NOTICE OF RENEWAL OF CONTRACT

TO: DLY COMPUTERS, INC.
22521 GATEWAY CENTER DRIVE
CLARKSBURG, MD 20871

DATE ISSUED: JANUARY 24, 2013

CONTRACT NO: 540-12

CONTRACT TITLE: DTS - IT HARDWARE AND SOFTWARE - DALY

THIS IS A NOTICE OF RENEWAL OF CONTRACT AND NOT AN ORDER. NO WORK IS AUTHORIZED UNTIL THE VENDOR RECEIVES A VALID COUNTY PURCHASE ORDER ENCUMBERING CONTRACT FUNDS.

This is your notice that the above referenced contract has been renewed. The contract term covered by this Notice of Renewal is effective FEBRUARY 1, 2013 and expires on FEBRUARY 1, 2014.

This is the THIRD year of a possible FOUR year contract.

The contract documents consist of the terms and conditions of Agreement No. 540-12 including any exhibits attached or amendments thereto.

CONTRACT PRICING:
1) REFER TO EXHIBIT A, VITA CONTRACT NO. VA-090202-DALY

2) PRICE ADJUSTMENTS FOR EXTENSION OPTIONS BASED ON THE LESSER OF CPI-U CATEGORY INFORMATION TECHNOLOGY, HARDWARE, AND SERVICES OR 3%

ATTACHMENT:
AGREEMENT 540-12

EMPLOYEES NOT TO BENEFIT:
NO COUNTY EMPLOYEE SHALL RECEIVE ANY SHARE OR BENEFIT OF THIS CONTRACT NOT AVAILABLE TO THE GENERAL PUBLIC.

VENDOR CONTACT: DIANE GASPER-JONES

TELEPHONE NO.: 301-670-0381

EMAIL ADDRESS: DLG@DALY.COM

VENDOR PAYMENT TERMS: NET 30 DAYS

TELEPHONE NO.: 703-228-7983

COUNTY CONTACT: JEFF BRANDT

EMAIL ADDRESS: JBRANDT@ARLINGTONVA.US

AGREEMENT 540-12

CONTRACT AUTHORIZATION

Mr. Ashley Barnes
Procurement Officer

Date: 1-24-13

DISTRIBUTION

VENDOR: 1
BID FOLDER: 2
Commonwealth of Virginia
Virginia Information Technologies Agency

INFORMATION TECHNOLOGY HARDWARE, SOFTWARE & SERVICES
Optional Use

Date: December 5, 2012
Contract #: VA-090202-DALY
Authorized User: All public bodies, including VITA, as defined by §2.2-4301 and referenced by §2.2-4304 of the Code of Virginia
Contractor: Daly Computers
22521 Gateway Center Drive
Clarksburg, MD 20871
FIN: 52-1541086
Contact Person: VA Sales Team
Voice: 301-670-0381
Fax: 301-963-1516
Email: vasisales@daly.com
Term: February 2, 2013 – February 1, 2014
Payment: Net 30 days

For Additional Contract Information, Please Contact:
Virginia Information Technologies Agency
Supply Chain Management
Greg Searce
Strategic Sourcing Specialist
Phone: 804-416-6166
E-Mail: gregory.searce@vita.virginia.gov
Fax: 804-416-6361

NOTES: Individual Commonwealth of Virginia employees are not authorized to purchase equipment or services for their personal use from this Contract.

For updates, please visit our Website at http://www.vita.virginia.gov/procurement/contracts.cfm

VIRGINIA INFORMATION TECHNOLOGIES AGENCY (VITA): Prior review and approval by VITA for purchases in excess of $100,000.00 is required for State Agencies and Institutions only.
<table>
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<th>Change No.</th>
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<td>02/23/09</td>
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<td>Mod 2 Adds additional terms &amp; conditions regarding hard drives and extends contract term</td>
<td>02/02/11</td>
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<tr>
<td>3</td>
<td>Updates Supplier’s contact info</td>
<td>05/31/11</td>
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<td>Mod 3 Removes Exhibit E (EULA) from the Hardware &amp; Maintenance contract; Exhibit A (Service Requirements) from the IT Services contract and Exhibits A (Software Functional Requirements); C (Software Maintenance Services) D (EULA) &amp; E (Escrow Agreement) from the Software License contract</td>
<td>07/07/11</td>
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<tr>
<td>5</td>
<td>Mod 4 extends contract term</td>
<td>02/02/12</td>
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<tr>
<td>6</td>
<td>Extends contract term</td>
<td>02/02/13</td>
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</table>
December 4, 2012

Daly Computers
Attn: VA Sales Team

Per Section 3.A. ("Term and Termination") of contract VA-090202-DALY, The Virginia Information Technologies Agency has elected to exercise its option to renew the contract for one year, from February 2, 2013 through February 1, 2014. Should you have any questions, please feel free to contact me.

Respectfully,
Doug Crenshaw
Strategic Sourcing Manager
Virginia Information Technologies Agency
(804) 416-6160
NOTICE OF AWARD OF CONTRACT

TO: DALY COMPUTERS, INC.
22521 GATEWAY CENTER DRIVE
CLARKSBURG, MD 20871

DATE ISSUED: JULY 20, 2011

CURRENT REFERENCE NO: 540-12

DTS - IT HARDWARE
AND SOFTWARE - DALY

PRIOR REFERENCE NO: N/A

THIS IS A NOTICE OF AWARD OF CONTRACT AND NOT AN ORDER. NO WORK IS AUTHORIZED UNTIL THE VENDOR RECEIVES A VALID COUNTY PURCHASE ORDER ENCUMBERING CONTRACT FUNDS.

Your firm is awarded the above referenced contract in accordance with the signed Agreement 540-12 submitted by you on June 28, 2011. The contract term covered by this Notice of Award is effective IMMEDIATELY and expires on FEBRUARY 1, 2012.

This is the FIRST year award notice of a possible FOUR year contract.

The contract documents consist of the terms, conditions, and specifications of Agreement No. 540-12 including any exhibits, attached or amendments thereto.

CONTRACT PRICING:

1) REFER TO EXHIBIT A, VITA CONTRACT NO. VA-090202-DALY

2) PRICE ADJUSTMENTS FOR EXTENSION OPTIONS BASED ON THE LESSER OF CPI-U CATEGORY INFORMATION TECHNOLOGY, HARDWARE AND SERVICES OR 3%.

ATTACHMENT:

AGREEMENT NO. 540-12

EMPLOYEES NOT TO BENEFIT:

NO COUNTY EMPLOYEE SHALL RECEIVE ANY SHARE OR BENEFIT OF THIS CONTRACT NOT AVAILABLE TO THE GENERAL PUBLIC.

VENDOR CONTACT: DIANE GASPER-JONES

VENDOR TEL. NO.: 301-670-0381

VENDOR PAYMENT TERMS: NET 30 DAYS

TAX IDENTIFICATION NUMBER (EIN/SSN): 54-1541086

EMAIL ADDRESS: DLO@DALY.COM

COUNTY CONTACT: JEFF BRANDT

COUNTY TEL. NO.: 703-228-7983

DATE: 7/20/11

Richard D. Warren, Jr. CPPB
Purchasing Agent

DISTRIBUTION

VENDOR: 1
BID FOLDER: 2
RIDERS AGREEMENT NO. 540-12

THIS AGREEMENT (hereinafter "Agreement") is made, on the date of its execution by the County, between Daly Computers, Inc. located at 22521 Gateway Center Drive, Clarksburg, MD 20871 ("Contractor"), a Maryland corporation authorized to transact business in the Commonwealth of Virginia, and the County Board of Arlington County, Virginia ("County"). The County and the Contractor, for the consideration and quantity(ies) specified herein or specified in a County Purchase Order referencing this Agreement, agree as follows:

1. **CONTRACT DOCUMENTS**
   The Contract Documents consist of this Agreement, Exhibit A (VITA contract VA-090202-DALY) together with any exhibits and amendments issued or applicable thereto ("Contract Documents" or "Contract"). This Agreement rides a contract awarded to the Contractor by the Virginia Information Technologies Agency (VITA) and extended by the Contractor to the County on the same terms and conditions as the Contractor's agreement with VITA, and substituting the phrases "County Board of Arlington County" or "Arlington County", as appropriate, for the phrase Virginia Technologies Agency or VITA wherever that phrase [those phrases] appear(s) in the Contract Documents. Where the terms of this Agreement vary from the terms and conditions of the other Contract Documents, the terms and conditions of this Agreement shall prevail.

   The Contract Documents set forth the entire agreement between the County and the Contractor. The County and the Contractor agree that no representative or agent of either of them has made any representation or promise with respect to the parties' agreement which is not contained in the Contract Documents.

2. **CONTRACT TERM**
   The Contractor's work for the County ("Work") shall commence upon execution by the County and be completed no later than February 1, 2012 ("Initial Contract Term"), subject to any modifications as provided for in the Contract Documents. Upon satisfactory performance by the Contractor and with the concurrence of the Contractor, the County may authorize continued operations of the Contractor under the same contract unit prices for not more than three additional twelve (12) month periods from February 1, 2012 to January 30, 2015. (Each such period shall be referred to as a "Subsequent Contract Term").

3. **PROJECT OFFICER**
   The performance of the Contractor is subject to the review and approval of the County Project Officer ("Project Officer") who shall be appointed by the Director of the Arlington County department or agency which seeks to obtain the Work pursuant to this Contract. However, it shall be the responsibility of the Contractor to manage the details of the execution and performance of its Work pursuant to the Contract Documents.

4. **COUNTY PURCHASE ORDER REQUIREMENT**
   County purchases are authorized only if a County Purchase Order is issued in advance of the transaction. A Purchase Order must indicate that the ordering agency has sufficient funds available to pay for the purchase. Such a Purchase Order is to be provided to the Contractor by the ordering agency. The County will not be liable for payment for any purchases made by its employees without appropriate purchase authorization issued by the County Purchasing Agent. Contractors providing goods or services without a signed County Purchase Order do so at their own risk and expense.
5. NON-APPROPRIATION
All funds for payments by the County under this Contract are subject to the availability of an annual appropriation for this purpose by the County Board of Arlington County, Virginia. In the event of non-appropriation of funds by the County Board of Arlington County, Virginia for the goods or services provided under this Contract or substitutes for such goods or services which are as advanced or more advanced in their technology, the County will terminate the Contract, without termination charge or other liability to the County, on the last day of the then current fiscal year or when the appropriation made for the then current year for the services covered by this Contract is spent, whichever event occurs first. If funds are not appropriated at any time for the continuation of this Contract, cancellation will be accepted by the Contractor on thirty (30) days prior written notice, but failure to give such notice shall be of no effect and the County shall not be obligated under this Contract beyond the date of termination specified in the County’s written notice.

6. PAYMENT OF SUBCONTRACTORS
The Contractor is obligated to take one of the two following actions within seven (7) days after receipt of amounts paid to the Contractor by the County for work performed by any subcontractor under this Contract:

a. Pay the subcontractor for the proportionate share of the total payment received from the County attributable to the work performed by the subcontractor under this Contract; or

b. Notify the County and the subcontractor, in writing, of the Contractor’s intention to withhold all or a part of the subcontractor’s payment with the reason for nonpayment.

The Contractor is obligated to pay interest to the subcontractor on all amounts owed by the Contractor to the subcontractor that remain unpaid after seven (7) days following receipt by the Contractor of payment from the County for work performed by the subcontractor under this Contract, except for amounts withheld as allowed in subsection b., above. Unless otherwise provided under the terms of this Contract, interest shall accrue at the rate of one percent (1%) per month.

The Contractor shall include in each of its subcontracts, if any are permitted, a provision requiring each subcontractor to include or otherwise be subject to the same payment and interest requirements with respect to each lower-tier subcontractor.

The Contractor’s obligation to pay an interest charge to a subcontractor pursuant to the above provisions may not be construed to be an obligation of the County. A Contract modification may not be made for the purpose of providing reimbursement for such interest charge. A cost reimbursement claim may not include any amount for reimbursement for such interest charge.

7. EMPLOYMENT DISCRIMINATION BY CONTRACTOR PROHIBITED
During the performance of this Contract, the Contractor agrees as follows:

A. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability or any other basis prohibited by state law related to discrimination in employment except where there is a bona fide occupational qualification reasonably
necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

B. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an Equal Opportunity Employer.

C. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.

D. The Contractor will comply with the provisions of the Americans with Disabilities Act of 1990 which prohibits discrimination against individuals with disabilities in employment and mandates their full participation in both publicly and privately provided services and activities.

E. The Contractor will include the provisions of the foregoing paragraphs in every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

8. EMPLOYMENT OF UNAUTHORIZED ALIENS PROHIBITED
In accordance with §2.2-4311.1 of the Virginia Code, the Contractor acknowledges that it does not, and shall not during the performance of this Contract for goods and/or services in the Commonwealth, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.

9. DRUG-FREE WORKPLACE TO BE MAINTAINED BY CONTRACTOR
During the performance of this Contract, the Contractor agrees to (i) provide a drug-free workplace for the Contractor’s employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor’s workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, “drug-free workplace” means a site for the performance of work done in connection with a specific contract awarded to a contractor by Arlington County in accordance with the Arlington County Purchasing Resolution, the employees of which contractor are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

10. INDEMNIFICATION
The Contractor covenants for itself, its employees, and subcontractors to save, defend, hold harmless and indemnify the County, and all of its elected and appointed officials, officers, current and former employees, agents, departments, agencies, boards, and commissions (collectively the “County” for purposes of this section) from and against any and all claims made by third parties or by the County for any and all losses, damages, injuries, fines, penalties, costs (including court costs and attorney’s fees), charges, liability,
demands or exposure, however caused, resulting from, arising out of, or in any way connected with the Contractor’s acts or omissions, including the acts or omissions of its employees and/or subcontractors, in performance or nonperformance of the work called for by the Contract Documents. This duty to save, defend, hold harmless and indemnify shall survive the termination of this Contract. If, after notice by the County, the Contractor fails or refuses to fulfill its obligations contained in this section, the Contractor shall be liable for and reimburse the County for any and all expenses, including, but not limited to, reasonable attorneys’ fees incurred and any settlements or payments made. The Contractor shall pay such expenses upon demand by the County, and failure to do so may result in such amounts being withheld from any amounts due to Contractor under this Contract.

11. RELATION TO COUNTY
The Contractor is an independent contractor and neither the Contractor nor its employees or subcontractors will, under any circumstances, be considered employees, servants or agents of the County. The County will not be legally responsible for any negligence or other wrongdoing by the Contractor, its employees, servants or agents. The County will not withhold payments to the Contractor for any federal or state unemployment taxes, federal or state income taxes, Social Security tax, or any other amounts for benefits to the Contractor. Furthermore, the County will not provide to the Contractor any insurance coverage or other benefits, including workers’ compensation, normally provided by the County for its employees.

12. DISPUTE RESOLUTION
All disputes arising under this Contract, or its interpretation, whether involving law or fact, or extra work, or extra compensation or time, and all claims for breach of contract shall be submitted to the Project Officer for decision at the time of the occurrence or beginning of the work upon which the claim is based, whichever occurs first. Any such claim shall state the facts surrounding it in sufficient detail to identify it, together with its character and scope. In accordance with the Arlington County Purchasing Resolution, claims denied by the Project Officer may be submitted to the County Manager in writing no later than sixty (60) days after final payment. The time limit for final written decision by the County Manager in the event of a contractual dispute, as that term is defined in the Arlington County Purchasing Resolution, is fifteen (15) days. Procedures for considering contractual claims, disputes, administrative appeals, and protests are contained in the Arlington County Purchasing Resolution, which is incorporated herein by this reference. A copy of the Arlington County Purchasing Resolution is available upon request from the Office of the Purchasing Agent. The Contractor shall not cause a delay in the Work pending any decision of the Project Officer, County Manager, County Board, or a court of law.

13. APPLICABLE LAW, FORUM, VENUE AND JURISDICTION
This Contract and the work performed hereunder shall be governed in all respects by the laws of the Commonwealth of Virginia, and the jurisdiction, forum, and venue for any litigation with respect thereto shall be in the Circuit Court for Arlington County, Virginia, and in no other court. In performing its work pursuant to this Contract, the Contractor shall comply with applicable federal, state, and local laws, ordinances and regulations.

14. NOTICES
Unless otherwise provided herein, all notices and other communications required by this Contract shall be deemed to have been given when made in writing and either (a) delivered in person, (b) delivered by an agent, such as an overnight or similar delivery service, or (c) deposited in the United States mail, postage prepaid, certified or
registered, addressed as follows:

TO THE CONTRACTOR:

Daly Computers  
Ryan Yu  
22521 Gateway Center Drive  
Clarksburg, Maryland 20871

TO THE COUNTY:

The County Project Officer  
John Bayliss  
2100 Clarendon Boulevard, Suite 610  
Arlington, Virginia 22201

AND

Richard D. Warren, Jr., Purchasing Agent  
Arlington County, Virginia  
2100 Clarendon Boulevard, Suite 500  
Arlington, Virginia 22201

15. ARLINGTON COUNTY BUSINESS LICENSES
The Contractor must comply with the provisions of Chapter 11 ("Licenses") of the Arlington County Code, if applicable. For information on the provisions of that Chapter and its applicability to this Contract, the Contractor must contact the Arlington County Business License Division, Office of the Commissioner of the Revenue, 2100 Clarendon Blvd., Suite 200, Arlington, Virginia, 22201, telephone number (703) 228-3060.

16. INSURANCE REQUIREMENTS
The Contractor shall provide to the County Purchasing Agent a Certificate of Insurance indicating that the Contractor has in force the coverage types and minimum amounts below prior to the start of any Work under this Contract and upon any contract extension. The Contractor agrees to maintain such insurance until the completion of this Contract or as otherwise stated in the Contract Documents. All required insurance coverages must be acquired from insurers authorized to do business in the Commonwealth of Virginia, with a rating of "A-" or better and a financial size of "Class VII" or better in the latest edition of the A.M. Best Co. Insurance Guides, and acceptable to the County. The minimum insurance coverage types and amounts shall be:

a. Workers Compensation - Virginia Statutory Workers Compensation (W/C) coverage including Virginia benefits and employers liability with limits of $100,000/100,000/500,000. The County will not accept W/C coverage issued by the Injured Worker's Insurance Fund, Towson, MD.

b. Commercial General Liability - $1,000,000 combined single limit coverage with $2,000,000 general aggregate covering all premises and operations and including Personal Injury, Completed Operations, Contractual Liability, Independent Contractors, and Products Liability. The general aggregate limit shall apply to this Contract. Evidence of Contractual Liability coverage shall be typed on the certificate.
c. Business Automobile Liability - $1,000,000 Combined Single Limit (Owned, non-owned and hired).

d. The Contractor shall carry Errors and Omissions or Professional Liability insurance which will pay for injuries arising out of errors or omissions in the rendering, or failure to render services or perform Work under the contract, in the amount of $1,000,000.

e. Additional Insured - Arlington County, and its officers, elected and appointed officials, employees, and agents shall be named as an additional insureds on all policies except Workers Compensation and Auto and Professional Liability; and evidence of the Additional Insured endorsement shall be typed on the certificate.

f. Cancellation - All insurance policies required by this Contract shall be endorsed to include the following provision: "It is agreed that this policy is not subject to cancellation or non-renewal until thirty (30) days prior written notice has been given to the Purchasing Agent, Arlington County, Virginia." If there is a material change or reduction in coverage the Contractor shall notify the Purchasing Agent immediately upon Contractor's notification from the insurer. Any policy on which the Contractor has received notification from an insurer that the policy has or will be cancelled or materially changed or reduced must be replaced with another policy consistent with the terms of this Contract, and the County notified of the replacement, in such a manner that there is no lapse in coverage. Not having the required insurance throughout the Contract Term is grounds for termination of the Contract.

g. Any insurance coverage that is placed as a "claims made" policy must remain valid and in force, or the Contractor must obtain an extended reporting endorsement consistent with the terms of this Contract, until the applicable statute of limitations has expired, such date as determined to begin running from the date of the Contractor's receipt of final payment.

h. Contract Identification - The insurance certificate shall state this Contract's number and title.

The Contractor must disclose the amount of any deductible or self insurance component applicable to the General Liability, Automobile Liability, Professional Liability, Intellectual Property or any other policies required herein, if any. The County reserves the right to request additional information to determine if the Contractor has the financial capacity to meet its obligations under a deductible. Thereafter, at its option, the County may require a lower deductible, funds equal to the deductible be placed in escrow, a certificate of self-insurance, collateral, or other mechanism in the amount of the deductible to ensure protection for the County.

The Contractor shall require all subcontractors to maintain during the term of this Contract, Commercial General Liability insurance, Business Automobile Liability insurance, and Workers' Compensation insurance in the same form and manner as specified for the Contractor. The Contractor shall furnish subcontractors' certificates of insurance to the County immediately upon request by the County.
No acceptance or approval of any insurance by the County shall be construed as relieving or excusing the Contractor from any liability or obligation imposed upon the Contractor by the provisions of the Contract Documents.

The Contractor shall be responsible for the work performed under the Contract Documents and every part thereof, and for all materials, tools, equipment, appliances, and property of any description used in connection with the work. The Contractor assumes all risks for direct and indirect damage or injury to the property or persons used or employed on or in connection with the Work contracted for, and of all damage or injury to any person or property wherever located, resulting from any action, omission, commission or operation under the Contract, or in connection in any way whatsoever with the contracted work.

The Contractor shall be as fully responsible to the County for the acts and omissions of its subcontractors and of persons employed by them as it is for acts and omissions of persons directly employed by it.

Notwithstanding any of the above, the Contractor may satisfy its obligations under this section by means of self insurance for all or any part of the insurance required, provided that the Contractor can demonstrate financial capacity and the alternative coverages are submitted to and acceptable to the County. The Contractor must also provide its most recent actuarial report and provide a copy of its self insurance resolution to determine the adequacy of the insurance funding.

WITNESS these signatures:

THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

AUTHORIZED SIGNATURE: 

NAME: RICHARD D. WARREN, JR.
TITLE: PURCHASING AGENT
DATE: 7/20/11

Daly Computers, Inc.

TAXPAYER ID (EIN): 52-1541086

AUTHORIZED SIGNATURE: 

NAME AND TITLE: RYAN YU, President
DATE: 6/28/2011
Commonwealth of Virginia
Virginia Information Technologies Agency

INFORMATION TECHNOLOGY HARDWARE, SOFTWARE & SERVICES
Optional Use

Date: July 11, 2011

Contract #: VA-090202-DALY

Authorized User: All public bodies, including VITA, as defined by §2.2-4301 and referenced by §2.2-4304 of the Code of Virginia

Contractor: Daly Computers
22521 Gateway Center Drive
Clarksburg, MD 20871

FIN: 52-1541086

Contact Person: VA Sales Team
Voice: 301-670-0381
Fax: 301-963-1516
Email: vasales@dalv.com

Term: February 2, 2011 – February 1, 2012

Payment: Net 30 days

For Additional Contract Information, Please Contact:
Virginia Information Technologies Agency
Supply Chain Management

Greg Searce
Strategic Sourcing Specialist
Phone: 804-416-6166
E-Mail: gregory.searce@vita.virginia.gov
Fax: 804-416-6361

NOTES: Individual Commonwealth of Virginia employees are not authorized to purchase equipment or services for their personal use from this Contract.

For updates, please visit our Website at http://www.vita.virginia.gov/procurement/contracts.cfm

VIRGINIA INFORMATION TECHNOLOGIES AGENCY (VITA): Prior review and approval by VITA for purchases in excess of $100,000.00 is required for State Agencies and Institutions only.
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MODIFICATION #3  
TO  
CONTRACT NUMBER VA-090202-DALY  
BETWEEN THE  
COMMONWEALTH OF VIRGINIA  
AND  
DALY COMPUTERS, INC.  

This MODIFICATION #3 is an agreement between the Commonwealth of Virginia, hereinafter referred to as "State" or "Commonwealth" or "VITA" (Virginia Information Technologies Agency), and DALY COMPUTERS, INC., hereinafter referred to as "Contractor" relating to the modification of the above Contract. This Modification #3 is hereby incorporated into and made an integral part of Contract VA-090202-DALY (the Agreement), as modified:

Exhibit E (EULA) from the Hardware and Maintenance Contract is no longer associated with VA-090202-DALY

Exhibit A (Software Functional Requirements) from the Software License Contract is no longer associated with VA-090202-DALY

Exhibit C (Software Maintenance Services) from the Software License Contract is no longer associated with VA-090202-DALY

Exhibit D (EULA) from the Software License Contract is no longer associated with VA-090202-DALY

Exhibit E (Escrow Agreement) from the Software License Contract is no longer associated with VA-090202-DALY

Exhibit A (Service Requirements) from the Information Technology Services Contract is no longer associated with VA-090202-DALY

The foregoing is the complete and final expression of the parties' agreement to modify Contract VA-090202-DALY and cannot be modified, except by a writing signed by duly authorized representatives of both parties.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PERSONS SIGNING THIS CONTRACT ARE AUTHORIZED REPRESENTATIVES OF EACH PARTY TO THIS CONTRACT AND ACKNOWLEDGE THAT EACH PARTY AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE CONTRACT.

