CONTRACT

The Parties to this contract are the State of Illinois acting through the undersigned Agency (collectively the State) and the Vendor. This contract, consisting of the signature page and numbered sections listed below and any attachments referenced in this contract, constitutes the entire contract between the Parties concerning the subject matter of the contract, and supersedes all prior proposals, contracts and understandings between the Parties concerning the subject matter of the contract. This contract can be signed in multiple counterparts and signature may be electronic or digital upon agreement of the Parties.

1. TERM AND TERMINATION
2. DESCRIPTION OF SUPPLIES AND SERVICES
3. PRICING
4. STANDARD BUSINESS TERMS AND CONDITIONS
5. STANDARD CERTIFICATIONS
6. DISCLOSURES AND CONFLICTS OF INTEREST
7. SUPPLEMENTAL PROVISIONS

In consideration of the mutual covenants and agreements contained in this contract, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the terms and conditions set forth herein and have caused this contract to be executed by their duly authorized representatives on the dates shown below.

VENDOR
(Vendor Name) International Business Machines Corporation

Signature
Mark R. Townsend

Printed Name Mark R. Townsend

Title Client Manager
Date 12-20-12

Address 3201 W White Oaks, Suite 204
Springfield, IL 62704

Phone 217-547-0036 Fax 217-547-1022

E-mail mrtownes@us.ibm.com

STATE OF ILLINOIS
(Procuring Agency Name)

Signature

Written Name Malcolm Weems

Printed Name Malcolm Weems

Title Director
Date 12/21/12

Designee Signature

Printed Name John E Morrow

Title CPO-BOSS

Address 801 Stratton, Springfield IL
217-557-2412

CHIEF PROCUREMENT OFFICER

Official Signature

Printed Name

Title
Date

Address

STATE USE ONLY
NOT PART OF CONTRACTUAL PROVISIONS

PBC# 12-66730
Project Title IBM Statewide Maintenance Contract
Contract #: CMS366703B
Procurement Method (IFB, RFP, Small, etc): RFP
IFB Ref. #: 22025579
IFB Publication Date: 10/01/2012
Award Code: B
Subcontractor Utilization? Yes No
Subcontractor Disclosure? Yes No
Funding Source
Obligation #

CPO:33 - General Counsel Approval: 
1. **TERM AND TERMINATION**

1.1 **TERM OF THIS CONTRACT:** This contract has an initial term from December 28, 2012 through June 30, 2017. In no event will the total term of the contract, including the initial term, any renewal terms and any extensions, exceed 10 years.

Vendor shall not commence billable work in furtherance of the contract prior to final execution of the contract.

1.2 **RENEWAL:** Subject to the maximum total term as identified above, the State has the option to renew this Contract for a total of five (5) years in one of the following manners:

- a) One renewal covering the entire renewal allowance,
- b) Individual one-year renewals up to and including the entire renewal allowance, or
- c) Any combination of full or partial-year renewals up to and including the entire renewal allowance.

Pricing for the renewal term(s), or the formula for determining price is shown in the pricing section of this contract.

Any renewal is subject to the same terms and conditions as the original contract except as stated below in this subsection. The State may renew this contract for any or all of the option periods specified; may exercise any of the renewal options early and may exercise more than one option at a time based on continuing need and favorable market conditions when in the best interest of the State. The contract may not renew automatically nor may the contract renew solely at the Vendor’s option.

1.3 **TERMINATION FOR CAUSE:** The State may terminate this contract, in whole or in part, immediately upon notice to the Vendor if: (a) the State determines that the actions or inactions of the Vendor, its agents, employees or subcontractors have caused, or reasonably could cause, jeopardy to health, safety, or property, or (b) the Vendor has notified the State that it is unable or unwilling to perform the contract. The Vendor shall be entitled to compensation upon submission of invoices and proof of claim for supplies and services provided in compliance with this contract up to and including the date of termination.

If Vendor fails to perform to the State’s satisfaction any material requirement of this contract, is in violation of a material provision of this contract, or the State determines that the Vendor lacks the financial resources to perform the contract, the State shall provide written notice to the Vendor to cure the problem identified within the period of time specified in the State’s written notice. If not cured by that date the State may either: (a) immediately terminate the contract without additional written notice or (b) enforce the terms and conditions of the contract.

For termination due to any of the causes contained in this Section, the State retains its rights to seek any available legal or equitable remedies and damages.

1.4 **TERMINATION FOR CONVENIENCE:** The State may, for its convenience and with 30 days prior written notice to Vendor, terminate this contract in whole or in part and without payment of any penalty or incurring any further obligation to the Vendor. The Vendor shall be entitled to compensation upon submission of invoices and proof of claim for supplies and services provided in compliance with this contract up to and including the date of termination.

2. **DESCRIPTION OF SUPPLIES AND SERVICES**

2.1 **GOAL:** The State desires to enter into a Statewide Master Contract to provide information technology (IT) Hardware Maintenance. This Contract shall be available to all state agencies, boards, commissions and educational institutions. In addition, all State and other governmental units (including not-for-profit entities) authorized by law to participate in the Joint Purchasing Program may utilize this Contract. This authority is governed by the State’s Standard Procurement Rules and the Governmental Joint Purchasing Act [30 ILCS 525].

2.2 **SUPPLIES AND/OR SERVICES REQUIRED:**

Vendor shall provide fixed price maintenance and time and materials maintenance, as well as provide a web based service call placement tool and electronic web based services link component of the Maintenance Request Tracking System (MRTS) which can be utilized to assist the State in placing, monitoring and tracking agency requests for hardware maintenance.

Maintenance Services, including any necessary parts, will be purchased under Transaction Documents that reference these terms and conditions

2.2.1 Definitions.

**Account Manager:** The term “Account Manager” as used in this contract shall mean: the person assigned by Vendor to manage and oversee all aspects of service and support as it pertains to this contract. The Account Manager is the single point of accountability in the escalation and resolution of all issues that arise throughout the term of the contract.

**Coverage Area:** The term “Coverage” as used in this contract shall mean: the primary and non-primary counties where Hardware Maintenance shall be performed. Primary counties include: Cook, DuPage, McHenry, Lake, Sangamon, Will, Winnebago, Champaign, Effingham, Peoria, McLean, Rock Island, Williamson, Madison, and St. Clair. Non-primary counties include all Illinois counties excluding the previously defined Primary Counties. See Appendix H for a listing of all counties within Illinois.

*Revision 12/14/2010*
Eligible Machine: the term “Eligible Machine” as used in this contract shall mean: A Machine that is operational and in conformance with its official published specifications on the contract start date.

Enterprise – the term “Enterprise” as used in this contract shall mean: all state agencies, boards, commissions, educational institutions and all State and other governmental units (including not-for-profit entities) authorized by law to participate in the Joint Purchasing Program may utilize the Contract.

Fixed Price: The term “Fixed Price” as used in this contract shall mean: the State agency’s option to purchase Hardware Maintenance coverage at a specified service level for a variety of equipment types at a set price (monthly) which includes all necessary labor, parts, firmware, and diagnostic software to maintain the covered systems. The Fixed Price option is utilized primarily to support the enterprise-class IT computer systems and related sub-systems and their peripherals at the State’s data center facilities. It does not include any hourly services such as Time and Materials. A representative list of equipment for the Fixed Price option may be found in the attached Fixed Price Equipment List (Appendix B-1). This list indicates the manufacturer, type, model, and a brief description of the equipment. This list is not intended to be all-inclusive, nor does it represent any guarantee of the quantity, or type of equipment to be maintained under the Contract. The parties have contemplated and intend that during the course of this contract, Machines may be added to the Fixed Price Option that are not currently included in Appendix B-1. Such added Machines may be of a different type and model, have a different manufacturer, and have different types of functions and purposes than those of the Machines identified in Appendix B-1.

Hardware Maintenance: The term “Hardware Maintenance” as used in this contract shall mean: either Fixed Price or Time and Materials repair work performed on State hardware, manufactured by Vendor or other equipment manufacturers (“OEM”), including, but not limited to, personal computers, Apple devices, laptops, enterprise-class mainframe and midrange computer systems, Unix-based and Windows Enterprise systems such as IBM p-series, Oracle/Sun Solaris, HP Blade Centers; peripherals, including disk arrays, tape drives/libraries, controllers, storage switches, network switches, printers, etc. in order to maintain operation of the State’s computing environment.

Machine: the use of the term “Machine” in this contract shall mean: a hardware device, its features, conversions, upgrades, elements, or accessories, or any combination thereof. The term “Machine” includes a Vendor manufactured Machine and any non-Vendor manufactured Machine.

Maintenance Request: The term “Maintenance Request” as used in this contract shall mean: a request for Hardware Maintenance made by the State or one of its Agencies. The Maintenance Request shall also contain all follow-up information generated during the resolution of the request.

Maintenance Request Tracking System (“MRTS”): The term “Maintenance Request Tracking System” or “MRTS” as used in this contract shall mean: various components that comprise the automated, web-based system and associated business processes, used by the State to administer the full life-cycle of the Hardware Maintenance from the initial maintenance request through to sign-off and resolution. The system includes the Vendor’s Electronic Service Call tool which is a web-based tool the State can use to submit maintenance requests. It also includes the State’s Remedy application used by the CMS Help Desk to initiate service requests and an electronic web based services link that will facilitate the automated flow of call updates between the CMS help desk and Vendor’s dispatching system.

Point of Contact or Designated Agency Contact: The terms “Point of Contact” or “Designated Agency Contact” as used in this contract shall mean: the person or persons within each agency to whom all communications relative to the Services will be addressed and who will have the authority to act on behalf in all matters regarding the Services. The Designated Agency Contact places service calls, receives status updates, initiates appropriate escalation procedures, and coordinates problem management procedures. The designated Agency contact may be a single person or persons, or an entity. The Account Manager coordinates and communicates with the State designated contact.

Service Level: The term “Service Level” as used in this contract shall mean: the Critical or Standard response times for Hardware Maintenance as described in Appendix A, Service Level Response Table.

Service: The term “Service” as used in this contract shall mean: the performance of all work necessary to complete a Maintenance Request by Vendor as specified in this contract.

Time and Materials: The term “Time and Materials” as used in this contract shall mean: the State agency’s option to purchase Hardware Maintenance at an hourly rate for labor plus parts. A representative list of equipment for the Time and Materials option may be found in the attached Time and Materials Equipment List (Appendix B-2). This list indicates the manufacturer, type, model, and a brief description of the equipment. This list is not intended to be all-inclusive, nor does it represent any guarantee of the quantity, or type of equipment to be maintained under the Contract. The parties have contemplated and intend that during the course of this contract, Machines may be added to the Time and Materials Option that are not currently included in Appendix B-2. Such added Machines may be of a different type and model, have a different manufacturer, and have different types of functions and purposes than those of the Machines identified in Appendix B-2.

Transaction Documents: The “Transaction Documents” referred to in this contract shall mean: the IBM Schedule for ServiceElite or Supplement/Addendum to IBM Maintenance Contract.

2.2.2. Fixed Price Hardware Maintenance
IBM will provide Fixed Price Hardware Maintenance support throughout the Coverage Area on a 24x7x365 or M-F 8am – 5pm, excluding State Holidays, basis as defined in the Service Level Response Table in Appendix A. The service level credit payment payout for non-compliance will be capped not to exceed 3% of the total charges under the Transaction Document for the then current annual charge period.

Vendor will perform preventative maintenance on Machines in the Fixed Price Inventory in accordance with the manufacturer’s specifications and recommendations.

On an annual basis, aligning with the State’s fiscal year, agencies participating in fixed price maintenance option will receive an executable IBM Schedule for Service Elite or Supplement/Addendum to IBM Maintenance Contract per agency requirements.

**Fixed Price Inventory:** Vendor and each State Agency shall work together to maintain an inventory of Machines, which includes all Machines currently being serviced by Vendor for each Agency pursuant to the Fixed Price option (the "Fixed Price Inventory").

