the Equipment (including, without limitation, all service records and user manuals), freight prepaid, to Lessor in good repair, working order, with unblemished physical appearance and with no defects which
affect the operation or performance of the Equipment (“Return Condition”), reasonable wear and tear excepted. Lessee shall, at Lessor’s request, affix to the Equipment, tags, decals or plates furnished by Lessor indicating Lessor’s ownership and Lessee shall not permit their removal or concealment. Lessee shall return the Equipment to Lessor at a location specified by Lessor, provided, however, such location shall be within the United States no farther than 500 miles from the original Lessee delivery location, unless otherwise agreed to on the applicable Schedule. If the Equipment is not in Return Condition, Lessee shall remain liable for all reasonable costs required to restore the Equipment to Return Condition. Lessee shall arrange and pay for the de-installation and packing of the Equipment and the de-installation shall be performed by manufacturer-certified technicians, approved by Lessor and the Lessor shall have the right to supervise and direct the preparation of the Equipment for return. IF, UPON TERMINATION OR EXPIRATION OF THE SCHEDULE FOR ANY REASON, LESSEE FAILS OR REFUSES FORTHWITH TO RETURN AND DELIVER THE EQUIPMENT TO LESSOR, LESSEE SHALL REMAIN LIABLE FOR ANY RENT PAYMENTS ACCRUED AND UNPAID WITH RESPECT TO ALL OF THE EQUIPMENT ON THE SCHEDULE AND SHALL PAY RENT UP TO THE DATE THAT THE EQUIPMENT IS RETURNED TO THE ADDRESS SPECIFIED BY LESSOR. Notwithstanding the foregoing, Lessor shall have the right, without notice or demand, to enter Lessee’s premises or any other premises where the Equipment may be found and to take possession of and to remove the Equipment, at Lessee’s sole cost and expense, without legal process. Lessee understands that it may have a right under law to notice and a hearing prior to repossession of the Equipment. As an inducement to Lessor to enter into a transaction, but only to the extent that Lessee, if a state agency, has statutory authority to do so, Lessee hereby expressly waives all rights conferred by existing law to notice and a hearing prior to such repossession by Lessor or any officer authorized by law to effect repossession and hereby releases Lessor from all liability in connection with such repossession. Without waiving the doctrines of sovereign immunity and immunity from suit and to the extent authorized by the constitution and laws of the State of Texas, Lessee’s obligation to return Equipment may, at Lessor’s option, be specifically enforced by Lessor.


During the Schedule Term, Lessor shall not interfere with Lessee’s quiet enjoyment and use of the Equipment provided that an Event of Default (as hereinafter defined in Section 23 of the MLA) has not occurred.

15. Warranties.

Lessor and Lessee acknowledge that manufacturer Equipment warranties, if any, inure to the benefit of the Lessee. Lessee agrees to pursue any warranty claim directly against such manufacturer of the Equipment and shall not pursue any such claim against Lessor. Lessee shall continue to pay Lessor all amounts payable under any Schedule under any and all circumstances.

16. No Warranties.

LESSEE ACKNOWLEDGES THAT LESSOR IS NOT THE MANUFACTURER OR LICENSOR OF THE EQUIPMENT. LESSEE AGREES THAT LESSOR HAS NOT MADE AND MAKES NO REPRESENTATIONS OR WARRANTIES OF WHATSOEVER NATURE, DIRECTLY OR INDIRECTLY, EXPRESS OR IMPLIED, AS TO THE SUITABILITY, DURABILITY, FITNESS FOR
USE, MERCHANTABILITY, CONDITION, OR QUALITY OF THE EQUIPMENT OR ANY UNIT THEREOF. LESSEE SPECIFICALLY WAIVES ALL RIGHT TO MAKE CLAIM AGAINST LESSOR FOR BREACH OF ANY EQUIPMENT WARRANTY OF ANY KIND WHATSOEVER; AND WITH RESPECT TO LESSOR, LESSEE LEASES EQUIPMENT “AS IS”. LESSOR SHALL NOT BE LIABLE TO LESSEE FOR ANY LOSS, DAMAGE, OR EXPENSE OF ANY KIND OR NATURE CAUSED DIRECTLY OR INDIRECTLY BY ANY EQUIPMENT LEASED HEREUNDER, OR BY THE USE OR MAINTENANCE THEREOF, OR BY THE REPAIRS, SERVICE OR ADJUSTMENT THERETO OR ANY DELAY OR FAILURE TO PROVIDE ANY THEREOF, OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF, OR FOR ANY LOSS OF BUSINESS OR DAMAGE WHATSOEVER AND HOWSOEVER CAUSED WITHOUT IN ANY WAY IMPLYING THAT ANY SUCH WARRANTY EXISTS AND WITHOUT INCREASING ITS LIABILITY HEREUNDER, TO ASSIGN TO LESSEE UPON LESSEE’S REQUEST THEREFOR ANY WARRANTY OF A MANUFACTURER OR LICENSOR OR SELLER RELATING TO THE EQUIPMENT THAT MAY HAVE BEEN GIVEN TO LESSOR.

17. Indemnification.

(a) Without waiving the doctrines of sovereign immunity and immunity from suit, and to the extent permitted by the laws and Constitution of the State of Texas, Lessee shall indemnify, protect, save and hold harmless Lessor, its agents, servants and successors from and against all losses, damages, injuries, claims, demands and expenses, including legal expenses and attorney’s fees, of whatsoever nature, arising out of the use, misuse, condition, repair, storage, return or operation (including, but not limited to, latent and other defects, whether or not discoverable by it) of any unit of Equipment, regardless of where, how and by whom operated, and arising out of negligence (excluding the gross negligence or willful misconduct of Lessor). Lessee is liable for the expenses of the defense or the settlement of any suit or suits or other legal proceedings brought to enforce any such losses, damages, injuries, claims, demands, and expenses and shall pay all judgments entered in any such suit or suits or other legal proceedings. The indemnities and assumptions of liabilities and obligations herein provided for shall continue in full force and effect notwithstanding the termination of the MLA or a Schedule whether by expiration of time, by operation of law or otherwise. With respect to Lessor, Lessee is an independent contractor, and nothing contained herein authorizes Lessee or any other person to operate the Equipment so as to impose or incur any liability or obligation for or on behalf of Lessor.

(b) Without waiving the doctrines of sovereign immunity and immunity from suit, and to the extent permitted by the laws and Constitution of the State of Texas, Lessee and DIR individually and collectively assume all risks and liabilities with respect to any claim made by any third party that the lease arrangements herein are not authorized by law. Without waiving the doctrines of sovereign immunity and immunity from suit, and to the extent permitted by the laws and Constitution of the State of Texas, Lessee and DIR agree to indemnify, save and hold harmless Lessor from any and all such claims and all expenses incurred in connection with such claims or to defend against such claims, including without limitation any judgments by a court of competent jurisdiction or settlement or compromise with such claimant.

(c) Lessor is the owner of the Equipment and has title to the Equipment. If any other person attempts to claim ownership of the Equipment by asserting that claim against Lessee or through Lessee, Lessee agrees, at its expense, to protect and defend Lessor’s title to the Equipment. Lessee further agrees that
it will at all times keep the Equipment free from any legal process, encumbrance or lien whatsoever, and Lessee shall give Lessor immediate notice if any legal process, encumbrance or lien is asserted or made against the Equipment.
18. Risk of Loss.

Commencing upon delivery and continuing throughout the Schedule Term, Lessee shall bear the entire risk of loss or damage in respect to any Equipment, whether partial or complete, from any cause whatsoever. In the event of loss, theft, destruction or damage of any kind to any item of Equipment, or if any Equipment is lost stolen, or taken by governmental action for a stated period extending beyond the Term of any Schedule (an “Event of Loss”), Lessee shall promptly notify Lessor. Lessee shall, at its option: (a) immediately place the affected Equipment in good condition and working order, (b) replace the affected Equipment with identical equipment of at least equal value, in good condition and repair, and transfer clear title thereto to Lessor, or (c) to the extent permitted by law, pay to Lessor, within thirty (30) days of the Event of Loss, an amount equal to the Stipulated Loss Value (“SLV” as hereafter defined) for such affected Equipment, plus any other unpaid amounts then due under the Schedule. If an Event of Loss occurs as to part of the Equipment for which the SLV is paid, a prorated amount of each Rent Payment shall abate from the date the SLV payment is received by Lessor. The SLV shall be an amount equal to the sum of all future Rent Payments from the last Rent Payment date to the end of the Schedule Term with such Rent Payments discounted to present value at the like-term Treasury Bill rate for the remaining Schedule Term in effect on the date of such Event of Loss, or if such rate is not permitted by law, then at the lowest permitted rate.

In the event of a governmental taking of Equipment for an indefinite period or for a stated period, which does not extend beyond the Schedule Term, all obligations of the Lessee with respect to such Equipment (including payment of Rent) shall continue. So long as Lessee is not in default hereunder, Lessor shall pay to Lessee all sums received by Lessor from the government by reason of such taking.

19. Insurance.

At its expense, Lessee shall keep the Equipment insured against all risks of loss and damage with companies acceptable to Lessor for an amount equal to the original cost of the Equipment, with Lessor or its assign(s) named as a loss payee. Lessee shall also maintain comprehensive general liability insurance, with Lessor or its assign(s) named as an additional insured. Lessee shall be liable for any loss not covered by insurance. All said insurance shall be in form and amount satisfactory to Lessor. Lessee shall pay the premiums therefor and deliver to Lessor or its assign(s) the certificates of insurance or duplicates thereof or other evidence satisfactory to Lessor or its assign(s) of such insurance coverage. Evidence of such insurance coverage shall be furnished no later than the Schedule Commencement Date of each Schedule and from time to time as Lessor or its assign(s) may request. Lessee hereby irrevocably appoints Lessor as Lessee’s attorney-in-fact to make claim for, receive payment of, and execute and endorse all documents, checks or drafts received in payment for loss or damage under any said insurance policy. Lessee may self-insure with respect to the required coverage.

Further, Lessees that are defined as state agencies in accordance with Section 2054.003, Texas Government Code (including institutions of higher education as defined in Texas Education Code, Section 61.003) and those purchasing from a DIR contract through an Interagency Agreement, as authorized by Chapter 771, Texas Government Code, may self-insure their obligations in this section.

Lessee represents and warrants for the benefit of Lessor and its assigns, and Lessee will provide an opinion of counsel to the effect that, as of the time of execution of the MLA and each Schedule between Lessor and Lessee:

(a) Lessee is either a Texas state agency or Texas local government, as defined in Section 2054.003, Texas Government Code (including institutions of higher education as defined in Texas Education Code, Section 61.003) or a state agency purchasing from a DIR contract through an Interagency Agreement, as authorized by Chapter 771, Texas Government Code. Lessee has made an independent legal and management determination to enter into this transaction;

(b) Each Schedule executed by Lessee has been duly authorized, executed and delivered by Lessee and constitutes a valid, legal and binding agreement of Lessee, enforceable in accordance with its terms;

(c) No approval, consent or withholding of objection is required from any federal or other governmental authority or instrumentality with respect to the entering into or performance by Lessee of any Schedule between Lessor and Lessee;

(d) The entering into and performance of any Schedule between Lessor and Lessee, the MLA or any Schedule will not violate any judgment, order, law or regulation applicable to Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon assets of the Lessee or on the Equipment leased under any Schedule between Lessor and Lessee pursuant to any instrument to which the Lessee is a party or by which it or its assets may be bound;

(e) To the best of Lessee’s knowledge and belief, there are no suits or proceedings pending or threatened against or affecting Lessee, which if determined adversely to Lessee will have a material adverse effect on the ability of Lessee to fulfill its obligations under the MLA or any Schedule between Lessor and Lessee;

(f) The use of the Equipment is essential to Lessee’s proper, efficient and economic operation, and Lessee will sign and provide to Lessor upon execution of each Schedule between Lessor and Lessee hereto written certification to that effect; and

(g) Lessee represents and warrants that (i) It has authority to enter into any Schedule under this MLA, (ii) the persons executing a Schedule have been duly authorized to execute the Schedule on Lessee’s behalf, (iii) all information supplied to Lessor is true and correct, including all credit and financial information and (iv) it is able to meet all its financial obligations, including the Rent Payments hereunder.

