

May 22, 2007

TO: ALL STATE AGENCIES, SCHOOL DISTRICTS, MUNICIPALITIES, VOLUNTEER  
FIRE COMPANIES AND POLITICAL SUBDIVISIONS

FROM: ARNOLD COOKSON, CPPB  
STATE CONTRACT PROCUREMENT OFFICER  
302-857-4553

SUBJECT: **AWARD NOTICE**  
**CONTRACT NO. 07-394B-AC**  
NETWORK HARDWARE

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OF  
KEY CONTRACT INFORMATION**

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**KEY CONTRACT INFORMATION**

**1. MANDATORY USE CONTRACT:**

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**REF: Title 29, Chapter 6911(d) Delaware Code.** Every state department and agency within the Executive Branch and Judicial Branch of the state government shall procure all material, equipment and nonprofessional services through the statewide contracts administered by Government Support Services, Office of Management and Budget. Delaware State University, Delaware Technical and Community College, the operations funded by Public School Districts, Delaware Transit Corporation, Department of Elections, the Legislative Branch and the Board of Pension Trustees and their consultants are specifically exempted from the requirements of this subsection.

**2. CONTRACT PERIOD:**

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Each Vendors contract shall be valid for a two (2) year period from June 1, 2007 through May 31, 2009. Each contract may be renewed for two (2) additional (1) year periods through negotiation between the contractor and Government Support Services. Negotiation must be initiated no later than ninety (90) days prior to the termination of the current agreement.

**3. VENDORS:**

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<b><u>VENDORS</u></b>	
The Newton Group, Inc. d/b/a Strategic Products & Services 3 Wing Drive, Suite 100 Cedar Knolls, NJ 07927 Contracts: David Schultz or Bob McGowan Phone: 302-999-7040 or 888-777-7280 ext. 6131 Email: <a href="mailto:dshultz@spscom.com">dshultz@spscom.com</a> or <a href="mailto:bmcgowan@spscom.com">bmcgowan@spscom.com</a>	<u>Send Purchase Orders To:</u>  Strategic Products and Services 3 Wing Drive, Suite 100 Cedar Knolls, NJ 07927 Contact: Leslie Walston Phone: 888-777-7280 Fax: 973-944-5822 Email: <a href="mailto:lwalston@spscom.com">lwalston@spscom.com</a>
MTM Technologies, Inc. 590 Century Blvd. Wilmington, DE 19808 Contact: Brian Shuba Phone: 302-633-9800 Fax: 302-633-9819 Email: <a href="mailto:bshuba@mtm.com">bshuba@mtm.com</a>	<u>Send Purchase Orders To:</u>  MTM Technologies, Inc. 590 Century Blvd. Wilmington, DE 19808 Contact: Richard Roux Phone: 302-892-3550 Fax: 302-633-9819 Email: <a href="mailto:rroux@mtm.com">rroux@mtm.com</a>

<b><u>VENDORS</u></b>	
FuturTech Consulting, LLC 92 Reads Way, Suite 202 New Castle, DE 19720 Contact: Michael R. Nardo Phone: 302-428-1300 Fax: 302-428-0703 Email: <a href="mailto:mnardo@fudurtech.com">mnardo@fudurtech.com</a>	<u>Send Purchase Orders To:</u>  Same
Verizon Business Network Services, Inc. 22001 Loudon County Parkway Ashburn, VA 20147 Contact: Keith Purdy Phone: 302-576-5235 Fax: 302-576-0438 Email: <a href="mailto:Keith.t.purdy@verizonbusiness.com">Keith.t.purdy@verizonbusiness.com</a>	<u>Send Purchase Orders To:</u>  Keith Purdy Verizon Business Network Services, Inc. 1 Washington Street Newark, DE 19711 Phone: 302-576-5235 Fax: 302-576-0438

**4. SHIPPING TERMS:**

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F.O.B. destination.

**5. PRICING:**

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Prices will remain firm for the term of the contract year.