On an annual basis, Vendor shall provide an inventory true up with each agency. Communications dealing with assets, inventories, and changes are managed by the IBM Account Manager.

The State may add Machines to the Fixed Price Inventory so long as such Machines meets the Vendor eligibility requirements for Hardware Maintenance. If a requested addition does not meet Vendor’s eligibility requirements, such Machine may be subject to maintenance certification before Vendor can add the Machine to the Fixed Price Inventory.

An Agency may also delete Machines from the Fixed Price Inventory. The Agency shall give Vendor thirty (30) days written notice before it deletes any Machines from the Fixed Price Inventory.

All requested additions and deletions to the Fixed Price Inventory shall be sent in writing (email is acceptable) to the Account Manager for processing. Any additions or deletions will be reflected in the next regular invoice or in a separate adjustment invoice.

A request for a price quote for a modification to the Fixed Price Inventory shall be requested by the Agency to the Account Manager through Vendor’s email mailbox: SQIPG@us.ibm.com. For Machines with like configurations and like service levels with pricing already established on the contract, Vendor will return the price quote within ten (10) business days. For new Machines or new configurations, the Agency must provide pertinent information for coverage, including but not limited to, machine type, model, serial number, installed location and configuration. Vendor will make best commercial efforts to meet a ten (10) business day window.

**Service Level Fixed Price:** Service Level performance and Service Level credits will be measured on a monthly basis. Attainment for % Resolution Times Met and % On Site Response Times Met will be calculated by dividing the total calls that were handled within the percentages defined for resolution time and on site response time by the total number of calls placed in a given month under this Contract. Service Level credits will be administered against agency billings based on a mutually agreed to formula which calculates the impact of non-compliance at the agency level.

This remedy excludes Service Level objectives missed on service calls for Vendor and non-Vendor machines that have been withdrawn from hardware maintenance support. This remedy also excludes service level objectives missed due to service calls deferred by the State, machines damaged by misuse, accident, modification, unsuitable physical or operating environment, or improper maintenance by the State. The remedy also excludes missed service level objectives that are a result of force majeure. These exceptions shall not be deemed a breach of the contract.

For Vendor, to meet the Service Level requirements described in Appendix A the agency designated contacts must provide complete information (e.g. serial number, location and customer contact information) when placing a Maintenance Request.

When machines are added of types, models, and install locations not on the then current Fixed Price Inventory, measurement against the service level credit provision will not begin until 60 days after support for these devices have been mutually agreed to by both Parties and these devices are added to Fixed Price Inventory.

**Firmware:** Vendor shall have access to and provide all necessary firmware updates for the Vendor manufactured equipment. For OEM, Vendor will abide by manufacturer rules regarding firmware availability and updates.

**Remote Diagnostics:** Vendor will perform remote call diagnostics on equipment manufactured by Vendor equipped with that function and when the function is activated by Vendor with the State’s approval. For OEM, Vendor will support remote call diagnostics to the extent the OEM makes such capability available to Vendor and the State authorizes the process.

**2.2.3 Time and Materials Hardware Maintenance**

Vendor will provide Time and Material Hardware Maintenance to the State throughout the Coverage Area on a 24x7x365 or M-F, 8am – 5pm, excluding State Holidays, basis under the following conditions:

- Hourly rates for Time and Material Hardware Maintenance support are defined in Section 3.1 herein.
- Vendor and the State will mutually agree to the initial list of Machines that are covered by this provision (the “Time and Materials Inventory”).
- The initial basis for the Machines will be limited to that listed in Appendix C, Time and Materials Inventory.

Revision 12/14/2010
- On a bi-annual basis (defined as July 1st and January 1st) Vendor and each State Agency will review the applicable Time and Materials Inventory to ensure that it accurately reflects the Machines to be covered by Time and Material Hardware Maintenance.

- Any additions to the list of Machines, agreed to by both parties during the bi-annual review process may have an impact on hourly rates listed in Appendix B-2 herein. To the extent the hourly rate must increase due to the addition of a Machine, the parties acknowledge that such increase can be implemented only in accordance with the Illinois Procurement Code and Rules.

- Time and Materials Hardware Maintenance excludes mainframe and midrange Machines.

- Maintenance Requests for Time and Material Hardware Maintenance will be dispatched by Vendor to its selected technician.

- SLA's and penalties do not apply to Time and Material Hardware Maintenance. However, Time and Materials Hardware Maintenance will be performed by Vendor in accordance with the Service Level Objectives set forth in Appendix A.

- If a Maintenance Request is placed on a Machine that is not listed in Appendix C, Vendor will attempt to provide Time and Material Hardware Maintenance on a commercially reasonable basis at the pricing set forth in Appendix B-2 herein.

**Time and Material Maintenance for Warranty Services.**

For Machines under warranty and when authorized, Vendor will honor the specific Vendor or OEM warranty without any additional charge to the State. Service Level requirements will match Vendor’s warranty or the OEM warranty service level and will be exempt from Service Level Credits (pursuant to Appendix A). If the support request fall outside the Vendor or OEM warranty service level, the State would be subject to a labor charge per the established Time and Material Hardware Maintenance hourly labor rate set forth in Appendix B-1 and B-2 herein.

**Warranty for Time and Materials Labor and Parts**

Vendor shall warrant replacement parts for the greater of 90 days or the Vendor or OEM warranty. The Machines or Machine elements exchanged or parts provided may be used and are warranted for three months after delivery from IBM to be free from defects in material and workmanship. IBM’s obligation is limited to furnishing, on an exchange basis, replacements for Machines, Machine elements and parts which have been promptly reported by the State as having been, in the State’s opinion, defective and are so found by Vendor upon inspection. This warranty is in lieu of all other warranties, express or implied, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. This warranty gives the customer specific legal rights, and the customer may also have other rights which vary from state to state. Warranty applies to parts only.

IBM reserves the right to exclude the 90 day warranty from printers and consumables placed into printer equipment.

**2.2.4 Initiation and Completion of a Hardware Maintenance Request through MRTS or by Telephone**

The State can initiate a Maintenance Request through Vendor’s toll-free telephone number, which is 1-800-426-7378 or electronically through MRTS. The creation of a Maintenance Request shall be immediate whether initiated by a telephone call to Vendor or through MRTS. When Vendor acknowledges the Maintenance Request MRTS will be updated with receipt of the Maintenance Request for the Agency contact to view. Designated Agency Contacts shall be able to inquire, add, or update a Maintenance Request 24 x 7 x 365 days a year.

Throughout the full life-cycle of a Maintenance Request, whether for Fixed Price or Time and Materials maintenance work, Vendor’s technicians shall communicate status updates regarding the progress of the Maintenance Request to the initiating Agency through MRTS using a portable terminal. Status updates shall be provided by Vendor’s technicians each time a natural break in work occurs. Required status updates include, but are not limited to:

- Acknowledgment of Maintenance Request;
- ETA for onsite;
- Arrival onsite regardless of travel time;
- On hold for parts (if this is the status update, the parts ordered should be included in the status update);
- Part ordered; and
- Completion of a maintenance request (closing call)

To the extent a Vendor technician performing the Maintenance Request does not have an electronic interface into MRTS, the technician will provide status updates to Vendor who will in turn update the call status on behalf of the technician.

Status updates are available for view anytime to all registered Agency contacts via MRTS. While transitioning the MRTS, maintenance request updates by the Vendor can be viewed by the State in the ESC+ Web Based Call Placement tool.
Throughout the full life-cycle of a Maintenance Request, it is the responsibility of the Account Manager to monitor the status updates provided by the Vendor technician performing the Maintenance Request in MRTS. To the extent there is a lapse in status change in excess of 48 hours the Account Manager will investigate the cause of such lapse and will provide the initiating Agency with an update via MRTS.

MRTS will provide an update to the Agency contact listed in the Maintenance Request when a Maintenance Request is closed.

Any and all changes to add or modify the designated Agency contact in a Maintenance Request should be communicated through the account manager.

MRTS shall maintain an audit trail of all database transactions (add, change, delete) identifying the date and the time of each transaction and the original data in instances where changes are made. Information identifying the user who made each transaction will be available in a separate report outside of MRTS as requested by the State.

2.2.5 Repair Service Process

Vendor shall follow the repair process outlined in Appendix E for both the Fixed Price and the Time and Materials maintenance requests. Vendor shall not commence work on a maintenance request until after the request is either submitted through MRTS or via telephone.

For Time and Materials Maintenance Requests that are estimated to cost more than $800, the technician responding to a Maintenance Request will provide the individual who initiated the Maintenance Request a brief description of diagnosed problem, an estimate for parts costs, and will get approval before repair work is started. Procedures for any Time and Materials Maintenance Requests that are estimated to cost less than $800, will be established by mutual agreement of the parties during Transition Management.

The technician will then complete the repair and have the call closed out in the MRTS system notifying the agency designated contact of call closure. This process assumes the agency designated contact will respond so as not to impact service level commitments. Any changes to the repair service process set forth in this section 2.2.5 and Appendix E shall be done via a Project Change Request.

The parties will work together to develop and will mutually agree upon any specific procedures to be followed when Vendor's technicians complete a Maintenance Request.

Vendor shall be certified or trained to ensure that any dispatched technician has sufficient education, training, and experience to assess and correct reported faults for all machines within the scope of this Agreement.

All Services performed by Vendor in its performance of a Maintenance Request may be subject to inspection and acceptance by the State. Any inspection or approval of the Services of work performed by the Vendor does not forfeit the right of the State to require the correction of any faulty workmanship or material.

Upon completion of any Services, the Vendor shall be required to remove from the premises all equipment and materials belonging to it and shall leave the site in a condition satisfactory to the State.

Security Regulations: The Vendor shall abide by State security regulations, policies and standards regarding security of information systems resources. This may include background checks and compliance with other security requirements as a condition of work.

For Time and Materials Maintenance Requests, Vendor shall respond according to the contracted Service Levels set forth in Appendix A.

Unsatisfactory Performance by a Technician: Upon notification from the State that a technician performing a Maintenance Request has failed to meet the contract requirements or that the technician's performance or behavior is unsatisfactory, the Vendor will promptly investigate the issue. The Vendor and the State will work together to reach a mutually agreeable solution regarding the replacement of this technician.

If mutually agreed to, the Vendor will use its best efforts to replace the technician within thirty (30) business days unless a different time frame is mutually agreed upon with the State in writing.

If the Services provided by a technician are sub-standard or the technician's credentials are falsified, the Vendor shall reimburse or credit the State for any previously billed hours by the technician.

Vendor shall not be required to reimburse or credit the State for services rendered that are satisfactory and accepted by the state whether or not a technician's credentials are later found to be falsified. Additionally, the State agrees to provide vendor prompt written notice, generally within ten (10) business days, in the event the State is not satisfied with any services performed.

Revision 12/14/2010
2.2.6 MRTS Miscellaneous Provisions

**MRTS Technical Support:** The Vendor shall provide ongoing support for the Vendors web-based services tool and web-based services link of MRTS, including unlimited support calls. Upon contract execution, Vendor will provide the State with documentation concerning the technical support services for MRTS.

The State and Vendor shall collaborate and mutually agree as to any additional requirements that may be necessary for the System to operate as specified herein.

**MRTS Technical Specifications:** Vendor will collaborate with the State to develop and verify the MRTS specifications. Provided however, that such MRTS specifications must, at a minimum, meet the MRTS specifications set forth by Vendor in Vendor’s Response to the State’s Hardware Maintenance Request for Proposal dated June 20, 2012. Such MRTS specifications shall be set forth in Appendix G.