21. Representation and Warranties of DIR.

DIR represents and warrants for the benefit of Lessor and its assigns, and DIR will provide an opinion of counsel to the effect that, as of the time of execution of the MLA:
(a) DIR is a State agency as defined in Section 2251.001, Texas Government Code. DIR has not provided the Lessee or the Lessor with any legal or management advice regarding the MLA or any Schedule executed pursuant thereto;

(b) This MLA has been duly authorized, executed and delivered by DIR and constitutes a valid, legal and binding Agreement of DIR, enforceable in accordance with its terms;

(c) No approval, consent or withholding of objection is required from any federal or other governmental authority or governmental authority or instrumentality with respect to the entering into or performance by DIR of this MLA;

(d) The entering into and performance of the MLA does not violate any judgment, order, law or regulation applicable to DIR or result in any breach of, constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon assets of DIR or on the Equipment pursuant to any instrument to which DIR is a party or by which it or its assets may be bound;

(e) To the best of DIR’s knowledge and belief, there are no suits or proceedings pending or threatened against or affecting DIR, which if determined adversely to DIR will have a material adverse effect on the ability of DIR to fulfill its obligations under the MLA;

(f) DIR is authorized to charge and collect the administrative fee as set forth within Section 5 of the Contract;

(g) Lessor’s payment of the administrative fee to DIR shall not constitute an illegal gratuity or otherwise violate Texas law; and

(h) DIR is a government agency subject to the Texas Public Information Act. Lessor acknowledges that DIR will comply with the Public Information Act, and with all opinions of the Texas Attorney Generals’ office concerning this Act.

22. Representations and Warranties of Lessor.

(a) Lessor is an entity authorized and validly existing under the laws of its state of organization, is authorized to do business in Texas, and is not in default as to taxes owed to the State of Texas and any of its political subdivisions;

(b) The MLA and each Schedule executed in conjunction to this MLA have been duly authorized, executed and delivered by Lessor and constitute valid, legal and binding agreements of Lessor, enforceable with respect to the obligations of Lessor herein in accordance with their terms;

(c) No approval, consent or withholding of objection is required from any federal or other governmental authority or instrumentality with respect to the entering into or performance by Lessor of this MLA or any Schedule;
(d) The entering into and performance of the MLA or any Schedule will not violate any judgment, order, law or regulation applicable to Lessor or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon the assets of the Lessor, including Equipment leased under the MLA and Schedules thereto, pursuant to any instrument to which the Lessor is a party or by which it or its assets may be bound; and

(e) To the best of Lessor’s knowledge and belief, there are no suits or proceedings pending or threatened against or affecting Lessor, which if determined adversely to Lessor will have a material adverse effect on the ability of Lessor to fulfill its obligations under the MLA or any Schedule.

23. Default.

Lessee shall be in default under a Schedule upon the occurrence of any one or more of the following events (each an “Event of Default”): (a) nonpayment or incomplete payment by Lessee of Rent or any other sum payable; (b) nonpayment or incomplete payment by Lessee of Rent or any other sum payable on its due date; (c) failure by Lessee to perform or observe any other term, covenant or condition of this MLA, any Schedule, or any applicable software license agreement, which is not cured within ten (10) days after notice thereof from Lessor; (d) insolvency by Lessee; (e) Lessee’s filing of any proceedings commencing bankruptcy or the filing of any involuntary petition against Lessor or the appointment of any receiver not dismissed within sixty (60) days from the date of said filing or appointment; (f) subjection of a substantial part of Lessee’s property or any part of the Equipment to any levy, seizure, assignment or sale for or by any creditor or governmental agency; or (g) any representation or warranty made by Lessee in this MLA, any Schedule or in any document furnished by Lessee to Lessor in connection therewith or with the acquisition or use of the Equipment being or becoming untrue in any material respect.

24. Remedies.

(a) Upon the occurrence of an “Event of Default” and at any time thereafter Lessor may, in its sole discretion, do any one or more of the following: (i) After giving fifteen (15) days prior written notice to Lessee of default, during which time Lessee shall have the opportunity to cure such default, terminate any or all Schedules executed by Lessor and the defaulting Lessee; (ii) without Lessee and DIR waiving the doctrines of sovereign immunity and immunity from suit, and to the extent allowed by the laws and Constitution of the State of Texas, Lessor may proceed by appropriate court action to enforce the performance of the terms of the Schedule and/or recover damages, including all of Lessor’s economic loss for the breach thereof; (iii) whether or not the Schedule is terminated, upon notice to Lessee, take possession of the Equipment wherever located, without demand, liability, court order or other process of law, and for such purposes Lessee, to the extent authorized by Texas law, hereby authorizes Lessor, its assigns or the agents of either to enter upon the premises where such Equipment is located or cause Lessee, and Lessee hereby agrees, to return such Equipment to Lessor in accordance with the requirements of Section 13 of the MLA; (iv) by notice to Lessee, and to the extent permitted by law, declare immediately due and payable and recover from Lessee, as liquidated damages and as a remedy, the sum of (a) the present value of the Rent owed from the earlier of the date of payment by Lessee or the date Lessor obtains a judgment against Lessee until the end of the Schedule Term plus, if the Equipment is not returned to or repossessed by Lessor, the present value of the estimated in-place fair market value of the Equipment at the end of the Schedule Term as determined by Lessor, each discounted at a rate equal to the rate used by Lessor for business
opportunity analysis; (b) all Rent and other amounts due and payable on or before the earlier of the date of payment by Lessee or the date Lessor obtains a judgment against Lessee; and (c) without Lessee and DIR waiving the doctrines of sovereign immunity and immunity from suit, and to the extent allowed by the laws and Constitution of the State of Texas, costs, fees (including all attorneys’ fees and court costs) and expenses associated with collecting said sums; and (d) interest on (a) and (b) from the date of default at 1 ½% per month or portion thereof (or the highest rate allowable by law, if less) and, on (c) from the date Lessor incurs such fees, costs or expenses.

(b) Upon return or repossession of the Equipment, Lessor may, if it so decides in its sole discretion, upon notice to Lessee, use reasonable efforts to sell, re-lease or otherwise dispose of such Equipment, in such manner and upon such terms as Lessor may determine in its sole discretion, so long as such manner and terms are commercially reasonable. Upon disposition of the Equipment, Lessor shall credit the Net Proceeds (as defined below) to the damages paid or payable by Lessee. Proceeds upon sale of the Equipment shall be the sale price paid to Lessor less the Stipulated Loss Value in effect as of the date of default. Proceeds upon a re-lease of the Equipment shall be all rents to be received for a term not to exceed the remaining Schedule Term, discounted to present value as of the commencement date of the re-lease at the Lessor’s current applicable debt rate. Without Lessee and DIR waiving the doctrines of sovereign immunity and immunity from suit, and to the extent allowed by the laws and Constitution of the State of Texas, “Net Proceeds” shall be the Proceeds of sale or re-lease as determined above, less all costs and expenses incurred by Lessor in the recovery, storage and repair of the Equipment, in the remarketing or disposition thereof, or otherwise as a result of Lessee’s default, including any court costs and attorney’s fees and interest on the foregoing at eighteen percent (18%) per annum or the highest rate allowable by law, if less, calculated from the dates such costs and expenses were incurred until received by Lessor. Lessee shall remain liable for the amount by which all sums, including liquidated damages, due from Lessee exceeds the Net Proceeds. Net Proceeds in excess thereof are the property of and shall be retained by Lessor.

(c) No termination, repossession or other act by Lessor in the exercise of its rights and remedies upon an Event or Default shall relieve Lessee from any of its obligations hereunder. No remedy referred to in this Section is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity.

(d) Neither DIR nor non-defaulting Lessees shall be deemed in default under the MLA or Schedules because of the default of a particular Lessee. Lessor’s remedies under this Section 24 shall not extend to DIR and those non-defaulting Lessees.


All notices relating to this MLA shall be delivered to DIR or the Lessor as specified within Section 6 of the Contract, or to another representative and address subsequently specified in writing by the appropriate parties hereto. All notices relating to a Schedule shall be delivered in person to an officer of the Lessor or Lessee or shall be mailed certified or registered to Lessor or Lessee at its respective address shown on the Schedule or to another address subsequently specified in writing by the appropriate parties thereof. DIR, Lessee, and Lessor intend and agree that a photocopy or facsimile of this MLA or a Schedule and all related documents, including but not limited to the Acceptance Certificate, with their signatures thereon shall be treated as originals, and shall be deemed to be as binding, valid, genuine, and authentic as an original.
signature document for all purposes. This MLA and those Schedules in conjunction hereof are a “Finance Lease” as defined in Article 2A of the Uniform Commercial Code (“UCC”). A waiver of a specific Default shall not be a waiver of any other or subsequent Default. No waiver of any provision of this MLA or a provision of a Schedule shall be a waiver of any other provision or matter, and all such waivers shall be in writing and executed by an officer of the Lessor. No failure on the part of Lessor to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof.

26. Assignment by Lessor; Assignment or Sublease by Lessee.

(a) Lessor may (i) assign all or a portion of Lessor’s right, title and interest in this MLA and/or any Schedule; (ii) grant a security interest in the right, title and interest of Lessor in the MLA, any Schedule and/or any Equipment; and/or (iii) sell or transfer its title and interest as owner of the Equipment and/or as Lessor under any Schedule; and DIR and each Lessee leasing Equipment under the MLA understand and agree that Lessor’s assigns may each do the same (hereunder collectively “Assignment”). All such Assignments shall be subject to each Lessee’s rights under the Schedule(s) executed between it and Lessor and to DIR’s rights under the MLA. Each Lessee leasing Equipment through Schedules under this MLA and DIR hereby consent to such Assignments and agree to execute and deliver promptly such acknowledgements, Opinions of Counsel and other instruments reasonably requested to effect such Assignment. Each Lessee leasing Equipment through Schedules under this MLA and DIR acknowledge that the assigns do not assume Lessor’s obligations hereunder and agree to make all payments owed to the assigns without abatement and not to assert against the assigns any claim, defense, setoff or counterclaim which DIR or the Lessee(s) may possess against the Lessor or any other party for any other reason. Lessor shall remain liable for performance under the MLA and any Schedule(s) executed hereunder to the extent Lessor’s assigns do not perform Lessor’s obligations under the MLA and Schedule(s) executed hereunder. Upon any such Assignment, all references to Lessor shall also include all such assigns, whether specific reference thereto is otherwise made herein.

(b) LESSEE WILL NOT SELL, ASSIGN, SUBLET, PLEDGE OR OTHERWISE ENCUMBER, OR PERMIT A LIEN TO EXIST ON OR AGAINST ANY INTEREST IN THIS LEASE, OR THE EQUIPMENT, OR REMOVE THE EQUIPMENT FROM ITS LOCATION REFERRED TO ON THE SCHEDULE, WITHOUT LESSOR’S PRIOR WRITTEN CONSENT EXCEPT AS PROVIDED IN SECTION 11 OF THIS MLA. LESSOR MAY ASSIGN ITS INTEREST IN THIS LEASE AND SELL OR GRANT A SECURITY INTEREST IN ALL OR ANY PART OF THE EQUIPMENT WITHOUT LESSEE’S CONSENT. LESSEES THAT ARE STATE AGENCIES, WITHOUT WAIVING THE DOCTRINE OF SOVEREIGN IMMUNITY AND IMMUNITY FROM SUIT, AND ONLY AS MAY BE AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, AGREE THAT IN ANY ACTION BROUGHT BY AN ASSIGNEE AGAINST LESSEE TO ENFORCE LESSOR’S RIGHTS HEREUNDER, LESSEE WILL NOT ASSERT AGAINST SUCH ASSIGNEE AND EXPRESSLY WAIVES AS AGAINST ANY ASSIGNEE, ANY BREACH OR DEFAULT ON THE PART OF LESSOR HEREUNDER OR ANY OTHER DEFENSE, CLAIM OR SET-OFF WHICH LESSEE MAY HAVE AGAINST LESSOR EITHER HEREUNDER OR OTHERWISE. NO SUCH ASSIGNEE SHALL BE OBLIGATED TO PERFORM ANY OBLIGATION, TERM OR CONDITION REQUIRED TO BE PERFORMED BY LESSOR HEREUNDER. Without the prior written consent of Lessor,
27. Delivery of Related Documents.

For each Schedule, Lessee will provide the following documents and information satisfactory to Lessor: (a) Certificate of Acceptance; (b) Opinion of Counsel; (c) proof of self-insurance acceptable to Lessor; (d) Financial Statements; (e) Incumbency Certificate; and (f) Other documents as reasonably required by Lessor.