DALY COMPUTERS, INC.  
BY: ________________  
NAME: Ryan Yu  
TITLE: President  
DATE: 6/10/2011

COMMONWEALTH OF VIRGINIA  
BY: ________________  
NAME: Dana B. Smith  
TITLE: Controller  
DATE: 7/7/2011
MODIFICATION #2
TO
CONTRACT NUMBER VA-090202-DALY
BETWEEN THE
COMMONWEALTH OF VIRGINIA
AND
DALY COMPUTERS, INC.

This MODIFICATION #2 is an agreement between the Commonwealth of Virginia, hereinafter referred to as "State" or "Commonwealth" or "VITA" (Virginia Information Technologies Agency), and DALY COMPUTERS, INC., hereinafter referred to as "Contractor" relating to the modification of the above Contract. This Modification #2 is hereby incorporated into and made an integral part of Contract VA-090202-DALY (the Agreement), as modified:

Supplier agrees to support VITA's policy and procedure regarding removal of data from hard drives required per COV ITRM Standard SEC514-03 for all Authorized User Product being returned and/or replaced, by not accepting any returned Product until the Authorized User validates to the Supplier that one of the following actions has been taken:

a.) If the hard drive malfunctions and data can be removed in accordance with the requirements in COV ITRM Standard SEC514-03 the drive may be returned to the Supplier for replacement under warranty or maintenance.

b.) Hard drives that are inoperable and do not allow data to be removed in accordance with the requirements in COV ITRM Standard SEC514-03 shall be physically destroyed using a method previously outlined.

c) Hard drives returned due to non-acceptance after installation and acceptance testing or as a result of any Termination action, Infringement consequence or any other action shall have data removed or hard drives destroyed by the same methods prescribed in a) and b) above.

When Product is returned or destroyed due to Termination for Breach or Default by the Supplier, or as a result of Supplier's infringement of any third party's rights, the Supplier is responsible for and will bear all costs for Authorized User performing the required action in accordance with COV ITRM Standard SEC514-03. When Product is returned as a result of any warranty or maintenance-related remedy, the Authorized User is responsible for and will bear all costs for performing the required action in accordance with COV ITRM Standard SEC514-03.

The term of the contract is extended under the same terms for the period beginning February 2, 2011 through February 1, 2012.

The foregoing is the complete and final expression of the parties' agreement to modify Contract VA-090202-DALY and cannot be modified, except by a writing signed by duly authorized representatives of both parties.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PERSONS SIGNING THIS CONTRACT ARE AUTHORIZED REPRESENTATIVES OF EACH PARTY TO THIS CONTRACT AND ACKNOWLEDGE THAT EACH PARTY AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE CONTRACT.
DALY COMPUTERS, INC.

BY: Ryan Yu

NAME: Ryan Yu

TITLE: President

DATE: January 10, 2011

COMMONWEALTH OF VIRGINIA

BY: Sam

NAME: Samuel A. Nelson, Jr.

TITLE: CIO of the Commonwealth

DATE: 1/31/11
MODIFICATION #1
TO
CONTRACT NUMBER VA-090202-DALY
BETWEEN THE
COMMONWEALTH OF VIRGINIA
AND
DALY COMPUTERS, INC.

This MODIFICATION #1 is an agreement between the Commonwealth of Virginia, hereinafter referred to as "State" or "Commonwealth" or "VITA" (Virginia Information Technologies Agency), and DALY COMPUTERS, INC., hereinafter referred to as "Contractor" relating to the modification of the above Contract. This Modification #1 is hereby incorporated into and made an integral part of Contract VA-090202-DALY (the Agreement), as modified.

Modification #1 adds the Panasonic Rugged Category to Exhibit G "Awarded Categories"

The foregoing is the complete and final expression of the parties' agreement to modify Contract VA-090202-DALY and cannot be modified, except by a writing signed by duly authorized representatives of both parties.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PERSONS SIGNING THIS CONTRACT ARE AUTHORIZED REPRESENTATIVES OF EACH PARTY TO THIS CONTRACT AND ACKNOWLEDGE THAT EACH PARTY AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE CONTRACT.

DALY COMPUTERS, INC.
BY: [Signature]
NAME: Ryan Yu
TITLE: President
DATE: 02-20-2009

COMMONWEALTH OF VIRGINIA
BY: [Signature]
NAME: Gregory H. Scearce
TITLE: Strategic Sourcing Specialist
DATE: 2/23/09
Hardware and Maintenance Contract

between

The Virginia Information Technologies Agency

on behalf of

The Commonwealth of Virginia

and

Daly Computers, Inc.
E. Product
F. Performance Standards and Mean Time Between Failure
G. Warranty Services
  1. Product Covered
  2. Preventive Maintenance
  3. Remedial Maintenance
  4. Replacement Parts
  5. Spares
  6. Notification and Correction of Defects
  7. One-year Depot Warranty
  8. On-site Warranty
  9. System Software Warranty
  10. Escalation Procedures
  11. Remedies
  12. Product Maintenance Services and Renewal Options

7. MAINTENANCE SERVICES
   A. Ordering
   B. Renewal
   C. Services
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      2. Preventive Maintenance
      3. Remedial Maintenance
      4. Replacement Parts
      5. Spares
      6. Notification and Correction of Defects
      7. Advanced Replacement Services
      8. On-site Maintenance Services
      9. System Software Maintenance
     10. Escalation Procedures
     11. Remedies

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9. SOFTWARE LICENSE
   A. License Grant
   B. Limitations on Copying and Disclosure
   C. Business Continuity and Recovery
   D. Authorized User Compliance
   E. No Subsequent, Unilateral Modification of Terms by Supplier ("Shrink Wrap")

10. ORDERS AND COMPENSATION
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    B. Orders
    C. Purchase Price and Price Protection
    D. Supplier-Sponsored Product Promotions
    E. Invoice Procedure
    F. Purchase Payment Terms

11. REPORTING
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HARDWARE AND MAINTENANCE CONTRACT

THIS HARDWARE AND MAINTENANCE CONTRACT ("Contract") is entered into by and between the Virginia Information Technologies Agency (hereinafter referred to as "VITA"), pursuant to §2.2-2012 of the Code of Virginia and on behalf of the Commonwealth of Virginia, and Daly Computers, Inc. ("Supplier"), a corporation headquartered at 22521 Gateway Center Drive, Clarksburg, MD 20871, to be effective as of February 2, 2009 ("Effective Date").

1. PURPOSE
   This Contract sets forth the terms and conditions under which Supplier agrees to sell certain of Supplier's Product, and to provide various Services to the Authorized Users.

2. DEFINITIONS
   A. Acceptance
      Acceptance shall take the form of completed and successful acceptance testing in conformance with the Requirements as determined by the Authorized User.

   B. Authorized Users
      All Public Bodies, including VITA and all Commonwealth agencies, as defined by §2.2-4301 and referenced by §2.2-4304 of the Code of Virginia.

   C. Confidential Information
      Any confidential or proprietary information of a Party that is disclosed in any manner, including oral or written, graphic, machine readable or other tangible form, to any other Party in connection with or as a result of discussions related to this Contract or any order issued hereunder, and which at the time of disclosure either (i) is marked as being "Confidential" or "Proprietary", (ii) is otherwise reasonably identifiable as the confidential or proprietary information of the disclosing Party, or (iii) under the circumstances of disclosure should reasonably be considered as confidential or proprietary information of the disclosing Party.

   D. Maintenance Level
      The parameters of Maintenance Services, including the times during which and time-frames in which Supplier shall respond to a request for Maintenance Services. The available Maintenance Levels shall be as defined in Exhibit D hereto. The actual Maintenance Level for a unit of Product shall be set forth in the executed order for Maintenance of that Product referencing this Contract.

   E. Maintenance Coverage Period (MCP)
      The term during which Maintenance is to be provided for a unit of Product.

   F. Maintenance Services (or Maintenance)
      Those Services, preventive and remedial, performed by Supplier at Authorized User's request in order to ensure continued operation of the Product. Maintenance Services shall include support services.

   G. Operating Condition
      That condition which allows the Product to function in a normal, acceptable working manner, as designed by the Product manufacturer.

   H. Party
      Supplier, VITA, or any Authorized User.

   I. Product
      Hardware, peripherals, and any other equipment, including the System Software, all upgrades, all applicable user documentation and related accessories as set forth on Exhibit C provided pursuant to this Contract.
J. Receipt of Product
An Authorized User or its Agent has physically received the Product at the correct "ship to" location.

K. Requirements
The functional, performance, operational, compatibility, Acceptance testing criteria and other parameters and characteristics of the Product as set forth in the applicable documentation, Exhibit A and such other parameters, characteristics, or performance standards for the Product that may be agreed upon in writing by the Parties. [Note: In case of conflict, see the Entire Contract clause for order of precedence.]

L. Response Time
The time between Supplier's receipt of Authorized User's request for Maintenance and the time Supplier commences repair of the Product.

M. Service
Any Product-related work performed or service provided, including certain Maintenance Services or other services for the Product and provision to the Authorized User of any deliverable, by Supplier under this Contract.

N. Software Publisher
The licensor of the System Software provided by Supplier under this Contract.

O. Supplier
Means the Supplier and any of its Affiliates (i.e., an entity that controls, is controlled by, or is under common control with Supplier).

P. System Software
The operating system code, including software, firmware and microcode, (object code version) for each Product, including any subsequent revisions, as well as any applicable documentation.

3. TERM AND TERMINATION

A. Contract Term
This Contract is effective and legally binding as of the Effective Date and, unless terminated as provided for in this section, shall continue to be effective and legally binding for a period of two (2) years. VITA, at its sole discretion, may extend this Contract for up to three (3) additional one (1) year periods after the expiration of the initial two (2) year period. VITA will issue a written notification to the Supplier stating the extension period, not less than thirty (30) days prior to the expiration of any current term. Warranty on or Maintenance Services for any Product ordered during the term of the Contract may extend beyond the term of this Contract. Performance of an order or SOW issued during the term of this Contract may survive the expiration of the term of this Contract, in which case all terms and conditions required for the operation of such order or SOW shall remain in full force and effect until the Warranty or Maintenance Services pursuant to such order or SOW have met the final Acceptance criteria of the applicable Authorized User.

B. Termination for Convenience
VITA may terminate this Contract, in whole or in part, or any order issued hereunder, in whole or in part, or an Authorized User may terminate for convenience an order, in whole or in part, upon not less than thirty (30) days prior written notice at any time for any reason.

C. Termination for Breach or Default
VITA shall have the right to terminate this Contract, in whole or in part, or any order issued hereunder, in whole or in part, or an Authorized User may terminate an order, in whole or in part, for breach and/or default of Supplier. Supplier shall be deemed in breach and/or default in the event that Supplier fails to meet any material obligation set forth in this Contract or in any order issued hereunder.

If VITA deems the Supplier to be in breach and/or default, VITA shall provide Supplier with notice of breach and/or default and allow Supplier fifteen (15) days to cure the breach and/or default. If
Supplier fails to cure the breach as noted, VITA may immediately terminate this Contract or any order issued hereunder, in whole or in part. If an Authorized User deems the Supplier to be in breach and/or default of an order, such Authorized User shall provide Supplier with notice of breach and/or default and allow Supplier fifteen (15) days to cure the breach and/or default. If Supplier fails to cure the breach and/or default as noted, such Authorized User may immediately terminate its order, in whole or in part. Any such termination shall be deemed a Termination for Breach or a Termination for Default. In addition, if Supplier is found by a court of competent jurisdiction to be in violation of or to have violated 31 USC 1352 or if Supplier becomes a party excluded from Federal Procurement and Non-procurement Programs, VITA may immediately terminate this Contract, in whole or in part, for breach. VITA shall provide written notice to Supplier of such termination and Supplier shall provide written notice to VITA if Supplier is charged with violation of 31 USC 1352 or if federal debarment proceedings are instituted against Supplier.

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

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

E. **Effect of Termination**

Upon termination, neither the Commonwealth, nor VITA, nor any Authorized User shall have any future liability except for Products or certain Maintenance or other Services accepted by the Authorized User prior to the termination date.

In the event of a Termination for Breach or Termination for Default, Supplier shall accept return of any Products or services that were not accepted by the Authorized User(s), and Supplier shall refund any monies paid by any Authorized User for such Product or services, including certain Maintenance Services, and all costs of de-installation and return of the Products shall be borne by Supplier.

F. **Transition of Services**

Prior to or upon expiration or termination of this Contract and at the request of VITA, Supplier shall provide all assistance as VITA or an Authorized User may reasonably require to transition Product-related Services to any other supplier with whom VITA or such Authorized User contracts for provision of Product-related services. This obligation may extend beyond expiration or termination of the Contract for a period not to exceed six (6) months. In the event of a termination for breach and/or default of Supplier, Supplier shall provide such assistance at no charge or fee to VITA or any Authorized User; otherwise, Supplier shall provide such assistance at the hourly rate or a charge agreed upon by Supplier and VITA or an Authorized User.

G. **Contract Kick-Off Meeting**

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

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

4. DELIVERY, INSTALLATION AND ACCEPTANCE

A. Delivery Procedure

Supplier shall deliver all Product F.O.B. destination, with such destination being the "ship to" address specified in the applicable order. For orders for which Supplier is to provide installation of the Product, Supplier shall bear all risk of loss or damage to the Product until Receipt/Acceptance by the Authorized User. For orders for which Supplier is not to provide installation of the Product, Supplier shall bear all risk of loss or damage to the Product until Receipt. In all cases, Supplier shall arrange and pay for all transportation and insurance sufficient to fully protect the Product while in transit. Each shipment shall include a packing slip indicating this Contract number, the Authorized User's order number, the part number, a description of the Product shipped and the quantity shipped. Each package in any shipment shall be numbered, shall have stenciled on one end and one side a description of the quantity of Product contained therein by part number and description, and shall conspicuously display the number of the package in that shipment which contains the packing slip. If required by the Authorized User, Supplier shall bar code all packages shipped. If any loss to, or damage of, the Product occurs prior to Acceptance by the Authorized User, Supplier shall immediately provide a replacement item. Title to Product, excluding System Software, shall pass upon Acceptance.

Supplier shall make available all appropriate and/or related user documentation at the time of delivery of the first unit of each different Product type. Product delivered without the appropriate and required documentation shall be considered "shipped short" until the applicable documentation has been received.

B. Late Delivery

Except for late delivery beyond Supplier's control, Supplier hereby acknowledges and agrees that failure to deliver the Product ordered in strict accordance with the agreed upon delivery schedule determined in accordance with this Section shall constitute a material breach of this Contract resulting in damages to the ordering Authorized User, the total sum of which would be impracticable or difficult to ascertain as of the Effective Date of this Contract. As an estimate of the minimum amount of damages such Authorized User will suffer, Supplier agrees to credit the Authorized User an amount equal to one tenth of one percent (0.1%) of the total purchase price, for each day that the Product is undelivered (late delivery should not include operation) for a period of thirty (30) days following the agreed upon delivery date. If the delay lasts longer than thirty (30) days, the Authorized User may immediately cancel the order and collect as late delivery damages one tenth of one percent (0.1%) of the total purchase price. Any credit due the Authorized User will be applied to the next periodic invoice.

In addition, in the event the Supplier fails for any reason to deliver within thirty (30) days of the agreed upon delivery date set forth in the order/schedule, the ordering Authorized User, at its own discretion, may give Supplier oral or written notice of breach. Once notice by such Authorized User is sent or given, the Authorized User may immediately procure the undelivered items, or items similar thereto, from another source. Once the Authorized User has effected a purchase from an alternate source (in accordance with the Virginia Public Procurement Act, §§ 2.2-4300 et seq. of the Code of Virginia), the Authorized User may charge-back Supplier, in
which case Supplier agrees to reimburse the Authorized User for any difference in cost between the original contract price and the Authorized User's cost to cover from the alternate source. In no event shall any Authorized User be held to pay Supplier any costs incurred by Supplier, including but not limited to ordering, marketing, manufacturing, or delivering the item(s) which are subject of such Authorized User's notice of breach. Notwithstanding the foregoing, the Authorized User reserves any and all other remedies available at law or in equity.

C. Product Trade-in and Upgrade
(To be determined prior to contract execution)

D. Product Installation
Unless otherwise agreed, Supplier shall provide the initial installation of all Product at no additional charge. Installation shall include: unpacking, removal of all shipping/packing materials, positioning, connecting to internal utility services, testing, related necessary services to allow for Acceptance by the Authorized User.

All Product installations shall comply with building and facilities standards established by the ordering Authorized User. If such Authorized User installs the Product, Supplier shall provide all reasonably necessary telephone assistance at no charge.

E. Product Acceptance
Product shall be deemed accepted when the ordering Authorized User determines that such Product successfully operates in accordance with the Requirements. Such Authorized User shall commence Acceptance testing within five (5) days, or within such other period as set forth in the applicable order, after Receipt/installation of the Product. Acceptance testing will be no longer than five (5) days, or such longer period as may be agreed in writing between Authorized User and Supplier. Supplier agrees to provide to the Authorized User such assistance and advice as the Authorized User may reasonably require, at no additional cost, during such Acceptance testing, other than pre-approved travel expenses incurred which are reimbursable by the Authorized User at the then-current per diem amounts as published by the Virginia Department of Accounts. Any such travel expenses must be pre-approved by the Authorized User and shall be reimbursable by Supplier at the then-current per diem amounts as published by the Virginia Department of Accounts (http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Topic/20335_Meals_Lodging_102007.pdf, or a successor URL(s)). Authorized User shall provide to Supplier written notice of Acceptance upon successful Acceptance testing. Should Authorized User fail to provide Supplier written notice of successful or unsuccessful Acceptance testing within five (5) days following the Acceptance testing period, the Product(s) shall be deemed Accepted.

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

G. Product Discontinuation
During the term of this Contract, if any Product listed on Exhibit C is discontinued and Supplier does not offer a substitute acceptable to VITA, Supplier shall, for each Authorized User who purchased the discontinued Product, continue to meet such Authorized User's needs for the discontinued Product for not less than twelve (12) months. Additionally, Supplier shall make available to the Authorized User maintenance parts for discontinued Product for five (5) years
from the date of such discontinuation, provided such maintenance parts are available from the manufacturer or the manufacturer authorized maintenance parts supplier. In every event, Supplier will provide any Authorized User with 120 days advance written notice of its intent to discontinue any Product type previously ordered by such Authorized User.

5. PRODUCT SUPPORT AND ADDITIONAL SERVICES
   A. Authorized User or Third Party Support
      1. Documentation and Support Availability
         In the event that VITA terminates this Contract, Supplier shall provide all the necessary user and installation documentation and maintenance and repair training reasonably required to enable any Authorized User to maintain and repair the Product itself or to obtain support and maintenance services from a third-party. Supplier shall also provide the documentation and training necessary to allow any Authorized User to self-maintain to the subcomponent level. In addition, Supplier agrees to provide, for a period of five (5) years from the date of the last purchase, spare parts and components at the cost set forth in Exhibit C, including those solely sourced by Supplier, to enable any Authorized User or its designated third-party maintenance provider to provide full maintenance and repair of the Product.

      2. Timeliness and Price
         Supplier agrees to make the above-referenced documentation, training and spare parts and components available within fifteen (15) days following receipt of a written request, and at a price set forth in Exhibit C, such price not to exceed Supplier's published price list, or the fair market value, but in no event at prices above the lowest price paid by any other customer of Supplier. In addition, Supplier agrees to sell Product, as set forth in Exhibit C attached hereto, to any Authorized User's third-party maintenance provider under contract with such Authorized User, at the prices as set forth in Exhibit C, for the sole purpose of supporting the Authorized User's installed inventory. Supplier agrees to document and provide to all Authorized Users in a timely manner any and all revisions to information and parts and components lists as they are developed or supplied by Supplier.

   B. Engineering Changes and Product Modification
      For each Authorized User that purchased Product, Supplier agrees to document and provide to such Authorized User any and all planned engineering changes to the Product ninety (90) days prior to incorporation. All engineering changes which affect the safety of the Product ("Safety Changes") or the ability of the Product to meet the published specifications ("Performance Changes"), shall be made at no cost to the Authorized User. Supplier shall install all Safety Changes and Performance Changes within thirty (30) days after issuance of the engineering change order by the Product manufacturer. If such engineering changes affect Product processing or operating capability, they shall be scheduled at the Authorized User's request as to time and at the Authorized User's option. The Authorized User shall have the option to waive pre-approve all other engineering changes planned by Supplier on the Product delivered or planned for delivery to the Authorized User.

   C. Training
      Unless otherwise agreed, the Product purchase price excludes all costs for the training of one trainer at the ordering Authorized User's designated location on the use and operation of the Product, including instruction in any necessary conversion of such Authorized User's data for such use. Pursuant to a mutually agreed upon schedule, Supplier shall provide sufficient personnel experienced and qualified to conduct such training. Available optional training, and applicable pricing and discounts, are described in Exhibit C.

   D. Parts and Maintenance Support
      Supplier agrees to make available new/certifiable as new spare parts and the Maintenance Services identified in the Maintenance Services section herein and Exhibit D hereto for each Product type ordered by an Authorized User, for five (5) years from the expiration of the initial Warranty Period of the last unit of any given Product type provided by Supplier to such
Authorized User. Thereafter, Supplier shall advise such Authorized User of its intent to discontinue either certain parts or maintenance services for any Product type ordered by the Authorized User.

Supplier shall notify the Authorized User one (1) year prior to the effective date of any such discontinuance, and shall provide to the Authorized User the opportunity to purchase spare parts in a quantity adequate to support its installed base. Should Supplier advise the Authorized User of its intent to discontinue certain parts for any Product type ordered by the Authorized User, the Authorized User has the option to request and Supplier has the obligation to provide, all documentation, including source code, required to ensure ongoing support, including full maintenance and repair by the Authorized User or its designated third-party maintenance provider within thirty (30) days prior to the discontinuance date or to replace the unsupported Product with a supported Product at a cost to the Authorized User of no more than the cost delta between the supported Product and the unsupported Product.

E. Inventory Record
Supplier shall maintain, at no additional cost, a record of all units of Product covered under warranty/maintenance by type, quantity and location, including the end date for each unit’s Warranty Period or maintenance term (“Inventory Record”). Product quantities and types may vary as Product is added or deleted from coverage, and Authorized User shall notify Supplier in writing of any Product relocated, added, or removed from service. Upon such notification, Supplier shall amend the inventory Record to reflect such relocation, addition, or deletion of Product. Supplier shall provide, at no additional cost, a copy of the most current Inventory Record to any Authorized User upon request.

F. Product Service Record
Supplier shall maintain, at no additional cost, a Product Service Record for each unit of Product covered under warranty or maintenance. The Product Service Record shall record the following for each unit of Product: (i) installation/ relocation/ removal/ modifications; (ii) remedial actions; (iii) preventive actions; (iv) any additional services not covered by warranty or maintenance. Upon request by the Authorized User, Supplier shall provide, at no additional cost, a copy of the Product Service Record.

G. Additional Services
In addition to any on-site warranty or maintenance service obligations, Supplier shall, upon request of an Authorized User by means of an order issued in accordance with the ordering provisions of this Contract, provide additional on-site services which may include: (i) relocation of previously installed hardware; (ii) assistance to Authorized User’s communications department in mutually acceptable duties related to the warranty or maintenance services provided under this Contract; and (iii) cabling, if applicable. The Authorized User shall compensate Supplier for such additional on-site services in accordance with the prices identified in Exhibit C.