**MRTS Training:** Vendor shall provide one initial instructor-led training for State MRTS administrators and trainers, or one initial computer-based or virtual training (e.g., WebEx) to State end-users of the MRTS in support of the initial implementation of the MRTS. Vendor shall provide one annual training on MRTS and associated processes for up to 200 State personnel. The parties shall mutually agree as to the location, either Chicago or Springfield, or via webinar, and method of such training. Printed documentation concerning MRTS and its associated processes shall be available on Vendor’s website. Further, to the extent additional training is necessary, Vendor will provide such training to the extent that a mutually agreed upon time and location is determined.

**Transition to a Replacement System:** Prior to completion or termination of the contract, the Vendor shall, but only to the extent that Maintenance Request history data resides in MRTS, ensure that this data maintained in MRTS has been migrated back to the initiating Agency in exportable tabular format with a data dictionary.

Vendor shall provide technical assistance transferring the MRTS data to a new or replacement system. The parties acknowledge that there may be additional costs associated with such assistance. To the extent there is any such additional cost, such additional cost shall be paid in accordance with the Illinois Procurement Code and Rules. Any additional charges associated with this assistance will be subject through a PCR as mutually agreed to by both parties.

2.2.7 Machine Replacement

Vendor agrees to repair all hardware onsite and will not remove devices from an Agency location in order to complete repair actions, without prior permission from the Agency. However, if estimated resolution time for onsite repair will exceed the defined service level in the Appendix A, and upon mutual agreement with State, Vendor will replace equipment under the following conditions:

- The replacement machine is provided by the State
- Vendor will assist with installation and configuration of the replacement machine per the hourly labor rates defined in Section 3.1 herein.
- The installation and configuration request will be made by the State in MRTS or by phone and will be dispatched by Vendor to its selected technician.
- Excludes midrange and mainframe equipment

2.2.8 Billing

Vendor shall be responsible for all travel-related expenses, related to this Contract, for time and materials maintenance and regardless of the location that maintenance services are performed. The State shall not reimburse the Vendor for any travel-related expenses.

**Fixed Price Billing:** Vendor may bill each Agency directly on a monthly basis, or as otherwise agreed in a Transaction Document. The monthly bill shall identify and include any service level credits due for that month’s billing cycle.

**Time and Materials Billing:**
- Time and Material charges will reflect a minimum of one (1) hour, with subsequent charge periods billed in increments of fifteen (15) minutes. IBM will only bill hourly labor repair time as set forth in Appendix B-1 and B-2 herein plus parts.
- Time and Material charges will be billed to the Agency within 60 days of the date the work was performed.

2.2.9 Support Services For Fixed Price and Time and Materials Hardware Maintenance

2.2.9.1 Warranty service upgrade for IBM Machines
Service Level Upgrade: For certain Eligible Machines (For Fixed Price Maintenance), the State may select a Service upgrade from the existing warranty for the Machine Vendor will charge the State for the Service Level upgrade during the warranty period.

The State may not terminate the Service Level upgrade or transfer it to another Machine during the warranty period. When the warranty period ends, the Machine will become part of the State's standard inventory count and will convert to maintenance Service at the same type of Service you selected for warranty Service upgrade.

2.2.9.2 Warranty service upgrade for non IBM Machines

Service Level Upgrade on non IBM Machines (For Fixed Price Maintenance): For certain Eligible Machines and where Vendor is warranty authorized, the State may select a Service upgrade from the existing warranty for the Machine. Vendor will charge the State for the Service Level upgrade during the warranty period.

Vendor will price the device with an uplift charge that covers the enhanced response that is being applied on top of the standard base warranty response level.

When the warranty period ends, the Machine will become part of your standard Fixed Price Inventory count and will convert to maintenance Service at the same type of Service you selected for warranty Service upgrade.

2.2.9.3 Maintenance of IBM Machines

IBM will provide Service for Machines, as described herein, for those Eligible IBM Machines specified for Fixed Price Maintenance.

Certain Machine types may require the installation and use of remote connectivity tools and equipment for direct problem reporting, remote problem determination and resolution.

A machine is only considered "Eligible" if it is operational and in conformance with its official published specifications on the contract start date. All Eligible Machines must be in good working order.

2.2.9.4 Maintenance of Non-IBM Machines

IBM will provide Service for Machines, as described herein, for those Eligible non-IBM Machines specified in the Fixed Price and Time and Materials Inventories. Unless specified otherwise herein or in the Transaction Documents, Service is provided only for the manufacturer's base configuration for each covered Machine model. Agencies are responsible for following the manufacturer's and IBM's provided guidelines pertaining to operator responsibilities, maintenance procedures, and supplies prior to placing a Maintenance Request.

Repair of non-IBM Machines is subject to the availability of repair parts and any technical support required of the OEM. Repair parts will be functionally equivalent to those replaced. They may be new or used and may have been manufactured by other than the original manufacturer. Agencies may request that IBM use repair parts manufactured by the OEM when these are available, but there may be an additional charge for these parts.

In addition to items set forth herein, IBM's support does not cover:

1. Machine installation, engineering change activity, or preventive maintenance;
2. Correction of date related errors. IBM will make the final determination of whether a date related error is the source of the problem;
3. Service of microcode or firmware, or
4. Service of features, parts, or devices not supplied by either a) the Machine's OEM or b) IBM during the performance of a Maintenance Request.

Upon written notice, Vendor may terminate coverage for an Eligible non-Vendor manufactured Machine due to lack of available repair parts or lack of OEM technical support.

Eligible non-Vendor manufactured Machines must meet Vendor's safety and serviceability requirements. Vendor reserves the right to inspect a Machine within one month from the start of Service. If the Machine is not in an acceptable condition for Service, Vendor will notify you and terminate coverage for the inspected Machine.

The State will receive a prorated credit for any remaining prepaid period associated with the terminated coverage unless indicated otherwise in the transaction document.
2.2.9.5 Hard Drive Retention Option (available for Fixed Price)

Vendor shall modify Service for Vendor owned and OEM Machines so that the State retains a defective hard drive that is replaced while Vendor is performing a Maintenance Request. If a replacement hard drive is required, a replacement hard drive will be supplied by Vendor and the removed defective hard drive will be returned to the applicable Agency as its property for disposal by it. It is the responsibility of the applicable Agency to remove all data from the replaced hard drive.

To the extent a defective hard drive needs to be replaced, Vendor shall provide the Agency with the opportunity to protect or remove all programming, programs, data and storage media prior to performing any Hardware Maintenance. Time associated with the removal of this information will be excluded from any SLA measurements set forth in Appendix A.

The applicable Fixed Price Inventory will identify the Eligible Machines by specified location. The Vendor Eligible Machines covered under this option must also be under Vendor warranty or be included in the Fixed Price Inventory.

If an Agency has selected Automatic Inventory Increase for Machines, Machine Maintenance Services, Option #1, that selection will also apply to this option except this Service will commence upon a Machines addition to the Fixed Price Inventory regardless of the Machines warranty status. The Agency agrees to:

1. identify a customer representative to receive the retained defective drive from IBM;
2. refrain from placing the defective drive into productive use; and
3. dispose of all retained hard drives in compliance with applicable environmental laws and regulations.

Vendor is not responsible for the loss or disclosure of, or damage to, any data that may be contained on a removed defective hard drive. Any removed hard drive that is not returned to you will be retained as Vendor’s property.

2.2.9.6 Equipment Disposal

When removal or replacement of equipment or parts is required, Vendor shall participate in asset management equipment inventory or equipment disposal procedures required by the State. Such procedures shall be mutually agreed upon during Transition Management.

IBM will work with the State’s requirements for asset management, equipment inventory, or equipment disposal procedures, which are established during Transition Management, when removing or replacing equipment and parts.

2.2.9.7 Program Management Office Support

Program Management Office Support is comprised of the Managed Technical Support Services (called “MTS Services”) which includes, as activities, various service activities designed to provide support to the State and its Agencies. Under the Vendor Managed Technical Support, Vendor will provide a Transition Manager and Delivery Project Manager, supported by the Vendor Program Management Office, who will assist you in coordinating and managing technical support for your Eligible Machines (IBM and non-IBM) covered by MTS Services. All deliverable Materials under this support are considered Type II unless stated otherwise.

The MTS Services, which are included in the pricing set forth in Appendices B-1 and B-2, is comprised of the following activities:

1. Transition Management
2. Delivery Project Management
3. Inventory Management

1. Transition Management: The purpose of this activity is to provide Transition Management for your Eligible Machines (IBM and non-IBM) covered hereunder. A Transition Manager will be assigned by Vendor to coordinate and implement the Services hereunder.

The Transition Manager will work with the State to create a mutually agreed to transition timeline and Transition Plan that takes into consideration an estimated implementation time of 90 days for the Services. The actual completion date for the transition is dependent on the availability of both Parties personnel and resources and the completion of Transition Plan tasks. The Transition Manager will be engaged until the Transition Manager can turn the Services over to the Vendor Delivery Project Manager.

It is estimated that Vendor will complete the Transition Management phase hereunder by March 31, 2013. Based on this time line estimate, IBM obligations regarding the implementation of the Services defined in this contract are will be effective April 1, 2013.

The Vendor Transition Manager will:

1. Design, create, and maintain a Transition Plan which outlines all tasks, owners, and a schedule of all key milestones. One copy of the Transition Plan will be delivered to, reviewed, and updated with your Point of Contact.
2. Setup interfaces and communications with your Point of Contact and provide an escalation path according to your business environment; and
3. Monitor hardware service delivery during the Transition Management activity and resolve process issues.

2. Delivery Project Management: The purpose of this activity is to provide technical support delivery management for the Eligible Machines and selected activities hereunder. Vendor will assign a dedicated on-site Vendor Delivery Project Manager, supported by the Program Management Office, will establish a framework for communications, reporting, procedural, and contractual activities under the MTS Services.

The Vendor Delivery Project Manager will:

1. Serve as the interface with the State’s Point of Contact or help desk, regarding Eligible Machine hardware support service delivery requirements;
2. Develop a document (called a “Customer Support Plan”) listing all services provided under MTS Services, how to utilize them, contract information, and other information needed to manage the Services;
3. Work with your Point of Contact to resolve deviations from the Customer Support Plan;
4. Assist with problem avoidance through provision of electronic reports;
5. Periodically review your hardware support service delivery with your Point of Contact;
6. Serve as an escalation path to IBM hardware support service delivery teams;
7. For Time and Materials hardware maintenance calls do the following: provide the agency designated contact a brief description of diagnosed problem; provide an estimate for parts costs and will request approval if the Time and Material repair is estimated to exceed $800;
8. Conduct quarterly status meetings with your Point of Contact throughout the technical support engagement;
9. Prepare quarterly status reports, and deliver them to your Point of Contact;
10. Communicate inventory changes via e-mail to your Point of Contact;
11. Conduct a single ESC+ training session on an annual basis in either Chicago or Springfield, Illinois. For up to 200 personnel. Training may also be via a webinar session if both parties mutually agree to that format.

The Agency’s Point of Contact will:

1. Serve as the interface between the Vendor Delivery Project Manager and all of your departments, organizations and locations participating in the Services;
2. Be responsible for providing responses to requests for information, data, consents, decisions and approvals, as required by Vendor to perform the Services within two business days of IBM’s request;
3. Help resolve deviations, if any, from the Customer Support Plan and report and help resolve problems and issues related to the Services, which require IBM’s attention;
4. Communicate to the Vendor Delivery Project Manager any changes that may materially affect IBM’s provision of the Services;
5. Coordinate resolution of issues raised by the Vendor Delivery Project Manager and, as necessary, escalate such issues within your organization;
6. As required, participate in status meetings with Vendor team members;
7. Annually provide to Vendor the State designated holidays for the upcoming calendar year;

3. Inventory Management: The purpose of this Service Element is to include the tracking of Eligible Machines (IBM and non-IBM) installed for reporting purposes. The State is responsible for notifying Vendor of any inventory that is added, moved, or deleted from the original base.