28. Lessee’s Waivers.

To the extent permitted by applicable law, Lessee hereby waives the following rights and remedies conferred upon Lessee by the Uniform Commercial Code: to (i) cancel any Schedule under the MLA; (ii) repudiate any Schedule; (iii) reject the Equipment; (iv) revoke acceptance of the Equipment; (v) recover damages from Lessor for any breach of warranty by the manufacturer; (vi) claim a security interest in the Equipment in Lessee’s possession or control for any reason; (vii) deduct all or any part of any claimed damages resulting from Lessor’s default, if any, under any Schedule; (viii) accept partial delivery of the Equipment; (ix) “cover” by making any purchase or lease of equipment in substitution for the Equipment due from Lessor; (x) recover any special, punitive, incidental or consequential damages, for any reason whatsoever. Lessee agrees that any delay or failure to enforce Lessor’s rights under this MLA or a Schedule does not prevent Lessor from enforcing any rights at a later time.

29. Security Interest and UCC Filings.

To secure payments hereunder, Lessor reserves and Lessee hereby grants to Lessor a continuing security interest in the Equipment and any and all additions, replacements, substitutions, and repairs thereof. When all of the Lessee’s obligations under this MLA and respective Schedules have been fully paid and satisfied, Lessor’s security interest shall terminate. Nothing contained herein shall in any way diminish Lessor’s right, title, or interest in or to the Equipment. Lessor and Lessee agree that a reproduction of this MLA and/or any associated Schedule may be filed as a financing statement and shall be sufficient as a financing statement under the Uniform Commercial Code (“UCC”). Lessee hereby appoints Lessor, its agents, successors or assigns its true and lawful attorney-in-fact for the limited purpose of executing and filing on behalf of Lessee any and all UCC Financing Statements which in Lessor’s sole discretion are necessary or proper to secure Lessor’s interest in the Equipment in all applicable jurisdictions. Lessee shall execute or obtain and deliver to Lessor, upon Lessor’s request, such instruments, financing statements and assurances, as Lessor deems necessary or advisable for the protection or perfection of this Lease and Lessor’s rights hereunder and will pay all costs incident thereto.

30. Miscellaneous.

(a) Applicable Law and Venue. The MLA and each Schedule SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS. In the event of a dispute between the parties, exclusive venue for any legal action shall be in the state court where
Lessee has its principal office or where the Equipment is located, with the following exception: if a Lessee is designated as a State agency as defined in Section 2054.003, Texas Government Code, including a university system or institution of higher education, and those purchasing from a DIR contract through an Interagency Agreement, as authorized by Chapter 771, Texas Government Code, then exclusive venue shall be in the state district court of Travis County, Texas.

(b) Counterpart. Only original counterpart No. 1 of each Schedule shall be deemed to be an “Original” for chattel paper purposes under the Uniform Commercial Code. Any and all other counterparts shall be deemed to be a “Copy”. NO SECURITY INTEREST IN THIS MLA, IN ANY SCHEDULE, OR IN ANY OF THE EQUIPMENT MAY BE CREATED, TRANSFERRED, ASSIGNED OR PERFECTED BY THE TRANSFER AND POSSESSION OF THIS MLA ALONE OR OF ANY “COPY” OF THE SCHEDULE, BUT RATHER SOLELY BY THE TRANSFER AND POSSESSION OF THE “ORIGINAL” COUNTERPART OF THE SCHEDULE INCORPORATING THIS MLA BY REFERENCE.

(c) Suspension of Obligations of Lessor. Prior to delivery of any Equipment, the obligations of Lessor hereunder shall be suspended to the extent that it is hindered or prevented from performing because of causes beyond its control.

(d) Severability. In the event of any provision of this MLA or any Schedule shall be determined by a court of competent jurisdiction to be invalid or unenforceable, the parties hereto agree that such provision shall be ineffective without invalidating the remaining provisions thereof.

(e) Entire Agreement. Lessor and Lessee acknowledge that there are no agreements or understanding, written or oral, between them with respect to the Equipment, other than as set forth in this MLA and in each Schedule to which Lessee is a signatory party. Lessor and Lessee further acknowledge that this MLA and each Schedule to which Lessee is a party contain the entire agreement between Lessor and Lessee and supersedes all previous discussions and terms and conditions of any purchase orders issued by Lessee. DIR and Lessor acknowledge that there are no agreements or understandings, written or oral, between them other than as set forth in this MLA and Contract Number DIR-TSO-XXX and that both contain the entire agreement between them. Neither this MLA nor any Schedule may be altered, modified, terminated, or discharged except by a writing signed by the party against whom enforcement of such action is sought.

(f) Headers. The descriptive headings hereof do not constitute a part of any Schedule and no inferences shall be drawn therefrom.

(g) Language context. Whenever the context of this MLA requires, the masculine gender includes the feminine or neuter, and the singular number includes the plural, and whenever the word Lessor is used herein, it shall include all assignees of Lessor.

(h) Lessor Certifications. Lessor certifies that:

(i) it has not given, offered to give, and does not intend to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this MLA and/or any Schedules executed hereunder;
(ii) it is not currently delinquent in the payment of any franchise tax owed the State of Texas and is not ineligible to receive payment under Section 231.006, Texas Family Code and acknowledges this MLA may be terminated and payment withheld if this certification is inaccurate;

(iii) neither it, nor anyone acting for it, has violated the antitrust laws of the United States or the State of Texas, nor communicated directly or indirectly to any competitor or any other person engaged in such line of business for the purpose of obtaining an unfair price advantage;

(iv) it has not received payment from DIR, Lessee or any of their employees for participating in the preparation of this MLA and the Schedule(s) hereunder;

(v) during the term of this MLA, it will not discriminate unlawfully against any employee or applicant and that, upon request it will furnish information regarding its nondiscriminatory hiring and promotion policies, as well as specific information on the composition of its principals and staff, including the identification of minorities and women in management or other positions with discretionary or decision making authority,

(vi) under Section 2155.004, Texas Government Code, the Lessor certifies that the individual or business entity named in this MLA is not ineligible to receive the specified MLA and acknowledges that this MLA may be terminated and payment withheld if this certification is inaccurate;

(vii) to the best of their knowledge and belief, there are no suits or proceedings pending or threatened against or affecting them, which if determined adversely to them will have a material adverse effect on the ability to fulfill their obligations under the MLA;

(viii) Lessor and its principals are not suspended or debarred from doing business with the federal government as listed in the System for Award Management (SAM) maintained by the General Services Administration;

(ix) as of the effective date of the MLA, are not listed in the prohibited vendors list authorized by Executive Order #13224, “Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism”, published by the United States Department of the Treasury, Office of Foreign Assets Control;

(x) to the extent applicable to this scope of this MLA, Lessor hereby certifies that it is in compliance with Subchapter Y, Chapter 361, Health and Safety Code related to the Computer Equipment Recycling Program and its rules, 30 TAC Chapter 328;

(xi) Vendor represents and warrants that, for its performance of this contract, it shall purchase products and materials produced in the State of Texas when available at the price and time comparable to products and materials produced outside the state, to the extent that such is required under Texas Government Code, Section 2155.4441;

(xii) agrees that all equipment and materials used in fulfilling the requirements of this contract are of high-quality and consistent with or better than applicable industry standards, if any. All
Works and Services performed pursuant to this Contract shall be of high professional quality and workmanship and according consistent with or better than applicable industry standards, if any;

(xiii) Lessor agrees that any payments due under this MLA will be applied towards any debt, including but not limited to delinquent taxes and child support that is owed to the State of Texas;

(xiv) Lessor certifies that they are in compliance Section 669.003, Texas Government Code, relating to contracting with executive head of a state agency; if Section 669.003 applies, Vendor will complete the following information: Name of Former Executive; Name of State Agency; Position with Vendor and Date of Employment with Vendor.

(xv) Lessor represents and warrants that the provision of goods and services or other performance under the MLA will not constitute an actual or potential conflict of interest and certifies that it will not reasonably create the appearance of impropriety, and, if these facts change during the course of the MLA, Lessor certifies it shall disclose for itself and on behalf of subcontractors the actual or potential conflict of interest and any circumstances which create the appearance of impropriety;

(xvi) Lessor represents and warrants that the Lessee’s payment to Lessor and Lessor’s receipt of appropriated or other funds under this Agreement are not prohibited by Sections 556.005 or Section 556.008, Texas Government Code;

(xvii) Under Section 2155.006, Government Code, Lessor certifies that the individual or business entity in this MLA is not ineligible to receive the specified MLA and acknowledges that this MLA may be terminated and payment withheld if this certification is inaccurate. In addition, Lessor acknowledges the applicability of §2155.444 and §2155.4441, Texas Government Code, in fulfilling the terms of the MLA; and (xviii) Lessor certifies that it has complied with the Section 556.0055, Texas Government Code, restriction on lobbying expenditures. In addition, Vendor acknowledges the applicability of §2155.444 and §2155.4441, Texas Government Code, in fulfilling the terms of the Contract.

During the term of the MLA, Lessor shall, for itself and on behalf of its subcontractors, promptly disclose to DIR all changes that occur to the foregoing certifications, representations and warranties. Lessor covenants to fully cooperate in the development and execution of resulting documentation necessary to maintain an accurate record of the certifications, representations and warranties

(i) Dispute Resolution. The following paragraph applies only to Lessees designated as a State agency as defined in Section 2054.003, Texas Government Code, including a university system or institution of higher education, and those purchasing from a DIR contract through an Interagency Agreement, as authorized by Chapter 771, Texas Government Code.

Pursuant to Chapter 2260 of the Texas Government Code, any dispute arising under a contract for goods and services for which this chapter applies must be resolved under the provisions of this chapter. To the extent that Chapter 2260 of the Texas Government Code, as it may be amended from time to time (“Chapter 2260”), is applicable to this Agreement and is not preempted by other applicable law, the dispute resolution process provided for in Chapter 2260, and rules promulgated
there under shall be used by the Lessee and Lessor to attempt to resolve any claim for breach of agreement made by Lessor.

(j) Sovereign Immunity. Nothing herein shall be construed to waive the State’s sovereign immunity.

(k) 31. Amendments.

The terms and conditions of this MLA may be amended only by written instrument executed by the Lessor and DIR.
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Appendix XX

MASTER OPERATING LEASE AGREEMENT

1. **Definitions.** Capitalized terms used in this Appendix and not otherwise defined will have the meanings set forth in the Contract.

(a) “Assets” refers to the Products as allowed within the Contract, including the Hardware, Software, and related Services, which are specifically identified on the applicable Schedule. Assets includes any items associated with the foregoing, including but not limited to all parts, replacements, additions, repairs, and attachments incorporated therein and/or affixed thereto, and documentation (technical and/or user manuals).

(b) “Contract” refers to DIR Contract number DIR-TSO-XXXX into which this Appendix is incorporated.

(c) “Event of Default” is defined in Section 23, “Default.”

(d) “Event of Loss” means an event of loss, theft, destruction or damage of any kind to any item of the Assets, including the loss, theft or taking by governmental action of any item of the Assets for a stated period extending beyond the Term of any Schedule.

(e) “Hardware” refers to the computer machinery and equipment specifically identified on the applicable Schedule.

(f) “Lease” means the financing transaction described in this MOLA.

(g) “Lessee” means any Texas state agency, unit of local government, institution of higher education as defined in Section 2054.003 (8-a), Texas Government Code, and those state agencies purchasing from a DIR contract through an Interagency Agreement, as authorized by Chapter 771, Texas Government Code, any local government as authorized through the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the state agencies and political subdivisions of other states as authorized by Section 2054.0565, Texas Government Code.

(h) “Lessor” means the Vendor identified in the Contract.

(i) “MOLA” means this Master Operating Lease Agreement (Appendix E). Any reference to “MOLA” includes the Contract, the Opinion of Counsel, and any riders, amendments and addenda thereto, and any other documents as may from time to time be made a part hereof upon mutual agreement in a writing signed by authorized representatives of both parties.

(j) “Rent Payment” means the amount payable by Lessee for the Assets as specified in the applicable Schedule.
(k) “Schedule” or “Supplementary Schedule” to this MOLA means the form or format entered into between Lessor and Lessee which contains, at a minimum, a description of the Assets, the name of the Lessee, applicable Rent Payment, and term of the Lease. To be effective, a Schedule must be executed by both Lessor and Lessee.

(l) “Services” refers to the configuration, installation, implementation, support, training, and other professional and consulting services specifically identified on the applicable Schedule.

(m) “Software” refers to the computer programs specifically identified on the applicable Schedule.

(n) “Stipulated Loss Value” is the value of each unit of Hardware at various times during the Lease as specified in the applicable Schedule; however, in no event will the Stipulated Loss Value of a Hardware unit exceed its fair market value.