**Network Hardware Pricing**

The following pages provide the list price, percentage discount off list price and net price for the awarded vendors. The list only represents eight (8) commonly purchased network hardware items. These items and pricing were used only as a basis for evaluations and contract award. They are only a guide and may not represent actual pricing and discounts for any particular agency project. Each vendor is required to submit a proposal to the agency based on the applicable project requirements.

<b>Vendor – Strategic Products and Services</b>					
<b>Contract Pricing Example</b>					
					<b>LICENSING FEE</b>
<b>MANUFACTURER</b>	<b>DESCRIPTION</b>	<b>LIST PRICE</b>	<b>DISCOUNT</b>	<b>NET PRICE</b>	<b>IF APPLICABLE</b>
<b>HP</b>	Proliant DL 580 G4	\$ 34,436.50	10%	\$ 30,992.85	N/A
	Service		7.5%		
<b>JUNIPER</b>	FIREWALL APP Netscreen-5GT	\$ 900.00	20%	\$ 720.00	N/A
	Maintenance	\$ 200.00	7.5%	\$ 185.00	
<b>JUNIPER</b>	MPLS ROUTER M7iBase-AC-2FETX	\$ 25,120.00	20%	\$ 20,096.00	N/A
	Maintenance	\$ 2,410.00	7.5%	\$ 2,229.25	
<b>IBM</b>	8832G1X HS20 Blade 3.2GHz Xeon Dual Gig-E	No Bid	No Bid	No Bid	N/A
	Maintenance	No Bid	No Bid	No Bid	
<b>CISCO</b>	24 PORT SWITCH WS-C3750-24TS-S	\$ 3,995.00	25%	\$ 2,996.25	N/A
	Maintenance	\$ 320.00	7.5%	\$ 296.00	
<b>BLUECOAT</b>	PROXY APP. 080-02863 SG-200A	No Bid	No Bid	No Bid	N/A
	Maintenance	No Bid	No Bid	No Bid	N/A
<b>HP</b>	SAN EVA 8000	No Bid	No Bid	No Bid	N/A
	Maintenance	No Bid	No Bid	No Bid	N/A
<b>EMC</b>	SAN Clarion CX7	No Bid	No Bid	No Bid	N/A

<b>Vendor – MTM Technologies</b>					
<b>Contract Pricing Example</b>					
<b>MANUFACTURER</b>	<b>DESCRIPTION</b>	<b>LIST PRICE</b>	<b>DISCOUNT</b>	<b>NET PRICE</b>	<b>LICENSING FEE IF APPLICABLE</b>
<b>HP</b>	Proliant DL 580 G4	\$ 24,000.00	10%	\$ 21,600.00	N/A
	Maintenance	No Bid	No Bid	(cost plus 4%)	
<b>JUNIPER</b>	FIREWALL APP Netscreen-5GT	\$ 570.00	40%	\$ 342.00	N/A
	Maintenance	No Bid	No Bid	No Bid	
<b>JUNIPER</b>	MPLS ROUTER M7iBase-AC-2FETX	\$ 25,120.00	40%	\$ 15,072.00	N/A
	Maintenance			\$ 2,410.00	
<b>IBM</b>	HP-BL460C	\$ 17,132.00	14%	\$ 14,144.18	N/A
	Maintenance	No Bid	No Bid	(cost plus 4%)	
<b>CISCO</b>	24 PORT SWITCH WS-C3750-24TS-S	\$ 3,995.00	38%	\$ 2,476.90	N/A
	Maintenance	No Bid	No Bid	\$ 288.00	
<b>BLUECOAT</b>	PROXY APP. 080-02863 SG-200A	\$ 3,865.00	25%	\$ 2,898.75	N/A
	Maintenance	No Bid	No Bid	\$ 541.10	N/A
<b>HP</b>	SAN EVA 8000	\$ 227,052.00	40%	\$ 136,231.20	N/A
	Maintenance	No Bid	No Bid	(includes 3 yrs. Support)	N/A
<b>EMC</b>	SAN Clarion CX7	\$ 240,427.00	50%	\$ 120,213.50 includes (30) 146GB drives, snap view and 3 years support	N/A