Vendor will on an annual basis, utilize Vendor data and the data the State provides regarding the State’s installation and discontinuances activity to track, and maintain a listing of those Eligible Machines in the State’s hardware environment, according to the Customer Support Plan;

The State agrees to: (1) provide Vendor 30 days notification to modify any information on any additions/deletions/changes made to the State’s hardware environment according to the requirements specified in the Customer Support Plan; and (2) review any applicable recommended inventory change suggestions as documented in the Customer Support Plan.

2.3 MILESTONES AND DELIVERABLES: Vendor shall not perform services, provide supplies or incur expenses in amount exceeding the amount shown in this Section, unless the State has authorized a higher amount in writing prior to the Vendor performing the services, providing the supplies, or incurring the expenses.

Not-to-exceed $_________

MRTS shall be production-ready, including any State required modifications, by April 1, 2013. The parties acknowledge that to the extent any delays in implementation are solely caused by the State, the April 1, 2013 implementation date can be moved back to the extent required. Training and roll out to Agencies, Boards and Commissions (approximately 100 people) will be as mutually agreed to by the parties no later than May 1, 2013. A project plan reflecting these milestones will be mutually agreed to by Vendor and the State as part of the transition plan.

2.4 VENDOR / STAFF SPECIFICATIONS:

Revision 12/14/2010
Vendor shall meet with each participating Agency to review maintenance requirements and to provide information concerning Hardware Maintenance at mutually agreed upon intervals.

Vendor shall provide a dedicated onsite Account Manager who shall be responsible for all aspects of the Vendor's obligations and duties under this Contract. Office space will be available for this person at the State's data center in Springfield or at another designated State location.

2.5 ASSIGNMENT AND SUBCONTRACTING:

2.5.1 This contract may not be assigned, transferred in whole or in part by Vendor without providing notice to the State. The State reserves the right to cancel the Contract, without penalty, in the event Vendor assigns the Contract to a person or entity with whom the State cannot enter into a contract. The State shall not assign or transfer this contract to any entities outside of the State without the prior written consent of the Vendor.

2.5.2 For purposes of this section, subcontractors are those specifically hired to perform all or part of the work covered by the contract.

Will subcontractors be utilized? ☑ Yes ☐ No

2.5.3 Vendor shall describe below the names and addresses of all authorized subcontractors to be utilized by Vendor in the performance of this contract, together with a description of the work to be performed by the subcontractor and the anticipated amount of money that each subcontractor is expected to receive pursuant to this contract. Vendor shall provide a copy of any subcontracts within 20 days of execution of this contract.

<table>
<thead>
<tr>
<th>Subcontractor Name</th>
<th>CDS</th>
<th>Amount to be paid</th>
<th>TBD</th>
<th>Description of work</th>
<th>Hardware maintenance support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>275 Industrial Way, Eatontown, NJ 07724 USA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Subcontractor Name</th>
<th>KCI</th>
<th>Amount to be paid</th>
<th>TBD</th>
<th>Description of work</th>
<th>Hardware maintenance support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>19 Industrial Avenue Suite B, Mahwah, NJ 07430</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Subcontractor Name</th>
<th>Novantis</th>
<th>Amount to be paid</th>
<th>TBD</th>
<th>Description of work</th>
<th>Hardware maintenance support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>3161 W White Oaks Drive, Suite 100, Springfield, IL 62704</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Subcontractor Name</th>
<th>Sentinel Technologies, Inc</th>
<th>Amount to be paid</th>
<th>TBD</th>
<th>Description of work</th>
<th>Hardware maintenance support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>3130 Chatham Road, Suite D, Springfield, IL 62704</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Subcontractor Name</th>
<th>WTI</th>
<th>Amount to be paid</th>
<th>TBD</th>
<th>Description of work</th>
<th>Hardware maintenance support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>3001 Mondale, Suite A, Springfield, IL 62704</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Subcontractor Name</th>
<th>Hewlett-Packard Company</th>
<th>Amount to be paid</th>
<th>TBD</th>
<th>Description of work</th>
<th>Hardware maintenance support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>3000 Hanover Street, Palo Alto, CA 94304-1185</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2.5.4 The Vendor shall notify the State of any additional or substitute subcontractors hired during the term of this contract. Vendor shall provide to the State a copy of all such subcontracts within 20 days of execution of the subcontract.

2.5.5 All subcontracts must include the same certifications that Vendor must make as a condition of this contract. Vendor shall include in each subcontract the subcontractor certifications as shown on the Standard Subcontractor Certification form available from the State.

2.6 TRANSPORTATION AND DELIVERY: Vendor shall provide transportation to all work locations.

2.7 WHERE SERVICES ARE TO BE PERFORMED: Unless otherwise specified in this section, all services shall be performed in the United States. If the Vendor manufactures the supplies or performs the services purchased hereunder in another country in violation of this provision, such action may be deemed by the State as a breach of the contract by Vendor. Vendor shall disclose the locations where the services required shall be performed and the known or anticipated value of the services to be performed at each location. If the Vendor received additional consideration in the evaluation based on work being performed in the United States, it shall be a breach of contract if the Vendor shifts any such work outside the United States.

Location where services will be performed Work will be performed onsite within the boundaries of the State of Illinois. Vendor may provide remote telephone support outside the State of Illinois or the US.
Value of services performed at this location

2.8 SCHEDULE OF WORK: Any work performed on State premises shall be done during the hours designated by the State and performed in a manner that does not interfere with the State and its personnel.

2.9 WARRANTIES FOR SUPPLIES AND SERVICES:

Revision 12/14/2010
2.9.1 Vendor warrants that the supplies furnished under this contract will: (a) conform to the standards, specifications, drawing, samples or descriptions furnished by the State or furnished by the Vendor and agreed to by the State, including but not limited to all specifications attached as exhibits hereto.

2.9.2 **Warranty for Vendor Services**

Vendor warrants that it performs each Service using reasonable care and skill and according to its current description (including any completion criteria) contained in this contract or its attachments or a Transaction Document. The State agrees to provide timely written notice of any failure to comply with this warranty so that Vendor can take corrective action.

2.9.3 **Extent of Warranty for Vendor Machines that are under an Existing Warranty**

If a Machine is subject to federal or state consumer warranty laws, Vendor’s statement of limited warranty included with the Machine applies in place of these Machine warranties.

The warranties stated above will not apply to the extent that there has been misuse (including, but not limited to, use of any Machine capacity or capability, other than that authorized by IBM in writing), accident, modification, unsuitable physical or operating environment, operation in other than the Specified Operating Environment, improper maintenance by the State or a third party, or failure or damage caused by a product for which Vendor is not responsible. The warranty for Vendor Machines is voided by removal or alteration of Machine or parts identification labels.

**THESE WARRANTIES ARE THE STATE’S EXCLUSIVE WARRANTIES AND REPLACE ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTY OR CONDITION OF NON-INFRINGEMENT.**

**Items Not Covered by Warranty**

Vendor does not warrant uninterrupted or error-free operation of a Product or Service or that Vendor will correct all defects.

Vendor will identify Vendor Machines that it does not warrant.

Unless otherwise specified herein or in a Transaction Document, Vendor provides Materials, non-IBM Products (including those provided with, or installed on, an IBM Machine at Customer’s request), and non-IBM Services **WITHOUT WARRANTIES OF ANY KIND.** However, non-Vendor manufacturers, developers, suppliers, or publishers may provide their own warranties to Customer.

### 2.10 REPORTING, STATUS AND MONITORING SPECIFICATIONS:

2.10.1 **Vendor shall immediately notify the State** of any event that may have a material impact on Vendor’s ability to perform the contract.

2.10.2 **By August 31 of each year, Vendor shall report** the number of qualified veterans and certain ex-offenders hired during Vendor’s last completed fiscal year. Vendor may be entitled to employment tax credit for hiring individuals in those groups (35 ILCS 5/216, 5/217).

2.10.3 **Vendor shall schedule quarterly meetings in Springfield during the Contract term** to discuss progress, service levels, billing problems or any other issues identified by the State. The State’s Department of Central Management Services will host the meeting.

Vendor’s compliance with the Service Levels set forth in Appendix A will be substantiated by reports provided by Vendor to the State and mutually agreed to by the parties.

Vendor shall provide monthly Hardware Maintenance summary reports that summarize the Hardware Maintenance calls responded to during the prior month at each participating Agency. These reports shall include summaries, by Agency, of the types of Hardware Maintenance calls (Fixed Price and Time Materials), the Service Levels requested, replacement parts charges incurred, systemic system issues or problems documented, product end-of-life notifications, service level metrics, and documented issues with regards to performance during the prior month. The monthly Hardware Maintenance summary reports shall be available within 30 days following the completion of a calendar month and available in electronic format with optional real-time or online access. Vendor and the State will mutually agree to the actual summary report content elements.

The following are examples of service reporting data that can be provided to the State:

- Same Day Fix Rate
- First Time Fix Rate
- Target Arrival Time Met by Device
- Customer Contact within SLA
- Average Received Call to Onsite Hours
- Average Onsite to Fix Hours
- Average Received Call to Fix Hours Received Call to Fix within SLA
3. PRICING

3.1 METHOD AND RATE OF COMPENSATION: The State will compensate Vendor for the initial term at the rates identified in Appendix B-1 and B-2.

☐ Hourly  
☐ Monthly  
☐ Annually  
☐ Project  
☐ Item (show unit of measure and rate).

For the entire transaction contract period, charges for included Eligible Product configurations and Services will not increase. All newly added Eligible Products and Services, as well as changes to existing Eligible Product configurations and Services, will assume the charge rate that applied for these at transaction contract period start. Eligible Products and Services that become generally available during the transaction contract period will be added at the charge rate that applied on their initial availability date. You will receive the benefit of a decrease in applicable charges for amounts which become due on or after the effective date of the decrease.

3.2 TYPE OF PRICING: Pricing under this contract is

☐ Firm  
☐ Estimated

3.3 RENEWAL COMPENSATION: If this contract is renewed, the price shall be at the rates identified in Appendix B-1 and B-2.

3.4 EXPENSES: Any expenses that Vendor may charge are shown in this section. The State will not compensate Vendor for expenses related to travel, lodging or meal.

3.5 DISCOUNT: ______ % discount for payment within ______ days of receipt of invoice

3.6 TAX: Vendor shall not bill for any taxes unless accompanied by proof the State is subject to the tax. If necessary, Vendor may request the applicable agency’s Illinois tax exemption number and federal tax exemption information.

3.7 INVOICING: Invoicing will be detailed in Transaction Documents that reference these terms and conditions and will include the data fields set forth in Appendix D. Fixed Price will be billed at the start of the payment period, which will be set forth in a Transaction Document.

Send invoices to the Agency Contact on file with Vendor.

Vendor shall provide detailed invoices for each Agency that purchases Hardware Maintenance that includes the information found in Invoice Requirements in Appendix D.

3.8 PAYMENT TERMS AND CONDITIONS:

3.8.1 By submitting an invoice, Vendor certifies that the supplies or services provided meet all requirements of the contract, and the amount billed and expenses incurred are as allowed in the contract. Invoices for supplies purchased, services performed and expenses incurred through June 30 of any year must be submitted to the State no later than July 31 of that year; otherwise Vendor may have to seek payment through the Illinois Court of Claims (30 ILCS 105/25). All invoices are subject to statutory offset (30 ILCS 210).

3.8.2 Payments, including late payment charges, will be paid in accordance with the State Prompt Payment Act (30 ILCS 540) and rules (74 Ill. Adm. Code 900) when applicable. This shall be Vendor’s sole remedy for late payments by the State. Payment terms contained on Vendor’s invoices shall have no force and effect.

3.8.3 The State will not pay for supplies provided or services rendered, including related expenses, incurred prior to the execution of this contract by the Parties even if the effective date of the contract is prior to execution.