2. **Lease.**

(a) Lessor and Lessee intend that this MOLA constitute an operating lease and a true lease as those terms are defined in the Statement of Financial Accounting Standards No. 13 and as provided for under the Uniform Commercial Code – Leases, Tex. Bus. & Comm. Code Article 2A. Under no circumstances shall this MOLA or any Schedules entered into under it be construed as a "finance lease" as defined in Tex. Bus. & Comm. Code § 2A.103 (7). In addition, Lessor acknowledges that Lessee is not a "merchant lessee" for purposes of Tex. Bus. & Comm. Code § 2A.511.

(b) Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Assets described on each Schedule. Each such Schedule constitutes a separate agreement between Lessor and Lessee. In addition, each Schedule is subject to the terms and conditions of this MOLA as if a separate MOLA were executed for such Schedule by the parties.

(c) In the event of Lessee's rightful rejection of the Assets as specified in Section 10 (“Inspection and Acceptance”) of this MOLA, Lessee shall have the right, at its sole option, to cancel this Lease as to the rejected Assets or as to all of the Assets to be leased under the Schedule applicable to such Assets. Upon cancellation, Lessee shall have no obligations under this MOLA with respect to the portion of this Lease so cancelled.

(d) Each Lessee has made an independent legal and management determination to enter into each Schedule. DIR has not offered or provided any legal or management advice to Lessor or to any Lessee under any Schedule. Lessee may negotiate additional terms or more advantageous terms with Lessor to satisfy individual procurements in which case such terms shall be set forth in a Rider to the MOLA or the Schedule. To the extent that any of the provisions of the MOLA conflict with any of the terms contained in any Schedule, the terms of this MOLA shall control.

(e) If more than one Lessee is named in a Schedule, the liability of each named Lessee shall be joint and several. However, unless DIR leases Assets for its own use, DIR is not a party to any Schedule executed under this MOLA and is not responsible for Rent Payments or any other obligations under such Lessee’s Schedule. The invalidation, fulfillment, waiver, termination, or other disposition of any rights or obligations of either a Lessee or Lessor (or both of them) arising from the use of this MOLA in
conjunction with any one Schedule shall not affect the status of the rights or obligations of either or both of those parties arising from the use of this MOLA in conjunction with any other Schedule, except in the Event of Default as provided in Section 23 (“Default”) of this MOLA.

3. **Term of MOLA.**

The term of this MOLA shall commence (a) upon commencement of the term of the Contract, if this MOLA was agreed to under the Contract, or (b) on the Effective Date specified in Amendment Number (XX), if this MOLA is added to the Contract under such Amendment. The term of this MOLA shall continue until the last to occur of the following: (i) the Schedule Term of each Schedule entered into by the parties has expired or been terminated, or (ii) the Contract has expired or been terminated. In the event of any termination or expiration of the Contract or termination of this MOLA, any provisions of the Contract and this MOLA as may be necessary to preserve the rights of Lessor or Lessee hereunder shall survive said termination or expiration.

4. **Term of Schedule.**

The term for each Schedule agreed to by a Lessee and Lessor under this MOLA shall commence on the date specified in the Lessee Certificate of Acceptance, as described in Section 10, . Unless earlier terminated as provided for herein, the Schedule shall continue for the number of whole months or other payment periods set forth in it (the “Schedule Term”). Specifically with respect to Hardware, under no circumstances shall the Schedule Term exceed seventy five percent (75%) of the economic life of the Hardware, nor shall the present value of the Rent Payments for the Hardware on the Schedule Commencement equal or exceed ninety percent (90%) of the value of the Hardware. Lessee shall provide confirmation that its lease of assets satisfies the two foregoing percentage limitations. The Schedule Term may be earlier terminated upon: (i) the non-appropriation of funds pursuant to Section 8 (“Appropriation of Funds”) of this MOLA, (ii) an Event of Loss, (iii) an Event of Default by Lessee and Lessor’s election to cancel the Schedule pursuant to Section 24 (“Remedies”) of this MOLA, (iv) an event of default or other breach of this Agreement by Lessor and Lessee's election to cancel the Schedule pursuant to Section 24 (“Remedies”) of this MOLA, or (v) as otherwise set forth herein.

5. **Administration of MOLA.**

(a) When a prospective Lessee wishes to lease Assets under this MOLA, the prospect will submit its request directly to Lessor. Lessor shall apply the applicable pricing discounts as stated in Section 4 of the Contract or the price as agreed upon by Lessee and Lessor in the applicable Schedule, whichever is lower and submit the lease proposal to the prospective Lessee. If the prospective Lessee wishes to proceed to lease Assets based on the proposal, Lessor will negotiate the applicable Rent Payment, availability of Assets, and term of the Lease directly with the prospective Lessee.

(b) With respect to Lessor’s obligations under Section 5 of the Contract to report the sale and make payment of the DIR administrative fee as defined in that Section, all leasing activities in conjunction to this MOLA shall be treated as a “purchase sale.” Notwithstanding treatment of this Lease as a "purchase sale" as to the transaction between Lessor and DIR under the Contract, however, under no circumstances shall this MOLA be construed as creating anything other than a true lease and operating lease as stated in Section 2 (“Lease”) hereof for the transaction(s) between Lessor and Lessee.
(c) Upon agreement by Lessor and Lessee on the applicable Rent Payment, availability, Lease term, and the like, Lessee may issue a purchase order in the amount indicated on the applicable Schedule to Lessor for the Assets and reference the Contract number on the purchase order. Any pre-printed terms and conditions on the Schedule issued by Lessor (with respect to any item other than the specific Assets which are the subject of the Lease, the Schedule Term, and the Rent Payments), Lessor’s order acknowledgement form or the like shall not be effective with respect to the lease of Assets hereunder. Rather, the terms and conditions of this MOLA shall control in all respects.

(d) Until a Schedule is entered into by Lessor and a Lessee per the process set forth in this MOLA, neither DIR nor any Lessee is obligated under this MOLA to lease Assets from Lessor nor is Lessor obligated under this MOLA to lease Assets to a Lessee.

6. **Rent Payments.**

(a) During the Schedule Term and any renewal terms agreed to by Lessee as specified herein, Lessee agrees to pay Lessor the Rent Payments set forth in the relevant Schedule for each Asset. Rent Payments shall be the amount equal to the Rent Payment amount specified in the Schedule multiplied by the amount of the total number of Rent Payments specified therein. Lessee shall pay Rent Payments in the amount and on the due dates specified by Lessor until all Rent Payments and all other amounts due under the Schedule have been paid in full. If the Schedule Commencement Date is other than the first day of a month, Lessee shall make an initial payment on the Schedule Commencement Date in an amount equal to one-thirtieth of the Rent Payment specified in the Schedule for each day from the Schedule Commencement Date (including the Schedule Commencement Date) through the last day of such month (including that day). For example, if a scheduled payment amount is $3,000 and the Scheduled Commencement date is the 15th of the month, a payment of $1,500 will be made. Under no circumstances shall the present value of the Rent Payments exceed ninety percent (90%) of the value of the Assets.

(b) Any amounts received by Lessor from Lessee in excess of Rent Payments and any other sums required to be paid by Lessee shall be refunded to Lessee within ninety (90) calendar days. All Rent Payments shall be paid to Lessor at the address stated on the Schedule or any other such place as Lessor or its assigns may hereafter direct to Lessee. Lessee shall abide by Appendix A, Section 8f of the Contract in making payments to Lessor. Lessor's (including its assignees') remedy for late payments is as set forth in Chapter 2251, Texas Government Code.

Lessee acknowledges and agrees, except as specifically provided for in Section 8 (“Appropriation of Funds”) of this MOLA and excluding claims resulting from a breach of Lessor’s obligations as set forth in this MOLA or any Schedule or of Lessee's rights under Section 16 (“Quiet Enjoyment”) hereof, that Lessee’s obligation to pay Rent and other sums payable hereunder, shall not be abated, reduced or subject to offset or diminished as a result of any past, present or future claims Lessee may have against Lessor under this Lease. Notwithstanding the foregoing, nothing in this Section or any other provision of this MOLA shall affect or preclude Lessee from enforcing any and all other rights it may have against Lessor and its assignees under this MOLA or otherwise affect any right Lessee may have against the manufacturer or licensor of the Assets or any party other than Lessor.

7. **Liens.**
Lessee shall keep the Assets free and clear of all levies, liens and encumbrances, and shall give Lessor immediate notice of any attachment or other judicial process affecting any item of the Assets.

8. Appropriation of Funds.

Lessee intends to continue each Schedule to which it is a party for the Schedule Term and to pay the Rent and other amounts due hereunder. Lessee reasonably believes that legally available funds in an amount sufficient to pay all Rent during the Schedule Term can be obtained. Lessee further intends to act in good faith to do those things reasonably and lawfully within its power to obtain and maintain funds from which the Rent may be paid. Notwithstanding the foregoing, in the event sufficient funds are not appropriated to continue the Schedule Term for any fiscal period (as set forth on the Schedule) of Lessee beyond the fiscal period first in effect at the commencement of the Schedule Term, Lessee may terminate the Schedule with regard to those of the Assets on the Schedule so affected. Lessee shall endeavor to provide Lessor with written notice sixty (60) days prior to the end of its current Fiscal Period confirming which Assets on the Schedule will be so affected by the termination. All obligations of Lessee to make Rent Payments due with respect to those Assets after the end of the Fiscal Period for which such termination applies will cease, all interests of Lessee in those Assets will terminate, Lessee shall surrender those Assets in accordance with Section 15 (“Option to Extend; Surrender of Assets”) of this MOLA, and the applicable Schedule shall be deemed amended. Lessee represents and warrants it has adequate funds to meet its obligations during the first fiscal period of the Schedule Term. Lessor and Lessee intend that the obligation of Lessee to make Rent Payments under this MOLA shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general revenues, funds or monies of Lessee or the State of Texas, as applicable, beyond the fiscal period for which sufficient funds have been appropriated to make Rent Payments hereunder.


Each Schedule is intended to be a true lease and operating lease as defined in Tex. Bus. & Comm. Code Article 2A. Lessor has acquired or will acquire the Assets in connection with this MOLA and hereby agrees to assign to Lessee any warranties provided to Lessor with respect to the Assets during the Term of the applicable Schedule, to the extent the warranties are assignable. Unless Lessor is the manufacturer or is otherwise liable under the Contract, Lessor shall not be liable for damages for any reason for any act or omission of the manufacturer of the Assets. Except as provided in Section 24 (“Remedies”) hereof, Lessee acknowledges that none of the following shall relieve Lessee from the obligations under this MOLA during the Schedule Term unless due to Lessor’s acts or omissions: (i) Lessee’s dissatisfaction with any unit of the Assets, (ii) the failure of an Asset to remain in useful condition for the Schedule Term, or (iii) the loss or right of possession of the Assets (or any part thereof) by Lessee. Lessee shall have no right, title or interest in or to the Assets except the right to use the same upon the terms and conditions herein contained. The Assets shall remain the sole and exclusive personal property of Lessor and not be deemed a fixture whether or not it becomes attached to any real property of Lessee.
10. Inspection and Acceptance.

Promptly upon delivery of the Assets, Lessee will inspect and test the Assets. No later than twenty (20) business days following its date of delivery (or, if the Assets are part of a system, the date of last delivery of the Assets comprising the system), Lessee will execute and deliver either (i) a Certificate of Acceptance, or (ii) written notification of any defects in the Assets. If Lessee has not given notice within such time period, the Assets shall be deemed accepted by Lessee as of the twentieth (20th) business day, as described above. In the event Lessee does not accept the Assets, Vendor will promptly remove the Assets from Lessee’s premises and deliver conforming Assets within ten (10) business days thereafter. If conforming Assets are not delivered within that timeframe, Lessee may terminate the Schedule on written notice to Lessor. Lessee’s acceptance of any Assets shall not be deemed to waive any rights Lessee may have against the manufacturer or licensor, as applicable. Lessor and its assigns, including either of their respective agents shall have the right to inspect the Assets upon reasonable notice to Lessee and during normal business hours provided that anyone who does so has first executed a non-disclosure agreement acceptable to Lessee.

11. Installation and Delivery; Use of Assets; Repair and Maintenance.

(a) Except as set forth in this MOLA, all transportation, delivery, installation, and de-installation costs associated with the Assets shall be borne by Lessee. Lessee shall provide a place of installation for the Assets, which conforms to the requirements of the manufacturer and Lessor.

(b) Subject to the terms hereof, Lessee shall be entitled to use the Assets for the conduct of its business in compliance with all laws, rules, and regulations of the jurisdiction in which the Assets are located. Lessee shall not use or permit the use of the Assets for any purpose for which, according to the specification of the manufacturer, the Assets are not designed.