Furthermore, Supplier shall, upon request of an Authorized User by means of an order issued in accordance with the ordering provisions of this Contract, provide the following services beyond those identified as warranty or maintenance service offerings: (i) service on equipment not covered by this Contract, (ii) repair of damage or replacement of parts of hardware resulting from changes in the hardware environment, extraordinary use of the hardware, or interconnected devices, or (iii) service outside the applicable hours of service specified in an executed order referencing this Contract. The charge for such services shall be at the hourly rate specified in Exhibit C and shall be inclusive of all expenses. Warranty or maintenance services requested for a unit of hardware within the forty-eight (48) hour period immediately following Remedial Maintenance performed on the same unit of hardware for the same problem, shall not be considered an additional service and shall be provided at no charge. Requests for additional services shall only be approved for payment by the Authorized User when a Product Service Record is included with the applicable invoice.
6. WARRANTY AND REMEDY

A. Supplier
Supplier shall perform its obligations hereunder in accordance with the highest professional duty of care.

B. Ownership
Supplier is the owner of the Product or otherwise has the right to grant to the Commonwealth or any Authorized User title to or the right to use the Product provided hereunder without violating or infringing any law, rule, regulation, copyright, patent, trade secret or other proprietary right of any third-party. Upon receipt of payment, the Commonwealth or the ordering Authorized User, as applicable, shall obtain good and clear title to the Product, excluding the System Software, free and clear of all liens, claims, security interests and encumbrances.

C. Supplier Viability
Supplier warrants that it has the financial capacity to perform and continue to perform its obligations under this Contract, that no legal proceedings have been threatened or brought against Supplier that could materially adversely affect performance of this Contract, and that entering into this Contract is not prohibited by any contract, or order by any court of competent jurisdiction.

D. Compatibility
Supplier warrants that each Product provided hereunder is, and shall continue to be, data, program, and upward compatible with any other Product available or to be available from Supplier within the same family of Products so that data files created for each Product can be utilized without adaptation of the other Products, and so that programs written for the Product shall operate on the next generation of Products, and not result in the need for alteration, emulation, or other loss of efficiency for a period of not less than five (5) years.

E. Product
Supplier warrants the following with respect to the Product:

i). Product pursuant to a particular Request for Proposal (RFP), quote, or Request for Quote (RFQ), shall be fit for the particular purposes specified by VITA in the RFP and in this Contract and, if applicable, by the Authorized User requesting such quote or issuing such RFQ, and Supplier is possessed of superior knowledge with respect to the Product and is aware that Authorized Users are relying on Supplier's skill and judgment in providing the Product;

ii). The Product shall be free of defects in material, design and workmanship;

iii). Upon delivery, the Product shall be new and in Operating Condition and shall have all released engineering changes released to date already installed;

iv). Each Product delivered hereunder shall function in conformance with the Requirements;

v). No engineering change made to the Product or System Software revisions shall degrade the performance of the Product to a level below that defined in the applicable Request for Proposal, and in the Product manufacturer's published specifications;

vi). Upon delivery, all System Software shall be at the current release level unless otherwise requested by the ordering Authorized User; and

vii). The System Software shall not contain any embedded device or code (e.g., time bomb) that is intended to obstruct or prevent any Authorized User's use of the System Software, nor shall Supplier disable any Authorized User's use of such System Software through remote access or otherwise. If the System Software contains authorization codes allowing access to a data base or other software, Supplier warrants that such codes shall be perpetual and non-expiring.
F. Performance Standards and Mean Time Between Failure
For a period of five (5) years following acceptance of the Product by an Authorized User, Supplier warrants that the Product's performance standards and Mean Time Between Failure (MTBF) standards, calculated based upon such Authorized User's installed base of Supplier Product, shall be at least as good as the standards set forth in Exhibit B. If the Product fails to satisfy (i) the MTBF standards or (ii) the performance standards for that Product type as set forth herein, Supplier shall pay for any and all additional repairs, parts and labor required to bring Product to the appropriate level set forth in Exhibit B, including the cost to retrofit the entire installed Product base. If Supplier fails to so modify or replace the Product so as to achieve the MTBF standards within thirty (30) days, the Authorized User may, at its option, return such Product and receive a full refund during the Product warranty period, or if the warranty has expired, receive a straight line pro-rated refund, by year thereafter for the five (5) year period following installation of the Product.

G. Warranty Services
During the warranty period of one year (1) year, or as specified in the applicable order, Supplier warrants that the Product shall meet or exceed the Requirements. Supplier shall provide warranty services (including unlimited telephonic support and all necessary travel and labor) during the Warranty Period at the prices identified in Exhibit C. Supplier shall correct, at no additional cost to any Authorized User, all errors identified during the warranty period that result in a failure of the Product to meet the Requirements.

Exhibit D provides detailed descriptions of the Supplier’s warranty and maintenance offerings and responsibilities as well as remedies available to the Authorized User in the event Supplier fails to perform its warranty and maintenance obligations. Any remedies shall be paid to the Authorized User on a quarterly basis. Exhibit D defines coverage periods, response times, and restore times.

If multiple warranty levels are available, an Authorized User may elect, at any time, an alternative warranty level offered by Supplier. Such amendment shall take effect within thirty (30) days following Supplier’s receipt of Authorized User’s written notice, in the form of a modification to an order.

Authorized User’s designated control organization shall have the exclusive authority to request warranty services. Supplier shall not respond to calls for service from any other source without prior written approval of Authorized User’s agreement administrator designated on the relevant order.

1. Product Covered
   Exhibit C lists all Product types covered under warranty.

2. Preventive Maintenance
   Supplier’s Preventive Maintenance offerings and responsibilities, and the Authorized User’s associated remedies, are described in Exhibit D.

3. Remedial Maintenance
   Supplier’s Remedial Maintenance offerings and responsibilities, and the Authorized User’s associated remedies, are described in Exhibit D.

4. Replacement Parts
   Supplier’s offerings and responsibilities related to Replacement Parts, and the Authorized User’s associated remedies, are described in Exhibit D.

5. Spares
   Supplier’s offerings and responsibilities related to Spares, and the Authorized User’s associated remedies, are described in Exhibit D.

6. Notification and Correction of Defects
   Supplier’s offerings and responsibilities related to notification and correction of defects, and the Authorized User’s associated remedies, are described in Exhibit D.
7. **One-year Depot Warranty**
Supplier's depot warranty offerings and responsibilities are described in Exhibit D.

8. **On-site Warranty**
Supplier's on-site warranty offerings and responsibilities are described in Exhibit D.

9. **System Software Warranty**
As part of the standard warranty offering, for a period of not less than twelve (12) months beginning on the date of Acceptance, Supplier shall provide the following warranty services (including unlimited telephonic support and all necessary travel and labor) without additional charge to any Authorized User to maintain the System Software in accordance with the Requirements:

a) **New Releases**
Supplier's responsibilities related to new releases of System Software and Documentation are described in Exhibit D.

b) **Coverage**
Supplier's offerings and responsibilities related to coverage for telephonic and written consultation in connection with use, problems, and operation of the System Software are described in Exhibit D.

c) **Response and Restore Times**
Supplier's response and restore times related to use, problems, and operation of the System Software, and Authorized User's associated remedies, are described in Exhibit D.

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

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

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

10. **Escalation Procedures**
TBD based on Supplier proposal.

11. **Remedies**
In addition to any remedies described in Exhibit D, if Supplier is unable to make the Product, including System Software, conform, in all material respects to the Requirements, within thirty (30) days following notification by an Authorized User, Supplier shall, at such Authorized User's request, either (i) replace the non-conforming Product or (ii) accept return of the non-conforming Product and return all monies paid by such Authorized User for the returned Product.
Notwithstanding anything to the contrary in this Contract or in any exhibit hereto, VITA and any Authorized User retain all rights and remedies available at law or in equity.

12. Product Maintenance Services and Renewal Options
At least sixty (60) days prior to the expiration of the Warranty Period, Supplier shall notify the Authorized User, and the Authorized User, at its sole discretion, may order from Supplier Maintenance Services, including System Software Maintenance for a period of one (1) year (Maintenance Coverage Period) and for the annual fee identified in Exhibit C. Supplier warrants that it shall make Maintenance Services available for all the Product, including System Software, listed in Exhibit C, or which are components of Products listed in Exhibit C, for a period of at least five (5) years from the expiration of the initial Warranty Period of any Product provided to an Authorized User pursuant to this Contract. Termination of this Contract or cancellation of Maintenance Services, including System Software Maintenance Services if provided as a separate offering from Supplier, by an Authorized User shall not affect this Contract or the grant of any license pursuant thereto.

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

7. MAINTENANCE SERVICES
Supplier shall provide Maintenance Services (including unlimited telephonic support and all necessary travel and labor) during the Maintenance Coverage Period (MCP) at the prices identified in Exhibit C without additional charge to maintain the Product in accordance with the Requirements.

Exhibit D provides detailed descriptions of the Supplier’s warranty and maintenance offerings and responsibilities as well as remedies available to the Authorized User in the event Supplier fails to perform its warranty and maintenance obligations. Any remedies shall be paid to the Authorized User on a quarterly basis. Exhibit D defines coverage periods, response times, and restore times.

Authorized User’s designated control organization shall have the exclusive authority to request maintenance services. Supplier shall not respond to calls for service from any other source without prior written approval of Authorized User’s agreement administrator designated on the relevant order.

A. Ordering
An Authorized User may order Maintenance Services for any Product at any time during the term of the Contract, irrespective of whether such Product is covered under warranty or maintenance at the time the order is issued to Supplier. Each order shall identify:
Product and, if applicable, serial number, for which Maintenance Services shall be provided,
Maintenance Level to be provided, and
MCP for the Product Maintenance.

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

Option 1: Unless otherwise agreed to by the Authorized User and Supplier, the MCP for a unit of Product shall be one (1) year from the effective date of any executed order for Maintenance on such Product.

Option 2: Termination of MCP, TBD based on Supplier proposal.

B. Renewal
At least sixty (60) days prior to the expiration of the MCP for each unit of Product, Supplier shall notify the Authorized User of such expiration, and the Authorized User, at its sole discretion, may issue an order to Supplier to renew Maintenance Services, including System Software Maintenance Services, for an additional one (1) year period. The annual fee for Maintenance
Services shall not exceed the fee charged for the preceding year’s Maintenance Services by more than three percent (3%), or the annual change in CPI, as defined in the Purchase Price and Price Protection section, in effect at the time, whichever is less. Termination of this Contract or cancellation of Maintenance Services, including System Software Maintenance Services if provided as a separate offering from Supplier, by an Authorized User shall not affect this Contract or the grant of any license pursuant thereto.

C. Services

Maintenance Services shall be as follows:

1. **Product Covered**
   
   Exhibit C lists all Product types for which Supplier offers Maintenance Services. No Authorized User is obligated to continue Maintenance Services on Product that has been removed from service, provided Supplier has been notified in writing of such removal.

2. **Preventive Maintenance**
   
   Supplier’s Preventive Maintenance offerings and responsibilities, and the Authorized User’s associated remedies, are described in Exhibit D.

3. **Remedial Maintenance**
   
   Supplier’s Remedial Maintenance offerings and responsibilities, and the Authorized User’s associated remedies, are described in Exhibit D.

4. **Replacement Parts**
   
   Supplier’s offerings and responsibilities related to Replacement Parts, and the Authorized User’s associated remedies, are described in Exhibit D.

5. **Spares**
   
   Supplier’s offerings and responsibilities related to Spares, and the Authorized User’s associated remedies, are described in Exhibit D.

6. **Notification and Correction of Defects**
   
   Supplier’s offerings and responsibilities related to notification and correction of defects, and the Authorized User’s associated remedies, are described in Exhibit D.

7. **Advanced Replacement Services**
   
   Supplier’s advanced replacement service offerings and responsibilities are described in Exhibit D.

8. **On-site Maintenance Services**
   
   Supplier’s on-site maintenance service offerings and responsibilities are described in Exhibit D.

9. **System Software Maintenance**
   
   During the MCP and as part of the standard Maintenance Services offering, Supplier shall provide the following Maintenance Services (including unlimited telephonic support and all necessary travel and labor) without additional charge to any Authorized User to maintain the System Software in accordance with the Requirements:

   a) **New Releases**
      
      Supplier’s responsibilities related to new releases of System Software and Documentation are described in Exhibit D.

   b) **Coverage**
      
      Supplier’s offerings and responsibilities related to coverage for telephonic and written consultation in connection with use, problems, and operation of the System Software are described in Exhibit D.
c) Response and Restore Times
Supplier’s response and restore times related to use, problems, and operation of the System Software, and any associated remedies, are described in Exhibit D.

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

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

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

10. Escalation Procedures
TBD based on Supplier proposal.

11. Remedies
In addition to any remedies described in Exhibit D, if Supplier is unable to make the Product, including the System Software, conform, in all material respects, to the Requirements within thirty (30) days following notification by an Authorized User, Supplier shall, at such Authorized User’s request, either (i) provide a replacement Product at no additional cost to the Authorized User, or (ii) accept return of the Product and return all monies paid by such Authorized User (a) for Maintenance Services for the returned Product, including System Software, pro-rated on a monthly basis as of the date the Authorized User reported the non-conformity and (b) for the Product, including System Software, pro-rated on a monthly basis as of the date the Authorized User reported the non-conformity and based on the average life of the Product.

Notwithstanding anything to the contrary in this Contract or in any exhibit hereto, VITA and any Authorized User retain all rights and remedies available at law or in equity.

8. SCOPE OF USE
Any Authorized User may use the Product, and any software licensed in connection with such Product, on a worldwide basis for the benefit of itself and its agents. Supplier further authorizes use of the Product by third parties who are under contract with an Authorized User to provide outsourcing services, including but not limited to providing application development services, data processing or facilities or infrastructure management services for the benefit of such Authorized User. For Products to which the Commonwealth or an Authorized User takes title, and any System Software which is integral to such Products, under the terms of this Contract, there are no restrictions on subsequent resale or distribution thereof by the Commonwealth or such Authorized User.

9. SOFTWARE LICENSE
If Authorized User is a state agency, board, commission, or other quasi-political entity of the Commonwealth of Virginia or other body referenced in Title 2.2 of the Code of Virginia, the license shall be held by the Commonwealth. If Authorized User is a locality, municipality, school, school system, college, university, local board, local commission, or local quasi-political entity, the license shall be held by that public body.
System Software licensed directly by Supplier

A. **License Grant**
Supplier hereby grants to the Commonwealth and all Authorized Users a fully paid, perpetual, worldwide, nonexclusive, transferable, irrevocable license to use, and to permit any agent of the Commonwealth or such Authorized User to use, System Software for each Product. Each license granted under this Contract authorizes the Commonwealth or such Authorized User and any agent of the Commonwealth or such Authorized User to use Supplier-licensed programs in machine readable form on any system without limitation. It is expressly understood that "perpetual" license rights shall commence upon delivery of the System Software to the Authorized User and shall exist in perpetuity unless otherwise terminated in accordance with the applicable provisions of the Contract. The System Software is the property of Supplier, and no title or ownership of the System Software or any of its parts, including documentation, is transferred to the Commonwealth or the Authorized User.

B. **Limitations on Copying and Disclosure**
The Commonwealth, an Authorized User, or any agent of the Commonwealth or such Authorized User may make a reasonable number of backup, archival, and disaster recovery copies of the System Software. Any copies of the software or documentation made by the Commonwealth or an Authorized User pursuant to this Contract shall bear all copyright, trademark and other proprietary notices included therein by Supplier and, except as expressly authorized, neither the Commonwealth nor the Authorized User shall distribute same to any third-party without Supplier's prior written consent. The Commonwealth may distribute the System Software and documentation if such distribution is incidental to transfer of Product to which it has taken title. Neither the Commonwealth nor any Authorized User may resell the System Software except if such resale is incidental to the resale of Product to which the Commonwealth or such Authorized User has taken title.

C. **Business Continuity and Recovery**
Authorized User or its Agent may run the System Software concurrently at a back-up site. In the event that all of an Authorized User’s copies of the System Software, including all backup copies, are destroyed, irreparably damaged or otherwise lost due to fire, explosion, sabotage, flood or other natural disaster not occasioned by the fault of such Authorized User, Supplier shall provide to the Authorized User, at no additional cost, a replacement copy of the System Software and documentation; provided however, that nothing contained in this Section shall obligate Supplier to replace or assist in the recovery of data lost concurrent with the loss of the System Software.

System Software licensed by Software Publisher] Supplier shall provide System Software for Product. Such System Software is licensed directly from the Software Publisher through the end user licensing agreement (EULA), as amended, attached hereto as Exhibit E. [end Option 2]

The following provisions apply to both Option 1 and Option 2.

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

E. **No Subsequent, Unilateral Modification of Terms by Supplier ("Shrink Wrap")**
Notwithstanding any other provision or other unilateral license terms which may be issued by Supplier after the Effective Date of this Contract, and irrespective of whether any such provisions have been proposed prior to or after the issuance of an order for System Software licensed under this Contract, or the fact that such other agreement may be affixed to or accompany System Software upon delivery ("shrink wrap"), the terms and conditions set forth herein shall supersede and govern licensing and delivery of all products and services hereunder.
10. ORDERS AND COMPENSATION

A. Supplier Quote and Request for Quote

Should an Authorized User determine that a competitive process is required to ensure it receives the best value, such Authorized User may, at its sole discretion, on a case-by-case basis and upon approval by VITA, use a Request for Quote (RFQ) process to obtain product identical or similar to that provided by Supplier pursuant to this Contract. The RFQ process is typically used when an Authorized User requires a complete solution that may be fulfilled by Products and Services herein, but whose complexity or size may result in economies that could not be passed on to the Authorized User within the confines of the established contract catalog discount pricing. When an RFQ is used, the project timing and requirements will be clearly outlined in the RFQ document. In some situations, the Authorized User may not identify the exact specifications required. If that is the case, the RFQ respondents will be given the opportunity to identify and propose their recommended specifications.

In cases where the RFQ process is invoked, the Authorized User will issue an RFQ describing its requirements to potential suppliers, and suppliers will provide, at their discretion, within the timeframe specified in the RFQ, a detailed Statement of Work (SOW)-based quote. Any quote submitted to the Authorized User as a result of this process shall include (a) a detailed description of each item proposed, at the Exhibit C line item level, (b) the quantity of each such item, (c) the contract price, (d) any additional percentage discount offered, and (e) an extended/total price.

Generally, the Authorized User will select the supplier offering the lowest total cost proposal. However, non-price factors may be included in the evaluation criteria for a given RFQ. Any purchase from Supplier that is a result of the RFQ process shall be subject to the terms and conditions specified and outlined in this Contract and any subsequent modifications. Additional terms and conditions may be requested or mandated within the RFQ document. To the extent that any terms and conditions of the Authorized User are inconsistent with the terms and conditions of this Contract, the terms and conditions of this Contract shall supersede.

B. Orders

Notwithstanding all Authorized User's rights to license or purchase Supplier's products or services under this Contract, an Authorized User is under no obligation to license or purchase from Supplier any of Supplier's products or services. This Contract is optional use and non-exclusive and all Authorized Users may, at their sole discretion, purchase, license or otherwise receive benefits from third party suppliers of products and services similar to, or in competition with, the products and services provided by Supplier.

Supplier is required to accept any order placed by an Authorized User through the eVA electronic procurement website portal (eVA Home Page). eVA is the Commonwealth of Virginia's e-procurement system. State agencies, as defined in §2.2-2006 of the Code of Virginia, shall order through eVA. All other Authorized Users are encouraged to order through eVA, but may order through the following means:

ix). Any other order/payment charge or credit card process, such as AMEX, MASTERCARD, or VISA under contract for use by an Authorized User.

This ordering authority is limited to issuing orders for the Products and Services available under this Contract. Under no circumstances shall any Authorized User have the authority to modify this Contract. An order from an Authorized User may contain additional terms and conditions; however, to the extent that the terms and conditions of the Authorized User's order are inconsistent with the terms and conditions of this Contract, the terms of this Contract shall supersede.

Notwithstanding the foregoing, Supplier shall not accept any order from an Authorized User if such order is to be funded, in whole or in part, by federal funds and if, at the time the order is placed, Supplier is not eligible to be the recipient of federal funds as may be noted on any of the Lists of Parties Excluded from Federal Procurement and Non-procurement Programs.
ALL CONTRACTUAL OBLIGATIONS UNDER THIS CONTRACT IN CONNECTION WITH AN ORDER PLACED BY ANY AUTHORIZED USER ARE THE SOLE OBLIGATION OF SUCH AUTHORIZED USER AND NOT THE RESPONSIBILITY OF VITA UNLESS SUCH AUTHORIZED USER IS VITA.

C. Purchase Price and Price Protection
Exhibit C sets forth the prices by Product type (including whole units and repairable major components thereof) and for warranty services and Maintenance Services, and the appropriate Commonwealth discounts. Prices for Product shall not increase and the discounts shall not decrease for a period of not less than two (2) years from the Effective Date of this Contract. Thereafter, any increase in price shall be limited to once per twelve (12) month period and shall not exceed the lesser of three percent (3%) or the annual increase in the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, for the expenditure category "Information technology, hardware and services" as published by the Bureau of Labor Statistics of the Department of Labor (http://www.bls.gov/), for the effective date of the increase compared with the same index one (1) year prior. Supplier shall demonstrate the added value for any requested price increase. Any change in price shall be submitted in writing in accordance with the above and shall not become effective for sixty (60) days thereafter. Semi-annually, VITA may check the prices for Product against the CPI-U, as defined above, for the expenditure category "Information technology, hardware and services", and the prices in Exhibit C shall be appropriately reduced to ensure continued price competitiveness, if required. Supplier agrees to offer Product price reductions to ensure compliance with the Competitive Pricing Section.

D. Supplier-Sponsored Product Promotions
The Supplier, at its discretion, may sponsor Product and Service promotions during the Contract term or any extensions thereof. Should Supplier choose to sponsor such a promotion, Supplier shall provide in writing to VITA, at least five (5) days prior to the promotion, the following information: (i) the dates of the promotion or the duration of the promotion to include the commencement date and the ending date; (ii) the exact Products or Services covered in the promotion; and (iii) the pricing or percentage discount offered during the promotion. VITA shall communicate to Supplier in writing its agreement to the promotion.

The Supplier shall be in breach of the Contract in the absence of a written agreement regarding the promotion. In any event wherein the Supplier proposes prices that are different than the Contract prices to any Authorized User without first obtaining VITA’s agreement, the Supplier shall be in breach of the Contract, and VITA shall have all remedies available under Contract and law and in equity.

All Supplier-sponsored Product or Service promotions shall be available to all Authorized Users. Should the Supplier request a promotion that would be limiting, either through product configuration or quantities of Products and Services, VITA, at its sole discretion, may not provide a written agreement. VITA and Supplier agree that promotions shall not target any one Authorized User, or a few Authorized Users.

VITA and Authorized Users, at their discretion, may assist in advertising the promotion. This assistance may consist of advertising space on Authorized User web sites, or other assistance at an Authorized User’s discretion.

E. Invoice Procedure
Supplier shall remit each invoice to the "bill-to" address provided with the order promptly after all Products or Services have been accepted. Payment for Maintenance Services shall be monthly in arrears unless otherwise stated. No invoice shall include any costs other than those identified in the executed order, which costs shall be in accordance with Exhibit C. Without limiting the foregoing, all shipping costs are the Supplier’s responsibility except to the extent such charges are identified in Exhibit C, or as noted in any executed order referencing this Contract. Invoices issued by the Supplier shall identify at a minimum:

i). Product or Service type and description

ii). Product serial number, if any
iii). Quantity, charge and extended pricing for each Product and/or Service item

iv). Applicable order date

v). Ship date

vi). Ship-to location contact name

vii). This Contract number and the applicable order number

viii). Supplier’s Federal Employer Identification Number (FEIN).

Supplier shall submit separate invoices for the Maintenance charges (detailing the Product types and quantities by Authorized User site), for billable additional services, and for any installation services, including the appropriate Product Service Record or other agreed upon written instrument. Additional invoices may be required by Authorized User from time to time detailing charges for Product at affiliate locations by corporate department.

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

F. Purchase Payment Terms

Supplier is responsible for the accuracy of its billing information. Supplier agrees not to issue invoices hereunder until Product has been accepted unless otherwise agreed by Authorized User. Charges for Product or Services accepted more than ninety (90) days prior to receipt of a valid invoice may not be paid. Should Supplier repeatedly over bill Authorized User, Authorized User may assess a one percent (1%) charge for the amount over billed for each month that such over billing continues.

Product shipped without the applicable Documentation may not meet Acceptance criteria, and payment shall not be due until after the required Documentation is provided.

If there are any disputed items, an Authorized User shall pay all undisputed charges and promptly notify Supplier in writing of any disputed amount. Supplier shall thereupon review its records, and, if it does not concur with the Authorized User, provide the Authorized User with documentation to support the charge. If such charges remain in dispute, such dispute shall be resolved in accordance with the Dispute Resolution section of this Contract. In the absence of the Supplier’s written evidence identifying the merit of the disputed amounts, Authorized User may not pay the disputed amounts and may consider the matter concerning the specific identified amounts closed. All payment terms are net 30 days after Acceptance.