<b>Vendor – FuturTech Consulting, LLC</b>					
<b>Contract Pricing Example</b>					
					<b>LICENSING FEE</b>
<b>MANUFACTURER</b>	<b>DESCRIPTION</b>	<b>LIST PRICE</b>	<b>DISCOUNT</b>	<b>NET PRICE</b>	<b>IF APPLICABLE</b>
<b>HP</b>	Proliant DL 580 G4	\$ 7,650.00	10%	\$ 6,885.00	N/A
	Maintenance	No Bid	No Bid	No Bid	
<b>JUNIPER</b>	FIREWALL APP Netscreen-5GT	\$ 650.00	10%	\$ 585.00	N/A
	Maintenance	No Bid	No Bid	No Bid	
<b>JUNIPER</b>	MPLS ROUTER M7iBase-AC-2FETX	\$ 16,998.00	10%	\$ 15,298.20	N/A
	Maintenance	No Bid	No Bid	No Bid	
<b>IBM</b>	8832G1X HS20 Blade 3.2GHz Xeon Dual Gig-E	\$ 9,399.00	10%	\$ 8,459.10	N/A
	Maintenance	No Bid	No Bid	No Bid	
<b>CISCO</b>	24 PORT SWITCH WS-C3750-24TS-S	\$ 3,452.00	10%	\$ 3,106.80	N/A
	Maintenance	No Bid	No Bid	No Bid	
<b>BLUECOAT</b>	PROXY APP. 080-02863 SG-200A	\$ 4,175.00	10%	\$ 3,757.50	N/A
	Maintenance	No Bid	No Bid	No Bid	N/A
<b>HP</b>	SAN EVA 8000	\$ 72,576.00	10%	\$ 65,318.40	N/A
	Maintenance	No Bid	No Bid	No Bid	N/A
<b>EMC</b>	SAN Clarion CX7	\$ 170,000.00	10%	\$ 153,000.00	N/A
	Maintenance	No Bid	No Bid	No Bid	

<b>Vendor – Verizon Business Network Services, Inc.</b>					
<b>Contract Pricing Example</b>					
					<b>LICENSING FEE</b>
<b>MANUFACTURER</b>	<b>DESCRIPTION</b>	<b>LIST PRICE</b>	<b>DISCOUNT</b>	<b>NET PRICE</b>	<b>IF APPLICABLE</b>
<b>HP</b>	Proliant DL 580 G4	No Bid	No Bid	No Bid	N/A
	Maintenance	No Bid	No Bid	No Bid	
<b>JUNIPER</b>	FIREWALL APP Netscreen-5GT-101 and SVC-ND-NS5X	\$ 900.00	36.30%	\$ 573.30	N/A
	Maintenance	\$ 120.00	12%	\$ 105.00	N/A
<b>JUNIPER</b>	MPLS ROUTER M7iBase-AC 1GE-US-B and SVC-ND-M7i	\$ 15,000.00	36.30%	\$ 9,555.00	N/A
	Maintenance	No Bid	No Bid	No Bid	
<b>IBM</b>	8832G1X HS20 Blade 3.2GHz Xeon Dual Gig-E	No Bid	No Bid	No Bid	N/A
	Maintenance	No Bid	No Bid	No Bid	
<b>CISCO</b>	24 PORT SWITCH WS-C3750-24TS-S andCON-SNT-375024TS	\$ 3,995.00	38.45%	\$ 2,458.92	N/A
	Maintenance	\$ 320.00	17.00%	\$ 265.60	
<b>BLUECOAT</b>	PROXY APP. 080-02863 SG-200A	\$ 3,865.00	25%	\$ 2,898.75	N/A
	Maintenance	\$ 541.00	15%	\$ 459.94	N/A
<b>HP</b>	SAN EVA 8000	No Bid	No Bid	No Bid	N/A
	Maintenance	No Bid	No Bid	No Bid	N/A
<b>EMC</b>	CX3-80	\$ 139,725.00	31.75%	\$ 95,362.31	N/A
	Maintenance	No Bid	No Bid	No Bid	

**ADDITIONAL TERMS AND CONDITIONS**

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**6. BILLING:**

The successful vendor is required to **"Bill as Shipped" to the respective ordering agency(s).** Ordering agencies shall provide at a minimum the contract number, ship to and bill to address, contract name and phone number.