(c) Lessee, at its expense, shall take good and proper care of the Hardware and make all repairs and replacements necessary to maintain and preserve the Hardware and keep the Hardware in good order and condition (reasonable wear and tear excepted). Unless Lessor shall otherwise consent in writing, Lessee shall, at its own expense, enter into and maintain in force a maintenance agreement covering each Hardware unit. Lessee shall furnish Lessor with a copy of such agreement, upon request. Lessee shall not make any alterations, additions, or improvements, or add attachments to the Hardware without the prior written consent of Lessor, except for additions or attachments to the Hardware leased by Lessee from Lessor or purchased by Lessee from the manufacturer of the Hardware (or an authorized distributor of the manufacturer) or any other person approved by Lessor. Lessee shall affix on a prominent place on each item of Hardware any tags, decals or labels supplied by Lessor to Lessee which describe the ownership of the Hardware. Subject to the provisions of Section 15(b) under “Option to Extend; Surrender of Hardware and Software Assets,” Lessee agrees to restore the Hardware to Return Condition prior to its return to Lessor.

12. Relocation of Hardware and Software.

Except as set forth on the applicable Schedule, Lessee shall at all times keep the Hardware and Software within its exclusive possession and control. Lessee may move the Hardware or Software to another location of Lessee within the continental United States, provided Lessee is not in default on any Schedule and pays all costs associated with such relocation. If such relocation requires Lessor’s prior written consent, Lessee
shall obtain such consent prior to relocating the Hardware or Software, as applicable, which consent Lessor shall not unreasonably withhold. Notwithstanding the foregoing, in those situations where consent is otherwise required, Lessee may move the Hardware or Software to another location within Texas without notification to, or the consent of, Lessor; provided, however, that not later than December 31 of each calendar year, Lessee shall provide Lessor a written report detailing the total amount of Hardware and Software at each location of Lessee as of that date, and the complete address for each location. Lessor shall make all filings and returns for property taxes due with respect to the Hardware and Software, and Lessee agrees that it shall not make or file any property tax returns, including information returns, with respect to the Hardware and Software.


Unless otherwise agreed by the parties on the applicable Schedule, Lessor will pay any Imposition or file any forms or returns with respect thereto. Lessee shall, when billed, and with copy of Imposition invoice(s) with respect to Assets specified on the Schedule, reimburse Lessor for such payment. For purposes of this paragraph “Impositions” means all taxes, including personal property taxes and fees, without pro-ration as described in the Financial Disclosure Summary Work Sheet (Attachment 1) hereafter imposed, assessed or payable during the term of the relevant Schedule including any extension thereof. Because the reimbursement date for an Imposition may occur after the expiration or termination of the term of the relevant Schedule, it is understood and agreed that Lessee's liability to reimburse for such Impositions shall survive the expiration or termination of the term of the relevant Schedule.


The Hardware and Software shall at all times be and remain the sole and exclusive property of Lessor, subject to the parties’ rights under any applicable software license agreement. Lessee shall have no right, title or interest in the Hardware except a leasehold interest as provided for herein. Lessee agrees that the Hardware shall be and remain personal property and shall not be so affixed to realty as to become a fixture or otherwise to lose its identity as the separate property of Lessor. Upon Lessor’s request, Lessee will enter into agreements necessary to ensure that the Hardware remains the personal property of Lessor.

15. Option to Extend; Surrender of Hardware and Software Assets.

(a) Not less than ninety (90) days prior to the expiration of the initial Schedule Term, Lessor shall notify Lessee in writing of options to extend the Schedule for continued use of the Hardware or Software specified in that Schedule. If Lessee desires to exercise any of the options offered by Lessor (and provided that, with respect to Hardware, any extension does not exceed seventy five percent (75%) of its economic life), Lessee shall give Lessor irrevocable written notice of the option Lessee intends to exercise at least forty-five (45) days before the expiration of such Schedule Term. In the event the Lease is extended for some but not all of the Hardware and Software specified on a Schedule, the Schedule shall be updated to reflect those changes. At the end of the Schedule Term (as well as with respect to any Hardware and Software not extended as described immediately above), Lessee will surrender and return the Hardware and Software to Lessor in compliance with Section 15(b) below.

(b) Except as specified otherwise herein, upon the expiration, early termination as provided herein, or final termination of the Schedule, Lessee, at its cost and expense, shall promptly return the Hardware, freight
prepaid, to Lessor in good repair and working order, with reasonably unblemished physical appearance and with no defects which affect the operation or performance of the Hardware (“Return Condition”), reasonable wear and tear excepted. If the Hardware is not in Return Condition, Lessee shall, at its option, either restore the Hardware (at Lessee’s cost) to Return Condition or pay for the Hardware at its Stipulated Loss Value if the Hardware is not reasonably repairable. Lessee shall arrange and pay for the de-installation and packing of the Hardware in suitable packaging, and return the Hardware to Lessor at the location specified by Lessor; provided, however, that such location shall be within the United States no farther than 500 miles from the original Lessee delivery location, unless otherwise agreed to on the applicable Schedule. At its option and expense, Lessor shall have the right to supervise and direct the preparation of the Hardware for return. If, upon termination or expiration of the Schedule for any reason, Lessee fails or refuses to return to Lessor a Hardware unit or Software program specified in that Schedule or to pay Lessor the Stipulated Loss Value for a Hardware unit, Lessee shall remain liable for Rent Payments for that unit or program up to the date on which the unit or program is returned to the address specified by Lessor (or on which Lessee has paid Lessor the Stipulated Loss Value). In such event and specifically with respect to the Hardware, Lessor shall also have the right to enter Lessee’s premises or any other premises where the Hardware may be found upon reasonable written notice to the Lessee and during normal business hours, and subject to Lessee’s reasonable safety and security requirements to take possession of and to remove the Hardware, at Lessee’s sole cost and expense, without legal process. Lessee understands that it may have a right under law to notice and a hearing prior to repossession of the Hardware. However, as an inducement to Lessor to enter into a transaction, but only to the extent that Lessee, if a state agency, has statutory authority to do so, Lessee hereby expressly waives all rights conferred by existing law to notice and a hearing prior to such repossession by Lessor or any officer authorized by law to effect repossession and hereby releases Lessor from all liability in connection with such repossession except as provided by Paragraph b. Without waiving the doctrines of sovereign immunity and immunity from suit and to the extent authorized by the Constitution and laws of the State of Texas, Lessee’s obligation to return Hardware may, at Lessor’s option, be specifically enforced by Lessor.

16. Quiet Enjoyment.

During the Schedule Term, Lessor shall not interfere with Lessee’s quiet enjoyment and use of the Assets as long as an Event of Default (as hereinafter defined in Section 23 (“Default”) of the MOLA) has not occurred.

17. Warranties regarding the Assets.

Lessor acknowledges that warranties made by the manufacturer or licensor of the Assets, if any, inure to the benefit of Lessee. Lessee agrees to pursue any warranty claim directly against such manufacturer or licensor of the Assets and shall not pursue any such claim against Lessor.

18. No Warranties by Lessor regarding the Assets.

Except as set forth in the Contract, Lessee acknowledges that Lessor is not the manufacturer or licensor of the Hardware or Software Assets. Lessee agrees that Lessor makes no representations or warranties of whatsoever nature, directly or indirectly, express or implied, as to the suitability, durability, fitness for use, merchantability, condition, or quality of the Hardware or Software Assets or any unit thereof. Except to the
extent Lessor is the manufacturer or licensor of the Hardware or Software Assets, Lessee specifically waives all right to make claim against Lessor for breach of any warranty of any kind whatsoever; and with respect to Lessor, Lessee leases the Hardware and Software “as is”. Except to the extent Lessor is the manufacturer or licensor of the Hardware or Software Assets, Lessor shall not be liable to Lessee for any loss, damage, or expense of any kind or nature caused directly or indirectly by any Hardware or Software leased hereunder, or by the use or maintenance thereof, or by the repairs, service or adjustment thereto or any delay or failure to provide any thereof, or by any interruption of service or loss of use thereof, or for any loss of business or damage whatsoever and howsoever caused. Lessor agrees to assign to Lessee, upon Lessee’s request therefor, any warranty of a manufacturer or licensor or seller relating to the Hardware and Software that may have been given to Lessor.


Commencing upon delivery and continuing throughout the Schedule Term, Lessee shall bear the entire risk of loss or damage in respect to the Hardware specified on the Schedule, whether partial or complete, from any cause whatsoever. Lessee shall promptly notify Lessor regarding any Event of Loss. Upon any Event of Loss, Lessee shall, at its option: (a) immediately repair the affected Hardware so that it is in good condition and working order, (b) replace the affected Hardware with identical equipment of at least equal value, in good condition and repair, and transfer clear title thereto to Lessor, or (c) to the extent permitted by law, pay to Lessor, within thirty (30) days of the Event of Loss, an amount equal to the Stipulated Loss Value for such affected Hardware unit, plus any other unpaid amounts then due under the Schedule. If an Event of Loss occurs as to part of the Hardware for which the SLV is paid, a prorated amount of each Rent Payment shall abate from the date the SLV payment is received by Lessor. The SLV shall be an amount equal to the sum of all future Rent Payments from the last Rent Payment date to the end of the Schedule Term with such Rent Payments discounted to present value at the like-term Treasury Bill rate for the remaining Schedule Term in effect on the date of such Event of Loss, or if such rate is not permitted by law, then at the lowest permitted rate.

In the event of a governmental taking of a Hardware unit for an indefinite period or for a stated period, which does not extend beyond the Schedule Term, all obligations of Lessee with respect to such Hardware unit (including payment of Rent) shall continue. So long as Lessee is not in default hereunder, Lessor shall pay to Lessee all sums received by Lessor from the government by reason of such taking.


Lessee represents and warrants for the benefit of Lessor and its assigns, and Lessee will provide an opinion of counsel to the effect that, as of the time of execution of the MOLA and each Schedule between Lessor and Lessee:

(a) Lessee is either a Texas state agency or Texas local government, as defined in Section 2054.003, Texas Government Code (including institutions of higher education as defined in Section 2054.003 (8-a), Texas Government Code) or a state agency purchasing from a DIR contract through an Interagency Agreement, as authorized by Chapter 771, Texas Government Code. Lessee has made an independent legal and management determination to enter into this transaction;
(b) Each Schedule executed by Lessee has been duly authorized, executed and delivered by Lessee and constitutes a valid, legal and binding true lease and operating lease agreement of Lessee, enforceable in accordance with its terms;

(c) No approval, consent or withholding of objection is required from any federal or other governmental authority or instrumentality with respect to the entering into or performance by Lessee of any Schedule between Lessor and Lessee;

(d) The entering into and performance of any Schedule between Lessor and Lessee, this MOLA or any Schedule will not violate any judgment, order, law or regulation applicable to Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon assets of Lessee or on the Hardware or Software leased under any Schedule between Lessor and Lessee pursuant to any instrument to which Lessee is a party or by which it or its assets may be bound;

(e) To the best of Lessee’s knowledge and belief, there are no suits or proceedings pending or threatened against or affecting Lessee, which if determined adversely to Lessee will have a material adverse effect on the ability of Lessee to fulfill its obligations under the MOLA or any Schedule between Lessor and Lessee;

(f) The use of the Assets is essential to Lessee’s proper, efficient and economic operation, and Lessee will sign and provide to Lessor upon execution of each Schedule between Lessor and Lessee hereto written certification to that effect; and

(g) Lessee represents and warrants that (i) It has authority to enter into any Schedule under this MOLA, (ii) the persons executing a Schedule have been duly authorized to execute the Schedule on Lessee’s behalf, (iii) all information supplied to Lessor is true and correct, including all credit and financial information and (iv) it is able to meet all its financial obligations, including the Rent Payments hereunder.

21. Representation and Warranties of DIR.

DIR represents and warrants for the benefit of Lessor and its assigns, and DIR will provide an opinion of counsel to the effect that, as of the time of execution of the MOLA:

(a) DIR is a State agency as defined in Section 2251.001, Texas Government Code. DIR has not provided Lessee or Lessor with any legal or management advice regarding the MOLA or any Schedule executed pursuant thereto;

(b) This MOLA has been duly authorized, executed and delivered by DIR and constitutes a valid, legal and binding agreement of DIR, enforceable in accordance with its terms;

(c) No approval, consent or withholding of objection is required from any federal or other governmental authority or governmental authority or instrumentality with respect to the entering into or performance by DIR of this MOLA;
(d) The entering into and performance of the MOLA does not violate any judgment, order, law or regulation applicable to DIR or result in any breach of, constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon assets of DIR or on the Hardware or Software pursuant to any instrument to which DIR is a party or by which it or its assets may be bound;

(e) To the best of DIR’s knowledge and belief, there are no suits or proceedings pending or threatened against or affecting DIR, which if determined adversely to DIR will have a material adverse effect on the ability of DIR to fulfill its obligations under the MOLA;

(f) DIR is authorized to charge and collect the administrative fee as set forth within Section 5 of the Contract; and

(g) Lessor’s payment of the administrative fee to DIR shall not constitute an illegal gratuity or otherwise violate Texas law.