11. REPORTING

A. Supplier’s Report of Sales and Industrial Funding Adjustment

By the 10th day of every month, the Supplier shall submit the “Supplier Monthly Report of Sales”. A template showing the format in which the report is to be submitted and contact information for submission is available at http://www.vita.virginia.gov/uploadedFiles/SCM/SupplierReportofSalesTemplate.xls. The report shall be submitted via electronic mail to the VITA IFA Coordinator and shall report total sales (defined for purposes of this report as all invoiced payments received by Supplier from all Authorized Users) for this Contract during the preceding month. Supplier shall be responsible for submitting the monthly report of sales even if Supplier has had no sales (i.e., a $0.00 total sales value) for the reporting period.

The Supplier shall submit the Industrial Funding Adjustment (IFA) payment for the period covered by such “Supplier Monthly Report of Sales” within thirty (30) days after submitting the “Supplier Monthly Report of Sales”. The IFA payment is equal to two percent (2%) of total sales reported during the relevant month.

The IFA payment shall be submitted to VITA, Attention VITA Controller in the form of a check or electronic payment, made payable to the Treasurer of Virginia. The IFA payment shall reference this Contract number, “report amounts”, and “report period” and shall be accompanied by a copy of the relevant “Supplier Monthly Report of Sales”. Contact information for submission of IFA

Failure to comply with reporting, payment and distribution requirements of this section may result in default of the Contract.

B. Small Business Participation
Supplier and VITA agree to meet promptly after the Effective Date of this Contract to discuss the participation of Virginia Department of Minority Business Enterprise (DMBE)-certified Small Businesses as subcontractors and second-tier suppliers under this Contract.
Supplier and VITA agree to meet annually thereafter to review small business subcontracting reports and discuss further action with respect to small business subcontracting and spend.
In addition, by the 10th day of every month, Supplier shall submit to VITA the Small Business Subcontracting Monthly Report (template to be provided). The report should specify the amount of such spend provided to small businesses. Supplier shall submit the report to SWaM@vita.virginia.gov.

12. COMPETITIVE PRICING
Supplier warrants and agrees that each of the charges, economic or product terms or warranties granted pursuant to this Contract are comparable to or better than the equivalent charge, economic or product term or warranty offered to any commercial or government customer of Supplier. If Supplier enters into any arrangement with another customer of Supplier or with an Authorized User to provide Software or Services under more favorable prices, as the prices may be indicated on Supplier’s current U.S. and International price list or comparable document, then this Contract shall be deemed amended as of the date of such other arrangements to incorporate those more favorable prices, and Supplier shall immediately notify VITA of such change.

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

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

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

C. Return or Destruction
Authorized User, Supplier shall (i) at its own expense, (a) promptly return to the disclosing Authorized User all tangible Confidential Information (and all copies thereof except the record required by law) of the disclosing Authorized User, or (b) upon written request from the disclosing
14. INDEMNIFICATION AND LIABILITY

A. Indemnification
Supplier agrees to indemnify, defend and hold harmless the Commonwealth, VITA, any Authorized User, their officers, directors, agents and employees (collectively, "Commonwealth's Indemnified Parties") from and against any and all third party claims, demands, proceedings, suits and actions, including any related liabilities, obligations, losses, damages, assessments, fines (whether criminal or civil), judgments, settlements, expenses (including attorneys' and accountants' fees and disbursements) and costs (each, a "Claim" and collectively, "Claims"), incurred by, borne by or asserted against any of Commonwealth's Indemnified Parties to the extent such Claims in any way relate to, arise out of or result from: (i) any intentional or willful conduct or negligence of any employee, agent, or subcontractor of Supplier, (ii) any act or omission of any employee, agent, or subcontractor of Supplier (iii) breach of any representation, warranty or covenant of Supplier contained herein, (iv) any defect in the Product or Services, or (v) any actual or alleged infringement or misappropriation of any third party’s intellectual property rights by any of the Product or Services. Selection and approval of counsel and approval of any settlement shall be accomplished in accordance with all applicable laws, rules and regulations. For state agencies the applicable laws include §§ 2.2-510 and 2.2-514 of the Code of Virginia. In all cases the selection and approval of counsel and approval of any settlement shall be satisfactory to VITA or the Authorized User against whom the claim has been asserted.

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

In the event of a Claim pursuant to any actual or alleged infringement or misappropriation of any third party’s intellectual property rights by any of the Product or Services, and in addition to all other obligations of Supplier in this Section, Supplier shall at its expense, either (a) procure for all Authorized Users the right to continue use of such infringing Product or Services, or any component thereof; or (b) replace or modify such infringing Product or Services, or any component thereof, with non-infringing Products or Services satisfactory to VITA. And in addition, Supplier shall provide any Authorized User with a comparable temporary replacement Product or reimburse VITA or any Authorized User for the reasonable costs incurred by VITA or such Authorized User in obtaining an alternative product in the event such Authorized User cannot use the affected Product. If Supplier cannot accomplish any of the foregoing within a reasonable time and at commercially reasonable rates, then Supplier shall accept the return of the infringing component of the Product or Services, along with any other components of any products rendered unusable by any Authorized User as a result of the infringing component, and refund the price paid to Supplier for such components.

B. Liability
Supplier shall have unlimited liability with respect to (i) any intentional or willful misconduct or negligence of any employee, agent, or subcontractor of Supplier, (ii) any act or omission of any
employee, agent, or subcontractor of Supplier, (iii) claims for bodily injury, including death, and real and tangible property damage, (iv) Supplier's indemnification obligations, (v) Supplier's confidentiality obligations, and (vi) Supplier's security compliance obligations. Supplier agrees that it is fully responsible for all acts and omissions of its employees, agents, and subcontractors, including their gross negligence or willful misconduct.

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

15. SECURITY COMPLIANCE
Supplier agrees to comply with all provisions of the then-current Commonwealth of Virginia security procedures, published by the Virginia Information Technologies Agency (VITA) and which may be found at (http://www.vita.virginia.gov/library/default.aspx?id=537#securityPSGs) or a successor URL(s), as are pertinent to Supplier’s operation. Supplier further agrees to comply with all provisions of the relevant Authorized User’s then-current security procedures as are pertinent to Supplier’s operation and which have been supplied to Supplier by such Authorized User. Supplier shall also comply with all applicable federal, state and local laws and regulations. For any individual Authorized User location, security procedures may include but not be limited to: background checks, records verification, photographing, and fingerprinting of Supplier’s employees or agents. Supplier may, at any time, require to execute and complete, for each individual Supplier employee or agent, additional forms which may include non-disclosure agreements to be signed by Supplier’s employees or agents acknowledging that all Authorized User information with which such employees and agents come into contact while at the Authorized User site is confidential and proprietary. Any unauthorized release of proprietary information by the Supplier or an employee or agent of Supplier shall constitute a breach of this Contract.

Supplier shall indemnify, defend, and hold the Commonwealth, VITA, the Authorized User, their officers, directors, employees and agents harmless from and against any and all fines, penalties (whether criminal or civil), judgments, damages and assessments, including reasonable expenses suffered by, accrued against, or charged to or recoverable from the Commonwealth, VITA, the Authorized User, their officers, directors, agents or employees, on account of the failure of Supplier to perform its obligations pursuant to this Section.

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

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

B. Incorporated Contractual Provisions
The then-current contractual provisions at the following URL are mandatory contractual provisions, required by law or by VITA, and that are hereby incorporated by reference: http://www.vita.virginia.gov/uploadedFiles/SCM/StatutorilyMandatedTsandCs.pdf

The contractual claims provision §2.2-4363 of the Code of Virginia and the required eVA provisions at http://www.vita.virginia.gov/uploadedFiles/SCM/eVATsandCs.pdf are also incorporated by reference.

The then-current terms and conditions in documents posted to the aforereferenced URLs are subject to change pursuant to action by the legislature of the Commonwealth of Virginia, change in VITA policy, or the adoption of revised eVA business requirements. If a change is made to the terms and conditions, a new effective date will be noted in the document title. Supplier is advised to check the URLs periodically.

C. Compliance with the Federal Lobbying Act.
Supplier’s signed certification of compliance with 31 USC 1352 (entitled “Limitation on use of appropriated funds to influence certain Federal Contracting and financial transactions”) or by the regulations issued from time to time thereunder (together, the “Lobbying Act”) is incorporated as Exhibit F hereto.

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

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

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

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

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

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

G. Notices
Any notice required or permitted to be given under this Contract shall be in writing and shall be deemed to have been sufficiently given if delivered in person, or if deposited in the U.S. mails, postage prepaid, for mailing by registered, certified mail, or overnight courier service addressed to the addresses shown on the signature page. VITA or Supplier may change its address for notice purposes by giving the other notice of such change in accordance with this Section.

H. No Waiver
Any failure to enforce any terms of this Contract shall not constitute a waiver.

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

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

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

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

L. Survival
The provisions of this Contract regarding Software License, Warranty, Confidentiality, Liability and Indemnification, and the General Provisions shall survive the expiration or termination of this Contract. In addition, the provisions of this Contract necessary for the use and operation of the Maintenance provisions herein, shall continue in effect through termination of the Maintenance Services ordered pursuant to the Maintenance provisions herein.
M. Force Majeure
No Party shall be responsible for failure to meet its obligations under this Contract if the failure arises from causes beyond the control and without the fault or negligence of the non-performing Party. If any performance date under this Contract is postponed or extended pursuant to this section for longer than thirty (30) calendar days, VITA, by written notice given during the postponement or extension, may terminate Supplier's right to render further performance after the effective date of termination without liability for that termination, and in addition an Authorized User may terminate any order affected by such postponement or delay.

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

O. Right to Audit
VITA reserves the right to audit those Supplier records that relate to the Product purchased and Services rendered or the amounts due Supplier for such services under this Contract. VITA's right to audit shall be limited as follows:

ix). Three (3) years from Service performance date;

x). Performed at Supplier's premises, during normal business hours at mutually agreed upon times; and

xi). Excludes access to Supplier cost information.

In no event shall the Supplier have the right to audit, or require to have audited, VITA or any Authorized User.

P. Offers of Employment
During the first twelve (12) months of the Contract, should Supplier hire an employee of VITA who has substantially worked on any project covered by this Contract without prior written consent, the Supplier shall be billed for fifty percent (50%) of the employee's annual salary in effect at the time of termination. (Daly Computers requests that this provision applies to both parties.)

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

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

Exhibit A Request for Proposal
Exhibit B N/A
Exhibit C Prices, Fees, Service Charges and Payment Schedule
Exhibit D Warranty and Maintenance Descriptions
Exhibit E Software Publisher's EULA, as amended (for reference only)
Exhibit F Certification Regarding Lobbying
Exhibit G Awarded Categories

This Contract, its Exhibits, and any prior non-disclosure agreement constitute the entire agreement between VITA and Supplier and supersedes any and all previous representations, understandings, discussions or agreements between VITA and Supplier as to the subject matter hereof. Any and all terms and conditions contained in, incorporated into, or referenced by the Supplier's proposal shall be deemed invalid. The provisions of the Virginia Department of General Services, Division of Purchases and Supply Vendor's Manual shall not apply to this
Contract or any order issued hereunder. This Contract may only be amended by an instrument in writing signed by VITA and Supplier. In the event of a conflict, the following order of precedence shall apply: this Contract document, Exhibit C, Exhibit A, Exhibit D, Exhibit E.

An Authorized User and Supplier may enter into an ordering agreement pursuant to this Contract. To the extent that such ordering agreement, or order issued hereunder, include any terms and conditions inconsistent with the terms and conditions of this Contract, such terms and conditions shall be of no force and effect.

VITA and Supplier each acknowledge that it has had the opportunity to review this Contract and to obtain appropriate legal review if it so chose.
Executed as of the last date set forth below by the undersigned authorized representatives of VITA and Supplier.

Supplier: Daly Computers, Inc.
By: [Signature]
Name: Ryan Yu
(Print)
Title: President
Date: January 26, 2009

VITA
By: [Signature]
Name: James T. Roberts
(Print)
Title: Director Finance & Administration
Date: 2-02-09

Address for Notice:
22521 Gateway Center Drive
Clarksburg, Maryland 20871
Attention: Contract Administrator

Address for Notice:

Attention: Contract Administrator
5. FUNCTIONAL AND TECHNICAL REQUIREMENTS

Suppliers are required to indicate their capability of fulfilling each specific requirement below. Each Supplier's responses will be reviewed and compared across suppliers within each service type in order to determine the best solution for the Commonwealth.

Detailed requirements are presented in questionnaire format to facilitate direct responses and establish accountability regarding delivery of Solution by the Supplier. To respond to each requirement, Supplier is asked to enter, in the space provided in Column A, a code that best corresponds to its intended response for the requirement listed.

The acceptable codes for Column A are as follows:

Y - "Yes" - Supplier can fully meet the requirement as documented with its current application or proposed solution. If applicable, Supplier is to provide in Column B an explanation of how it will fulfill the requirement. This may include use of alliances with other suppliers. Supplier may also use Column B to cross-reference a detailed explanation included in an attachment of its proposal.

F - "Yes, Future" - Supplier will be able to fully meet this requirement in the near future (not longer than six months). Supplier is to provide a proposed start date and cross-reference any attached documentation in Column B.

N - "No" - Supplier cannot meet the requirement and has no firm plans to be in the position to meet this need within six months.

A blank or "NA" in any box in Column A will be interpreted by VITA as an "N".

VITA has posed some open-ended questions. In those instances, Supplier is to provide adequate information to allow VITA to properly evaluate its proposal.

### A. General

<table>
<thead>
<tr>
<th>Requirements</th>
<th>A</th>
<th>B</th>
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<tbody>
<tr>
<td>1. Can you can sell to all locations of all public bodies in the entire Commonwealth of Virginia? Will you be incorporating subcontractors or alliances? Please provide the details of your plan.</td>
<td>Y</td>
<td>Daly Computers has the sales and technical resources in place to sell to all locations within the Commonwealth of Virginia. Daly is currently providing such services under its VITA Peripherals Contract, the VITA Networking Equipment Contract and its VASCUUP Contract. Daly has teams of inside sales executives and dedicated field account executives to sell and support the Commonwealth. The field rep located in Roanoke covers the areas from western Virginia, through Danville and up to the Harrisonburg area. The field rep located in the Lynchburg area covers Richmond up through Charlottesville, down through Mecklenburg County and over to the Tidewater area. The Northern Virginia outside rep covers the region spanning from Fairfax County, Loudoun County over to Shenandoah, down to Rockingham County, Spotsylvania County, Essex and Lancaster Counties. A team of inside sales executives located at the Daly headquarters provides the inside support needed to address and respond to all the needs of Virginia customers. In addition to these</td>
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resources, Daly has teams of project managers in the field supporting a wide range of projects and task orders. Daly will add additional resources in its sales and project management teams as the needs arise in the future.

At this time, Daly does not anticipate using any subcontractors for its sales effort. However, Daly does envision instances when forming alliances with other value added resellers (VAR) and or vendors may benefit our Virginia customers. A possible example is when a value added reseller or vendor possesses a unique solution that a Virginia public sector customer may wish to have but lacks the readily available contract vehicle. In those instances, Daly may request permission from VITA to form the required alliance partnership with the said VAR or vendor in order to provide the customers with the desired solution.

| 2. | Can you can provide service to all locations of all public bodies in the entire Commonwealth of Virginia? Will you be incorporating subcontractors or alliances? Please provide the details of your plan. | Y | Daly has the technical resources, the experience and the infrastructure to service all locations of all public bodies within the Commonwealth of Virginia. As the prime contractor, Daly is committed to utilizing and dispatching its in-house technical services personnel to cover all locations statewide in response to the service requirements of this contract. Daly is currently providing statewide service already under its VITA and VASCUUP contracts. Daly has teams of technical resources and services personnel providing technical support in the far eastern Virginia (Tidewater area) as well as the central and northern regions of the state. This pool of resources is used to cover regions in the far western parts of the state.

To contribute to the strengthening of small businesses in the Commonwealth, Daly has identified a qualified company to help deliver with its service executions. The company is Knowledge Information Solutions, Inc. (KIS) located in Virginia Beach and Northern Virginia. KIS is expected to enhance Daly’s service capabilities statewide. With the permission of VITA, Daly may opt to add more qualified subcontractors to its team in the future.

| 3. | VITA strongly encourages Suppliers to develop a catalog website that interfaces with eVA. Can your company produce a | Y | Daly Computers currently already maintains several punch-out catalogs, one of which is for VITA. Should Daly be
<table>
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<th>Question</th>
<th>Response</th>
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<td>punch-out catalog website? Refer to:</td>
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<tr>
<td>Please provide either screen shots or a link to serve as an example.</td>
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<tr>
<td>award a contract, it will most certainly be able to develop a catalog website that interfaces with eVA for this contract. Sample screen shots of Daly's eVA registration and its current eVA punch-out catalog can be seen in Exhibit 1.</td>
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<tr>
<td>4. Can your firm have a catalog website up, functioning and interfacing with eVA within 30 days of contract award?</td>
<td>Y</td>
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<tr>
<td>Daly will not have a problem bringing online another functioning eVA punch-out catalog specific to this contract within 30 days of contract award.</td>
<td></td>
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<tr>
<td>5. Will your firm have a dedicated account management team on this contract? Please provide details.</td>
<td>Y</td>
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<tr>
<td>Daly will have a dedicated account management team assigned to this contract. This management team will consist of the following key personnel: Ryan Yu – President Janet Kelman – Director of Operations Ray Morton – Director of Technical Services Jim Rowland – Service Delivery Manager James Hawkins – Help Desk Supervisor Mark Kirchoff – Production and Integration Manager Christian Converse – Program Manager Diane Levant – Marketing Manager John Brophy – Senior Account Executive and Account Manager responsible for interfacing and visiting VITA on a weekly basis. John Brophy has been with Daly for over 12 years and is intimately familiar with all aspect of the company. Customers are welcome to call anyone on the above list. Detail contact information of the above personnel can be found in Exhibit 2.</td>
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<td>6. Will your firm have more than one field account executive on this contract? Please provide details.</td>
<td>Y</td>
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<td>Daly will have several field account executives assigned to this contract. They are John Brophy, Dan Thompson, and Kris Basilio. Additional field account executives are slated to be deployed. See Exhibit 2 for detailed contact information.</td>
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<td>7. Does your firm have the marketing ability and resources to promote this contract to schools, universities, local and state agencies? Please provide marketing plan and examples of marketing tools.</td>
<td></td>
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<tr>
<td>Daly most certainly has the marketing ability and resources to promote this contract to schools, universities, local, and state agencies statewide. Daly believes that it has one of the strongest and most proactive marketing programs in the Commonwealth. For the past 8 years alone, our marketing efforts and campaigns have proactively reached all sectors of the state local government and</td>
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education marketplace. We believe that our ability to market and promote this contract is second to none. Daly has a proven track record in marketing to the Commonwealth public bodies. Daly's marketing goals are as follows:

1. Promote the contract, its offerings and its advantages.

2. Educate the customer base on the contract details, the usage of the contract, and show customers how the contract can be utilized to obtain their needed solutions.

3. Endeavor to make this contract the most used contract vehicle in the Commonwealth.

4. Put Daly in the leadership position in terms of contract buys and usage.

In addition to participating in most of the Virginia government and education technology shows and events, Daly continues to proactively host its own technology shows / events several times a year in different parts of the Commonwealth. In each of Daly's larger hosted events, at least 20 to 25 of Daly's vendor partners are invited to showcase their technologies and share with the Commonwealth various state of the art technology solutions and best business practices.

In the past 12 months, Daly has hosted 3 large technology shows in Richmond and Northern Virginia. In addition, we have hosted numerous technology seminars and briefings throughout the state. Our field account executives, inside sales team as well as our marketing teams are constantly visiting and talking to our customers on a daily basis about state contracts, its usage, technology trends and various needed IT solutions. Our marketing efforts include email and web campaigns, mailers, promo events, and other fun filled events.

In the past 12 months, Daly has participated and help host technology events in the following locations and accounts: Chesterfield County Public Schools, Building New Partnerships Conference, George Mason University, Piedmont Community College, VA Association of Governmental Purchasing, Association of Collegiate Computing Services of Virginia, Dept of General
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<tr>
<td><strong>8.</strong></td>
<td><strong>Will your proposed product be compatible with the following operating systems, Microsoft Windows 98, 2000, NT, 2003 Server, XP and Vista?</strong></td>
<td><strong>Y</strong></td>
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<tr>
<td></td>
<td>All of the proposed product lines are industry standard equipment and will be compatible with the operating systems noted.</td>
<td></td>
</tr>
<tr>
<td><strong>9.</strong></td>
<td><strong>Does your firm offer an employee, teacher or student purchase program? Please provide details.</strong></td>
<td><strong>Y</strong></td>
</tr>
<tr>
<td></td>
<td>Daly does offer employee, teacher or student purchase program. Historically, Daly has been offering and providing Commonwealth public sector employees, teachers, and students with contract products at the contract prices. Note that for personal and non-institutional purchases, Daly has to charge the individual with the appropriate taxes and freight charges. Additionally, Daly cannot always provide onsite services to home residences. Individual buyers can simply reach our sales at (800) 955-DALY, send email requests to <a href="mailto:vasmiles@daly.com">vasmiles@daly.com</a> or go online at <a href="http://www.daly.com">www.daly.com</a> to shop. Daly has been providing such individual services to State employees and education personnel as well as students from throughout the Commonwealth for many years.</td>
<td></td>
</tr>
<tr>
<td><strong>10.</strong></td>
<td><strong>Does your firm offer any product incentives, credits and or rebate programs? Please provide details.</strong></td>
<td><strong>Y</strong></td>
</tr>
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</table>
|   | Daly offers a variety of product incentives, credits and rebate programs to its government and education customers. Daly has been providing such program for over 15 years. Examples of some such programs are as follows:  
**Incentive Programs**  
1. Additional significant discounts above and beyond the proposed contract price may be available based on identified large volume purchases and requirements.  
2. Additional discounts may be available during a manufacturer’s quarter or fiscal year end cycle or during a product promotion campaign. Daly will proactively provide such information.  
3. Free products may be available from the purchase of certain modal or volume of equipment. This may be limited by product set. As an |   |
example, Daly has committed to providing a large education customer with a free desktop computer for every 5 desktop computers it purchases. This was part of Daly's incentive program to convert the customer from one platform to another.

4. Other incentive programs are based on offering equipment or accessories, i.e. projector lamp may be given for every 3 projectors purchased or laptop bags may be given for the purchase of laptop.

5. Award points may be earned based on the purchases of certain set of products. One such example is the HP PurchasEdge program discussed above. This program is similar to a credit card point award program where points earned can be exchanged for products.

Many other incentive programs are available. Working with the customer institutions, incentive programs can be crafted that will meet the customer's specific needs.

**Trade In / Upgrade Credit Programs**
Customer's legacy equipment and products may be eligible for trade in credit applied towards new equipment purchases. Some of the legacy equipment may also qualify for free upgrade credits earned from the purchase of new equipment. Trade in and upgrade eligibility are assessed on a case by case basis.

**Rebate Program**
Some new equipment purchases may qualify for manufacturer rebates. When such programs are available, Daly will proactively let the customer know. In some instances when allowable, Daly will pass the rebate up front to the customer in order to reduce the initial purchase price substantially.

See Exhibit 3 for some sample incentive, credit or rebate programs offered, promoted and administered by Daly.

### B. Reports

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<tr>
<th>Requirements</th>
<th>A</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Can your firm provide reports on request to users detailing products that have been placed in any of their locations? Please</td>
<td>Y</td>
<td>Daly Computers can easily generate and provide a variety of reports detailing products and orders that have been</td>
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</tbody>
</table>
| 2. | Does your firm maintain an electronic service log that is available to users on specific computer hardware? Please provide examples. | Y | Daly Computers has been using an enterprise class service call tracking system from Epicor for over 12 years to service and support its government and education customers nationwide. This SQL based call tracking system is used to record, track, and monitor all service calls received and all their related incidents / events. Customers can initiate service calls in many ways. They are called into Daly's 7x24 Help Desk and Call Center at (888) DALY-TEC, email into Daly's Help Desk at HelpDesk@dalyc.com, initiated online through Daly's service web portal at http://www.daly.com/cd07/services/dalynet.asp, and finally service calls can be initiated automatically via the customer's call tracking system into Daly's call tracking system.