**7. PAYMENT:**

The agencies or school districts involved will authorize and process for payment each invoice within thirty (30) days after the date of receipt. The contractor or vendor must accept full payment by procurement (credit) card and/or conventional check and/or other electronic means at the State's option, without imposing any additional fees, costs or conditions.

**8. PRODUCT SUBSTITUTION:**

All items delivered during the life of the contract shall be of the same type and manufacture as specified unless specific approval is given by Government Support Services to do otherwise. Substitutions may require the submission of written specifications and product evaluation prior to any approvals being granted.

**9. ORDERING PROCEDURE:**

Successful contractors are required to have either a local telephone number within the (302) area code, a toll free (800) number, or agree to accept collect calls. Each agency is responsible for placing their orders and may be accomplished by written purchase order, telephone, fax or computer on-line systems. The contractor or vendor must accept full payment by procurement (credit) card and/or conventional check and/or other electronic means at the State's option, without imposing any additional fees, costs or conditions.

**10. REQUIREMENTS:**

This contract is issued to fill the requirements for Network Hardware for all agencies and shall be accessible to any School District, Political Subdivision or Volunteer Fire Company.

**11. HOLD HARMLESS:**

The contractor agrees that it shall indemnify and hold the State of Delaware and all its agencies harmless from and against any and all claims for injury, loss of life, or damage to or loss of use of property caused or alleged to be caused, by acts or omissions of the contractor, its employees, and invitees on or about the premises and which arise out of the contractor's performance, or failure to perform as specified in the Agreement.

**12. NON-PERFORMANCE:**

In the event the contractor does not fulfill its obligations under the terms and conditions of this contract, the ordering agency may purchase equivalent product on the open market. Any difference in cost between the contract prices herein and the price of open market product shall be the responsibility of the contractor. Under no circumstances shall monies be due the contractor in the event open market products can be obtained below contract cost. Any monies charged to the contractor may be deducted from an open invoice.

**13. FORCE MAJEURE:**

Neither the contractor nor the ordering agency shall be held liable for non-performance under the terms and conditions of this contract due, but not limited to, government restriction, strike, flood, fire, or unforeseen catastrophe beyond either party's control. Each party shall notify the other in writing of any situation that may prevent performance under the terms and conditions of this contract.

**14. AGENCY'S RESPONSIBILITIES:**

The Agency shall:

- a. Examine and review in detail all letters, reports, drawings and other documents presented by the Contractor to the Agency and render to the Contractor in writing, findings and decisions pertaining thereto within a reasonable time so as not to delay the services of Contractor.
- b. Give prompt written notice to the Contractor whenever the Agency observes or otherwise becomes aware of any development that affects the scope or timing of the Contractor's services.

**15. PRICE ADJUSTMENT:**

If agreement is reached to extend this contract for the second, optional year, the Division of Government Support Services shall have the option of offering a determined price adjustment and shall not exceed the current Philadelphia All Urban Consumers Price Index (CPI-U), U.S. City Average. If the CPI-U is used, any increase/decrease shall reflect the change during the previous published twelve (12) month period at the time of renegotiation.

**16. PRODUCTS WARRANTY:**

Any communications hardware, services, and software will be covered by the manufacturer's warranty.

**17. STANDARD PRACTICES:**

With respect to work provided to or conducted for the state by a contractor, the contractor(s) shall be responsible for the professional quality, technical accuracy, timely completion, and coordination of all services furnished to the state. The contractor(s) shall follow practices consistent with generally accepted professional and technical standards. The contractor(s) shall be responsible for ensuring that all services, products and deliverables furnished to the state are coordinated with the Department of Technology and Information (DTI) and are consistent with practices utilized by, or standards promulgated by DTI. If any service, product or deliverable furnished by a contractor(s) does not conform to DTI standards or general practices, the contractor(s) shall, at its expense and option either (1) replace it with a conforming equivalent or (2) modify it to conform to DTI standards or practices.