22. Representations and Warranties of Lessor.

Lessor represents and warrants for the benefit of DIR and each Lessee:

(a) Lessor is an entity authorized and validly existing under the laws of its state of organization, is authorized to do business in Texas, and is not in default as to taxes owed to the State of Texas and any of its political subdivisions;

(b) The MOLA and each Schedule executed in conjunction to this MOLA have been duly authorized, executed and delivered by Lessor and constitute valid, legal and binding agreements of Lessor, enforceable with respect to the obligations of Lessor herein in accordance with their terms;

(c) No approval, consent or withholding of objection is required from any federal or other governmental authority or instrumentality with respect to the entering into or performance by Lessor of this MOLA or any Schedule;

(d) The entering into and performance of the MOLA or any Schedule will not violate any judgment, order, law or regulation applicable to Lessor or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon the assets of Lessor, including the Hardware or Software leased under the MOLA and Schedules thereto, pursuant to any instrument to which Lessor is a party or by which it or its assets may be bound;

(e) To the best of Lessor’s knowledge and belief, there are no suits or proceedings pending or threatened against or affecting Lessor, which if determined adversely to Lessor will have a material adverse effect on the ability of Lessor to fulfill its obligations under the MOLA or any Schedule;

(f) Lessor acknowledges that DIR and any Lessee that is a state agency, as government agencies, are subject to the Texas Public Information Act, and that DIR and Lessees that are state agencies will comply with such Act, including all opinions of the Texas Attorney General's Office concerning this Act.
23. Default.

Lessee shall be in default under a Schedule upon the occurrence of any one or more of the following events (each an “Event of Default”): (a) nonpayment or incomplete payment by Lessee of Rent or any other sum payable on its due date; (b) Lessee’s material breach of this MOLA, any Schedule, or any applicable software license agreement, which is not cured within thirty (30) days after written notice thereof from Lessor; (c) Lessee’s filing of any proceedings commencing bankruptcy or the taking of other similar action by Lessee under any state insolvency or similar law, (d) the filing of any involuntary petition against Lessee or the appointment of any receiver not dismissed within sixty (60) days from the date of said filing or appointment; (e) subjection of a substantial part of Lessee’s property or any part of the Hardware to any levy, seizure, assignment or sale for or by any creditor or governmental agency; or (f) any representation or warranty made by Lessee in this MOLA, any Schedule or in any document furnished by Lessee to Lessor in connection therewith or with the acquisition or use of the Assets being or becoming untrue in any material respect.

24. Remedies.

(a) Lessor’s Remedies.

i. Upon the occurrence of an “Event of Default,” Lessor may, in its sole discretion, do any one or more of the following:

   A. after giving thirty (30) days prior written notice to Lessee of the Event of Default, during which time Lessee shall have the opportunity to cure such Default, terminate any or all Schedules executed by Lessor and the defaulting Lessee;

   B. without Lessee and DIR waiving the doctrines of sovereign immunity and immunity from suit, and to the extent allowed by the laws and Constitution of the State of Texas, Lessor may proceed by appropriate court action to enforce the performance of the terms of the Schedule;

   C. after giving thirty (30) days prior written notice to Lessee of the Event of Default, during which time Lessee shall have the opportunity to cure such Default, and whether or not the Schedule is terminated, take possession of the Hardware and Software wherever located, without additional demand, liability, court order or other process of law. To the extent permitted by Texas law, Lessee hereby authorizes Lessor, its assigns or the agents of either to enter upon the premises where such Hardware or Software is located or cause Lessee, and Lessee hereby agrees, to return such Hardware and Software to Lessor in accordance with the requirements of Section 15 (“Option to Extend; Surrender of Hardware and Software Assets”) hereof;

   D. by notice to Lessee, and to the extent permitted by law, declare immediately due and payable and recover from Lessee, as liquidated damages and as a remedy, the sum of:

      I. the present value of the Rent owed from the earlier of the last date of payment by Lessee or the date Lessor obtains a judgment against Lessee until the end of the Schedule Term plus, if the Hardware is not returned to or repossessed by Lessor, the present value of the
Stipulated Loss Value of the Hardware at the end of the Schedule Term, each discounted at a rate equal to the rate used by Lessor for business opportunity analysis;

II. without Lessee and DIR waiving the doctrines of sovereign immunity and immunity from suit, and to the extent allowed by the laws and Constitution of the State of Texas, costs, fees (including all attorneys’ fees and court costs) and expenses associated with collecting said sums; and

III. interest on (I) from the date of default at 1½% per month or portion thereof (or the highest rate allowable by law, if less) and, on (II) from the date Lessor incurs such fees, costs or expenses.

ii. Upon return or repossession of the Hardware, Lessor may, if it so decides in its sole discretion, upon notice to Lessee, use reasonable efforts to sell, re-lease or otherwise dispose of such Hardware, in such manner and upon such terms as Lessor may determine in its sole discretion, so long as such manner and terms are commercially reasonable. Upon disposition of the Hardware, Lessor shall credit the Net Proceeds (as defined below) to the damages paid or payable by Lessee. Proceeds upon sale of the Hardware shall be the sale price paid to Lessor less the Stipulated Loss Value in effect as of the date of default. Proceeds upon a re-lease of the Hardware shall be all rent to be received for a term not to exceed the remaining Schedule Term, discounted to present value as of the commencement date of the re-lease at Lessor’s current applicable debt rate. Without Lessee and DIR waiving the doctrines of sovereign immunity and immunity from suit, and to the extent allowed by the laws and Constitution of the State of Texas, “Net Proceeds” shall be the Proceeds of sale or re-lease as determined above, less all costs and expenses incurred by Lessor in the recovery, storage and repair of the Hardware, in the remarketing or disposition thereof, or otherwise as a result of Lessee’s default, including any court costs and attorney’s fees and interest on the foregoing at eighteen percent (18%) per annum or the highest rate allowable by law, if less, calculated from the dates such costs and expenses were incurred until received by Lessor. Lessee shall remain liable for the amount by which all sums, including liquidated damages, due from Lessee exceeds the Net Proceeds. Net Proceeds in excess thereof are the property of and shall be retained by Lessor.

iii. No termination, repossession or other act by Lessor in the exercise of its rights and remedies upon an Event or Default by Lessee shall relieve Lessee from any of its obligations hereunder. No remedy referred to in this Section is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity.

iv. Neither DIR nor non-defaulting Lessees shall be deemed in default under the MOLA or Schedules because of the default of a particular Lessee. Lessor’s remedies under this Section 24 shall not extend to DIR and those non-defaulting Lessees.

(b) Lessee’s Remedies. Anything herein to the contrary notwithstanding, Lessee shall have all rights provided under Tex. Bus. & Comm. Code § 2A.508 through § 2A.522, including without limitation, the right to cancel a Schedule and recover damages from Lessor in the event of nonperformance of or other default by Lessor hereunder.
(c) Each party agrees that any delay or failure by the other party to enforce that party’s rights under this MOLA or a Schedule does not prevent that party from enforcing its rights at a later time.


(a) All notices relating to this MOLA shall be delivered to DIR or Lessor as specified in Section 6 of the Contract, or to another representative and address subsequently specified in writing by the appropriate parties hereto. All notices relating to a Schedule shall be delivered in person to an officer of Lessor or Lessee or shall be given by certified or registered mail or overnight carrier to Lessor or Lessee at its respective address shown on the Schedule or to another address subsequently specified in writing by the appropriate parties thereof. DIR, Lessee, and Lessor intend and agree that a photocopy or facsimile of this MOLA or a Schedule and all related documents, including but not limited to the Acceptance Certificate, with their signatures thereon shall be treated as originals, and shall be deemed to be as binding, valid, genuine, and authentic as an original signature document for all purposes.

(b) A waiver of a specific default shall not be a waiver of any other or subsequent default. No waiver of any provision of this MOLA or a provision of a Schedule shall be a waiver of any other provision or matter, and all such waivers shall be in writing and executed by an officer of the waiving party. No failure on the part of a party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof.

26. Assignment by Lessor; Assignment or Sublease by Lessee.

(a) Upon thirty (30) days advance written notice to Lessee and provided that any such assignee expressly assumes Lessor’s obligations under this MOLA and each Schedule, Lessor may (i) assign all or a portion of Lessor’s right, title and interest in this MOLA and/or any Schedule; (ii) grant a security interest in the right, title and interest of Lessor in the MOLA, any Schedule and/or any Asset; and/or (iii) sell or transfer its title and interest as owner or licensor of the Hardware and Software and/or as Lessor under any Schedule; and DIR and each Lessee leasing Assets through Schedules under this MOLA and DIR hereby consent to such Assignments and agree to execute and deliver promptly such acknowledgements, Opinions of Counsel and other instruments reasonably requested to effect such Assignment. Lessor shall remain liable for performance under the MOLA and any Schedule(s) executed hereunder to the extent Lessor’s assigns do not perform Lessor’s obligations under the MOLA and Schedule(s) executed hereunder. Upon any such Assignment, all references to Lessor shall also include all such assigns, whether specific reference thereto is otherwise made herein.

(b) Lessee will not sell, assign, sublet, pledge or otherwise encumber, or permit a lien to exist on or against any interest in this MOLA or the Assets without Lessor’s prior written consent except otherwise permitted under this MOLA; provided, however, that no such prior written consent from Lessor is necessary in the event of a legislative mandate to transfer the MOLA to another state agency.

27. Delivery of Related Documents.
For each Schedule, Lessee will provide the following documents and information satisfactory to Lessor: (a) Certificate of Acceptance (if Acceptance has taken place); (b) Opinion of Counsel; (c) Financial Statements; (d) incumbency certificate; and (e) other documents specified in the applicable Schedule as being reasonably required by Lessor.

28. Miscellaneous.

(a) Prior to delivery of any Assets, the obligations of Lessor hereunder shall be suspended to the extent that it is hindered or prevented from performing because of causes beyond its control. In such event, the obligation of Lessee to commence Rents for such Assets shall also be suspended.

(b) Lessor and Lessee acknowledge that there are no agreements or understanding, written or oral, between them with respect to the Assets, other than as set forth in this MOLA, including the Contract, and in each Schedule to which Lessee is a signatory party. Lessor and Lessee further acknowledge that this MOLA, including the Contract, and each Schedule to which Lessee is a party contain the entire agreement between Lessor and Lessee and supersedes all previous discussions and terms and conditions of any purchase orders issued by Lessee, order acknowledgement and other forms issued by Lessor, and the like. DIR and Lessor acknowledge that there are no agreements or understandings, written or oral, between them other than as set forth in this MOLA and the Contract and that both contain the entire agreement between them. The terms and conditions of this MOLA may be amended only by written instrument executed by Lessor and DIR. The terms of a Schedule may only be amended in a writing signed by both Lessee and Lessor.
## Attachment 1 to the Master Operating Lease Agreement

### Financial Disclosure Summary

<table>
<thead>
<tr>
<th><strong>Lease Rate Factor(s):</strong></th>
<th><strong>Response</strong></th>
<th><strong>Notes</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment Type A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment Type B</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment Type C</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **How is Daily Rental calculated?**
  - Is Daily Rental invoiced separately or rolled into monthly rental?
    - Yes
    - No
    - N/A

- **Is this a Step Lease?**
  - Yes
  - No

- **Does this lease include software?**
  - Yes
  - No

- **If yes, who owns the software?**
  - Agency
  - Lessor

<table>
<thead>
<tr>
<th><strong>Personal Property Tax</strong></th>
<th><strong>Response</strong></th>
<th><strong>Notes</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated PPT</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **PPT Payment made by**
  - Agency
  - Lessor on Agency behalf

- **PPT calculation method**
  - Agency pays direct
  - Lessor pays and passes invoice through
  - Lessor estimates and includes
  - Lessor sets PPT at disclosed rate