3.8.4 As a condition of receiving payment Vendor must (i) be in compliance with the contract, (ii) pay its employees prevailing wages when required by law (Examples of prevailing wage categories include public works, printing, janitorial, window washing, building and grounds services, site technician services, natural resource services, security guard and food services. Vendor is responsible for contacting the Illinois Dept. of Labor 217-782-6206; http://www.state.il.us/agency/idol/index.htm to ensure understanding of prevailing wage requirements), (iii) pay its suppliers and subcontractors according to the terms of their respective contracts, and (iv) provide lien waivers to the State upon request.

Revision 12/14/2010
4. **STANDARD BUSINESS TERMS AND CONDITIONS**

4.1 **AVAILABILITY OF APPROPRIATION (30 ILCS 500/20-60):** This contract is contingent upon and subject to the availability of funds. The State, at its sole option, may terminate or suspend this contract, in whole or in part, without penalty or further payment being required, if (1) the Illinois General Assembly or the federal funding source fails to make an appropriation sufficient to pay such obligation, or if funds needed are insufficient for any reason, (2) the Governor decreases the Department's funding by reserving some or all of the Department's appropriation(s) pursuant to power delegated to the Governor by the Illinois General Assembly; or (3) the Department determines, in its sole discretion or as directed by the Office of the Governor, that a reduction is necessary or advisable based upon actual or projected budgetary considerations. Contractor will be notified in writing of the failure of appropriation or of a reduction or decrease.

4.2 **AUDIT/RETENTION OF RECORDS (30 ILCS 500/20-65):** Vendor and its subcontractors shall maintain books and records relating to the performance of the contract or subcontract and necessary to support amounts charged to the State under the contract or subcontract. Books and records, including information stored in databases or other computer systems, shall be maintained by the Vendor for a period of three years from the later of the date of final payment under the contract or completion of the contract, and by the subcontractor for a period of three years from the later of final payment under the term or completion of the subcontract. If federal funds are used to pay contract costs, the Vendor and its subcontractors must retain its records for five years. Books and records required to be maintained under this section shall be available for review or audit by representatives of: the procuring Agency, the Auditor General, the Executive Inspector General, the Chief Procurement Officer, State of Illinois internal auditors or other governmental entities with monitoring authority, upon reasonable notice and during normal business hours. Vendor and its subcontractors shall cooperate fully with any such audit and with any investigation conducted by any of these entities. Failure to maintain books and records required by this section shall establish a presumption in favor of the State for the recovery of any funds paid by the State under the contract for which adequate books and records are not available to support the purported disbursement. The Vendor or subcontractors shall not impose a charge for audit or examination of the Vendor's books and records.

4.3 **TIME IS OF THE ESSENCE:** Time is of the essence with respect to Vendor's performance of this contract. Vendor shall continue to perform its obligations while any dispute concerning the contract is being resolved unless otherwise directed by the State.

4.4 **NO WAIVER OF RIGHTS:** Except as specifically waived in writing, failure by a Party to exercise or enforce a right does not waive that Party's right to exercise or enforce that or other rights in the future.

4.5 **FORCE MAJEURE:** Failure by either Party to perform its duties and obligations will be excused by unforeseeable circumstances beyond its reasonable control and not due to its negligence including acts of nature, acts of terrorism, riots, labor disputes, fire, flood, explosion, and governmental prohibition. The non-declaring Party may cancel the contract without penalty if performance does not resume within 30 days of the declaration.

4.6 **CONFIDENTIAL INFORMATION:** The exchange of confidential information shall be governed by the Agreement for the Exchange of Confidential Information, attached hereto as Attachment 3.

4.7 **USE AND OWNERSHIP:** An Attachment or Transaction Document will specify Materials to be delivered to Customer and identify them as "Type I Materials," "Type II Materials," or otherwise as both parties agree. If not specified, Materials will be considered Type II Materials.

Customer will own the copyright in Materials created as part of a Service that are identified as "Type I Materials" and each such Material will constitute a "work made for hire" to the extent permissible under U.S. copyright law. If any such Materials are not works made for hire under applicable law, IBM assigns the ownership of copyrights in such Materials to Customer. Customer grants IBM an irrevocable, nonexclusive, worldwide, paid-up license to use, execute, reproduce, display, perform, sublicense, distribute, and prepare derivative works based on, Type I Materials.

IBM or its suppliers will own the copyright in Materials created as part of a Services transaction that are identified as Type II Materials. IBM grants Customer an irrevocable, nonexclusive, worldwide, paid-up license to use, execute, reproduce, display, perform, and distribute (within Customer's Enterprise only) copies of Type II Materials.

IBM or its suppliers retains ownership of the copyright in any of IBM's or its suppliers' works that pre-exist or were developed outside of this Agreement and any modifications or enhancements of such works that may be made under this Agreement. To the extent they are embedded in any Materials, such works are licensed in accordance with their separate licenses provided to Customer, if any, or otherwise as Type II Materials.

Each of us agrees to reproduce the copyright notice and any other legend of ownership on any copies made under the licenses granted in this section.

4.8 **INDEMNIFICATION AND LIABILITY:** Circumstances may arise where, because of a default on Vendor's part or other liability, the State is entitled to recover damages from Vendor. Regardless of the basis on which the State is entitled to claim damages from Vendor (including fundamental breach, negligence, misrepresentation, or other contract or tort claim), Vendor's entire liability for all claims in the aggregate arising from or related to each Product or Service or otherwise arising under this Agreement will not exceed the amount of any actual direct damages up to the...
greater of $100,000, or the charges that are paid (if recurring, 12 months' charges apply) under the contract. For purposes of this Limitation of Liability section, the term "Product" also includes Materials and Machine Code.

This limit also applies to any of Vendor's subcontractors and Program developers. It is the maximum for which Vendor and its subcontractors and Program developers are collectively responsible. The following amounts are not subject to a cap on the amount of damages:

a. payments referred to in the Intellectual Property Protection and Indemnification for Personal Injury and Property Damage sections below; and
b. damages for bodily injury (including death) and damage to real property and tangible personal property for which Vendor is legally liable.

Items for Which Vendor Is Not Liable

Except as expressly required by law without the possibility of contractual waiver, under no circumstances is IBM, its subcontractors, or Program developers liable for any of the following even if informed of their possibility:

a. loss of, or damage to, data;
b. special, incidental, exemplary, or indirect damages or for any economic consequential damages; or lost profits, business, revenue, goodwill, or anticipated savings.

Intellectual Property Protection

Third Party Claims

If a third party asserts a claim against Customer that an Service or Material Vendor that Vendor provides to Customer under this Agreement infringes that party's patent or copyright, Vendor will defend, indemnify and hold harmless as stated herein, Customer against that claim at Vendor's expense and Vendor will pay all costs, damages, and attorney's fees that a court finally awards against Customer or that are included in a settlement approved in advance by Vendor, provided that Customer:

a. promptly notifies Vendor in writing of the claim;
b. to the extent permitted by law allows Vendor to control, and cooperates with Vendor in, the defense and any related settlement negotiations; and
c. is and remains in compliance with the Product's applicable license terms and Customer's obligations under section 1.9.2 (Remedies) below.

Remedies

If such a claim is made or appears likely to be made, Customer agrees to permit Vendor, in Vendor's discretion, either to i) enable Customer to continue to use the Service or Material, ii) modify it, or iii) replace it with one that is at least functionally equivalent. If Vendor determines that none of these alternatives is reasonably available, then on Vendor's written request to the State, Customer agrees to discontinue its use. Vendor will then give Customer a credit equal to:

a. for Materials, the amount Customer paid Vendor for the creation of the Materials.

Claims for Which Vendor is Not Responsible

Vendor has no obligation regarding any claim based on any of the following:

a. anything provided by Customer or a third party on Customer's behalf that is incorporated into Materials or Vendor's compliance with any designs, specifications, or instructions provided by Customer or an authorized third party on Customer's behalf;
b. Material's use other than in accordance with its applicable licenses and restrictions.
c. any modification of Materials made by Customer or by an authorized third party on Customer's behalf or the combination, operation, or use of a Material with any other product, hardware device, program, data, apparatus, method, or process;
d. the distribution, operation or use of Materials outside Customer's Enterprise;

This Intellectual Property Protection section states Vendor's entire obligation and Customer's exclusive remedy regarding any third party intellectual property claims.

Indemnification for Personal Injury and Property Damage

Vendor agrees to defend and indemnify the State, its affiliates, directors, officers, and employees (the "Indemnitee") from and against all costs, damages and expenses of the Indemnitee that a court finally awards against the Indemnified Party or that are included in a settlement approved in advance by the Vendor, and the State's reasonable expenses relating to defense of the claim, including attorney fees (e.g. reasonable costs associated with providing assistance and information to Vendor in connection with its defense of the claim) to the extent such expenses are approved by Vendor in advance, that arise out any claim or demand brought by a third party against the Indemnitee (collectively, "Claims"), for: (i) bodily injury to, or death of, any person; or (ii) damage to or loss and destruction of any real or tangible personal property, to the extent such Claims are directly caused by the negligent acts or willful misconduct of IBM, during performance of this Agreement.
Vendor may, at its option, conduct the defense in any third party action arising under this Section and the State promises to cooperate with such defense, provided Vendor reasonably consults with the State on any settlement. Notwithstanding the foregoing, the State may, at its own expense, assist in such defense if it so chooses, provided that Vendor will control such defense and all negotiations relative to the settlement of any such claim.

4.9 INSURANCE: Vendor shall, at all times during the term and any renewals, maintain and provide a Certificate of Insurance naming the State as additional insured for all required bonds and insurance. Certificates may not be modified or canceled until at least 30 days notice has been provided to the State. Vendor shall provide: (a) General Commercial Liability-occurrence form in amount of $1,000,000 per occurrence (Combined Single Limit Bodily Injury and Property Damage) and $2,000,000 Annual Aggregate; (b) Auto Liability, including Hired Auto and Non-owned Auto, (Combined Single Limit Bodily Injury and Property Damage) in amount of $1,000,000 per occurrence; and (c) Worker's Compensation Insurance in amount required by law. Insurance shall not limit Vendor's obligation to indemnify, defend, or settle any claims.

4.10 INDEPENDENT CONTRACTOR: Vendor shall act as an independent contractor and not as an agent or employee of, or joint venturer with the State. All payments by the State shall be made on that basis.

4.11 SOLICITATION AND EMPLOYMENT: Vendor shall not employ any person employed by the State during the term of this contract to perform any work under this contract. Vendor shall give notice immediately to the Agency's director if Vendor solicits or intends to solicit State employees to perform any work under this contract.

4.12 COMPLIANCE WITH THE LAW: The Vendor, its employees, agents, and subcontractors shall comply with all applicable federal, state, and local laws, rules, ordinances, regulations, orders, federal circulars and all license and permit requirements applicable to Vendor, its employees and subcontractors in their capacity as a service provider in the performance of this contract. Vendor shall be in compliance with applicable tax requirements and shall be current in payment of such taxes. Vendor shall obtain at its own expense, all licenses and permissions necessary for the performance of this contract.

4.13 BACKGROUND CHECK: Whenever the State deems it reasonably necessary for security reasons, the State may conduct, at its expense, criminal and driver history background checks of Vendor's and subcontractors officers, employees or agents. Vendor or subcontractor shall reassign immediately any such individual who, in the opinion of the State, does not pass the background checks. The State will abide by all federal and state laws and regulations.

In the event that any such individual does not pass the background check, the State will not provide the background check result(s) to Vendor and will only communicate to a designated Vendor management contact, if necessary, only that information, the disclosure of which is permitted under law. The State will keep the information contained in the background check, and the results of the check.

2. Should the State wish to have an individual who does not pass the background check re-assigned, the State will notify the designated IBM management contact, referred to above, of the State’s decision.

