

February 18, 2010

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

FROM: CARMEN HERRERA  
PROCUREMENT OFFICER  
302-739-9683

SUBJECT: **AWARD NOTICE**  
**CONTRACT NO. GSS10228-SOFTWARE**  
MICROCOMPUTER SOFTWARE

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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.

Government Support Services has joined with the State of Wisconsin for the State's Microcomputer Software needs. Microcomputer Software is defined as:

- Shrink Wrapped Software
- Licensed Software
- Upgrades to Software
- Maintenance

The contract does not include software that is specialized and highly-customizable or software that requires significant implementation costs.

**2. CONTRACT PERIOD:**

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Each contractor's contract shall be valid through August 31, 2010.

**3. VENDORS:**

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|   |   |
|---|---|
| <p><b>GSS10228-SOFTWAREV01</b></p> <p>Dell/ASAP</p> <p><i>In Negotiations</i></p>                   | <p><b>GSS10228-SOFTWAREV02</b></p> <p>Digital Information Services (DIS)<br/>         Attn: Michael Carpenter<br/>         10425 Dalebrooke Lane<br/>         Potomac, MD 20854-6412<br/>         Phone: (301) 762-1051<br/>         Fax: (301) 762-6719<br/>         Email: <a href="mailto:mike@digitalgovernment.net">mike@digitalgovernment.net</a></p> |
| <p><b>GSS10228-SOFTWAREV03</b></p> <p>Insight Public Sector, Inc.</p> <p><i>In Negotiations</i></p> | <p><b>GSS10228-SOFTWAREV04</b></p> <p>SHI International Corp. (SHI)<br/>         Attn: Steven Nemeth<br/>         33 Knightsbridge Road<br/>         Piscataway, NJ 08854-3925<br/>         Phone: (800) 527-6389<br/>         Fax: (732) 805-0818<br/>         Email: <a href="mailto:steven_nemeth@shi.com">steven_nemeth@shi.com</a></p>                 |

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**4. SHIPPING TERMS:**

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All shipments shall be F.O.B. destination.

**5. DELIVERY AND PICKUP:**

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A packing label shall be on each box and include the following items, where applicable, visible on the outside of the box:

- Contractor Purchase Order Number, if applicable
- Authorized User Purchase Order Number
- Authorized User's Name
- Address
- Division Name and floor (if applicable)
- Contact Name (Name of Purchaser)
- Number of parcels

A packing slip shall also be included with each shipment, which shall include at least the following information in no particular order:

- Line item description
- Quantity ordered
- Quantity included in shipment
- Any back order items
- Unit Price
- Purchase Order Number
- Authorized User name
- F.O.B. (destination)
- All information contained on the packing label

**6. RETURN OF PRODUCT:**

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Any materials delivered in poor condition, in excess of the amount authorized by the purchase order may, at the discretion of the Authorized Users, be returned to the Contractor's warehouse at the contractor's expense within 30 days. Payment for these orders shall not be made, except for the materials that were ordered and were not damaged. If payment is made in error, the contractor shall issue a credit within thirty (30) days to the appropriate State Agency.

If any product is returned to a Contractor for failure of performance, the contractor shall, at the State's discretion, refund all amounts paid to the Contractor for such product or replace the product, and the following shall apply:

- Within twenty (20) days of written notification by the Authorized User, the Contractor shall make arrangements for the return of the product.

- The Contractor shall bear all shipping and insurance costs.
- Contractor shall be liable for damages to the product, unless caused by fault or negligence of the Authorized User that occur during the return process.
- The Authorized User shall be responsible for all costs associated with the preparation of the product for shipping, and all shipping costs to the Contractor's nearest service location, if the product is returned to the Contractor for any other reason.

**7. QUALITY ASSURANCE and WARRANTY GUARANTEE:**

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The Contractor shall honor the Publisher's warranty and facilitate the necessary notices and responsibilities for any product deemed to be defective by the State to be returned.

**8. NEGOTIATION ASSISTANCE, VOLUME LICENSE AGREEMENT FACILITATION:**

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The Contractor shall assist the Authorized Users with software deployment and migration strategies for purposes of upgrades from/to and to suggest competitive upgrades paths.

The contractor shall advise the Authorized User of the various software versions and plans available, especially when there are various choices.