All calls are meticulously recorded, logged and time stamped as they are received. All information related to the calls to include the caller name, the caller location, the equipment type, model, serial numbers, the problem reported, problem resolution as well as all incidents related to the calls are meticulously recorded. Service calls can then be sorted by different categories for analysis and trending purposes. Service call information is available upon request. Authorized customers can also have access to their service log via Daly's service web portal 7x24. Daly's service web portal is known as the DalyNet. Sample service log history report from Daly's call tracking system is shown in Exhibit 5. Also shown in the Exhibit is a detailed user manual of the DalyNet. All requested information is available in hard |
| 3. | Does your firm provide any additional reports that would be an added value to the Commonwealth? Please describe and provide examples. | Y | Daly can provide a variety of reports that can provide added value to the Commonwealth. Some such reports are as follows:

1. A comprehensive report of all products purchased by the Commonwealth to include all hardware, software, and related services purchased.

2. A complete sales-out report by state agency or the respective institution.

3. Sales out report documenting warranty information on the hardware purchased. This information allows state agency to properly plan their technology refresh, upgrade schedule or disposal strategy.

4. Sales out report documenting software licensing and their maintenance schedule.

5. Complete asset inventory report listed by asset number, product models, serial numbers per location as well as unit price, warranty start and end date, etc. Daly can also conduct onsite asset inventory audits on customer’s hardware and software.

6. Complete service call history report with equipment failure rates and trending charts.

7. Various other types of trending results can be provided based on customer’s specifications.

8. By tracking customer’s HP supply purchases, Daly can help customers redeem products and additional purchases from HP using the “points earned” reward program from HP. This program is equivalent to a credit card rewards program where consumers can redeem products based on the points earned from purchases.

All requested information is available in hard copy and or electronic copy. Examples of some of the reports noted above are shown in Exhibit 6.
### C. Related Services

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<th>Requirements</th>
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<td>Does your firm have a customer support program? Please describe your firm's ability to keep users informed of new products, changes in technology, advanced specification documentation and other market information.</td>
<td></td>
<td>Daly Computers has been working with the Commonwealth of Virginia government and educational institutions for over 15 years and has a long track record of proactively informing its customers of new products, changes in technology, advanced specification documentation and other market information. A combination of different approaches is used to achieve optimal results. The approaches include the following combination of activities. 1. Throughout the year, Daly's field account executives and project managers visit customers statewide disseminating vital product information, technology trends, best business practices, and future technology roadmaps. 2. Daly's inside sales reps along with Daly's marketing personnel call on customers throughout the year disseminating important change information. Daly maintains its own in-house telemarketing team. 3. Technology seminars, briefings, and technology roadmap presentations are conducted throughout the year at different customer sites or at a convenient off site location. 4. Daly's web site connects users to different current industry trends and technologies. 5. Daly's ecommerce engine has a feature that effectively compares the specifications from different product sets. 6. Mailers and email notices are sent out throughout the year informing customers of different product information, news, and trends. 7. Daly actively works with its manufacturer partners throughout the year to educate our customer base via technology events and seminars. Some other customer support programs available are as follows: 1. Daly's 7x24 help desk and call center are available to help customers. 2. Consultation and engineering design services provided by Daly’s senior engineers and solution architects. 3. Programming services for application designs, implementation, and</td>
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| Does your firm provide installation services? Please provide details. | Y | Daly Computers provides a wide range of installation services. The services include installation of single system to over 10,000 systems statewide. A typical installation project may include the following service components:
1. System design and consultation.
2. Master hard drive image build, testing and validation.
3. Replication of master image onto the required systems.
4. Complete system configuration and testing.
5. Apply any unique system profiles.
6. Bar code asset tag of the systems. Asset tags may be customized or using customer’s asset tags.
7. Provide complete asset management of all equipment to include capturing of all destination information.
8. Stage and warehouse systems for scheduled delivery and installation.
9. Onsite data transfer.
10. Installation may include connecting the computers to customer’s network domain, authenticate the user onto the network, and test all peripherals and applications.
11. Higher level engineering services are provided if the installation services are for servers, network equipment and other data center related equipment and peripherals.
12. Installation services may include a wide range of peripherals and accessories.
13. Disposal of old equipment while capturing the asset information.
14. Make sure all equipment are properly signed off by customers.
15. Provide complete project and equipment documentation.
16. Provide project manager for detailed planning, customer liaison, and performance reviews.
17. Provide all technical resources for delivery and installation services. Daly routinely provides installation services. |
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<th>Services on the following technologies:</th>
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<td>1. Desktop computers to include</td>
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<td>workstations and thin clients as well</td>
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<tr>
<td>as all related peripherals and</td>
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<tr>
<td>accessories.</td>
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<tr>
<td>2. Laptops and all related peripherals</td>
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<td>and accessories.</td>
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<td>3. Servers to include stand alone</td>
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<tr>
<td>systems, rack based systems, and</td>
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<tr>
<td>blade servers. Installation services</td>
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<tr>
<td>include all rack hardware, server</td>
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<tr>
<td>peripherals, UPS, cooling devices,</td>
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<tr>
<td>PDU, KVM, rack fans, network</td>
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<tr>
<td>switches, routers, etc.</td>
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<td>4. Printers – Installation services</td>
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<td>include small ink jet printers, laser</td>
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<td>printers and MFP printers to large</td>
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<td>plotters.</td>
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<td>5. Installation of peripherals such as</td>
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<td>scanners, projectors, external optical</td>
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<td>drives, hard drives, document cameras,</td>
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<td>digital white boards, digital cameras,</td>
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<tr>
<td>surveillance cameras, USB boxes,</td>
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<td>teleconferencing equipment, AV</td>
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<td>equipment and consoles, and computer</td>
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<td>furniture.</td>
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<td>6. Internal computer components -</td>
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<td>video cards, network cards, memory,</td>
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<tr>
<td>hard drive, optical drives, other</td>
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<tr>
<td>drives, power supplies, cooling</td>
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<tr>
<td>devices, sound boards, digital</td>
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<tr>
<td>capturing boards, fax boards, TV</td>
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<tr>
<td>tuner boards, and other computer</td>
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<td>component accessories.</td>
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<td>7. Software – Daly can also install a</td>
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<td>variety of application software to</td>
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<td>include but not limited to business</td>
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<tr>
<td>applications, databases, security</td>
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<tr>
<td>software, all types of utilities and</td>
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<td>software patches.</td>
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For complex deployment services, Daly will assign project managers and experienced installation personnel to ensure that all phases of the installation services are properly pre-planned and executed to the customer's expectation. Daly's Project Implementation Plan and Methodology is shown in Exhibit 7. This document illustrates Daly's methodical approach to managing large scale deployment and installation projects.

Daly maintains a 43,000 square feet production and integration facility located at its Clarksburg headquarters. From this facility Daly is able to pre-configure and customize equipment to the customer’s exact specification. This
| 3. | Is your firm able to respond to a user request for service within eight (8) business hours? Please provide detail on how this will be accomplished. | Y | Daly has the infrastructure, the resources, and the internal operational processes and controls to respond to user requests for services within (8) business hours. Daly’s 7x24 in-house help desk and call center is currently averaging a response time of less than 15 seconds from the initial call. Once the service call is received, Daly’s help desk and call center takes the following actions immediately:

Log the call into Daly’s call tracking system while recording all pertinent information.

If the call request is received via email, or via Daly’s online service web portal, or directly from the customer’s call tracking system, the call is immediately acknowledged by Daly’s help desk / call center personnel and the customer is immediately called upon.

Once all the required information is received into Daly’s call tracking system, the help desk personnel takes appropriate steps to diagnose the problem at a Tier 1 level. If Tier 2 escalation is needed, the appropriate engineer is called upon. Daly’s call tracking system has an automated alert system whereby if the call is not responded to within the contract SLA time line or the required time, automated escalations via emails and or text messages will be sent out to different managers for immediate actions. This alert system proactively notifies management of pending non-compliances.

All callers are issued unique Daly service work order numbers that are used to track the calls through their final resolutions. Daly’s help desk and call center can also record customer’s service work order numbers to allow for easy cross references. |
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| If the service call requires on site visit, a qualified technician and or engineer will be dispatched to the customer site within the required SLA. Customer will be given an estimated time of arrival. All Daly field engineers are equipped with GPS enabled phones so their locations are constantly being monitored in real time online for accurate dispatches and arrival times. Daly maintains a fleet of trucks and teams of qualified and experienced field technicians and engineers. 
If parts are required for the service call, Daly’s help desk will either pull such part from its service warehouse or order them directly from the manufacturer. Most parts ordered from the manufacturer are “overnighted” to Daly or a location near the customer site for morning pickup. Faster turn around is also available and will require pre-arranged SLA agreement with the customer. Daly’s mission is to ensure that all calls are addressed in a timely manner to the customer’s satisfaction and SLA requirements. 
It is Daly’s policy that a service call is not closed until the customer deems that the call is closed. This standard ensures that the customer’s needs are met and a high degree of customer satisfaction is achieved. |
<p>| 4. | Is your firm willing to commit to service-level agreements? If so please refer to Appendix C and fill in the yellow shaded areas. | Y |
| Daly is committed to meeting the contract service level agreements. Complying with customer SLAs have been Daly’s customer service commitment and service philosophy for over 20 years. Daly has been working within the Commonwealth’s SLA terms for many years. See Appendix C. |
| 5. | Does your firm offer 8am to 5pm EST hardware and software support? Please provide details. | Y |
| From Daly’s Technical Services Organization |
| Daly offers 7x24 help desk and call center technical support services on the hardware and software products offered and proposed. Daly’s standard hour is 8am to 5pm EST. Off hour is defined as 6pm to 7am. Standard hours may be modified to the customer’s requirements. During these periods, both hardware and software support services are available to all Commonwealth of Virginia customers. Customers can reach Daly’s support line via the following methods: Toll Free Tel: (888)DALY-TEC |</p>
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<th>Y</th>
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<td>6.</td>
<td>For security reasons, will your firm allow the user to keep a 'failed hard drive while receiving a new hard drive that is covered under warranty? Please provide details.</td>
<td>In response to the security requirements of this contract, Daly will allow user to keep a failed hard drive while receiving a new hard drive that is covered under warranty. The hard drive retention programs offered are essentially the same programs offered by the manufacturers proposed under this contract. Regardless that the programs offered from each manufacturer may vary in its logistical transaction, as the prime contractor, Daly will work closely with the user to facilitate the service and make it available to qualified users. Details of each manufacturer's drive retention program are presented in Exhibit 7. The programs vary in its logistics of acquiring the drives but the results are the same nevertheless.</td>
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<td>7.</td>
<td>Does your firm provide custom imaging? Please provide details.</td>
<td>Daly has been providing custom imaging services for customers for over 15 years. Daly's engineers regularly work with customers to develop and generate master images. These images can be Windows based or in a mix mode with other OS installed. Custom imaging includes customizing and installing the customer's applications, system /...</td>
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<td>Question</td>
<td>Yes/No</td>
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<td>8. Does your firm provide in-house quality assurance and testing processes for all hardware? Please provide details.</td>
<td>Y</td>
<td>Daly has been configuring, integrating, and delivering full systems and industry standard equipment to government and educational institutions for over 20 years. It has developed a complete set of quality assurance procedure in house. Daly Computers is committed to providing the Commonwealth and this contract with total customer satisfaction. As such, Daly’s entire operation is guided by a Total Quality Management (TQM) Plan that is implemented at all levels of the company. The Daly TQM system covers Management, Purchasing / MRP, Technical Services, Production / Integration, Warehouse, Sales, Programming, Test Center, Marketing, Human Resources, Administration,</td>
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Accounting, and all other parts of the company. TQM is a company wide management system that ensures that every function in the company is accountable, monitored, reviewed, and tested for quality and contract compliance. The Daly TQM plan provides the operational guidelines by which all company functions are defined and executed.

Daly’s in-house quality control and testing processes for hardware include the following steps:

1. All products received are inspected for correctness and physical damages.

2. All equipment are serialized and recorded into Daly’ ERP system for accurate tracking purposes.

3. Daly’s production and integration manager and his teams review all configuration paperwork for accuracies. All orders have unique Daly Sales Order (SO) paperwork attached. The SO paper contains all configuration instructions and or order instructions / information.

4. Daly’s senior production engineers review complex designs and configuration.

5. All the required parts for a complete system are properly kitted in the warehouse prior to being assigned to the production floor for configuration. The SO paperwork is attached.

6. Systems are assembled, configured and fully tested on the production floor. Any imaging requirements are also filled at this time. Testing and burn in may last 8 to 24 hours.

7. Production manager and team leads sign off on the QC process and SO paperwork.

8. Finished systems, kits, and or bundles are packaged and QC for completeness.

9. If the order is part of a larger deployment, it is staged as instructed by the production manager.

10. Packing slip as well as order instruction sheets are generated and attached to each order and properly
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<th>Does your firm provide service and repair for warranty and non-warranty maintenance for hardware? Please provide details and time frames.</th>
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| Y | Daly Computers has been providing in-warranty and non-warranty maintenance services and repairs on industry standard computer hardware and related peripherals for over 15 years. Daly certifies that it can service, repair, and support all the equipment proposed. Daly's Technical Services Organization maintains a large staff of industry certified technicians and engineers to work on all types of equipment to include products from all the manufacturers proposed. For example, Daly Computers is an authorized service provider for HP, Lenovo, IBM, EMC, and Toshiba to name a few. Daly currently maintains numerous government maintenance / service contracts covering both in-warranty and non-warranty equipment. The equipment covered includes all industry standard computers, monitors, printers, scanners, projectors, tape libraries, external drives, cameras, network switches, routers, etc. Daly's service and repair capability is built upon the following foundation:  
1. Daly maintains industry standard technical certifications and manufacturer certifications at the organizational level, i.e. A+, Net+, Security+, and various vendor certifications.  
2. Daly maintains industry standard and manufacturer certified technicians and engineers.  
3. Daly has the needed automation infrastructure to properly manage, procure, and exchange service parts.  
4. As a certified service organization, staged for deliveries or deployments.  
11. Proper sign off from the customer followed by proper invoicing will be needed to deem the order complete. For orders that do not require integration services, they are properly kitted per the customer order (and Daly's SO) for immediate shipments. These shipments are made either directly from Daly or drop shipped directly from the manufacturers or the supply chain distributors. All drop ship parts orders are reviewed by Daly's Material Requirement Planning (MRP) group prior to order shipment. |
Daly has the ability and resources to procure the needed OEM parts either directly from the manufacturers and or from the manufacturer authorized parts distributors. Daly’s Technical Services Organization maintains a team of service parts experts with a combined experience of over 50 years in the industry.

5. Daly has the service industry management experience to oversee the execution of all aspect of in-warranty and non-warranty repair services.

Daly is ready from Day 1 to service and support VITA and this contract for in-warranty and non-warranty equipment. For large projects, Daly will meet with the customers to define the SLA more closely in order to meet the customer's exact expectations.

| 10. | Do your service and maintenance technicians have and maintain current industry certifications? Please provide details and types of certifications. | Y | Daly’s service and maintenance technicians maintain a wide range of industry certifications. As a company policy, all Daly technicians must be A+ certified upon hiring or be A+ certified within 30 days of hiring in order to maintain its employment eligibility. Many technicians also attain Server+, Net+, Security+ and other industry certifications such as from Microsoft, Cisco, etc. Daly technicians also are required to have expertise and certifications from at least one of the leading manufacturers such as HP, Lenovo, or IBM. Samples certifications are shown in Exhibit 9. |
| 11. | Does your firm provide onsite and/or depot warranty and repair? Please provide details. | Y | Daly Computers has been providing a full range of onsite and depot warranty repair services for over 15 years. Daly has teams of onsite technicians and engineers servicing and supporting customers statewide and in the entire Mid-Atlantic region. Field technicians and engineers are often dispatched directly from their homes to the customer sites to save travel times. If parts are needed for the service calls, they are either overnighted to a UPS location near the customer site for morning pickup or the parts are shipped directly to the customer site overnight for Daly’s technician to pickup. This latter process is done only with the customer’s consent. Quite often, Daly technicians assigned to a particular customer agency that has a maintenance contract with Daly will already have frequently used service |
|   |   | parts in their truck / possession ahead of time. Daly service technicians are equipped with GPS enabled PDA phones for fast and accurate dispatches. The phones are also preloaded with web enabled applications.
|   |   | To complement the field service teams, Daly maintains a complete depot repair service center where equipment are repaired in house and service parts are properly acquired, exchanged and or procured either from the OEMs or the OEM authorized parts distributors. The depot repair team works closely with Daly's HUB, which is the team that is responsible for acquiring the needed service parts. The HUB is staffed by expert service parts coordinator intimately knowledgeable of OEM service parts transactions and procurement processes. Both the depot repair team and the Daly HUB work closely with Daly's Help Desk and Call Center personnel.
|   |   | To receive either onsite or depot repair services, customers only have to contact Daly's Help Desk and Call Center via the following methods:
|   |   | Toll Free Tel: (888)DALY-TEC
|   |   | Email: Support@daly.com
|   |   | All service calls whether it is onsite or depot, in-warranty or non-warranty will receive unique Daly service work order number that will be used to track the progress of the service call through its final resolution.
|   | Does your firm offer the use of spare parts/loaner equipment on both warranty and out of warranty parts? Please provide details. | Y 
|   | Daly does offer spare parts and loaner equipment for both in warranty and out of warranty equipment. Daly has been and currently maintains numerous contracts that require spare parts and loaner equipment on both in-warranty and out of warranty equipment. The spare / loaner equipment include those from the proposed OEMs. Contracts are based on negotiated terms and driven by the customer's service turn around requirements and SLA. Typically, the amount of spare parts / loaner equipment stocked is based on the volume of equipment deployed and the required service turn around times. |
| Does your firm provide asset management and equipment tracking services? Please provide details. | Y  
Daly provides its government and education customers a whole suite of asset management and equipment tracking services. This capability represents one of Daly's core competencies. Daly has the infrastructure, the experience, the resources, and the technical capability to provide the Commonwealth with a wide range of asset management and equipment tracking services under this contract. Some of the services available are as follows:

From Daly's 43,000 square feet integration and production facility, Daly can warehouse, stage, custom image, affix customer's asset tag (only when permitted) or affix Daly's custom designed bar code asset tags that are approved by the customer, and meticulously asset manage thousands of customer's equipment a day. As part of the asset management services, Daly will record all equipment serial numbers, model numbers, quantities, warranty terms, equipment configurations, equipment destination information, system profile information when requested, and other asset information designated by the customer. All the recorded information will be archived and available in electronic format. Once the equipment is delivered and or installed at the customer site, additional key information such as building address, floor numbers, room numbers, and person assigned to can be incorporated into the asset file. Daly is currently providing such services to many government and education entities.

Once the equipment is delivered and or installed, Daly can help customer track its equipment asset using its enterprise call tracking system which has an asset management module. As the equipment is maintained through its useful life, any moves and or changes can be tracked and recorded. Also by using technology such as Computrace from Absolute, Daly can also track customer's computer systems over the Internet. |
As part of the many asset management projects that it has undertaken over the years, Daly has developed an asset tracking application that can automatically compare preloaded customer asset information in real time with asset data collected in the field. This asset tracking application is extremely useful for conducting field audits of asset inventory. Auditors and/or Daly's certified field technicians are equipped with a laptop loaded with the asset tracking application and a bar code scanner. This application is being used by Daly's field technicians for many of its computer technology refresh projects whereby old equipment being removed are audited in real time. Screen shots of Daly's asset tracking application and a sample report are shown in Exhibit 10. Daly's programming team can customize the said asset tracking application to the customer's requirements and specifications.

Daly's project managers and field technicians are experienced in taking asset inventory at customer's site. This type of services is often but not necessarily provided as part of a new computer desktop, workstation, laptop, and/or server deployment project.

All asset inventory information collected and/or archived are available to customers in a variety of formats, i.e. Excel, flat file, Access, CSV files, etc. Customers get to decide what information they need.

Daly's warehouse is used by many customers for temporary storage for their new and old equipment. This capability is useful for asset management and technology deployment projects.

| 14. | Does your firm ship all in stock orders same day? Please list all shipping timelines and include caveats for delay, etc. | Y | All stock orders are shipped the same day when the customer orders are received into Daly's ERP system the same day. For orders that are received in after hours, Daly may still be able to expedite shipments for overnight drop ship to the customer site if the required products are in stock at Daly's distributors. Because, Daly uses four of the nation's largest manufacturer authorized supply chain distributors, Daly has the option to ship products out of the West Coast warehouse up to 7pm EST. Orders that are in stock at Daly or Daly's |
Supply chain distributors can be shipped out the same day when the orders are received into our system that same day. Some common causes for delays are as follows:

1. Errors in the customer purchase order or incomplete information on the purchase order.
2. Product back orders.
3. Products are discontinued.
4. Wrong part(s) ordered by the customer.

Daly’s Material Requirement Planning (MRP) group is the operational group that is tasked to execute on the back office transaction of each customer order, i.e. procure all customer orders, resolve problems proactively, ensure customer orders are delivered within the allotted time line and making sure that the equipment arrives on site in the methods expected. Daly’s MRP works closely with Daly’s sales and project managers to execute on order processing.

| 15. | Does your firm have an in-house order tracking system that can be accessed 24x7 by a user? Please provide details. | Y | Daly Computers does maintain an in-house order tracking system that can be accessed 24x7 by authorized users. The back office application of this system is Daly’s *electronic customer order tracking system* or ECOTS. Daly developed this system in house over 10 years ago. Every order as it comes into the company is immediately bar coded and the PO status is thereupon tracked by this application until completion. As the order is processed, the progress status is tracked by ECOTS. As problems occur, i.e. product change, product discontinuance, incorrect part number used, or any circumstance that may delay the order, the status of that order is recorded into the system. Reports and alerts are generated throughout the day for management review. Daly’s order tracking system will be available to authorized users online. See Exhibit 11 for sample screen shots of this order tracking system and the automated alerts that are broadcasted internally at Daly. |
| 16. | Does you firm have the ability to deliver large quantities of equipment to multiple locations? Please describe your firm’s process and experience including delivery | Y | Daly regularly delivers large quantities of equipment and full systems to multiple Virginia government and education customer locations throughout the |
Commonwealth. An example is Daly's delivery of hundreds of equipment to various Virginia DSS locations throughout the Commonwealth at pre-schedule times after the products have been inventoried, asset tagged and recorded at Daly's integration facility. The asset information is then transmitted electronically to the customer along with the tracking number while the shipment is en-route. By the time the equipment arrives at each site, the customer is ready to receive the equipment in an orderly manner. Daly has been providing this type of delivery services for over 15 years.

Daly's process of providing successful deliveries begins with accurately identifying and understanding the customer's delivery requirements. Such requirements include understanding the model and quantities needed at each location; bar code / asset tag requirements if any; exact times products are needed at each location; delivery methods preferred (i.e. inside delivery vs. loading dock pallets delivery); site contact information, and any special delivery or installation instructions. At times, even the internal physical layout of the building will need to be understood in order to properly transport large quantities of equipment to their final destinations.

Relatively simple deliveries are typically processed by the sales team. For complex deployments, a project manager will be assigned to manage all the logistics. An example of such project is a multiple location delivery with complex installation services staggered over a period of time. As a standard practice, once an order is received, Daly's inside sales, project manager, and or integration manager will coordinate the staging and delivery schedule directly with the customer. Meticulous planning will be put in place to ensure that all equipment arrives on time as scheduled and arrives in the agreed upon methods.

By maintaining its own fleet of trucks and delivery / installation personnel as well as having a large production / integration / warehouse facility where equipment can be carefully staged for shipping,
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<td>17.</td>
<td>Does your firm have a return policy? Please provide details?</td>
<td>Y</td>
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<td>A copy of Daly’s return policy is shown in Exhibit 12. To summarize, Daly will work with the customers to take back orders even when there are no errors made on the part of Daly. Any shipments made as a result of Daly’s error will be taken back at Daly’s expense. No questions asked. Examples of such errors are duplicate shipments, wrong parts shipped, wrong quantities shipped, and goods damaged in transit. In the past few years, there were occasions when Daly properly filled the orders exactly as requested by the customers but the customers nevertheless still needed to return the products. In some of those instances, Daly had difficulty taking back the products. Those few instances were more of a reflection of that particular manufacturer’s restrictive return policy. Even in those instances, Daly worked hard to take the shipments back. Simply put, Daly’s return policy is designed to be customer friendly.</td>
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<td>18.</td>
<td>Does your firm charge a re-stocking fee on returned equipment? Please provide details.</td>
<td>N</td>
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<td></td>
<td>Daly does not charge re-stocking fee on return equipment if the reason for the return is due to Daly’s error. Even when there are no errors on the part of Daly and the equipment needs to be returned, Daly works hard to not charge re-stocking fee. Our track record will attest to that. Typically we only charge re-stocking fee if for some reason, the manufacturer or the distributor in question simply cannot take the product back. In those instances Daly will have no choice but to charge a minimal re-stocking fee to recoup its loss. In those cases, re-stocking fee is up to 20% plus the transportation cost. Daly will work very hard to minimize the customer impact.</td>
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<tr>
<td>19.</td>
<td>Does your firm offer IT equipment disposal and recycling services? Please provide details.</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Daly Computers has been providing IT equipment disposal and recycling services for its government and education customers for over 10 years. In the past 5 years alone, Daly has successfully disposed and recycled over 25,000 desktop computers, laptops, and related peripherals. Most of the</td>
<td></td>
</tr>
</tbody>
</table>
equipment was 4 to 5 year old equipment that Daly initially place at the customer sites.