4.14 APPLICABLE LAW: This contract shall be construed in accordance with and is subject to the laws and rules of the State of Illinois. The Department of Human Rights' Equal Opportunity requirements (44 Ill. Adm. Code 750) are incorporated by reference. Any claim against the State arising out of this contract must be filed exclusively with the Illinois Court of Claims (705 ILCS 505/1). The State shall not enter into binding arbitration to resolve any contract dispute. The State of Illinois does not waive sovereign immunity by entering into this contract. The official text of cited statutes is incorporated by reference (An unofficial version can be viewed at http://www.ilga.gov/legislation/ilcs/ilcs.asp). In compliance with the Illinois and federal Constitutions, the Illinois Human Rights Act, the U. S. Civil Rights Act, and Section 504 of the federal Rehabilitation Act and other applicable laws and rules the State does not unlawfully discriminate in employment, contracts, or any other activity.

4.15 ANTI-TRUST ASSIGNMENT: If Vendor does not pursue any claim or cause of action it has arising under federal or state antitrust laws relating to the subject matter of the contract, then upon request of the Illinois Attorney General, Vendor shall assign to the State rights, title and interest in and to the claim or cause of action.

4.16 CONTRACTUAL AUTHORITY: The Agency that signs for the State of Illinois shall be the only State entity responsible for performance and payment under the contract. When the Chief Procurement Officer or authorized designee signs in addition to an Agency, they do so as approving officer and shall have no liability to Vendor. When the Chief Procurement officer or authorized designee signs a master contract on behalf of State agencies, only the Agency that places an order with the Vendor shall have any liability to Vendor for that order.

4.17 NOTICES: Notices and other communications provided for herein shall be given in writing by registered or certified mail, return receipt requested, by receipted hand delivery, by courier (UPS, Federal Express or other similar and reliable carrier), by e-mail, or by fax showing the date and time of successful receipt. Notices shall be sent to the individuals who signed the contract using the contact information following the signatures. Each such notice shall be deemed to have been provided at the time it is actually received. By giving notice, either Party may change the contact information.

4.18 MODIFICATIONS AND SURVIVAL: Amendments, modifications and waivers must be in writing and signed by authorized representatives of the Parties. Any provision of this contract officially declared void, unenforceable, or against public policy, shall be ignored and the remaining provisions shall be interpreted, as far as possible, to give effect to the Parties' intent. All provisions that by their nature would be expected to survive, shall survive
termination. In the event of a conflict between the State’s and the Vendor’s terms, conditions and attachments, the State’s terms, conditions and attachments shall prevail.

4.19 PERFORMANCE RECORD / SUSPENSION: Upon request of the State, Vendor shall meet to discuss performance or provide contract performance updates to help ensure proper performance of the contract. The State may consider Vendor’s performance under this contract and compliance with law and rule to determine whether to continue the contract, suspend Vendor from doing future business with the State for a specified period of time, or to determine whether Vendor can be considered responsible on specific future contract opportunities.

4.20 FREEDOM OF INFORMATION ACT: This contract and all related public records maintained by, provided to or required to be provided to the State are subject to the Illinois Freedom of Information Act notwithstanding any provision to the contrary that may be found in this contract.

4.21 SUPPLEMENTAL TERMS: Notwithstanding any provision to the contrary in the Vendor’s supplemental terms and conditions, or in any licensing agreement attached hereto:

4.21.1 The procuring Agency and the State do not waive sovereign immunity;

4.21.2 The procuring Agency and the State do not consent to be governed by the laws of any state other than Illinois;

4.21.3 The procuring Agency and the State do not consent to be represented in any legal proceeding by any person or entity other than the Illinois Attorney General or his or her designee;

4.21.4 The procuring Agency and the State shall not be bound by the terms and conditions contained in any click-wrap agreement, click-wrap license, click-through agreement, click-through license, end user license agreement or any other agreement or license contained or referenced in the software or any quote provided by Vendor.

4.21.5 The procuring Agency and the State shall not indemnify Vendor or its subcontractors (including any equipment manufacturers or software companies);

4.21.6 Vendor shall indemnify the procuring Agency and State pursuant to the terms and conditions of Section 4.8 of the Contract; and

4.21.7 Vendor’s liability shall be governed by the terms and conditions contained in Section 4.8 of the Contract.

4.22 GENERAL PRINCIPLES OF OUR RELATIONSHIP

4.22.1 This contract will not create any right or cause of action for any third party, nor will IBM be responsible for any third party claims against You except, as permitted by the Limitation of Liability section above, for bodily injury (including death) or damage to real or tangible personal property or for patent and copyright indemnification described above for which IBM is legally liable.

4.22.2 All information exchanged is presumed non-confidential and any confidential information shall be exchanged pursuant to the Agreement for Exchange of Confidential Information.

4.22.3 Governing Law. Both You and IBM consent to the application of the laws of the State of Illinois, USA. to govern, interpret, and enforce all of Your and IBM’s rights, duties, and obligations arising from, or relating in any manner to, the subject matter of this Agreement, without regard to conflict of law principles.


4.22.5 You agree to allow IBM to store and use Your contact information, including names, phone numbers, and e-mail addresses, anywhere they do business. Such information will be processed and used in connection with our business relationship. Such information may be provided to Vendor’s subcontractors, but only to the extent such information is necessary for such subcontractor to perform its obligations pursuant to this contract.

4.22.6 Nothing in this contract affects any statutory rights of consumers that cannot be waived or limited by contract.

4.22.7 In the event that any provision of this contract is held to be invalid or unenforceable, the remaining provisions of this contract remain in full force and effect.

4.22.8 You agree to comply with all applicable export and import laws and regulations.

4.22.9 Subject to the provisions of section 4.13 herein, as reasonably required by Vendor to fulfill its obligations under this contract, the State agrees to provide Vendor with sufficient and safe access (including remote access) to the State’s facilities, systems, information, personnel, and resources, all at no charge to Vendor. Vendor is not responsible for any delay in performing or failure
5. **STANDARD CERTIFICATIONS**

Vendor acknowledges and agrees that compliance with this section and each subsection for the term of the contract and any renewals is a material requirement and condition of this contract. By executing this contract Vendor certifies compliance with this section and each subsection and is under a continuing obligation to remain in compliance and report any non-compliance.

This section, and each subsection, applies to subcontractors used on this contract. Vendor shall include these Standard Certifications in any subcontract used in the performance of the contract using the Standard Subcontractor Certification form provided by the State.

If this contract extends over multiple fiscal years including the initial term and all renewals, Vendor and its subcontractors shall confirm compliance with this section in the manner and format determined by the State by the date specified by the State and in no event later than July 1 of each year that this contract remains in effect.

If the Parties determine that any certification in this section is not applicable to this contract it may be stricken without affecting the remaining subsections.

5.1 As part of each certification, Vendor acknowledges and agrees that should Vendor or its subcontractors provide false information, or fail to be or remain in compliance with the Standard Certification requirements, one or more of the following sanctions will apply:

- the contract may be void by operation of law,
- the State may void the contract, and
- the Vendor and it subcontractors may be subject to one or more of the following: suspension, debarment, denial of payment, civil fine, or criminal penalty.

Identifying a sanction or failing to identify a sanction in relation to any of the specific certifications does not waive imposition of other sanctions or preclude application of sanctions not specifically identified.

5.2 Vendor certifies it and its employees will comply with applicable provisions of the U.S. Civil Rights Act, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) and applicable rules in performance under this contract.

5.3 Vendor certifies it is not in default on an educational loan (5 ILCS 385/3). This applies to individuals, sole proprietorships, partnerships and individuals as members of LLCs.

5.4 Vendor (if an individual, sole proprietor, partner or an individual as member of a LLC) certifies it has not received an (i) an early retirement incentive prior to 1993 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, 40 ILCS 5/14-108.3 and 40 ILCS 5/16-133.3, or (ii) an early retirement incentive on or after 2002 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, 40 ILCS 5/14-108.3 and 40 ILCS 5/16-133, (30 ILCS 105/15a).

5.5 Vendor certifies it is a properly formed and existing legal entity (30 ILCS 500/1.15, 20-43); and as applicable has obtained an assumed name certificate from the appropriate authority, or has registered to conduct business in Illinois and is in good standing with the Illinois Secretary of State.

5.6 To the extent there was an incumbent Vendor providing the services covered by this contract and the employees of that Vendor that provide those services are covered by a collective bargaining agreement, Vendor certifies (i) that it will offer to assume the collective bargaining obligations of the prior employer, including any existing collective bargaining agreement with the bargaining representative of any existing collective bargaining unit or units performing substantially similar work to the services covered by the contract subject to its bid or offer; and (ii) that it shall offer employment to all employees currently employed in any existing bargaining unit performing substantially similar work that will be performed under this contract (30 ILCS 500/25-80). This does not apply to heating, air conditioning, plumbing and electrical service contracts.

5.7 Vendor certifies it has not been convicted of bribery or attempting to bribe an officer or employee of the State of Illinois or any other State, nor has Vendor made an admission of guilt of such conduct that is a matter of record (30 ILCS 500/50-5).

5.8 If Vendor has been convicted of a felony, Vendor certifies at least five years have passed after the date of completion of the sentence for such felony, unless no person held responsible by a prosecutor's office for the facts upon which the conviction was based continues to have any involvement with the business (30 ILCS 500/50-10).

5.9 If Vendor, or any officer, director, partner, or other managerial agent of Vendor, has been convicted of a felony under the Sarbanes-Oxley Act of 2002, or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953, Vendor certifies at least five years have passed since the date of the conviction. Vendor further certifies that it is not barred from being awarded a contract and acknowledges that the State shall declare the contract void if this certification is false (30 ILCS 500/50-10.5).
5.10 Vendor certifies it is not barred from having a contract with the State based on violating the prohibition on providing assistance to the state in identifying a need for a contract (except as part of a public request for information process) or by reviewing, drafting or preparing solicitation or similar documents for the State (30 ILCS 505/50-10.5g).

5.11 Vendor certifies that it and its affiliates are not delinquent in the payment of any debt to the State (or if delinquent has entered into a deferred payment plan to pay the debt), and Vendor and its affiliates acknowledge the State may declare the contract void if this certification is false (30 ILCS 500/50-11) or if Vendor or an affiliate later becomes delinquent and has not entered into a deferred payment plan to pay off the debt (30 ILCS 500/50-50).

5.12 Vendor certifies that it and all affiliates shall collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with provisions of the Illinois Use Tax Act (30 ILCS 500/50-12) and acknowledges that failure to comply can result in the contract being declared void.

5.13 Vendor certifies that it has not been found by a court or the Pollution Control Board to have committed a willful or knowing violation of the Environmental Protection Act within the last five years, and is therefore not barred from being awarded a contract (30 ILCS 500/50-14).

5.14 Vendor certifies it has not paid any money or valuable thing to induce any person to refrain from bidding on a State contract, nor has Vendor accepted any money or other valuable thing, or acted upon the promise of same, for not bidding on a State contract (30 ILCS 500/50-25).

5.15 Vendor certifies it is not in violation of the “Revolving Door” section of the Illinois Procurement Code (30 ILCS 500/50-30).

5.16 Vendor certifies it has not retained a person or entity to attempt to influence the outcome of a procurement decision for compensation contingent in whole or in part upon the decision or procurement (30 ILCS 500/50-38).

5.17 Vendor certifies it will report to the Illinois Attorney General and the Chief Procurement Officer any suspected collusion or other anti-competitive practice among any bidders, offerors, contractors, proposers or employees of the State (30 ILCS 500/50-40, 50-45, 50-50).

5.18 In accordance with the Steel Products Procurement Act, Vendor certifies steel products used or supplied in the performance of a contract for public works shall be manufactured or produced in the United States, unless the executive head of the procuring agency grants an exception (30 ILCS 565).

5.19 a) If Vendor employs 25 or more employees and this contract is worth more than $5000, Vendor certifies it will provide a drug free workplace pursuant to the Drug Free Workplace Act.

b) If Vendor is an individual and this contract is worth more than $5000, Vendor shall not engage in the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance during the performance of the contract (30 ILCS 580).