**9. PRICING:**

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

**Non-Microsoft Software.** All Non-Microsoft Pricing is provided in the following Appendices. The established cost-plus mark-up percentage (%) for the "Top Publishers" shall be honored for all products within that Publisher's full-line catalog. The Contractor's cost price shall be the base price for all Publishers with the stated percentage being added to the cost price to determine a final price. For any Publisher not listed on the designated list, the "Other Publishers" mark-up percentage (%) shall be applied to the Contractor's cost price.

All cost-plus mark-up percentages (%) offered shall not increase during the term of this Contract. The cost-plus mark-up percentage (%) can be reduced at any time.

**Price Decreases.** The Contractor is required to pass along any price decreases to the State. Any price decreases from the Publisher of the product passed along to the Contractor shall be passed through to the State immediately. Price decreases notices by Publisher shall also be maintained on the general announcements page of the specific website.

Appendix 1 - Pricing (**Digital Information Services**)

**COST-PLUS PRICING STRUCTURE**

| <b>GOVERNMENT</b>   |  |                                   | <b>Without P-Card</b> | <b>With P-Card</b>   |
|---------------------|--|-----------------------------------|-----------------------|----------------------|
| <b>Publisher</b>    | <b>Current Targeted Volume License Agreement</b> | <b>Current Targeted VLA Level</b> | <b>Cost Plus (%)</b>  | <b>Cost Plus (%)</b> |
| Adobe               | Contractual License Program                      | Tier 1                            | 0.50%                 | 0.50%                |
| Business Objects    | Crystal Dimension                                | Government Licensing Program      | 0.50%                 | 0.50%                |
| Citrix              | Open Licensing Program                           | Level B                           | 0.50%                 | 0.50%                |
| Computer Associates | Government License Program                       | GLP                               | 0.50%                 | 0.50%                |
| Hummingbird         | Transactional Volume License                     | Level A                           | 0.50%                 | 0.50%                |
| IBM / Lotus         | Passport Advantage Program                       | Government Level                  | 0.50%                 | 0.50%                |
| Macromedia          | Govt Transactional License Option                | Level A                           | 0.50%                 | 0.50%                |
| Network Associates  | Perpetual Plus                                   | Level J                           | 0.50%                 | 0.50%                |
| Quest               | GSA Program                                      | Transactional                     | 0.50%                 | 0.50%                |
| Symantec            | Value Program                                    | Band E                            | 0.50%                 | 0.50%                |
| Trend Micro         | Transactional                                    | Level A                           | 0.50%                 | 0.50%                |
| Veritas             | VIP Open License                                 | Level E                           | 0.50%                 | 0.50%                |
| VMWare              | Transactional                                    | Transactional                     | 0.50%                 | 0.50%                |
| Other Publishers    | N/A  | N/A                               | 0.50%                 | 0.50%                |

| <b>ACADEMIC</b>     |  |                                   | <b>Without P-Card</b> | <b>With P-Card</b>   |
|---------------------|--|-----------------------------------|-----------------------|----------------------|
| <b>Publisher</b>    | <b>Current Targeted Volume License Agreement</b> | <b>Current Targeted VLA Level</b> | <b>Cost Plus (%)</b>  | <b>Cost Plus (%)</b> |
| Adobe               | Contractual License Program                      | Tier 1                            | 0.50%                 | 0.50%                |
| Business Objects    | Crystal Dimension                                | Government Licensing Program      | 0.50%                 | 0.50%                |
| Citrix              | Open Licensing Program                           | Level E                           | 0.50%                 | 0.50%                |
| Computer Associates | Government License Program                       | GLP                               | 0.50%                 | 0.50%                |
| Hummingbird         | Transactional Volume License                     | Level A                           | 0.50%                 | 0.50%                |
| IBM / Lotus         | Passport Advantage Program                       | Education Level                   | 0.50%                 | 0.50%                |
| Macromedia          | Govt Transactional License Option                | Level A                           | 0.50%                 | 0.50%                |

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|--------------------|------------------|---------------|-------|-------|
| Network Associates | Perpetual Plus   | Level J       | 0.50% | 0.50% |
| Quest              | GSA Program      | Transactional | 0.50% | 0.50% |
| Symantec           | Value Program    | Band E        | 0.50% | 0.50% |
| Trend Micro        | Transactional    | Level A       | 0.50% | 0.50% |
| Veritas            | VIP Open License | Level E       | 0.50% | 0.50% |
| VMWare             | Transactional    | Transactional | 0.50% | 0.50% |
| Other Publishers   | N/A              | N/A           | 0.50% | 0.50% |

**Contract Pricing**

**Appendix 2 - Pricing (SHI International Corp. Formally Software House International) revision 11/30/2009**

Discount changes as follows, Novell--discount decrease (both with and w/o P-Card); Trend Micro (Acad)--cost + decrease (w/o P-Card only).