Daly’s disposal and recycling strategy consists of the following:
1. Drive Clean - All system hard drives are cleaned using DoD disk wipe standards. Daly uses drive duplicators or disk wipe applications that wipe clean the drive at least 7 times at the lowest formatted level.
2. Refurbish and recycle – Salvageable computers are physically cleaned inside, the dust is removed, the drive data is wiped, the OS is reinstalled, and the system tested for full functionality. Once the system is fully functioning, it is then sold at the second hand market. Quite often the equipment is sold to export brokers.
3. When the systems can’t be refurbished, they are taken apart and sold for the value of their components:
   a. The circuit boards are sold for its gold value.
   b. The metal chassis are sold by the pound to scrap metal brokers.
4. Monitors are cleaned and resold in the secondary market.
5. Unusable monitors are either sold to brokers for their parts or shipped to monitor recyclers. The latter process can incur substantial costs.

Daly’s recycle team works with recycling companies that comply with local environmental laws. Daly will also provide disposal and recycling services on equipment that are not purchased from Daly.

| 20. | Does your firm adhere to Energy Star 4.0 energy efficiency standards for computer hardware products? Please provide list of qualified products. | Y | All the computer manufacturers proposed adhere to Energy Star 4.0 standards. In fact, the manufacturers proposed also adhere to EPEAT and RoHS standards. As a note, EPEAT certified products are also Energy Star compliant. The proposed manufacturers’ Energy Star and EPEAT participation lists can be found in Exhibit 13. Their products are listed online at http://www.energystar.gov/index.cfm?c=bulk_purchasing.bus_purchasing and http://www.epeat.net/Companies.aspx as well as in the technical specification sheets submitted. |
PC

Intel or AMD Based

HP DC7900 KP719AV - Intel Based System

Minimum Configurations

<table>
<thead>
<tr>
<th>A. Standard Desktop Offering</th>
<th>Unit Price</th>
<th>Discount %</th>
<th>Unit Discounted Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.4 Ghz Core 2 Duo E6600/ 2 Ghz Athlon 64 X2 3800+ or equivalent</td>
<td>$ 1,089.00</td>
<td>24.50%</td>
<td>$ 822.20</td>
</tr>
<tr>
<td>Graphics Media Accelerator (256mb RAM minimum)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2GB RAM or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>80GB SATA drive or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CDRW/DVD+/-RW Combo Drive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Microsoft Vista Business Capable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two Front Facing USB Ports or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17&quot; LCD Monitor (minimum) (HP 17&quot; LCD Monitor)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two button optical mouse with scroll wheel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Keyboard with 103 keys</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/100/1000 RJ-45</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warranty is three years on-site next business day</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The list price is based on VA government and education price list located at www.hp.com.

HP DC7900 KP719AV - Intel Based System

B. Premium Desktop Offering

<table>
<thead>
<tr>
<th>B. Premium Desktop Offering</th>
<th>Unit Price</th>
<th>Discount %</th>
<th>Unit Discounted Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-GHz Core 2 Duo E6850 or equivalent</td>
<td>$1,292.00</td>
<td>25.50%</td>
<td>$ 962.54</td>
</tr>
<tr>
<td>Discrete Graphics Media Accelerator (256mb RAM minimum)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2GB RAM or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>120GB SATA drive or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CDRW/DVD+/-RW Combo Drive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Microsoft Vista Business Capable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two Front Facing USB Ports or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21&quot; LCD Monitor (HP 22&quot; LCD Monitor)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two button optical mouse with scroll wheel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Keyboard with 103 keys</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/100/1000 RJ-45</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warranty is three years on-site next business day</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The list price is based on VA government and education price list located at www.hp.com.

Units above are base offerings.

*Please provide link to publicly available price list.*

The Virginia HP government and education price list is located at www.hp.com.

Customers who use HP's web site to configure systems will receive prices that are based on the HP government and edu

Notes:

1. HP Intel based desktop systems are proposed above.
2. The discounts proposed for the "Standard Configuration" will remain in effect for the life of the contract.
3. With specific quantities identified, additional discounts may be available from Daly and HP for the Commonwealth. At this time it is difficult to offer more discounts with a potential contract life span of 5 years and a specified quantity unknown.
4. Please note that the configurations proposed above represent good current models that are in fact over spec'd. Daly did not propose configurations that are end of life / discontinued or configurations that are not business class systems. What is important is that Daly can offer the proposed steep discounts and will maintain these discounts for the life of the contra-
5. The system specifications and the VA government education prices for the "Standard Configuration" models proposed are atta-
6. Discounts for other HP product/firms will be in the range of 20 to 40% or higher.
7. Price escalation seldom occurs. Daly will only request price escalation from VITA when it does occur. Daly does not expect price escalation to occur in the first year of the contract. Daly does not expect any price escalation to be more than 3% annually.
### PC
Intel or AMD Based

<table>
<thead>
<tr>
<th>Minimum Configurations</th>
<th><strong>A. Standard Desktop Offering</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>2.4 Ghz Core 2 Duo E6800/ 2 Ghz Athlon 64 X2 3800+ or equivalent</td>
<td><strong>Unit Price</strong></td>
</tr>
<tr>
<td>Graphics Media Accelerator (256mb RAM minimum)</td>
<td>$884.00</td>
</tr>
<tr>
<td>2GB RAM or greater</td>
<td></td>
</tr>
<tr>
<td>80GB SATA drive or greater</td>
<td></td>
</tr>
<tr>
<td>CDRW/DVD+/-RW Combo Drive</td>
<td></td>
</tr>
<tr>
<td>Microsoft Vista Business Capable</td>
<td></td>
</tr>
<tr>
<td>Two Front Facing USB Ports or greater</td>
<td></td>
</tr>
<tr>
<td>17&quot; LCD Monitor (minimum) (HP 17&quot; LCD Monitor)</td>
<td></td>
</tr>
<tr>
<td>Two button optical mouse with scroll wheel</td>
<td></td>
</tr>
<tr>
<td>Keyboard with 103 keys</td>
<td></td>
</tr>
<tr>
<td>10/100/1000 RJ-45</td>
<td></td>
</tr>
<tr>
<td><strong>Warranty is three years on-site next business day</strong></td>
<td></td>
</tr>
</tbody>
</table>

The list price is based on VA government and education price list located at www.hp.com.

<table>
<thead>
<tr>
<th><strong>B. Premium Desktop Offering</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>3-GHz Core 2 Duo E6850 or equivalent</td>
</tr>
<tr>
<td>Discrete Graphics Media Accelerator (256mb RAM minimum)</td>
</tr>
<tr>
<td>2GB RAM or greater</td>
</tr>
<tr>
<td>120GB SATA drive or greater</td>
</tr>
<tr>
<td>CDRW/ DVD+/-RW Combo Drive</td>
</tr>
<tr>
<td>Microsoft Vista Business Capable</td>
</tr>
<tr>
<td>Two Front Facing USB Ports or greater</td>
</tr>
<tr>
<td>21&quot; LCD Monitor (HP 22&quot; LCD Monitor)</td>
</tr>
<tr>
<td>Two button optical mouse with scroll wheel</td>
</tr>
<tr>
<td>Keyboard with 103 keys</td>
</tr>
<tr>
<td>10/100/1000 RJ-45</td>
</tr>
<tr>
<td><strong>Warranty is three years on-site next business day</strong></td>
</tr>
</tbody>
</table>

The list price is based on VA government and education price list located at www.hp.com.

Units above are base offerings.

*Please provide link to publicly available price list.*

The Virginia HP government and education price list is located at www.hp.com.

Customers who use HP's web site to configure systems will receive prices that are based on the HP government and education.

#### Notes:
1. HP AMD based desktop systems are proposed above.
2. The discounts proposed for the "Standard Configuration" will remain in effect for the life of the contract.
3. With specific quantities identified, additional discounts may be available from Daly and HP for the Commonwealth.
   At this time it is difficult to offer more discounts with a potential contract life span of 5 years and a specified quantity unknown.
4. Please note that the configurations proposed above represent good current models that are in fact over spec'd.
   Daly did not propose configurations that are end of life / discontinued or configurations that are not business class systems.
   What is important is that Daly can offer the proposed steep discounts and will maintain these discounts for the life of the contract.
5. The system specifications and the VA government education prices for the "Standard Configuration" models proposed are attached.
6. Discounts for other HP product lines will be in the range of 20% to 40% or higher.
7. Price escalation seldom occurs. Daly will only request price escalation from VITA when it does occur.
   Daly does not expect price escalation to occur in the first year of the contract.
   Daly does not expect any price escalation to be more than 3% annually.
### Notebook
**Intel AMD Based**

#### HP 6730b KE798AV - Intel Based Notebook

<table>
<thead>
<tr>
<th>Minimum Configurations</th>
<th>Unit Price</th>
<th>Discount %</th>
<th>Unit Discounted Price</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Standard Notebook Offering</strong></td>
<td>$1,188.00</td>
<td>13.00%</td>
<td>$983.50</td>
</tr>
<tr>
<td>2 GHz Core 2 Duo T7300 or equivalent</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrated Graphics Media Accelerator (256mb RAM min)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 GB RAM or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>80 GB SATA hard drive or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CDRW/DVD±RW Combo Drive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Microsoft Vista Business Capable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrated fingerprint reader (optional)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>802.11a/b/g/n integrated wireless</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14.1 inch screen or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warranty is three years on-site next business day. (HP Part No. U4414E)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above list price is based on VA government and education price list located at www.hp.com.

#### HP 6710p KR865UA - Intel Based Notebook

<table>
<thead>
<tr>
<th>Minimum Configurations</th>
<th>Unit Price</th>
<th>Discount %</th>
<th>Unit Discounted Price</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>B. Premium Notebook</strong></td>
<td>$1,856.00</td>
<td>12.00%</td>
<td>$1,632.40</td>
</tr>
<tr>
<td>2.4 GHz Core 2 Duo T7700 or equivalent</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discrete Graphics Media Accelerator (256mb RAM min)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 GB RAM or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>120 GB SATA hard drive or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CDRW/DVD±RW Combo Drive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Microsoft Vista Business Capable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrated fingerprint reader (optional)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>802.11a/b/g/n integrated wireless</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 inch screen or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/100/1000 RJ-45</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warranty is three years on-site next business day. (HP Part No. U4414E)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above list price is based on VA government and education price list located at www.hp.com.

### Tablet
**Intel AMD Based**

#### HP 2730p KB036UT - Intel Based Tablet

<table>
<thead>
<tr>
<th>Minimum Configurations</th>
<th>Unit Price</th>
<th>Discount %</th>
<th>Unit Discounted Price</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>C. Tablet Offering</strong></td>
<td>$1,894.00</td>
<td>4.50%</td>
<td>$1,806.77</td>
</tr>
<tr>
<td>1.6-GHz Core 2 Duo L7500 or equivalent</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discrete Graphics Media Accelerator (256mb RAM min)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 GB RAM or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>80 GB SATA hard drive or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CDRW/DVD±RW Combo Drive (external ok)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Microsoft Vista Business Capable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrated fingerprint reader (optional)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>802.11a/b/g/n integrated wireless</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 inch screen or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/100/1000 RJ-45</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warranty is three years on-site next business day. (HP Part No. UD007E)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above list price is based on VA government and education price list located at www.hp.com.

Please provide link to publicly available price list.

The Virginia HP government and education price list is located at www.hp.com.

Customers who uses HP's web site to configure systems will receive prices that are based on the HP government and education price list.

**Notes:**
1. HP intel based notebook and tablet systems are proposed above.
2. The discounts proposed for the "Standard Configuration" will remain in effect for the life of the contract.
3. With specific quantities identified, additional discounts may be available from Daily and HP for the Commonwealth.
4. At this time it is difficult to offer more discounts with a potential contract life span of 5 years and a specified quantity unknown.
5. Please note that the configurations proposed above represent good current models that are in fact over special.
6. Daily did not propose configurations that are end of life / discontinued or configurations that are not business class systems.
7. What is important is that Daily can offer the proposed deep discounts and will maintain these discounts for the life of the contract.
8. The system specifications and the VA government education price for the "Standard Configuration" models proposed are attached.
9. Discounts for other HP product lines will be in the range of 5 to 34% or higher.
10. Price escalation occurs. Daily will only request price escalation from VITA when it does occur. Daily does not expect price escalation to occur in the first year of the contract.
11. Daily does not expect any price escalation to be more than 3% annually.
PC

Intel or AMD Based

ThinkCentre M57e, Part Number 9181 CTO - Intel Based PC

<table>
<thead>
<tr>
<th>A. Standard Desktop Offering</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.4 Ghz Core 2 Duo E6600/ 2 Ghz Athlon 64 X2 3800+ or equivalent</td>
</tr>
<tr>
<td>(Daly is proposing the 2.66 Ghz Intel Core 2 Duo E6750 Processor in the base configuration.)</td>
</tr>
<tr>
<td>Graphics Media Accelerator (256mb RAM minimum)</td>
</tr>
<tr>
<td>2GB RAM or greater</td>
</tr>
<tr>
<td>80GB SATA drive or greater</td>
</tr>
<tr>
<td>CDRW/DVD+/-RW Combo Drive</td>
</tr>
<tr>
<td>Microsoft Vista Business Capable</td>
</tr>
<tr>
<td>Two Front Facing USB Ports or greater</td>
</tr>
<tr>
<td>17&quot; LCD Monitor (minimum)</td>
</tr>
<tr>
<td>Two button optical mouse with scroll wheel</td>
</tr>
<tr>
<td>Keyboard with 103 keys</td>
</tr>
<tr>
<td>10/100/1000 RJ-45</td>
</tr>
<tr>
<td>Warranty is three years onsite NBD.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unit Price</th>
<th>Discount %</th>
<th>Unit Discounted Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,068.00</td>
<td>39.50%</td>
<td>$646.14</td>
</tr>
</tbody>
</table>

Proposed configuration exceed specifications. System spec sheet attached.

ThinkCentre M57e, Part Number 9181 CTO - Intel Based PC

<table>
<thead>
<tr>
<th>B. Premium Desktop Offering</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-GHz Core 2 Duo E6850 or equivalent</td>
</tr>
<tr>
<td>Discrete Graphics Media Accelerator (256mb RAM minimum)</td>
</tr>
<tr>
<td>2GB RAM or greater</td>
</tr>
<tr>
<td>120GB SATA drive or greater</td>
</tr>
<tr>
<td>CDRW/DVD+/-RW Combo Drive</td>
</tr>
<tr>
<td>Microsoft Vista Business Capable</td>
</tr>
<tr>
<td>Two Front Facing USB Ports or greater</td>
</tr>
<tr>
<td>21&quot; LCD Monitor</td>
</tr>
<tr>
<td>Two button optical mouse with scroll wheel</td>
</tr>
<tr>
<td>Keyboard with 103 keys</td>
</tr>
<tr>
<td>10/100/1000 RJ-45</td>
</tr>
<tr>
<td>Warranty is three years onsite NBD.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unit Price</th>
<th>Discount %</th>
<th>Unit Discounted Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,322.00</td>
<td>37.50%</td>
<td>$826.25</td>
</tr>
</tbody>
</table>

Units above are base offerings.

*Please provide link to publicly available price list.*

www.lenovo.com/products

Notes:

1. The discounts proposed for the "Standard Configuration" will remain in effect for the life of the contract.
2. With specific quantities identified, additional discounts may be available from Daly and Lenovo for the Commonwealth.
3. Please note that the configurations proposed above represent good current models that are in fact over spec'd. Daly did not propose configurations that are end of life / discontinued or configurations that are approaching end of life.
4. The system specifications for the "Standard Configuration" models proposed are attached.
5. Discounts for other Lenovo product/lines will be in the range of 10 to 43% or higher.
6. Price escalation seldom occurs. Daly will only request price escalation from VITA when it does occur. Daly does not expect price escalation to occur in the first year of the contract. Daly does not expect any price escalation to be more than 3% annually.
PC

Intel or AMD Based

ThinkCentre A61, Part Number 9169 CTO - AMD Based PC

<table>
<thead>
<tr>
<th>A. Standard Desktop Offering</th>
<th>Unit Price</th>
<th>Discount %</th>
<th>Unit Discounted Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.4 Ghz Core 2 Duo E6600/ 2 Ghz Athlon 64 X2 3800+ or equivalent</td>
<td>$858.00</td>
<td>38.00%</td>
<td>$531.96</td>
</tr>
<tr>
<td>Graphics Media Accelerator (256mb RAM minimum)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2GB RAM or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>80GB SATA drive or greater</td>
<td></td>
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<tr>
<td>CDRW/DVD+/-RW Combo Drive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Microsoft Vista Business Capable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two Front Facing USB Ports or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17&quot; LCD Monitor (minimum)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two button optical mouse with scroll wheel</td>
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<td></td>
<td></td>
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<tr>
<td>Keyboard with 103 keys</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/100/1000 RJ-45</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warranty is three years onsite NBD</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ThinkCentre A61, Part Number 9169 CTO - AMD Based PC

<table>
<thead>
<tr>
<th>B. Premium Desktop Offering</th>
<th>Unit Price</th>
<th>Discount %</th>
<th>Unit Discounted Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-GHz Core 2 Duo E6850 or equivalent</td>
<td>$1,370.00</td>
<td>38.00%</td>
<td>$849.40</td>
</tr>
<tr>
<td>Discrete Graphics Media Accelerator (256mb RAM minimum)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2GB RAM or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>120GB SATA drive or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CDRW/DVD+/-RW Combo Drive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Microsoft Vista Business Capable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two Front Facing USB Ports or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21&quot; LCD Monitor</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two button optical mouse with scroll wheel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Keyboard with 103 keys</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/100/1000 RJ-45</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warranty is three years onsite NBD</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Proposed configuration exceed specifications
System spec sheet attached

*Please provide link to publicly available price list.*

[www.lenovo.com/products](http://www.lenovo.com/products)

**Notes:**
1. The discounts proposed for the "Standard Configuration" will remain in effect for the life of the contract.
2. With specific quantities identified, additional discounts may be available from Daly and Lenovo for the Commonwealth.
3. Please note that the configurations proposed above represent good current models that are in fact over spec'd.
   Daly did not propose configurations that are end of life / discontinued or configurations that are approaching end of life.
4. The system specifications for the "Standard Configuration" models proposed are attached.
5. Discounts for other Lenovo product/lines will be in the range of 10 to 43% or higher.
6. Price escalation seldom occurs. Daly will only request price escalation from VITA when it does occur.
   Daly does not expect price escalation to occur in the first year of the contract.
   Daly does not expect any price escalation to be more than 3% annually.
### Notebook
**Intel/ AMD Based**

**ThinkPad R400, Part Number 7440 CTO - Intel Based Notebook**

<table>
<thead>
<tr>
<th>A. Standard Notebook Offering</th>
<th>Unit Price</th>
<th>Discount %</th>
<th>Unit Discounted Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.5 GHz Core 2 Duo T7700 or equivalent</td>
<td>$1,228.00</td>
<td>32.50%</td>
<td>$828.90</td>
</tr>
<tr>
<td>Integrated Graphics Media Accelerator (256mb RAM min)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1GB RAM or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>80GB SATA hard drive or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CDRW/DVD+RW Combo Drive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Microsoft Vista Business Capable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrated fingerprint reader (optional)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>802.11a/b/g/draft-n integrated wireless</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14.1 inch screen or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warranty is three years onsite NBD.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**ThinkPad T400, Part Number 2750 CTO - Intel Based Notebook**

<table>
<thead>
<tr>
<th>B. Premium Notebook Offering</th>
<th>Unit Price</th>
<th>Discount %</th>
<th>Unit Discounted Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.4 GHz Core 2 Duo T7700 or equivalent</td>
<td>$1,618.00</td>
<td>32.10%</td>
<td>$1,098.82</td>
</tr>
<tr>
<td>Integrated Graphics Media Accelerator (256mb RAM min)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2GB RAM or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>120GB SATA hard drive or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CDRW/DVD+RW Combo Drive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Microsoft Vista Business Capable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrated fingerprint reader (optional)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>802.11a/b/g/draft-n integrated wireless</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17 inch screen or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/100/1000 RJ45</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warranty is three years onsite NBD.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Tablet

**Intel/ AMD Based**

**ThinkPad X61 Tablet, Part Number 7783 CTO - Intel Based Tablet**

<table>
<thead>
<tr>
<th>C. Tablet Offering</th>
<th>Unit Price</th>
<th>Discount %</th>
<th>Unit Discounted Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.6-GHz Core 2 Duo T7500 or equivalent</td>
<td>$2,108.00</td>
<td>33.00%</td>
<td>$1,412.36</td>
</tr>
<tr>
<td>Integrated Graphics Media Accelerator (256mb RAM min)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2GB RAM or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>80 GB SATA hard drive or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CDRW/DVD+RW Combo Drive (external ok)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Microsoft Vista Business Capable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrated fingerprint reader (optional)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>802.11a/b/g/draft-n integrated wireless</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 inch screen or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/100/1000 RJ-45</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warranty is three years onsite NBD.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Units above are base offerings.

*Please provide link to publicly available price list.
www.lenovo.com/nects*

**Notes:**
1. The discounts proposed for the "Standard Configuration" will remain in effect for the life of the contract.
2. With specific quantities identified, additional discounts may be available from Daly and Lenovo for the Commonwealth.
3. Please note that the configurations proposed above represent good current models that are in fact over spec’d.
4. Daly did not propose configurations that are end of life / discontinued or configurations that are approaching end of life.
5. The system specifications for the "Standard Configuration" models proposed are attached.
6. Discounts for other Lenovo product/lines will be in the range of 10 to 33% or higher.
7. Price escalation seldom occurs. Daly will only request price escalation from VITA when it does occur.
8. Daly does not expect price escalation to occur in the first year of the contract.
9. Daly does not expect any price escalation to be more than 3% annually.
## Rugged Notebooks

**Intel / AMD Based**

Partial Mil Spec 810.F (shock, vibration, etc)

**ThinkPad R400, Part Number 7440 CTO - Intel Based Notebook**

<table>
<thead>
<tr>
<th>A. Standard Rugged Notebook Offering</th>
<th>Unit Price</th>
<th>Discount %</th>
<th>Unit Discounted Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 GHz Core 2 Duo T7300 or equivalent</td>
<td>$1,228.00</td>
<td>32.50%</td>
<td>$828.90</td>
</tr>
<tr>
<td>Integrated Graphics Media Accelerator (256mb RAM min)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1GB RAM or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>80GB SATA hard drive or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CDRW/DVD+-RW Combo Drive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Microsoft Vista Business Capable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrated fingerprint reader (optional)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>802.11a/b/g/draft-n intergrated wireless</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 inch screen or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/100/1000 RJ45</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>56K RJ-11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warranty is three years onsite NBD.</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

**ThinkPad T400, Part Number 2767 CTO - Intel Based Notebook**

<table>
<thead>
<tr>
<th>B. Premium Rugged Notebook Offering</th>
<th>Unit Price</th>
<th>Discount %</th>
<th>Unit Discounted Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.4 GHz Core 2 Duo T7700 or equivalent</td>
<td>$1,618.00</td>
<td>32.10%</td>
<td>$1,098.62</td>
</tr>
<tr>
<td>Discreet Graphics Media Accelerator (256mb RAM min)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2GB RAM or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>120GB SATA hard drive or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CDRW/DVD+-RW Combo Drive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Microsoft Vista Business Capable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrated fingerprint reader (Optional)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>802.11a/b/g/draft-n intergrated wireless</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14 inch screen or greater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/100/1000 RJ-45</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>56K RJ-11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warranty is three years onsite NBD.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Units above are base offerings.