- **If PPT rate changes, how are charge backs or short falls handled?**
  - N/A - Agency pays direct
  - N/A - Lessor pays/passes invoice through
  - Lessor is responsible
  - Lessee is invoiced for short fall

<table>
<thead>
<tr>
<th><strong>Equipment Schedule Details</strong></th>
<th><strong>Response</strong></th>
<th><strong>Notes</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Can Agency make decisions at asset level (extend, purchase, return)?</strong></td>
<td>Asset level</td>
<td></td>
</tr>
<tr>
<td>All and not less than all</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Does this ES auto extend?**
  - Yes
  - No

- **If Yes, how long?**
- **What is the cost of the Auto extension?**
- **What is the notice period?**

---

DIR Contract # DIR-TSO-XXXX  
Page 16 of 17  
Appendix E, MOLA  
04/21/16
<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are negotiated extensions FMV based?</td>
<td>☐ Yes</td>
<td>☐ No</td>
</tr>
<tr>
<td>On FMV, can Agency select own evaluator?</td>
<td>☐ Yes</td>
<td>☐ No</td>
</tr>
<tr>
<td>Is asset and lease information available online?</td>
<td>☐ Yes</td>
<td>☐ No</td>
</tr>
<tr>
<td><strong>End of Lease Details</strong></td>
<td><strong>Response</strong></td>
<td><strong>Notes</strong></td>
</tr>
<tr>
<td>Where are the assets returned to?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>What is the return freight cost?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Who pays the return freight cost?</td>
<td>☐ Agency</td>
<td>☐ Lessor</td>
</tr>
<tr>
<td>Do I need to return original packaging?</td>
<td>☐ Yes</td>
<td>☐ No</td>
</tr>
<tr>
<td>If yes, what is the cost if not returned?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do I need to return original manuals and documentation?</td>
<td>☐ Yes</td>
<td>☐ No</td>
</tr>
<tr>
<td>If yes, what is the cost if not returned?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do I need to return software?</td>
<td>☐ Yes</td>
<td>☐ No</td>
</tr>
<tr>
<td>If yes, what is the cost if not returned?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is there an FMV purchase cost cap?</td>
<td>☐ Yes</td>
<td>☐ No</td>
</tr>
<tr>
<td>If yes, what is the cost cap percentage?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>What is the cost for a lost asset?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>What is the cost for missing equipment?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>What is the cost for data sanitization on assets with memory?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>What is the cost for data sanitization?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>What is the cost for on-site data destruction?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
This Addendum #1 to Request for Offer DIR-TSO-TMP-398 (RFO):

1. Corrects the deadline for DIR to receive Vendor references;
2. Contains the final list of questions and answers submitted in writing at the Pre-Bid Vendor Conference and Webinar, and to the Purchasing Point of Contact.
3. Corrects the Bid Package number in the title of Bid Package 4 – Vendor ICT Accessibility Policy Assessment (PDAA) as an attachment to this Addendum #1
4. Corrects the Bid Package number in the title of Bid Package 5 – VPAT as an attachment to this Addendum #1
5. Corrects the Bid Package number in the title of Bid Package 6 – Vendor Accessibility Development Services Information Request as an attachment to this Addendum #1
6. Provides a copy of the March 1, 2017 Vendor Conference Sign-In Sheet as an attachment to this Addendum #1;
7. Provides a copy of the Vendor Pre-Bid Conference Power Point presentation as an attachment to this Addendum #1;

1. Bid Package 1, Request for Offer, Section 3.3.1. RFO Schedule, is amended as follows:

<table>
<thead>
<tr>
<th>Date/Time</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 16, 2017</td>
<td>Publish RFO on Electronic State Business Daily</td>
</tr>
<tr>
<td>March 1, 2017, 2:00 pm (CT)</td>
<td>Vendor Conference (optional)</td>
</tr>
<tr>
<td>March 3, 2017, 2:00 pm (CT)</td>
<td>Deadline for submitting questions</td>
</tr>
<tr>
<td>March 7, 2017, 5:00 pm (CT)</td>
<td>Estimated date for answering questions</td>
</tr>
<tr>
<td>March 16, 2017, 2:00 pm (CT)</td>
<td>Deadline for DIR to receive Vendor references</td>
</tr>
<tr>
<td>March 16, 2017, 2:00 pm (CT)</td>
<td>Deadline for submitting Responses to RFO</td>
</tr>
<tr>
<td>March 17, 2017 – until completed</td>
<td>Evaluation of responses, negotiation and contract execution</td>
</tr>
</tbody>
</table>

2. Questions and Official Answers:

1. Question: I'm confused by what appears to be a requirement to provide a spread sheet containing all brands, all part numbers for presenting DIR Customer pricing. In other words, a look-up table for every possible P/N for every brand we are offering in one gigantic spread sheet or many smaller spread sheets. This is incredibly more complex and virtually impossible to create and maintain when compared to the category pricing matrix we provided for previous contracts. For Motorola Parts and Accessories alone the spreadsheet would need over 17,000 line entries. Two categories of Motorola radios take over 150 pages each in their pricing catalogs. And such a listing would be nearly worthless - needing updating daily as parts are repriced, added and deleted. And factor in other brands. I don't believe Motorola would allow direct access to list
Addendum #1

pricing by all DIR customers and we would still have to verify every item as we quote/sell them to your customers. Am I misinterpreting this requirement?

Answer: Vendors may group products by brand or by category if the discount off MSRP is the same for that brand or that category. An example is below. If Vendor is offering a unique discount for each part number, category or brand, the part numbers must be listed with the discount. Vendors must provide products and related services within the scope of this RFO on Bid Package 2. Vendors must provide a clear description of the product and related service being offered.

<table>
<thead>
<tr>
<th>CATEGORY / DESCRIPTION (Refer to RFO Section 2.1)</th>
<th>Manufacturer / Brand</th>
<th>Product Description</th>
<th>Manufacturer’s Part Number</th>
<th>Manufacturer or Authorized Reseller (M/R)</th>
<th>MSRP</th>
<th>DIR Customer Discount % off MSRP</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXAMPLE: Emergency Preparedness Hardware</td>
<td>Motorola</td>
<td>Radios</td>
<td>ALL Motorola Radios</td>
<td>R</td>
<td>All</td>
<td>35.00%</td>
</tr>
<tr>
<td>EXAMPLE: Disaster Management Software</td>
<td>XYZ Co.</td>
<td>Resource Management Software</td>
<td>RMS-123</td>
<td>M</td>
<td>$1,500.00</td>
<td>50.00%</td>
</tr>
</tbody>
</table>

2. **Question:** We request a 30-day extension to the deadline for submitting Responses to the RFO. Due to the scope of this RFO and the size of the package that will be submitted we request additional time to generate our proposal.

   **Answer:** DIR is not extending the deadline for submitting responses.

3. **Question:** In reviewing the RFO documents we’ve noted that the Bid Package document numbers are numbered incorrectly. For example, Bid Package 4 is listed on the document as Bid Package 5, and Bid Package 5 is listed as Bid Package 6, and so on. Please verify the document titles are numbered correctly.

   **Answer:** This Addendum #1 corrects the Bid Package number in the titles of Bid Package 4 – Vendor ICT Accessibility Policy Assessment (PDAA), Bid Package 5 – VPAT, and Bid Package 6 – Vendor Accessibility Development Services Information Request as attachments.

4. **Question:** We, as the Vendor, manufacture and sell our own products; do we need to alter our Manufacturer/Publisher Letter as stated on Page 17, Section 3.7.3 number 6) to state that?
Addendum #1

Answer: This requirement applies to resellers only.

5. Question: Where do we include our financial information?

Answer: Exhibit A, Question #12 requires Vendors to provide a D-U-N-S number.

6. Question: In the Webinar Conference, we asked this question and we were told to look at Exhibit A, number 12. Where in number 12 do we include the D-U-N-S number?

Answer: Enter the D-U-N-S number in the space after Question #12.

7. Question: Bid Package 5 (VPAT) and Bid Package 6 (Vendor Accessibility Development Services Questionnaire) are not listed in Section 3.7.3 Mandatory Response Contents, do we need to include them?

Answer: Voluntary Product Accessibility Templates (VPATs) (Bid Package 5) is required for Commercial Off the Shelf (COTS) offerings; Vendor Accessibility Development Services Information Request (Bid Package 6) should be completed if response includes development services.

8. Question: Where does Bid Package 5 (VPAT) go?

Answer: Vendor should complete and submit as part of the response to the RFO. Please reference Section 3.7 of the RFO.

9. Question: Where does Bid Package 6 (Vendor Accessibility Development Services Questionnaire) go?

Answer: Vendor should complete and submit as part of the response to the RFO. Please reference Section 3.7 of the RFO.

10. Question: What kind of Vendor needs to include Bid Package 5 (VPAT)?

Answer: Vendors offering Commercial Off the Shelf (COTS) products must complete and submit the Voluntary Product Accessibility Templates (VPATs) (Bid Package 5).

11. Question: What kind of Vendor needs to include Bid Package 6 (Vendor Accessibility Development Services Questionnaire)?

Answer: Vendors offering development services must complete and submit the Vendor Accessibility Development Services Information Request (Bid Package 6).
12. **Question:** There are electronic files that have conflicting Bid Package Numbers – are they mistakenly marked in the documents, and the file names correct?

<table>
<thead>
<tr>
<th>File Name</th>
<th>Bid Package Name in Document</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bid Package 4 – Vendor PDAA</td>
<td>Bid Package 5, also references to contact Jeff Kline for Bid Package 10 (but not Bid Package 9?)</td>
</tr>
<tr>
<td>Bid Package 5 – VPAT</td>
<td>Bid Package 6</td>
</tr>
<tr>
<td>Bid Package 6 – Vendor Accessibility Development Services Questionnaire</td>
<td>Bid Package 7</td>
</tr>
</tbody>
</table>

**Answer:** This Addendum #1 corrects the Bid Package number in the titles of Bid Package 4 – Vendor ICT Accessibility Policy Assessment (PDAA), Bid Package 5 – VPAT, and Bid Package 6 – Vendor Accessibility Development Services Information Request as attachments.

13. **Question:** Do we need to include our own version of Bid Package 7 (Sample Contract for Products Services)?

**Answer:** No. DIR is providing a sample contract to allow Vendor review of terms.

14. **Question:** Do we need to include Bid Package 8 (Standard Terms and Conditions for Products and Related Services)?

**Answer:** No. DIR is providing Standard Terms and Conditions for Products and Related Services to allow Vendor review of terms and conditions.

15. **Question:** Under section 3.3 – Anticipated Schedule on page 10 of the solicitation it states that the response is due to Texas DIR on March 16, 2017 @ 2:00pm (CT). Under section 3.6 – Response Deadline and Submission Requirements on page 14 of the solicitation it states “Responses must be received by DIR on or before 2:00 pm (CT) on March 15, 2017.” Could Texas DIR provide clarification on the correct due date?

**Answer:** This Addendum #1 confirms the schedule.

16. **Question:** Under section 1.2.7 on page 4 – Exclusions – A number of the manufacturers listed on the exclusion list are parent companies to subsidiary brands, where the subsidiary is a separate brand but falls under the ownership of the parent. Are these subsidiary companies excluded from bidding in addition to the manufacturer?

**Answer:** DIR will review on a case-by-case basis depending on the product and governance of the subsidiary. If DIR’s manufacturer contract, excludes their subsidiary’s products, DIR may consider the subsidiary’s products.
Addendum #1

17. **Question:** Please confirm if you accept references from end-user only or authorized dealers as well. As a manufacturer, we have a network of certified dealers we sell through exclusively so the dealer and the end-user is the external customer so I believe a dealer reference would also be acceptable.

**Answer:** The intent of the Reference Form is to get a sense of the vendor’s history and performance in providing products and related services similar in scope described in this RFO. Question 1 of the reference form asks, “Have you purchased any Emergency Preparedness/Disaster Recovery products and related services from this Vendor in past two years? Yes___ No____” A “NO”, renders the rest of the reference scores irrelevant. If the entity providing the reference can answer “YES” to Question 1, DIR will score the reference as submitted.

18. **Question:** I would like clarification on the Respondent Release of Liability form. I am getting some question as to what this means so I just want to make sure I am correct. Please let me know if the Rater is to sign this form and include it with the reference and meaning of the release.

**Answer:** This form must be completed/signed by the Vendor for each identified reference (general references and cancelled contract references) and submitted with the respondent’s requirements submission.

19. **Question:** RFO Page 8, Section 2.5. Please confirm that the completed VPAT form is NOT required to be included with the proposal submittal.