**18. RESPONSIBILITY FOR DAMAGE AND CARE OF PROPERTY:**

The Contractor will be held financially responsible for any damage to the grounds, buildings, equipment or other work caused by act of omission of him, his subcontractors or employees, or other persons engaged in the performance of the Contract. Every reasonable effort shall be made by workmen to proceed with the work as described in these specifications in a manner accepted in trade circles as the highest level workmanship.

**19. SUPPLIER CLEAN-UP:**

All debris resulting from delivery and installation shall be disposed of entirely by the supplier in an efficient and expeditious manner as required and directed by the State Agency Designee.

The Contractor shall always keep the premises free from accumulation of waste materials or rubbish caused by his employees or work. State owned trash receptacles are not to be used by the vendor without prior approval.

**20. SCHEDULE FOR PERFORMANCE OF WORK:**

All work described in these specifications must be completed with reasonable promptness. As used in this section, the State of Delaware shall be the sole judge of the term "reasonable". If the contractor does not begin the work in a reasonable amount of time, they will be notified that if they fail to initiate the work promptly, the contract may be terminated and the State will forthwith proceed to collect for nonperformance of work.

**21. STORAGE OF MATERIALS:**

Every effort shall be made by the Contractor to schedule delivery of materials so that a minimum of storage space is required. The Contractor shall not encumber the premises with his materials and shall store all materials in a place designated by the State Agency or its representative. The State of Delaware will not be in any way responsible for tools or materials used in this work that may be stolen or damaged during the progress of the work.

**22. DELIVERY, INSPECTION, ACCEPTANCE, AND PACKAGING:**

- A. All hardware and software are to be delivered postpaid to the location or locations indicated on the State of Delaware Purchase Order. No labor will be provided to help unload any product under this Contract.
- B. The delivery of hardware, software and services furnished under the terms of the Contract shall not be considered as acceptance thereof until said hardware, software and services are inspected and tested. The inspection, test and acceptance of any hardware, software and services does not relieve the supplier from any responsibility regarding defects or other failure to meet the Contract requirements which may be discovered subsequent to delivery.
- C. In case any item or lots of items are found to be defective in material or workmanship or otherwise not in conformity with the requirements of the Contract, the State shall have the right to either reject them (with or without instructions as to their disposition) or to require their correction. Items or lots of items which are defective or required to be corrected shall be removed, or if required by the State as it may deem appropriate, corrected in place by and at the expense of the supplier promptly after notice, and shall not thereafter be tendered for acceptance unless the former rejection or requirement of correction is disclosed. If the supplier fails to promptly remove such items or lots of items which are required to be removed, or promptly to replace or correct such items or lots of items, the State Agency either (1) may re-contract or otherwise replace or correct such items and charge the supplier the cost occasioned the State Agency thereby, or (2) may terminate the Contract for default as provided herein.
- D. Acceptance or rejection of any items shall be made as promptly as practicable after delivery, except as otherwise provided in the Contract; but failure to inspect and accept or reject items shall neither relieve the supplier from responsibility for such items which are not in accordance with the Contract requirements nor impose liability on the State of Delaware therefore.
- E. Neither the State of Delaware nor its agencies will assume responsibility for damage to any item including items rejected for mishandling during delivery.
- F. All outer packs of items delivered under the Contract must be marked with the Purchase Order/Contract number and item identification. Failure to provide adequate identifying markings may result in refusal of the delivery.
- G. All prices include delivery and placement within the ship-to address in that area specified on the State of Delaware Purchase Order.
- H. Collect shipments will not be accepted.

**23. INVOICES:**

Invoices must be completely identifiable supported by delivery receipts where specified and contain the following minimum information:

1. Address:
2. Purchase Order No./Contract No.
3. Delivery destination as it appears on the Purchase Order.
4. Contract item number, quantity and description of item billed.
5. Unit price and extended price if each item.
6. Total amount of invoice.
7. Any prompt payment discount offered.

**24. FUTURE BENEFITS**

The contractor shall pass on to the State any more favorable terms, conditions and pricing that are driven by market conditions or technological advancement, when such favorable terms, conditions and pricing are based upon executed contracts with other State or other large users of equivalent systems, components or services.