*Please provide link to publicly available price list.*

[www.lenovo.com/products](http://www.lenovo.com/products)

**Notes:**

1. The discounts proposed for the "Standard Configuration" will remain in effect for the life of the contract.
2. With specific quantities identified, additional discounts may be available from Daly and Lenovo for the Commonwealth.
3. Please note that the configurations proposed above represent good current models that are in fact over spec'd.
   Daly did not propose configurations that are end of life / discontinued or configurations that are approaching end of life.
4. The system specifications for the "Standard Configuration" models proposed are attached.
5. Discounts for other Lenovo product/lines will be in the range of 10 to 32% or higher.
6. Price escalation seldom occurs. Daly will only request price escalation from VITA when it does occur.
   Daly does not expect price escalation to occur in the first year of the contract.
   Daly does not expect any price escalation to be more than 3% annually.
**Notebook**

Intel/AMD Based

Satellite Pro S300 (PSSBAU-000005) - Intel Based System

<table>
<thead>
<tr>
<th>Minimum Configurations</th>
<th>Proposed configuration exceed specifications. System spec sheet attached.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Standard Notebook Offering</strong></td>
<td><strong>Unit Price</strong></td>
</tr>
<tr>
<td>2 GHz Core 2 Duo T7300 or equivalent</td>
<td>$2,118.00</td>
</tr>
<tr>
<td>Integrated Graphics Media Accelerator (256mb RAM min)</td>
<td></td>
</tr>
<tr>
<td>1GB RAM or greater</td>
<td></td>
</tr>
<tr>
<td>80GB SATA hard drive or greater</td>
<td></td>
</tr>
<tr>
<td>CDRW/DVD+/-RW Combo Drive</td>
<td></td>
</tr>
<tr>
<td>Microsoft Vista Business Capable</td>
<td></td>
</tr>
<tr>
<td>Integrated fingerprint reader (optional)</td>
<td></td>
</tr>
<tr>
<td>802.11a/b/g/n integrated wireless</td>
<td></td>
</tr>
<tr>
<td>14.1 inch screen or greater</td>
<td></td>
</tr>
<tr>
<td>3 Year Onsite Service with Next Business Day</td>
<td>$49.00</td>
</tr>
</tbody>
</table>

| **B. Premium Notebook Offering** | | | |
| 2.4 GHz Core 2 Duo T7700 or equivalent | $1,658.00 | 14% | $1,262.48 |
| Discrete Graphics Media Accelerator (256mb RAM min) | | | |
| 2GB RAM or greater | | | |
| 80GB SATA hard drive or greater | | | |
| CDRW/DVD+/-RW Combo Drive | | | |
| Microsoft Vista Business Capable | | | |
| Integrated fingerprint reader (Optional) | | | |
| 802.11a/b/g/n integrated wireless | | | |
| 17 inch screen or greater | | | |
| 10/10/100/1000 RJ-45 | | | |
| 3 Year Onsite Service with Next Business Day | $37.00 | 22% | $29.34 |

| **Tablet** | | | |
| Intel/AMD Based | | | |

<table>
<thead>
<tr>
<th>PROTEGE M700 (PPM70U-15016) - Intel Based System</th>
<th>Proposed configuration exceed specifications. System spec sheet attached.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>C. Tablet Offering</strong></td>
<td><strong>Unit Price</strong></td>
</tr>
<tr>
<td>1.6-GHz Core 2 Duo L7500 or equivalent</td>
<td>$1,624.00</td>
</tr>
<tr>
<td>Discrete Graphics Media Accelerator (256mb RAM min)</td>
<td></td>
</tr>
<tr>
<td>2GB RAM or greater</td>
<td></td>
</tr>
<tr>
<td>80 GB SATA hard drive or greater</td>
<td></td>
</tr>
<tr>
<td>CDRW/DVD+/-RW Combo Drive (external ok)</td>
<td></td>
</tr>
<tr>
<td>Microsoft Vista Business Capable</td>
<td></td>
</tr>
<tr>
<td>Integrated fingerprint reader (optional)</td>
<td></td>
</tr>
<tr>
<td>802.11a/b/g/n integrated wireless</td>
<td></td>
</tr>
<tr>
<td>12 inch screen or greater</td>
<td></td>
</tr>
<tr>
<td>10/10/100/1000 RJ-45</td>
<td></td>
</tr>
<tr>
<td>3 Year Onsite Service with Next Business Day (Part No. WSN-PQQP3V)</td>
<td>$169.00</td>
</tr>
</tbody>
</table>

3 Year Service Express / Depot Express Option (Part No. WSN-PQQP3V) | $49.00 | 22% | $38.22 |

Units above are base offerings.

*Please provide link to publicly available price list.*

www.Toshiba.com or www.Daly.com

Notes:
1. The discounts proposed for the "Standard Configuration" will remain in effect for the life of the contract.
2. With a potential contract life span of 5 years and without a specified quantity at this time, Daly and Toshiba are still able to offer the above steep discounts.
3. With specific quantities identified, additional discounts may be available from Toshiba for the Commonwealth.
4. Please note that the configurations proposed above represent good current models that are in fact over spec'd. Daly did not propose configurations that are end of life / discontinued or configurations that are not business class systems.
5. What is important is that Daly can offer the proposed steep discounts and will maintain these discounts for the life of the contract.
6. The system specifications for the "Standard Configuration" models proposed are attached.
7. Discounts for other Toshiba products/lines will be in the range of 5 to 20% or higher.
8. Price escalation seldom occurs. Daly will only request price escalation from VITA when it does occur.
Daly does not expect price escalation to occur in the first year of the contract.
Daly does not expect any price escalation to be more than 3% annually.
# Peripherals

## A. Flash Drives

<table>
<thead>
<tr>
<th>Capacity</th>
<th>Unit Price</th>
<th>Discount %</th>
<th>Unit Discounted Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 GB (Kingston Part No. DTI/2GB)</td>
<td>$9.03</td>
<td>25.00%</td>
<td>$6.75</td>
</tr>
<tr>
<td>4 GB (PNY P-FD4GB-B+H/P100W-FS)</td>
<td>$15.03</td>
<td>25.00%</td>
<td>$11.25</td>
</tr>
<tr>
<td>8 GB (PNY P-FD8GB-B+H/P100W-FS)</td>
<td>$25.03</td>
<td>25.00%</td>
<td>$18.75</td>
</tr>
</tbody>
</table>

List price location: www.kingston.com and www.pny.com

## B. Monitors (wide aspect)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unit Price</th>
<th>Discount %</th>
<th>Unit Discounted Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>17&quot; LCD (V7 Part No. D1711-A6)</td>
<td>$189.99</td>
<td>35.00%</td>
<td>$123.49</td>
</tr>
<tr>
<td>19&quot; LCD (V7 Part No. D19W17A-A6)</td>
<td>$199.99</td>
<td>35.00%</td>
<td>$129.99</td>
</tr>
<tr>
<td>21&quot; LCD (V7 Part No. D21W12-A6)</td>
<td>$259.99</td>
<td>35.00%</td>
<td>$168.99</td>
</tr>
</tbody>
</table>

List price location: www.v7-world.com

## C. Docking Station

<table>
<thead>
<tr>
<th>Feature</th>
<th>Unit Price</th>
<th>Discount %</th>
<th>Unit Discounted Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethernet, RJ45 (Targus Part No. ACP45US)</td>
<td>$109.99</td>
<td>22.00%</td>
<td>$85.79</td>
</tr>
<tr>
<td>Audio Line In/Out</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Video, 15 Pin High Density</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Keyboard USB</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mouse USB</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

List price location: www.targus.com

## D. Port Replicator

<table>
<thead>
<tr>
<th>Feature</th>
<th>Unit Price</th>
<th>Discount %</th>
<th>Unit Discounted Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audio Headphone, Cables To Go Part No. 26652</td>
<td>$99.99</td>
<td>30.00%</td>
<td>$69.99</td>
</tr>
<tr>
<td>Audio RCA Digital Coax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ethernet, RJ45</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Video, S-Video</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Video, RCA Composite</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Serial, 9 Pin D-Shell</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Serial, RJ-11 Mod</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

List price location: www.cablestop.com

## E. External USB Floppy Drive

<table>
<thead>
<tr>
<th>Model</th>
<th>Unit Price</th>
<th>Discount %</th>
<th>Unit Discounted Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.44MB (Iomega Part No. D15-1078)</td>
<td>$25.99</td>
<td>26.00%</td>
<td>$19.23</td>
</tr>
</tbody>
</table>

List price location: www.tigedirect.com and www.iomega.com

## F. Network Interface Cards

<table>
<thead>
<tr>
<th>Model</th>
<th>Unit Price</th>
<th>Discount %</th>
<th>Unit Discounted Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/100/1000 BASE-T (RJ 45) (Trendnet Part No. TEG-PC17XR)</td>
<td>$19.99</td>
<td>25.00%</td>
<td>$14.99</td>
</tr>
</tbody>
</table>

List price location: www.tigedirect.com

## G. Mouse

<table>
<thead>
<tr>
<th>Feature</th>
<th>Unit Price</th>
<th>Discount %</th>
<th>Unit Discounted Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Optical Scroll Mouse, PS/2 (Logitech Part No. 953817-2403)</td>
<td>$13.96</td>
<td>45.00%</td>
<td>$7.53</td>
</tr>
</tbody>
</table>

List price location: www.logitech.com and www.microinnovations.com

## H. Keyboard

<table>
<thead>
<tr>
<th>Feature</th>
<th>Unit Price</th>
<th>Discount %</th>
<th>Unit Discounted Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Keyboard, PS/2 (Iomega Part No. 967529-0425)</td>
<td>$9.99</td>
<td>30.00%</td>
<td>$6.99</td>
</tr>
<tr>
<td>Standard Keyboard, USB (Logitech Part No. 907730-0421)</td>
<td>$12.99</td>
<td>30.00%</td>
<td>$9.09</td>
</tr>
</tbody>
</table>

List price location: www.iomega.com and www.logitech.com

## I. Battery Back Up Unit

<table>
<thead>
<tr>
<th>Feature</th>
<th>Unit Price</th>
<th>Discount %</th>
<th>Unit Discounted Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output Capacity: 865Watt/1440VA (TrippLite Part No. OMNIVS1000)</td>
<td>$159.09</td>
<td>16.00%</td>
<td>$130.38</td>
</tr>
<tr>
<td>Nominal Output Voltage: 120V</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output Connection Type: (6) NEMA 5-15R</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Half Load Run Time: 90 minutes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full Load Run Time: 7 minutes</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

List price location: www.tripplite.com

Warranty is manufacturer's warranty

Units above are base offerings.

*Please provide link to publicly available price list.
EXHIBIT E: CERTIFICATION REGARDING LOBBYING

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

i). No Federal appropriated funds have been paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee or an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement.

ii). If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

iii). The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and Contracts under grants, loans and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

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

Signature:  
RYAN YU

Printed Name:  
RYAN YU

Organization:  
DALY COMPUTERS

Date:  
1-26-2009
EXHIBIT G
AWARDED CATEGORIES

- DESKTOP (HP, LENOVO)
- NOTEBOOK (HP, LENOVO, TOSHIBA)
- RUGGED (LENOVO)
- PERIPHALS
- COTS
Software License Contract

between

The Virginia Information Technologies Agency

on behalf of

The Commonwealth of Virginia

and

Daly Computers, Inc.
SOFTWARE LICENSE CONTRACT

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SOFTWARE LICENSE CONTRACT

THIS SOFTWARE LICENSE CONTRACT ("Contract") is entered into by and between the Virginia Information Technologies Agency (VITA) pursuant to §2.2-2012 of the Code of Virginia and on behalf of the Commonwealth of Virginia, (hereinafter referred to as "VITA") and Daly Computers, Inc. ("Supplier"), a corporation headquartered at 22521 Gateway Center Drive, Clarksburg, MD 20871, to be effective as of February 2, 2009 ("Effective Date").

1. PURPOSE AND SCOPE
   This Contract sets forth the terms and conditions under which Supplier agrees to grant a license to use certain Software, and to provide various Services to the Authorized Users.

2. DEFINITIONS

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

   B. Agent
      Any third party independent agent of any Authorized User.

   C. Authorized Users
      All public bodies, including VITA, as defined by §2.2-4301 and referenced by §2.2-4304 of the Code of Virginia.

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

   E. Confidential Information
      Any confidential or proprietary information of a Party that is disclosed in any manner, including oral or written, graphic, machine readable or other tangible form, to any other Party in connection with or as a result of discussions related to this Contract or any order issued hereunder, and which at the time of disclosure either (i) is marked as being "Confidential" or "Proprietary", (ii) is otherwise reasonably identifiable as the confidential or proprietary information of the disclosing Party, or (iii) under the circumstances of disclosure should reasonably be considered as confidential or proprietary information of the disclosing Party.

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

   G. Electronic Self-Help
      Any use of electronic means to exercise Supplier’s license termination rights, if available pursuant to the Software License section of this Contract, upon breach or cancellation, termination or expiration of this Contract or any order issued hereunder.

   H. Maintenance Level
      The parameters of Maintenance Services, including the times during which and time-frames in which Supplier shall respond to a request for Maintenance Services. The available Maintenance
Levels shall be as defined in Exhibit C hereto. The actual Maintenance Level for a unit of Software shall be set forth in the executed order for Maintenance of that Software referencing this Contract.

I. Maintenance Period
   The term during which Maintenance is to be provided for a unit of Software.

J. Maintenance Services (or Maintenance)
   Those Services, preventive and remedial, provided by Supplier at Authorized User’s request in order to ensure continued operation of the Software. Maintenance Services shall include support services.

K. Party
   Supplier, VITA, or any Authorized User.

L. Requirements
   The functional, performance, operational, compatibility. Acceptance testing criteria and other parameters and characteristics of the product as set forth in the applicable documentation, Exhibit A and such other parameters, characteristics, or performance standards for the product that may be agreed upon in writing by VITA and Supplier or the Parties to an order issued hereunder. [Note: In case of conflict, see the Entire Contract clause for order of precedence.]

M. Services
   Any services, including installation, Software configuration, maintenance, support and training provided by Supplier under this Contract.

N. Software
   The programs and code, and any subsequent releases, provided by Supplier under this Contract as set forth in Exhibit A or as described on Supplier’s US and International price lists in effect at time of order placement.

O. Software Publisher
   The licensor of the Software provided by Supplier under this Contract.

P. Supplier
   Means the Supplier and any of its Affiliates (i.e., an entity that controls, is controlled by, or is under common control with Supplier).

3. TERM AND TERMINATION

A. Contract Term
   This Contract is effective and legally binding as of the Effective Date and, unless terminated as provided for in this section, shall continue to be effective and legally binding for a period of two (2) years. VITA, in its sole discretion, may extend this Contract for up to three (3) additional one (1) year periods after the expiration of the initial two (2) year period. VITA will issue a written notification to the Supplier stating the extension period, not less than thirty (30) days prior to the expiration of any current term. Warranty on or Maintenance Services for any Software ordered during the term of the Contract may extend beyond the term of this Contract. Performance of an order or SOW issued during the term of this Contract may survive the expiration of the term of this Contract, in which case all terms and conditions required for the operation of such order or SOW shall remain in full force and effect until Services pursuant to such order or SOW have met the final Acceptance criteria of the applicable Authorized User.
B. Termination for Convenience
VITA may terminate this Contract, in whole or in part, or any order issued hereunder, in whole or in part, or an Authorized User may terminate an order, in whole or in part, upon not less than thirty (30) days prior written notice at any time for any reason.

C. Termination for Breach or Default
VITA shall have the right to terminate this Contract, in whole or in part, or any order issued hereunder, in whole or in part, or an Authorized User may terminate an order, in whole or in part, for breach and/or default of Supplier. Supplier shall be deemed in breach and/or default in the event that Supplier fails to meet any material obligation set forth in this Contract or in any order issued hereunder.

If VITA deems the Supplier to be in breach and/or default, VITA shall provide Supplier with notice of breach and/or default and allow Supplier fifteen (15) days to cure the breach and/or default. If Supplier fails to cure the breach as noted, VITA may immediately terminate this Contract or any order issued hereunder, in whole or in part.

If an Authorized User deems the Supplier to be in breach and/or default of an order, such Authorized User shall provide Supplier with notice of breach and/or default and allow Supplier fifteen (15) days to cure the breach and/or default. If Supplier fails to cure the breach and/or default as noted, such Authorized User may immediately terminate its order, in whole or in part.

Any such termination shall be deemed a Termination for Breach or a Termination for Default. In addition, if Supplier is found by a court of competent jurisdiction to be in violation of or to have violated 31 USC 1352, or if Supplier becomes a party excluded from Federal Procurement and Nonprocurement Programs, VITA may immediately terminate this Contract, in whole or in part, for breach. VITA shall provide written notice to Supplier of such termination, and Supplier shall provide prompt written notice to VITA if Supplier is charged with violation of 31 USC 1352 or if federal debarment proceedings are instituted against Supplier.

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

E. Effect of Termination
Upon termination, the Commonwealth shall have no future liability except for Software accepted or Services rendered by Supplier prior to the termination date.

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

F. Transition of Services
Prior to or upon expiration or termination of this Contract and at the request of VITA, Supplier shall provide all assistance as VITA or an Authorized User may reasonably require to transition Services to any other supplier with whom VITA or such Authorized User contracts for provision of Software-related services. This obligation may extend beyond expiration or termination of the Contract for a period not to exceed six (6) months. In the event of a termination for breach and/or default of Supplier, Supplier shall provide such assistance at no charge or fee to VITA or any Authorized User; otherwise, Supplier shall provide such assistance at a reasonable hourly rate or a charge agreed upon by Supplier and VITA or an Authorized User.
G. Contract Kick-Off Meeting
Within 30 days of Contract award, Supplier may be required to attend a contract orientation meeting, along with the VITA contract manager/administrator, the VITA and/or other CoVa Agency project manager(s) or authorized representative(s), technical leads, VITA representatives for SWaM and Sales/IFA reporting, as applicable, and any other significant stakeholders who have a part in the successful performance of this Contract. The purpose of this meeting will be to review all contractual obligations for both parties, all administrative and reporting requirements, and to discuss any other relationship, responsibility, communication and performance criteria set forth in the Contract. The Supplier may be required to have its assigned account manager as specified in Section 6.0 and a representative from its contracts department in attendance. The time and location of this meeting will be coordinated with Supplier and other meeting participants by the VITA contract manager.

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

4. SOFTWARE LICENSE
If Authorized User is a state agency, board, commission, or other quasi-political entity of the Commonwealth of Virginia or other body referenced in Title 2.2 of the Code of Virginia, the license shall be held by the Commonwealth. If Authorized User is a locality, municipality, school, school system, college, university, local board, local commission, or local quasi-political entity, the license shall be held by that public body.

A. License Grant
Software licensed by Supplier

i). Supplier grants to the Commonwealth and all Authorized Users a fully paid, perpetual, worldwide, nonexclusive, transferable, irrevocable object code license to use, copy, modify, transmit and distribute the Software and Documentation including any subsequent revisions, in accordance with the terms and conditions set forth herein and subject only to the limitations and/or restrictions explicitly set forth in this Contract. It is expressly understood that "perpetual" license rights shall commence upon delivery of the Software to the Authorized User and shall exist in perpetuity unless otherwise terminated in accordance with the applicable provisions of the Contract. The Software is the property of Supplier and/or its licensors, and no title or ownership of the Software or any of its parts, including Documentation, shall transfer to the Commonwealth or any Authorized User.

ii). The Commonwealth and all Authorized Users shall have the right to use, copy, modify, transmit and distribute the Software for their benefit, for government use and purposes, and for the benefit of their Agents, including internal and third-party information processing.
iii). The Commonwealth is further granted the right to sublicense and distribute the Software or to contract with third parties to market and distribute on behalf of the Commonwealth subject to and under similar licensing terms and restrictions contained in this Contract.

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

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

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

vii). An Authorized User may make a reasonable number of copies of the Software and Documentation for use in training, support, demonstrations, backup, archiving, disaster recovery and development and may run the Software concurrently at a back-up site for no additional license fees or costs. Such Authorized User agrees that any copies of the Software or Documentation that it makes under this Contract shall bear all copyright, trademark and other proprietary notices included therein by Supplier.

viii). Except as expressly authorized, an Authorized User shall not distribute the Software to any third party without Supplier’s prior written consent.

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

Software licensed by Software Publisher] Supplier shall provide Software which is licensed directly from the Software Publisher through the end user licensing agreement (EULA) attached hereto as Exhibit D. If the EULA provides for a “perpetual” license, it is expressly understood that “perpetual” license rights shall commence upon delivery of the Software and shall exist in perpetuity unless otherwise terminated in accordance with the applicable provisions of the Contract.

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

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

B. License Type
All licenses granted, regardless of the type, include all uses set forth above. License type may vary by Software product and shall be set forth in Exhibit B and identified on any order issued pursuant to this Contract.

Designated CPU License

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

Concurrent Use license

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

Site License

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

Project Specific License

The Project Specific License authorizes use of the Software on any CPU, on any system, and by any user, without limitation as to quantity or location.

Enterprise Wide License

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

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

Notwithstanding any other provision or other unilateral license terms which may be issued by Supplier after the Effective Date of this Contract, and irrespective of whether any such provisions have been proposed prior to or after the issuance of an order for Software 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 herein shall supersede and govern licensing and delivery of all products and services hereunder.

5. DELIVERY AND INSTALLATION

A. Scheduling

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

B. Installation of Software

1. Supplier Installation of Software

Unless otherwise agreed, the Software license fee excludes initial installation. Supplier is required to install the Software in accordance with the installation schedule set forth on the order. Supplier shall conduct its standard appropriate diagnostic evaluation at the Authorized User's user site to determine that the Software is properly installed and fully ready for productive use, and shall supply the Authorized User with a copy of the results of the diagnostic evaluation promptly after completion of installation.

Supplier agrees that failure to install the Software in accordance with the delivery schedule in the applicable order shall constitute a material breach of this Contract resulting in damages to the Authorized User. As an estimate of the damages such Authorized User shall suffer,
Supplier agrees to credit such Authorized User an amount equal to one-tenth of one percent (0.1%) of the total license fee, for each day of undelivered or delivered but non-operational Software for a period of thirty (30) days following the agreed upon delivery date. If the delay lasts longer than thirty (30) days, such Authorized User may immediately cancel the order and collect the damages for that period of late delivery. Such Authorized User reserves any and all other remedies available at law or in equity for delays lasting longer than thirty (30) days or for non-delivery.

2. Authorized User Installation of Software

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

C. Documentation of Software Configuration

If the Services include configuration of Software by Supplier, Supplier shall provide to the appropriate Authorized User documentation containing a description of the configuration. Such documentation shall be sufficiently detailed such that any appropriately trained employee or Agent of any Authorized User may reconstruct the configuration of the Software.

6. ACCEPTANCE AND CURE PERIOD

A. Acceptance

Software shall be deemed accepted when the Authorized User determines that such Software successfully operates in accordance with the Requirements. Such Authorized User agrees to commence Acceptance testing within five (5) days after receipt of the Software, or within such other period as set forth in the applicable order, after receipt of the Software. Acceptance testing will be no longer than five (5) days, or such longer period as may be agreed in writing between Authorized User and Supplier, for the first instance of each product type set forth in Exhibit B. Supplier agrees to provide to such Authorized User such assistance and advice as such Authorized User may reasonably require, at no additional cost, during such Acceptance testing, other than travel expenses pre-approved by the Authorized User which will be reimbursable by such Authorized User at the then-current per diem amounts as published by the Virginia Department of Accounts (http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Technical/20335_Meals Lodging_102007.pdf, or a successor URL(s)). Authorized User shall provide to Supplier written notice of Acceptance upon completion of successful Acceptance testing. Should Authorized User fail to provide Supplier written notice of successful or unsuccessful Acceptance testing within five (5) days following the Acceptance testing period, the Software shall be deemed Accepted.

B. Cure Period

Supplier shall correct any non-conformities identified during Acceptance testing and re-submit such non-conforming Software for re-testing within seven (7) days of the appropriate Authorized User’s written notice of non-conformance, or as otherwise agreed between such Authorized User and Supplier in the applicable order. Should Supplier fail to cure the non-conformity or deliver Software which meets the Requirements, such Authorized User may, in its sole discretion: (i) reject the Software in its entirety and recover amounts previously paid hereunder; (ii) issue a "partial Acceptance" of the Software with an equitable adjustment in the price to account for such deficiency; or (iii) conditionally accept the applicable Software while reserving its right to revoke Acceptance if timely correction is not forthcoming. Failure of the Software to meet, in all material respects, the Requirements after the second set of acceptance tests may constitute a default by Supplier. In the event of such default, the Authorized User may, at its sole discretion, terminate its order, in whole or in part, for the Software and Services to be provided thereunder by Supplier.
7. WARRANTY SERVICES
At any time during the Warranty Period of one (1) year after Acceptance, Supplier shall provide the following warranty services (including unlimited telephonic support and all necessary travel and labor) without additional charge to any Authorized User to maintain the Software in accordance with the Requirements:

A. Known Defects
Promptly notify all Authorized Users of any defects or malfunctions in the Software or Documentation of which it learns from any source other than an Authorized User and provide to all Authorized Users a correction of any such defects or malfunctions, or a work around until a correction is available, within five (5) days of Supplier’s knowledge of such defect or malfunction.