5.20 Vendor certifies that neither Vendor nor any substantially owned affiliate is participating or shall participate in an international boycott in violation of the U.S. Export Administration Act of 1979 or the applicable regulations of the U.S. Department of Commerce. This applies to contracts that exceed $10,000 (30 ILCS 582).

5.21 Vendor certifies it has not been convicted of the offense of bid rigging or bid rotating or any similar offense of any state or of the United States (720 ILCS 5/33 E-3, E-4).

5.22 Vendor certifies it complies with the Illinois Department of Human Rights Act and rules applicable to public contracts, including equal employment opportunity, refraining from unlawful discrimination, and having written sexual harassment policies (775 ILCS 5/2-105).

5.23 Vendor certifies it does not pay dues to or reimburse or subsidize payments by its employees for any dues or fees to any “discriminatory club” (775 ILCS 25/2).

5.24 Vendor certifies it complies with the State Prohibition of Goods from Forced Labor Act, and certifies that no foreign-made equipment, materials, or supplies furnished to the State under the contract have been or will be produced in whole or in part by forced labor, or indentured labor under penal sanction (30 ILCS 583).

5.25 Vendor certifies that no foreign-made equipment, materials, or supplies furnished to the State under the contract have been produced in whole or in part by the labor or any child under the age of 12 (30 ILCS 584).

5.26 Vendor certifies that it is not in violation of Section 50-14.5 of the Illinois Procurement Code (30 ILCS 500/50-14.5) that states: “Owners of residential buildings who have committed a willful or knowing violation of the Lead Poisoning Prevention Act (410 ILCS 45) are prohibited from doing business with the State until the violation is mitigated”.

5.27 Vendor warrants and certifies that it and, to the best of its knowledge, its subcontractors have and will comply with Executive Order No. 1 (2007). The Order generally prohibits Vendors and subcontractors from hiring the then-serving Governor’s family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments if that procurement may result in a contract valued at over $25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.
5.28 Vendor certifies that information technology, including electronic information, software, systems and equipment, developed or provided under this contract will comply with the applicable requirements of the Illinois Information Technology Accessibility Act Standards as published at www.dhs.state.il.us/itaa. (30 ILCS 587)

5.29 Vendor certifies that it has read, understands, and is in compliance with the registration requirements of the Elections Code (10 ILCS 5/9-35) and the restrictions on making political contributions and related requirements of the Illinois Procurement Code (30 ILCS 500/20-160 and 50-37). Vendor will not make a political contribution that will violate these requirements. These requirements are effective for the duration of the term of office of the incumbent Governor or for a period of 2 years after the end of the contract term, whichever is longer.

In accordance with section 20-160 of the Illinois Procurement Code, Vendor certifies as applicable:

☐ Vendor is not required to register as a business entity with the State Board of Elections.

or

☒ Vendor has registered and has attached a copy of the official certificate of registration as issued by the State Board of Elections. As a registered business entity, Vendor acknowledges a continuing duty to update the registration as required by the Act.
6.0 DISCLOSURES AND CONFLICTS OF INTEREST

Instructions: Vendor shall disclose financial interests, potential conflicts of interest and contract information identified in Sections 1, 2 and 3 below as a condition of receiving an award or contract (30 ILCS 500/50-13 and 50-35). Failure to fully disclose shall render the contract, bid, proposal, subcontract, or relationship voidable by the chief procurement officer if s/he deems it in the best interest of the State of Illinois and may be cause for barring from future contracts, bids, proposals, subcontracts, or relationships with the State.

- There are six sections to this form and each must be completed to meet full disclosure requirements.
- Note: The requested disclosures are a continuing obligation and must be promptly supplemented for accuracy throughout the process and throughout the term of the resultant contract if the bid/offer is awarded. As required by 30 ILCS 500/50-2, for multi-year contracts Vendors must submit these disclosures on an annual basis.

A publicly traded entity may submit its 10K disclosure in satisfaction of the disclosure requirements set forth in Section 1 below. HOWEVER, if a Vendor submits a 10K, they must still complete Sections 2, 3, 4, 5 and 6 and submit the disclosure form.

If the Vendor is a wholly owned subsidiary of a parent organization, separate disclosures must be made by the Vendor and the parent. For purposes of this form, a parent organization is any entity that owns 100% of the Vendor.

This disclosure information is submitted on behalf of (show official name of Vendor, and if applicable, D/B/A and parent):

Name of Vendor: International Business Machines

D/B/A (if used): IBM

Name of any Parent Organization: N/A

Section 1: Section 50-35 Disclosure of Financial Interest in the Vendor. (All Vendors must complete this section)

Vendors must complete subsection (a), (b) or (c) below. Please read the following subsections and complete the information requested.

a. If Vendor is a Publicly traded corporation subject to SEC reporting requirements

i. Vendor shall submit their 10K disclosure (include proxy if referenced in 10k) in satisfaction of the financial and conflict of interest disclosure requirements set forth in subsections 50-35 (a) and (b) of the Procurement Code. The SEC 20f or 40f, supplemented with the names of those owning in excess of 5% and up to the ownership percentages disclosed in those submissions, may be accepted as being substantially equivalent to 10K.

Check here if submitting a 10K, 20f, or 40f.

OR

b. If Vendor is a privately held corporation with more than 400 shareholders

i. These Vendors may submit the information identified in 17 CFR 229.401 and list the names of any person or entity holding any ownership share in excess of 5% in satisfaction of the financial and conflict of interest disclosure requirements set forth in subsections 50-35 a and b of the Illinois Procurement Code.

OR

c. If Vendor is an individual, sole proprietorship, partnership or any other not qualified to use subsections (A) or (B), complete (i) and (ii) below as appropriate.

i. For each individual having any of the following financial interests in the Vendor (or its parent), please mark each that apply and show the applicable name and address. Use a separate form for each individual.

1. Do you have an ownership share of greater than 5% of the offering entity or parent entity?

□ Yes □ No

2. Do you have an ownership share of less than 5%, but which has a value greater than $106,447.20?

□ Yes □ No
3. Do you receive more than $106,447.20 of the offering entity’s or parent entity’s distributive income? (Note: Distributive income is, for these purposes, any type of distribution of profits. An annual salary is not distributive income.)
   □ Yes □ No

4. Do you receive greater than 5% of the offering entity’s or parent entity’s total distributive income, but which is less than $106,447.20?
   □ Yes □ No

5. If you responded yes to any of questions 1 – 4 above, please provide either the percentage or dollar amount of your ownership or distributive share of income: _________________________. For partnerships with more than 50 partners, the percentage share of ownership of each individual identified above may be shown in the following ranges (dollar value fields must also be completed when applicable):
   0.5% or less___ > 0.5 to 1.0% ___ > 1.0 to 2.0% ___ > 2.0 to 3.0% ___ > 3.0 to 4.0% ___ > 4.0 to 5.0% ___ and in additional 1% increments as appropriate ___%  

6. If you responded yes to any of the questions 1-4 above, please check the appropriate type of ownership/distributable income share:
   □ Sole Proprietorship □ Stock □ Partnership □ Other (explain) _________________________.

   Name: ____________________________________________
   Address: ____________________________________________

ii. In relation to individuals identified above, indicate whether any of the following potential conflict of interest relationships apply. If “Yes,” please describe each situation (label with appropriate letter) using the space at the end of this Section (attach additional pages as necessary). If no individual has been identified above, mark not applicable (N/A) here ___ N/A ___.

   (a) State employment, currently or in the previous 3 years, including contractual employment of services directly with the individuals identified in Section 1 in their individual capacity unrelated to the Vendor’s contract.
       Yes □ No □

   (b) State employment of spouse, father, mother, son, or daughter, including contractual employment for services in the previous 2 years.
       Yes □ No □

   (c) Elective status; the holding of elective office of the State of Illinois, the government of the United States, any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois currently or in the previous 3 years.
       Yes □ No □

   (d) Relationship to anyone holding elective office currently or in the previous 2 years; spouse, father, mother, son, or daughter.
       Yes □ No □

   (e) Appointive office, the holding of any appointive government office of the State of Illinois, the United States of America, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois, which office entitles the holder to compensation in excess of expenses incurred in the discharge of that office currently or in the previous 3 years.
       Yes □ No □

   (f) Relationship to anyone holding appointive office currently or in the previous 2 years; spouse, father, mother, son, or daughter.
       Yes □ No □

   (g) Employment, currently or in the previous 3 years, as or by any registered lobbyist of the State government.
       Yes □ No □

   (h) Relationship to anyone who is or was a registered lobbyist in the previous 2 years; spouse, father, mother, son, or daughter.
       Yes □ No □

   (i) Compensated employment, currently or in the previous 3 years, by any registered election or reelection committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections.
       Yes □ No □

   (j) Relationship to anyone; spouse, father, mother, son, or daughter; who is or was a compensated employee in the last 2 years of any registered election or reelection committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections.
       Yes □ No □
Section 2: Section 50-13 Conflicts of Interest (All Vendors must complete this section)

(a) Prohibition. It is unlawful for any person holding an elective office in this State, holding a seat in the General Assembly, or appointed to or employed in any of the offices or agencies of State government and who receives compensation for such employment in excess of 60% of the salary of the Governor of the State of Illinois ($106,447.20), or who is an officer or employee of the Capital Development Board or the Illinois Toll Highway Authority, or who is the spouse or minor child of any such person to have or acquire any contract; or any direct pecuniary interest in any contract therein, whether for stationery, printing, paper, or any services, materials, or supplies, that will be wholly or partially satisfied by the payment of funds appropriated by the General Assembly of the State of Illinois or in any contract of the Capital Development Board or the Illinois Toll Highway Authority.

(b) Interests. It is unlawful for any firm, partnership, association, or corporation, in which any person listed in subsection (a) is entitled to receive (i) more than 7 1/2% of the total distributable income or (ii) an amount in excess of the salary of the Governor ($177,412.00), to have or acquire any such contract or direct pecuniary interest therein.

(c) Combined interests. It is unlawful for any firm, partnership, association, or corporation, in which any person listed in subsection (a) together with his or her spouse or minor children is entitled to receive (i) more than 15%, in the aggregate, of the total distributable income or (ii) an amount in excess of 2 times the salary of the Governor ($354,824.00), to have or acquire any such contract or direct pecuniary interest therein.

Check One:  ☒ No Conflicts Of Interest  ☐ Potential Conflict of Interest (If checked, name each conflicted individual, the nature of the conflict, and the name of the State agency that is associated directly or indirectly with the conflicted individual.)

Section 3: Debarment/Legal Proceeding Disclosure (All Vendors must complete this section).

Each of the persons identified in Sections 1, 2 and 3 must each identify any of the following that occurred within the previous 10 years:

- Debarment from contracting with any governmental entity  Yes ☐ No ☒
- Professional licensure discipline  Yes ☐ No ☒
- Bankruptcies  Yes ☐ No ☒
- Adverse civil judgments and administrative findings  Yes ☐ No ☒
- *Any adverse civil findings and judgments are described in our submitted 10K  Yes ☐ No ☒
- Criminal felony convictions  Yes ☐ No ☒

If any of the above is checked yes, please identify with descriptive information the nature of the debarment and legal proceeding. The State reserves the right to request more information, should the information need further clarification.

IBM was notified of a termination for default on a contract with the State of Indiana which IBM has contested. On October 15, 2009, the Indiana Family and Social Services Administration issued to IBM a letter purporting to terminate a services contract between IBM and the State of Indiana for material breach. IBM disputes the termination as unjustified and in violation of the terms of the agreement. The matter is in active litigation.

Section 4: Disclosure of Business Operations with Iran (All Vendors must complete this section).