**Answer:** Vendors are encouraged to submit VPATs with their response, but not required; however, all Vendors must submit completed VPAT form (Bid Package 5) or links to completed VPATs located on manufacturer websites for each proposed product or product family prior to any potential contract award for the proposed product or product family.

20. **Question:** RFO Page 10, Section 3.3.1. Can DIR grant a two-week extension to the Deadline for submitting Responses to RFO, moving it from March 16th to March 30th, in order to give sufficient time to negotiate with potential HUB vendors?

**Answer:** DIR is not extending the deadline for submitting responses.

21. **Question:** We are a distributor of a wide array of manufacturers with products that fit this RFO requirement. The list of part numbers and pricing can potentially be in the tens of thousands if we include all of the equipment, accessories, mounting hardware, installation materials, etc. Much of this will have the same discount by manufacturer. Does DIR want to see this detail, or can we simplify by listing key products for each manufacturer (i.e. model name/number) with representative pricing & discounts for the main items?

**Answer:** Reference Question #1 of this Addendum.
22. **Question:** Does DIR require a detailed product description of each product we offer – such as product brochures, specifications, manuals or similar documentation – or is the Description in column C of the Pricing Sheet (Bid Package 2) sufficient?

**Answer:** Reference Question #1 of this Addendum.

23. **Question:** Will DIR please extend the deadlines for a) submitting Responses to this RFO and b) for DIR to receive Vendor references? We request a 2-week extension (March 31) to give us sufficient time to assemble the pricing response, and for all of our manufacturers to respond with letters stating that we are authorized to distribute/resell their products and to provide VPAT documentation.

**Answer:** DIR is not extending the deadline for submitting responses.

24. **Question:** We intend to offer software that support business continuity and back-up disaster recovery. This software consists of agents that are placed on the servers and computer systems which are to be backed up. The backed-up data can be directed to either a Network Attached Storage (NAS) device or a back-up server. Most brands for these types of devices have been excluded from this contract. How can users needing back-up disaster recovery service will acquire the storage devices needed?

**Answer:** DIR customers may procure required server equipment from the DIR branded contracts if required.

25. **Question:** If you offer volume discounts by brand, what do you show under the MSRP column? I understand you can show a discount level in the column.

**Answer:** The expectation is that the discount will increase, not the MSRP.

26. **Question:** When a specific brand has 50% products, can you list name of brand with discount % or do you have to list each product.

**Answer:** Reference Question #1 of this Addendum.

27. **Question:** Are there any special contract considerations for Software as a Service solutions?

**Answer:** SaaS may be included if the solution fits within scope of the RFO.

28. **Question:** For the master lease agreement, should we modify the master lease agreement or submit our own?
Addendum #1

**Answer:** Vendors must use DIR’s MLA or MOLA. Vendors must list exceptions to DIR’s MLA or MOLA on Exhibit A of Bid Package 1.

29. **Question:** Is there a template for the manufacturer reseller authorization letters?

**Answer:** No, DIR does not have a template. The manufacturer reseller authorization letters should be submitted on Manufacturer letterhead and include a wet signature.

30. **Question:** Regarding exceptions to terms and conditions, it is common practice to submit a redlined version of the T&C document (Bid Packages 7 & 8). Is this acceptable to DIR?

**Answer:** No, Vendors must list exceptions to Terms and Conditions on Exhibit A of Bid Package 1.

31. **Question:** Do you have a list of recommended or approved HUB vendors?

**Answer:** No, Vendors may search for HUB vendors on the [Centralized Master Bidders List (CMBL)](https://www.txdot.gov) on the Texas Comptroller of Public Accounts website.

32. **Question:** If we only provide 50% of the hardware and software you are requesting, are we required to detail subcontractors who can provide the other solutions we don't offer?

**Answer:** Vendors must identify all subcontractors (HUB and Non-HUB) on their HSP, Bid Package 1, Exhibit D. Any subcontractor being paid to fulfill any portion of a contract must be identified.

33. **Question:** We were wondering if it would be OK to include additional exhibits which better outline the solution we’re proposing. As this is a bit more open-ended, I’m hoping that we can do this so that the decision-making team has better insight into what we’re offering. It would also have relevancy to everything we’re proposing, our pricing, references, etc. It just makes a bit more sense if we can include this information.

**Answer:** Vendors may include additional information. Please note that Vendor responses to Exhibit B and Exhibit C of Bid Package 1 will be evaluated. The evaluation team may look to other information provided for clarification; however, Vendors responses to questions in Exhibit B and Exhibit C should be comprehensive.

34. **Question:** When you have 50 products in a brand, does each product have to be itemized or can you list the Brand only?

**Answer:** If Vendor is only offering fifty (50) products out of one hundred (100) products of a brand, Vendor should list those 50 products. If Vendor is authorized to sell ALL products on that
brand; proposing ALL products of the brand in their response; and offering the same discount off MSRP of the products for that brand, Vendor does not need to list all fifty (50) products. Reference Question #1 of this Addendum for more information.

35. **Question:** Technology products change constantly as products or upgraded or replaced. Discount % would remain same, but, how are new products included?

   **Answer:** Vendor may be allowed to add upgrades DIR recognizes that technology is ever-evolving and therefore included an Emerging Technologies provision, Bid Package 1, Section 2.3, to address new technologies that may become available during the term of the contract.

36. **Question:** If a vendor is selected, will the pricing provided in Excel format (bid pkg 2) be the format of pricing displayed in the final contract on the DIR website?

   **Answer:** No. Bid Package 2 contains information required to evaluate pricing.

37. **Question:** The scope of the project for software does not define the number of administrators or users. Are you looking for a simplified price sheet?

   **Answer:** Like volume discount offerings, Vendors should use additional lines on the Bid Package 2 spreadsheet to provide information about number of users/licenses being offered for each software title. For example, Line 1 would read: 1 – 5 users of Software Brand XYZ, Description – XYZ Disaster Recovery Software Price per User, MSRP - $100, Discount – 50%. Line 2 would read: 6 – 25 users of Software Brand XYZ, Description – XYZ Disaster Recovery Software Price per User, MSRP - $100, Discount – 75%.

38. **Question:** May a vendor submit their online catalog pricing in lieu of the Excel form in bid package 2?

   **Answer:** No. Reference Question #1 of this Addendum for more information.

39. **Question:** Is it expected that a response will provide all the items in Section 2, including all the hardware items and all the software items? Or can a vendor just propose a subset of the software items?

   **Answer:** DIR does not understand the questions. If referring to pricing, reference Question #1 of this Addendum. Vendor may propose hardware, or software or both. Products and Related Services must be listed on Bid Package 2 to be considered for contract award.
40. **Question:** If a bidder has an extensive list of part numbers covering a variety of manufacturers & product types, may the vendor submit multiple pricing sheets (by copying and pasting tab #2 PRICING SHEET), with different tabs each manufacturer and/or product?

**Answer:** Vendor may add a tab for each Brand.

41. **Question:** re Section 2 - How much detail about the items proposed is needed? And where do we put it? It appears you just want the name of the item and the price, without any detailed information about features, and needs it addresses.

**Answer:** Bid Package 2, Pricing Sheet includes a PRODUCT DESCRIPTION column and a Category Description column. Vendors are encouraged to describe their products and related services in these areas.

42. **Question:** The electronic file for Bid Package 5 (VPAT) states that it is Bid Package 6, and the electronic file for Bid Package 6 (Vendor Accessibility Development Services Questionnaire) states that it is Bid Package 7. Are they typographical errors? They indeed are Bid Package 5 and Bid Package 6?

**Answer:** Reference answer in Question #12 of this Addendum #1.

43. **Question:** Re Section 2 - If we have a product that address multiple items in the software for in one system in a single price, how should that be presented in the pricing

**Answer:** Vendor may enter in either the Software or Hardware section. In addition, reference Question #41 of this Addendum #1.

44. **Question:** On Bid Package 2 Pricing sheet, is there a limitation to the number of characters we can enter in the Product Description column?

**Answer:** No

45. **Question:** Do we need to explain our experience with Installation, Maintenance, Technical Support, Project management, Managed Services, Product Training, or Related Product Services in detail in Exhibit B?

**Answer:** Reference Question #33 of this Addendum #1.

46. **Question:** For how long will prices/discounts need to be held if awarded a contract?

**Answer:** Discounts are applicable for the life of the contract.
47. **Question:** What about the switching technology used to kick on the generator?

**Answer:** Switching technology is within scope of this solicitation.

48. **Question:** Is the purpose of this RFO to establish a list of vendors and will each item go to an official RFP later?

**Answer:** No. Reference Bid Package 1, Section 1.1.

49. **Question:** Is it Ok to limit the bid to selected software components only and ignore other sections.

**Answer:** Vendor may propose hardware, or software or both.

50. **Question:** For references, does respondent send directly from them (not vendor applicant)?

**Answer:** Vendor references, Bid Package 3, must be sent to DIR directly from the entity providing the reference, not the respondent to the RFO.

51. **Question:** If we are only proposing products do we need HUB?

**Answer:** ALL VENDORS RESPONDING TO THIS RFO, INCLUDING THOSE THAT ARE HUB CERTIFIED OR THOSE WHO DO NOT PLAN TO SUBCONTRACT, MUST COMPLETE A HUB SUBCONTRACTING PLAN (HSP) IN ACCORDANCE WITH THE STATE’S POLICY ON UTILIZATION OF HUBS. THE HSP MUST BE INCLUDED AS PART OF THE RESPONSE TO THIS RFO. FAILURE TO COMPLETE THE HSP AS INSTRUCTED MAY RESULT IN DISQUALIFICATION OF THE RESPONSE FROM CONSIDERATION.

52. **Question:** Is it okay to bid % discount off list vs. set prices?

**Answer:** Reference Bid Package 2. Vendors must provide discounts off MSRP.

53. **Question:** Can a resulting contract be used for leasing only?

**Answer:** Yes. A vendor may offer products for lease in their response to this RFO.

54. **Question:** If hardware or software is sold on another DIR contract is vendor to pay DIR fees twice?

**Answer:** Vendor pays administrative fees on sales per contract. Vendors are required to submit a monthly sales report, and pay fees based on contract sales.
55. **Question:** Regarding Bid Package 9 & 10, can vendor provide our own Terms and Conditions for both MOLA and MLA?

**Answer:** Vendor may submit their own terms and conditions; however, they must incorporate DIR’s Standard Terms and Conditions, and are subject to review, edit, or omission from the contract.

56. **Question:** Regarding Bid Package 2 Spreadsheet, Are SaaS solutions encompassing both hardware and software allowed?

**Answer:** SaaS solutions that fall within scope of this RFO are allowed.

57. **Question:** How do we include DIR Terms and Conditions within a manufacturer’s licensing agreement.

**Answer:** Reference Bid Package 7, Section 7 Software License, Service and Leasing Agreements.

58. **Question:** Confirming if generators are considered energy or power?

**Answer:** Mission-critical technology requires multiple levels of protection to ensure continuous operation in the event of a power outage. UPS devices and commercial generators are integral parts of a business continuity plan that keep technology centers in operation in the event of a disaster. Commercial generators are within scope of this RFO.

End of Addendum 1
Addendum # 2

This Addendum # 2 to Request for Offer DIR-TSO-TMP-398 (RFO):

1. **Extends the deadline for submitting Responses** to RFO to accommodate travel restrictions due to inclement weather.

2. **Extends the deadline for DIR to receive Vendor references** to accommodate travel restrictions due to inclement weather.

1. **Bid Package 1, Request for Offer, Section 3.3.1. RFO Schedule, is amended as follows:**

<table>
<thead>
<tr>
<th>Date/Time</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 16, 2017</td>
<td>Publish RFO on Electronic State Business Daily</td>
</tr>
<tr>
<td>March 1, 2017, 2:00 pm (CT)</td>
<td>Vendor Conference (optional)</td>
</tr>
<tr>
<td>March 3, 2017, 2:00 pm (CT)</td>
<td>Deadline for submitting questions</td>
</tr>
<tr>
<td>March 7, 2017, 5:00 pm (CT)</td>
<td>Estimated date for answering questions</td>
</tr>
<tr>
<td><strong>March 22, 2017, 2:00 pm (CT)</strong></td>
<td>Deadline for DIR to receive Vendor references</td>
</tr>
<tr>
<td><strong>March 22, 2017, 2:00 pm (CT)</strong></td>
<td>Deadline for submitting Responses to RFO</td>
</tr>
<tr>
<td><strong>March 23, 2017 – until completed</strong></td>
<td>Evaluation of responses, negotiation and contract execution</td>
</tr>
</tbody>
</table>

End of Addendum 2