B. Coverage
Monday through Friday, 8 a.m. to 5 p.m., excluding Commonwealth holidays, provide to any Authorized Users all reasonably necessary telephone or written consultation requested by such Authorized Users in connection with use, problems and operation of the Software.

C. Service Levels
Respond to problems with the Software identified by an Authorized User in no more than two (2) hours after notification. Resolve all problems according to the following:

i). Priority 1 (Software inoperable) within six (6) hours

ii). Priority 2 (certain processing interrupted or malfunctioning but Software able to process) within twenty four (24) hours

iii). Priority 3 (minor intermittent malfunctioning, Software able to process data) within three (3) days.

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

D. Remedies
If Supplier is unable to make the Software conform, in all material respects, to the Requirements within thirty (30) days following written notification by an Authorized User, Supplier shall, at such Authorized User’s request, cancel the license to such Software, accept return of such Software and Documentation, if applicable, rendered unusable, and return all monies paid by such Authorized User for the non-conforming Software and Documentation and such other related Service(s) rendered unusable.

8. MAINTENANCE SERVICES
Supplier shall provide Maintenance Services during the Maintenance Period at the prices identified in Exhibit B without additional charge to maintain the Software in accordance with the Requirements and to provide upgrades, updates, and new releases as they are made generally available.

The prices identified in Exhibit B are inclusive of all necessary labor and, unless otherwise provided therein, all necessary travel. Should travel not be included in the prices identified in Exhibit B, any travel expense must be pre-approved by the Authorized User and shall be reimbursed in accordance with the then-current per diem rates established by the Virginia Department of Accounts (http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Topics/20335_Meals_Lodging_102007.pdf, or a successor URL(s)).

In addition to the minimum Maintenance Services described in this section, Exhibit C provides detailed descriptions of Supplier's additional maintenance offerings, if any, and Supplier's associated responsibilities as well as remedies available to the Authorized User in the event Supplier fails to
perform its maintenance obligations. Any monetary remedies shall be paid to the Authorized User on a quarterly basis. Exhibit C defines coverage periods, response times, and restore times.

A. Ordering

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

Software product and number of units for which Maintenance Services shall be provided,

Maintenance Level to be provided, and

Maintenance Period for Software Maintenance.

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

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

B. Renewal

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

C. Services

At a minimum, Maintenance Services shall include the following:

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

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

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

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

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

D. Software Evolution

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

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

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

E. Escalation Procedures

F. Remedies
In addition to any remedies described in Exhibit C, if Supplier is unable to make the Software conform, in all material respects, to the Requirements within thirty (30) days following notification by an Authorized User, Supplier shall, at such Authorized User's request, accept cancellation of the license to such non-conforming software and (i) return all monies paid by such Authorized User for the cancelled license, pro-rated using the straight-line method for an estimated software life cycle of five (5) years, or, if a term license, shall return the prorated license fee for the remainder of the license term; and (ii) return the prorated maintenance charge for the remainder of the maintenance term. The prorated amount due an Authorized User shall be calculated from the date on which the Software ceased operating in accordance with the Requirements.

9. GENERAL WARRANTY
Supplier warrants and represents to VITA the Software described in Exhibit A as follows:

A. Ownership
Supplier is the owner of the Software or otherwise has the right to grant the license to use the Software granted hereunder without violating or infringing any law, rule, regulation, copyright, patent, trade secret or other proprietary right of any third party.

B. Software and Documentation
Supplier warrants the following with respect to the Software:

i). The Software is pursuant to a particular Request for Proposal ("RFP"), and therefore, such Software shall be fit for the particular purposes specified by VITA, and Supplier is possessed of superior knowledge with respect to the Software and is aware that all Authorized Users are relying on Supplier's skill and judgment in providing the Software;

ii). If the RFP specified or Exhibit A specifies the hardware equipment an Authorized User shall use to run the Software, then Supplier warrants the Software, and any subsequent release, is compatible with and shall perform as stated with such hardware for a period of five (5) years from the Effective Date. However Supplier will in no event be liable for the failure of Software if such failure is due to changes in the hardware or use of third party software by an Authorized User.

iii). If an order issued by an Authorized User pursuant to this Contract specified the hardware equipment such Authorized User shall use to run the Software, then Supplier warrants the Software, and any subsequent release, is compatible with and shall perform as stated with such hardware for a period of five (5) years of the date of such order. However Supplier will
in no event be liable for the failure of Software if such failure is due to changes in the
hardware or use of third party software by such Authorized User.

iv). The Software provided hereunder is at the current release level unless an Authorized User
specifies an older version in its order, in which case item (iii) shall not apply and the older
version of the Software, and any subsequent release, is compatible with and shall perform as
stated with any hardware specified in the applicable order for a period of five(5) years of the
date of such order;

v). No corrections, work-arounds or future Software releases provided by Supplier under the
warranty provisions or under maintenance or support services shall degrade the Software,
cause any other warranty to be breached, or require an Authorized User to acquire additional
hardware equipment or software;

vi). Supplier warrants that the Documentation and all modifications or amendments thereto which
Supplier is required to provide under this Contract shall be sufficient in detail and content to
allow an Authorized User to load/use/operate the Software without reference to any other
materials or information.

C. Limited Warranty
During the warranty period of one (1) year, or as specified in the applicable order, Supplier
warrants that the Software shall meet or exceed the Requirements. Supplier shall correct, at no
additional cost to any Authorized User, all errors identified during the warranty period that result
in a failure of the Software to meet the Requirements.

D. Malicious Code
Supplier has used its best efforts through quality assurance procedures to ensure that there are
no Computer Viruses or undocumented features in the Software at the time of delivery to an
Authorized User. Supplier warrants that the Software does not contain any embedded device or
code (e.g., time bomb) that is intended to obstruct or prevent any Authorized User's use of the
Software. Notwithstanding any rights granted under this Contract or at law, Supplier hereby
waives under any and all circumstances any right it may have or may hereafter have to exercise
Electronic Self-Help. Supplier agrees an Authorized User may pursue all remedies provided
under law in the event of a breach or threatened breach of this Section, including injunctive or
other equitable relief.

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

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

G. Supplier's Past Experience
Supplier warrants that the Software has been installed and is operating in a production
environment in a non-related third party's facility without significant problems due to the Software
or Supplier.

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

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

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

11. FEES, ORDERING AND PAYMENT PROCEDURE

A. Fees and Charges

As consideration for the Software license(s) and Services provided herein, an Authorized User shall pay Supplier the fee(s) set forth on Exhibit B, which lists any and all fees and charges. The fees and any associated discounts shall be applicable throughout the term of this Contract; provided, however, that in the event the fees or discounts apply for any period less than the entire term, Supplier agrees that it shall not increase the fees more than once during any twelve (12) month period, commencing at the end of year one (1). No such increase shall exceed the lesser of three percent (3%) or the annual increase in the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, All Items, Not Seasonally Adjusted, as published by the Bureau of Labor Statistics of the Department of Labor (http://www.bls.gov/cpi/home.htm), for the effective date of the increase compared with the same index one (1) year prior. Any such change in price shall be submitted in writing in accordance with the above and shall not become effective for sixty (60) days thereafter. Supplier agrees to offer price reductions to ensure compliance with the Competitive Pricing Section.

B. Reproduction Rights

At an Authorized User’s request, Supplier shall provide the Authorized User with a reproducible media if requested. Such Authorized User shall be responsible for making copies and distributing the Software as required. Within thirty (30) days of the end of each calendar quarter, such Authorized User shall provide to Supplier a report of the net number of additional copies of the Software deployed during the quarter. Supplier shall invoice such Authorized User for the net number of new licenses reported as deployed.

C. Evaluation Copy of Software

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

D. Ordering

Notwithstanding all Authorized User’s rights to purchase or license Supplier’s products or services under this Contract, an Authorized User is under no obligation to purchase or license from Supplier any of Supplier’s products or services. This Contract is optional use and non-exclusive and all Authorized Users may, at their sole discretion, purchase, license or
otherwise receive benefits from third party suppliers of products and services similar to, or in competition with, the products and services provided by Supplier.

Supplier is required to accept any order placed by an Authorized User through the eVA electronic procurement website portal (eVA Home Page). eVA is the Commonwealth of Virginia's e-procurement system. State agencies, as defined in §2.2-2006 of the Code of Virginia, shall order through eVA. All other Authorized Users are encouraged to order through eVA, but may order through the following means:

i). Purchase Order (PO): An official PO form issued by an Authorized User.

ii). Any other order/payment charge or credit card process, such as AMEX, MASTERCARD, or VISA under contract for use by an Authorized User.

This ordering authority is limited to issuing orders for the Software and Services available under this Contract. Under no circumstances shall any Authorized User have the authority to modify this Contract. An order from an Authorized User may contain additional terms and conditions; however, to the extent that the terms and conditions of the Authorized User’s order are inconsistent with the terms and conditions of this Contract, the terms of this Contract shall supersede.

Notwithstanding the foregoing, Supplier shall not accept any order from an Authorized User if such order is to be funded, in whole or in part, by federal funds and if, at the time the order is placed, Supplier is not eligible to be the recipient of federal funds or may be noted on any of the Lists of Parties Excluded from Federal Procurement and Nonprocurement Programs.

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

E. Invoice Procedures
Supplier shall remit each invoice to the “bill to” address provided with the order promptly after all Software or Services have been accepted. Payment for Software support Services, including Maintenance, shall be monthly in arrears unless otherwise stated, or in any order referencing this Contract. No invoice shall include any costs other than those identified in the executed order, which costs shall be in accordance with Exhibit B. Without limiting the foregoing, all shipping costs are the Supplier’s responsibility except to the extent such charges are identified in Exhibit B, or as noted in any executed order referencing this Contract. Invoices issued by the Supplier shall identify at a minimum:

i). Software or Service type and description

ii). Quantity, charge and extended pricing for each Software and/or Service item

iii). Applicable order date

iv). This Contract number and the applicable order number

v). Supplier’s Federal Employer Identification Number (FEIN).

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

F. Purchase Payment Terms
Supplier is responsible for the accuracy of its billing information. Supplier agrees not to issue invoices hereunder until Software has been accepted unless otherwise agreed by Authorized User. Charges for Software or Services accepted more than ninety (90) days prior to receipt of a valid invoice may not be paid. Should Supplier repeatedly over bill Authorized User, Authorized User may assess a one percent (1%) charge for the amount over billed for each month that such over billing continues.
In the event Software is shipped without the applicable Documentation, payment shall not be due until the required Documentation is provided.

If there are any disputed items, an Authorized User shall pay all undisputed charges and promptly notify Supplier in writing of any disputed amount. Supplier shall thereupon review it's records, and, if it does not concur with the Authorized User, provide the Authorized User with documentation to support the charge. If such charges remain in dispute, such dispute shall be resolved in accordance with the Dispute Resolution section of this Contract. In the absence of the Supplier's written evidence identifying the merit of the disputed amounts, Authorized User may not pay the disputed amounts and may consider the matter concerning the specific identified amounts closed. All payment terms are net 30 days after Acceptance.

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

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

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

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

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

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

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

12. REPORTING

A. Supplier's Report of Sales and Industrial Funding Adjustment
By the 10th day of every month, the Supplier shall submit the “Supplier Monthly Report of Sales”. A template showing the format in which the report is to be submitted and contact information for submission is available at [http://www.vita.virginia.gov/uploadedFiles/SCM/SalesReportTemplate.xls](http://www.vita.virginia.gov/uploadedFiles/SCM/SalesReportTemplate.xls). The report shall be submitted via electronic mail to the VITA IFA Coordinator and shall report total sales (defined for purposes of this report as all invoiced payments received by Supplier from all Authorized Users) for this Contract during the preceding month. Supplier shall be responsible for submitting the monthly report of sales even if Supplier has had no sales (i.e., a $0.00 total sales value) for the reporting period.

The Supplier shall submit the Industrial Funding Adjustment (IFA) payment for the period covered by such “Supplier Monthly Report of Sales” within thirty (30) days after submitting the “Supplier Monthly Report of Sales”. The IFA payment is equal to two percent (2%) of total sales reported during the relevant month.
The IFA payment shall be submitted to VITA, Attention VITA Controller in the form of a check or electronic payment, made payable to the Treasurer of Virginia. The IFA payment shall reference this Contract number, "report amounts", and "report period" and shall be accompanied by a copy of the relevant "Supplier Monthly Report of Sales". Contact information for submission of IFA payments is available at http://www.vita.virginia.gov/uploadedFiles/SCM/SupplierReportofSalesTemplate.xls.

Failure to comply with reporting, payment and distribution requirements of this section may result in default of the Contract.

B. Small Business Participation
Supplier and VITA agree to meet promptly after the Effective Date of this Contract to discuss the participation of Virginia Department of Minority Business Enterprise (DMBE)-certified Small Businesses as subcontractors and second-tier suppliers under this Contract.

Supplier and VITA agree to meet annually thereafter to review small business subcontracting reports and discuss further action with respect to small business subcontracting and spend.

In addition, by the 10th day of every month, Supplier shall submit to VITA the Small Business Subcontracting Monthly Report (template to be provided). Supplier's report should include spend on all Supplier's contracts with second-tier suppliers which provide products or services under this Contract. The report should specify the amount of such spend provided to small businesses. Supplier shall submit the report to SWmM@vita.virginia.gov.

(Deleted language is from prior version about Escrow Agreement, which has been deleted.)

13. COMPETITIVE PRICING
Supplier warrants and agrees that each of the charges, economic or product terms or warranties granted pursuant to this Contract are comparable to or better than the equivalent charge, economic or product term or warranty being offered to commercial or government customer of Supplier, provided the terms and conditions are similar. If Supplier enters into any arrangements with another customer of Supplier or with an Authorized User to provide Software or Services under more favorable prices, as the prices may be indicated on Supplier's current U.S. and International price list or comparable document, then this Contract shall be deemed amended as of the date of such other arrangements to incorporate those more favorable prices, and Supplier shall immediately notify VITA of such change.

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

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

i). in the public domain through no fault of the receiving Party or of any other person or entity that is similarly contractually or otherwise obligated;

ii). obtained independently from a third-party without an obligation of confidentiality to the disclosing Party and without breach of this Contract;
ii). developed independently by the receiving Party without reference to the Confidential Information of the other Party; or

iv). required to be disclosed under The Virginia Freedom of Information Act (§§2.2-3700 et seq. of the Code of Virginia) or similar laws or pursuant to a court order.

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

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

15. INDEMNIFICATION AND LIABILITY

A. Indemnification
Supplier agrees to indemnify, defend and hold harmless the Commonwealth, VITA, any Authorized User, their officers, directors, agents and employees (collectively, “Commonwealth’s Indemnified Parties”) from and against any and all third party claims, demands, proceedings, suits and actions, including any related liabilities, obligations, losses, damages, assessments, fines, penalties (whether criminal or civil), judgments, settlements, expenses (including attorneys’ and accountants’ fees and disbursements) and costs (each, a “Claim” and collectively, “Claims”), incurred by, borne by or asserted against any of Commonwealth’s Indemnified Parties to the extent such Claims in any way relate to, arise out of or result from: (i) any intentional or willful conduct or negligence of any employee, agent, or subcontractor of Supplier, (ii) any act or omission of any employee, agent, or subcontractor of Supplier, (iii) breach of any representation, warranty or covenant of Supplier contained herein, (iv) any defect in the Software or the Services, or (v) any actual or alleged infringement or misappropriation of any third party’s intellectual property rights by any of the Software or Services. Selection and approval of counsel and approval of any settlement shall be accomplished in accordance with all applicable laws, rules and regulations. For state agencies the applicable laws include §§ 2.2-510 and 2.2-514 of the Code of Virginia. In all cases the selection and approval of counsel and approval of any settlement shall be satisfactory to VITA or the Authorized User against whom the claim has been asserted.

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

In the event of a Claim pursuant to any actual or alleged infringement or misappropriation of any third party’s intellectual property rights by any of the Software or Services, and in addition to all other obligations of Supplier in this Section, Supplier shall at its expense, either (a) procure for all Authorized Users the right to continue use of such infringing Software or Services, or any component thereof; or (b) replace or modify such infringing Software or Services, or any
component thereof, with non-infringing products or services satisfactory to VITA. And in addition, Supplier shall provide any Authorized User with a comparable temporary replacement Software or reimburse VITA or any Authorized User for the reasonable costs incurred by VITA or such Authorized User in obtaining an alternative product in the event such Authorized User cannot use the affected Software. If Supplier cannot accomplish any of the foregoing within a reasonable time and at commercially reasonable rates, then Supplier shall accept the return of the infringing component of the Software or Services, along with any other components of any products rendered unusable by any Authorized User as a result of the infringing component, and refund the price paid to Supplier for such components.

B. Liability
Supplier shall have unlimited liability with respect to (i) any intentional or willful misconduct or negligence of any employee, agent, or subcontractor of Supplier, (ii) any act or omission of any employee, agent, or subcontractor of Supplier, (iii) claims for bodily injury, including death, and real and tangible property damage, (iv) Supplier’s indemnification obligations, (v) Supplier’s confidentiality obligations, and (vi) Supplier’s security compliance obligations. Supplier agrees that it is fully responsible for all acts and omissions of its employees, agents, and subcontractors, including their gross negligence or willful misconduct

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

16. SECURITY COMPLIANCE
Supplier agrees to comply with all provisions of the then-current Commonwealth of Virginia security procedures, published by the Virginia Information Technologies Agency (VITA) and which may be found at (http://www.vita.virginia.gov/library/default.aspx?id=537#securityPSGs) or a successor URL(s), as are pertinent to Supplier's operation. Supplier further agrees to comply with all provisions of the relevant Authorized User’s then-current security procedures as are pertinent to Supplier's operation and which have been supplied to Supplier by such Authorized User. Supplier shall also comply with all applicable federal, state and local laws and regulations. For any individual Authorized User location, security procedures may include but not be limited to: background checks, records verification, photographing, and fingerprinting of Supplier's employees or agents. Supplier may, at any time, be required to execute and complete, for each individual Supplier employee or agent, additional forms which may include non-disclosure agreements to be signed by Supplier's employees or agents acknowledging that all Authorized User information with which such employees and agents come into contact while at the Authorized User site is confidential and proprietary. Any unauthorized release of proprietary information by the Supplier or an employee or agent of Supplier shall constitute a breach of this Contract.

Supplier shall indemnify, defend, and hold the Commonwealth, VITA, the Authorized User, their officers, directors, employees and agents harmless from and against any and all fines, penalties (whether criminal or civil), judgments, damages and assessments, including reasonable expenses suffered by, accrued against, or charged to or recoverable from the Commonwealth, VITA, the Authorized User, their officers, directors, agents or employees, on account of the failure of Supplier to perform obligations pursuant to this Section.

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

18. GENERAL PROVISIONS

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

B. Incorporated Contractual Provisions
The then-current contractual provisions at the following URL are mandatory contractual provisions, required by law or by VITA, that are hereby incorporated by reference:

The contractual claims provision §2.2-4363 of the Code of Virginia and the required eVA provisions at http://www.vita.virginia.gov/uploadedFiles/SCM/eVAtsandCs.pdf are also incorporated by reference.

The then-current terms and conditions in documents posted to the aforereferenced URLs are subject to change pursuant to action by the legislature of the Commonwealth of Virginia, change in VITA policy, or the adoption of revised eVA business requirements. If a change is made to the terms and conditions, a new effective date will be noted in the document title. Supplier is advised to check the URLs periodically.

C. Compliance with the Federal Lobbying Act
Supplier’s signed certification of compliance with 31 USC 1352 (entitled "Limitation on use of appropriated funds to influence certain Federal Contracting and financial transactions") or by the regulations issued from time to time thereunder (together, the "Lobbying Act") is incorporated as Exhibit F hereto.

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

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

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

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

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

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

G. Notices
Any notice required or permitted to be given under this Contract shall be in writing and shall be
deemed to have been sufficiently given if delivered in person, or if deposited in the US mails,
postage prepaid, for mailing by registered, certified mail, or overnight courier service addressed
to the addresses shown on the signature page. VITA or Supplier may change its address for
notice purposes by giving the other notice of such change in accordance with this Section.

H. No Waiver
Any failure to enforce any terms of this Contract shall not constitute a waiver.

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

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

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

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

L. Survival
The provisions of this Contract regarding Software License, Warranty, Escrow, Confidentiality, Liability and Indemnification, and the General Provisions shall survive the expiration or termination of this Contract.

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

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

O. Right to Audit
VITA reserves the right to audit those Supplier records that relate to the Software purchased and Services rendered or the amounts due Supplier for such services under this Contract. VITA’s right to audit shall be limited as follows:

i). Three (3) years from Software delivery or Service performance date;

ii). Performed at Supplier’s premises, during normal business hours at mutually agreed upon times; and

iii). Excludes access to Supplier cost information.

In no event shall Supplier have the right to audit, or require to have audited, VITA or any Authorized User.

P. Offers of Employment
During the first twelve (12) months of the Contract, should Supplier hire an employee of an Authorized User who has substantially worked on any project covered by this Contract without prior written consent, the Supplier shall be billed for fifty percent (50%) of the employee’s annual salary in effect at the time of termination. (Daly Computers requests that this provision applies to both parties.)

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

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

a). Exhibit A  Software Functional Requirements
b). Exhibit B  Software Product List, Software License Fee, Service Charges and Payment Schedule
c). Exhibit C  Software Maintenance Services description
d). Exhibit D  End User Licensing Agreement (for reference only)
e). Exhibit E  Escrow Agreement
f). Exhibit F  Certification Regarding Lobbying
g). Exhibit G  Awarded Categories

This Contract, its Exhibits, and any prior non-disclosure agreement constitute the entire agreement between VITA and Supplier and supersede any and all previous representations, understandings, discussions or agreements between VITA and Supplier as to the subject matter hereof. Any and all terms and conditions contained in, incorporated into, or referenced by the Supplier’s Proposal shall be deemed invalid. The provisions of the Virginia Department of General Services, Division of Purchases and Supply Vendor’s Manual shall not apply to this Contract or any order issued hereunder. This Contract may only be amended by an instrument in writing signed by VITA and Supplier. In the event of a conflict, the following order of precedence shall apply: this Contract document, Exhibit A, Exhibit B, any individual order, Exhibit D.

An Authorized User and Supplier may enter into an ordering agreement pursuant to this Contract. To the extent that such ordering agreement, or any order issued hereunder, include any terms and conditions inconsistent with the terms and conditions of this Contract, such terms and conditions shall be of no force and effect.

VITA and Supplier each acknowledge that it has had the opportunity to review this Contract and to obtain appropriate legal review if it so chose.
Executed as of the last date set forth below by the undersigned authorized representatives of VITA and Supplier.

Supplier: Daly Computers, Inc.
By: Ryan Yu
(Signature)
Name: Ryan Yu
(Print)
Title: President
Date: January 26, 2009

VITA
By: [Signature]
Name: James T. Roberts
(Print)
Title: Director Finance & Administration
Date: 2-02-09

Address for Notice:
22521 Gateway Center Drive
Clarksburg, Maryland 20871

Attention: Contract Administrator

Address for Notice:

Attention: Contract Administrator
COTS Software

COTS Software is considered to be commercially available software read to run without customization.

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PRICE FOR ABOVE TITLES SHOULD BE QUOTED FOR PURCHASE OF ONE (1) COPY
The products proposed include license and media.

Academic Pricing

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For purposes of evaluation VITA will create a market basket.

Warranty is software publisher's warranty

Discounts proposed above represent the software publishers' government and academic COTS shrink wrap software discounts. The discounts noted above are not for government and academic volume licenses.

Volume license discounts range from 0% to the percentages noted above to even higher discounts. Volume license discounts can range from 0% to 40% or higher.

*Please provide link to publicly available price list.

www.adobe.com
www.autodesk.com
www.coral.com
EXHIBIT E: CERTIFICATION REGARDING LOBBYING

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

i). No Federal appropriated funds have been paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement.

ii). If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.

iii). The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and Contracts under grants, loans and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

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

Signature:  

[Signature]

Printed Name:  

RYAN YU

Organization:  

DACY COMPUTERS

Date:  

1-26-2009
EXHIBIT G
AWARDED CATEGORIES

- DESKTOP (HP, LENOVO)
- NOTEBOOK (HP, LENOVO, TOSHIBA)
- RUGGED (LENOVO)
- PERIPHALS
- COTS