With P-Card price changes-- all cost+ decreases for Citrix and VM Ware (both govt & acad); Hummingbird (govt only)

Changes are in red below

**DISCOUNT-OFF-LIST PRICING STRUCTURE**

| GOVERNMENT |  |                            | Without P-Card                  | With P-Card                    |
|------------|--|----------------------------|---------------------------------|--------------------------------|
| Publisher  | Current Targeted Volume License Agreement  | Current Targeted VLA Level | Discount off List (%)           | Discount off List (%)          |
| Novell     | MLP - July 2008 Price List until 6/30/2010 |                            | 39 % until 02/01/2010, then 35% | 37% until 02/01/2010, then 33% |

**COST-PLUS PRICING STRUCTURE**

| GOVERNMENT          |   |                            | Without P-Card | With P-Card   |
|---------------------|---|----------------------------|----------------|---------------|
| Publisher           | Current Targeted Volume License Agreement | Current Targeted VLA Level | Cost Plus (%)  | Cost Plus (%) |
| Adobe               | Contractual License Program               | Tier 1                     | 0.50%          | 3.00%         |
| Citrix              | Open Licensing Program                    | Level B                    | 1.00%          | 3.00%         |
| Computer Associates | Government License Program                | GLP                        | 0.50%          | 3.00%         |
| Hummingbird         | Transactional Volume License              | Level A                    | 1.00%          | 3.00%         |
| Macromedia          | Govt Transactional License Option         | Level A                    | 0.50%          | 3.00%         |
| Network Associates  | Perpetual Plus                            | Level J                    | 0.25%          | 2.75%         |
| Trend Micro         | Transactional                             | Level A                    | 0.25%          | 2.75%         |
| Veritas             | VIP Open License                          | Level E                    | 0.25%          | 2.75%         |
| VMWare              | Transactional                             | Transactional              | 1.00%          | 3.00%         |
| Other Publishers    | N/A                                       | N/A                        | 1.00%          | 3.00%         |

| ACADEMIC            |   |                            | Without P-Card | With P-Card   |
|---------------------|---|----------------------------|----------------|---------------|
| Publisher           | Current Targeted Volume License Agreement | Current Targeted VLA Level | Cost Plus (%)  | Cost Plus (%) |
| Citrix              | Open Licensing Program                    | Level E                    | 1.00%          | 3.00%         |
| Computer Associates | Government License Program                | GLP                        | 0.50%          | 3.00%         |

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|                    |                                   |               |       |       |
|--------------------|-----------------------------------|---------------|-------|-------|
| Macromedia         | Govt Transactional License Option | Level A       | 0.50% | 3.00% |
| Network Associates | Perpetual Plus                    | Level J       | 0.25% | 2.75% |
| Trend Micro        | Transactional                     | Level A       | 0.25% | 2.75% |
| Veritas            | VIP Open License                  | Level E       | 0.25% | 2.75% |
| VMWare             | Transactional                     | Transactional | 1.00% | 3.00% |
| Other Publishers   | N/A                               | N/A           | 1.00% | 3.00% |

**ADDITIONAL TERMS AND CONDITIONS:**

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**10. 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.

**11. 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.

**12. 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.

**13. 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.

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| <b>Dell/ASAP</b><br><br><i>In Negotiations</i>                   | <b>Digital Information Services (DIS)</b><br>Contact: John Bowers<br>Phone: (877) 843-2421<br>Fax: (877) 329-2429<br>Email: <a href="mailto:john@digitalgovernment.net">john@digitalgovernment.net</a><br>Web: <a href="http://www.ciacentral.com/wisconsin/">http://www.ciacentral.com/wisconsin/</a> |
| <b>Insight Public Sector, Inc.</b><br><br><i>In Negotiations</i> | <b>SHI International Corp. (SHI)</b><br>Contact: Steven Nemeth<br>Phone: (800) 527-6389 ext 7246<br>Fax: (732) 537-7247<br>Email: <a href="mailto:steven_nemeth@shi.com">steven_nemeth@shi.com</a><br>Web: <a href="http://www.shi.com/YourHome.asp">http://www.shi.com/YourHome.asp</a>               |

**14. 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.

**15. 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.

**16. 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.

**17. 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.