In accordance with 30 ILCS 500/50-36, each bid, offer, or proposal submitted for a State contract, other than a small purchase defined in Section 20-20 (of the Illinois Procurement Code), shall include a disclosure of whether or not the bidder, offeror, or proposing entity, or any of its corporate parents or subsidiaries, within the 24 months before submission of the bid, offer, or proposal had business operations that involved contracts with or provision of supplies or services to the Government of Iran, companies in which the Government of Iran has any direct or indirect equity share, consortiums or projects commissioned by the Government of Iran and:

1. more than 10% of the company’s revenues produced in or assets located in Iran involve oil-related activities or mineral-extraction activities; less than 75% of the company’s revenues produced in or assets located in Iran involve contracts with or provision of oil-related or mineral – extraction products or services to the Government of Iran or a project or consortium created exclusively by that Government; and the company has failed to take substantial action;

2. the company has, on or after August 5, 1996, made an investment of $20 million or more, or any combination of investments of at least $10 million each that in the aggregate equals or exceeds $20 million in any 12-month period that directly or significantly contributes to the enhancement of Iran’s ability to develop petroleum resources of Iran.

Revision 12/14/2010
A bid, offer, or proposal that does not include this disclosure shall not be considered responsive. We may consider this disclosure when evaluating the bid, offer, or proposal or awarding the contract.

You must check one of the following items and if item 2 is checked you must also make the necessary disclosure:

☑ There are no business operations that must be disclosed to comply with the above cited law.
☐ The following business operations are disclosed to comply with the above cited law:

Section 5: Current and Pending Contracts (All Vendors must complete this section).

Does the Vendor have any contracts pending contracts, bids, proposals or other ongoing procurement relationships with units of State of Illinois government? Yes ☑ No ☐

If yes, please identify each contract, pending contract, bid, proposal and other ongoing procurement relationship it has with units of State of Illinois government by showing agency name and other descriptive information such as bid number, project title, purchase order number or contract reference number.

See attached spreadsheet.

Section 6: Representative Lobbyist/Other Agent (All Vendors must complete this section).

Is the Vendor represented by or employing a lobbyist required to register under the Lobbyist Registration Act or other agent who is not identified under Sections 1 and 2 and who has communicated, is communicating, or may communicate with any State officer or employee concerning the bid, offer or contract? Yes ☐ No ☑

If yes, please identify each agent / lobbyist, including name and address.

Costs/Fees/Compensation/Reimbursements related to assistance to obtain contract (describe):

Vendor certifies that none of these costs will be billed to the State in the event of contract award. Vendor must file this information with the Secretary of State.

This Disclosure is signed and made under penalty of perjury pursuant to Sections 500/50-13 and 500/50-35(a) of the Illinois Procurement Code.

This information is submitted on behalf of: Internationa Business Machines Corporation

(Vendor/Subcontractor Name)

Name of Authorized Representative: Mark R. Townsend
Title of Authorized Representative: Client Manager

Signature of Authorized Representative: Mark R. Townsend
Date: 12-20-12
<table>
<thead>
<tr>
<th>Agency</th>
<th>Service</th>
<th>Current</th>
<th>Pending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dept of Aging</td>
<td>TSP Service Level D hourly Technical Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board of Elections</td>
<td>TSP Service Level D hourly Technical Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Management Services</td>
<td>TSP Service Level D hourly Technical Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Development Board</td>
<td>TSP Service Level D hourly Technical Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dept of Commerce and Economic Affairs</td>
<td>TSP Service Level D hourly Technical Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dept of Children and Family Services</td>
<td>TSP Service Level D hourly Technical Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dept of Employment Security</td>
<td>TSP Service Level D hourly Technical Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dept of Human Services</td>
<td>TSP Service Level D hourly Technical Services</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Dept of Natural Resources</td>
<td>TSP Service Level D hourly Technical Services</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Dept of Corrections</td>
<td>TSP Service Level D hourly Technical Services</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Dept of Transportation</td>
<td>TSP Service Level D hourly Technical Services</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Dept of Public Health</td>
<td>TSP Service Level D hourly Technical Services</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Illinois Emergency Management Agency</td>
<td>TSP Service Level D hourly Technical Services</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Illinois EPA</td>
<td>TSP Service Level D hourly Technical Services</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Dept of Healthcare and Family Services</td>
<td>TSP Service Level D hourly Technical Services</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Illinois Student Assistance Commission</td>
<td>TSP Service Level D hourly Technical Services</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Illinois State Police</td>
<td>TSP Service Level D hourly Technical Services</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Law Enforcement Training and Standards Board</td>
<td>TSP Service Level D hourly Technical Services</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Dept of Revenue</td>
<td>TSP Service Level D hourly Technical Services</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>State Fire Marshall</td>
<td>TSP Service Level D hourly Technical Services</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Illinois Secretary of State</td>
<td>TSP Service Level D hourly Technical Services</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>State Retirement System</td>
<td>TSP Service Level D hourly Technical Services</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>State Treasurer's Office</td>
<td>TSP Service Level D hourly Technical Services</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Toll Highway Authority</td>
<td>TSP Service Level D hourly Technical Services</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>TSP is CMS contract number CMCE300170</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Development Board</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Management Services</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office of the Comptroller</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Children and Family Services</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Human Rights</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Corrections</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Illinois Emergency Management Agency</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Illinois Housing Development Authority</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Illinois Student Assistance Commission</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Illinois State Police</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Illinois Department of Revenue</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Illinois State Board of Education</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Illinois Secretary of State</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Retirement System</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Treasurer's Office</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State University Retirement System</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Management Services</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Illinois Student Assistance Commission</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Illinois State Police</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Illinois Secretary of State</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toll Highway Authority</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TSP Time and Materials Maintenance</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TSP Time and Materials Maintenance</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TSP Time and Materials Maintenance</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TSP Time and Materials Maintenance</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TSP Time and Materials Maintenance</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TSP Time and Materials Maintenance</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TSP Time and Materials Maintenance</td>
<td>TSP Fixed Price Maintenance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Central Management Services Illinois State Police Housing Development Authority Secretary of State | IBM Software ELA
ELA contract number is CIC2622960
Disaster Recovery Contract
Disaster Recovery Contract
Disaster Recovery Contract
Disaster Recovery Contract
BCRS (DR) contract number is CMCE401121
Rational Contract 10IT1023040
Hourglass (Princeton Softek) S+S S CIC049200
AVP for TSM CIC1615680
IBM Mainframe Software 12IT023047
IBM Mainframe Software 12IT023048
Relocation contract |
|---|---|
7. SUPPLEMENTAL PROVISIONS

7.1 State Supplemental Provisions

☐ Definitions
☐ Required Federal Clauses, Certifications and Assurances
☐ ARRA Requirements (American Recovery and Reinvestment Act of 2009)
☐ Public Works Requirements (construction and maintenance of a public work) (820 ILCS 130/4)
☐ Prevailing Wage (janitorial cleaning, window cleaning, building and grounds, site technician, natural resources, food services, and security services, if valued at more than $200 per month or $2000 per year (30 ILCS 500/25-60)
☐ Prevailing Wage (all printing contracts) (30 ILCS 500/25-60)
☒ BEP Subcontracting Requirements (Utilization Plan and Letter of Intent)
☒ Other (describe)
  Appendix A – Service Level Response Table
  Appendix B-1 Fixed Price Pricing
  Appendix B-2 Time and Materials Pricing
  Appendix C – Time and Materials Inventory List
  Appendix D – Invoicing Requirements
  Appendix E – Repair Service Process
  Appendix F – Maintenance Request Tracking System Fields
  Appendix G – MRTS Technical Specifications
  Appendix H – State of Illinois Counties
  Appendix I – State of Illinois Agencies, Boards and Commissions Standard Abbreviations
  Appendix J – State of Illinois Holiday Schedule

7.2 Vendor Supplemental Provisions

☒ Attachment 1 Master Services Attachment for ServiceElite - Modified
Attachment 2 IBM Customer Agreement
Attachment 3 - Agreement for the Exchange of Confidential Information

Revision 12/14/2010
I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and

2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and

3. I am a U.S. person (including a U.S. resident alien).

- If you are an individual, enter your name and SSN as it appears on your Social Security Card.
- If you are a sole proprietor, enter the owner's name on the name line followed by the name of the business and the owner’s SSN or EIN.
- If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's name on the name line and the d/b/a on the business name line and enter the owner’s SSN or EIN.
- If the LLC is a corporation or partnership, enter the entity’s business name and EIN and for corporations, attach IRS acceptance letter (CP261 or CP277).
- For all other entities, enter the name of the entity as used to apply for the entity’s EIN and the EIN.

Name: ____________________________

Business Name: International Business Machines Corporation

Taxpayer Identification Number: ____________________________

Social Security Number ____________________________

or

Employer Identification Number 13-0871985

Legal Status (check one):

☑ Individual

☐ Sole Proprietor

☐ Partnership

☐ Legal Services Corporation

☐ Tax-exempt

☐ Corporation providing or billing medical and/or health care services

☐ Corporation NOT providing or billing medical and/or health care services

☐ Governmental

☐ Nonresident alien

☐ Estate or trust

☐ Pharmacy (Non-Corp.)

☐ Pharmacy/Funeral Home/Cemetery (Corp.)

☐ Limited Liability Company (select applicable tax classification)

☐ D = disregarded entity

☐ C = corporation

☐ P = partnership

Signature: ____________________________  Date: 12-20-12
Certificate of Registration

Registration No. 12334

International Business Machines Corporation
1 New Orchard Road
Armonk NY 10504

Information for this business last updated on:
Friday, December 30, 2011

Certificate produced on Wednesday, February 22, 2012 at 11:26 AM
Letter of Intent (LOI)

Between Prime Vendor and Certified Vendor

Instructions: The undersigned prime vendor (hereinafter Prime Vendor) hereby certifies that the Prime Vendor and the vendor listed below are eligible to perform
the work described herein. The Prime Vendor hereby covenants and promises that, following award of the contract described herein, the Prime Vendor shall, at its own expense, perform all work and complete all work described herein and shall indemnify and hold harmless the agencies mentioned in the proposal, which work shall be performed in a good and professional manner and within the time periods specified in the proposal.

Proposed Project: Hardware Maintenance & Services

Prime Vendor: IBM

Certified Vendor: CTG (d.b.a.) Novanis

Proposal Information:

Type of Proposal: Fixed Price

Estimated Cost: $[Amount]

Proposed Start Date: 10/1/12

Proposed End Date: 6/30/22

Description of Work: Fixed price hardware maintenance services

and hourly time and materials services

Central Management Services, Dept. of Human Services, SURA

The Prime Vendor and the certified vendor(s) above hereby agree to perform the work described herein in substitution for the Prime Vendor and the certified vendor(s) above are qualified and will perform the work as described above.
Please see completed utilization plan and letter of intent included in a separately sealed container within our response.
UTILIZATION PLAN

The Utilization Plan and Letter of Intent must be stated separately within the offer container.

IBM

IBM

Mark R. Townsend
Client Manager

217 547-0036
mrtowns@us.ibm.com

[Remaining content not legible]
Section I

Utilization of Certified Vendors

Certified Vendors are required to provide services in accordance with the terms of the contract. The selection of Certified Vendors is based on the following criteria:

- Experience and reputation in the field of hardware maintenance and services.
- Financial stability and ability to fulfill contractual obligations.
- Compliance with all applicable laws and regulations.

CTG (d.b.a.) Novanis

3161 West White Oaks Drive, Suite 100, Springfield IL 62704

217-698-0999

Hardware maintenance services and hourly time and material services.
Section II

Demonstration of Good Faith Efforts to Achieve SEP/Supplier Participation

In the event that a subcontractor is unable or unwilling to perform its obligations under the contract, the Government may require the contractor to make good faith efforts to identify and/or locate another subcontractor to perform such obligations. Failure to do so may render the subcontractor’s performance non-responsive and cause it to be rejected, or may make the subcontractor ineligible for contract award. In case of non-response, the Government may require the contractor to take action to identify and/or locate another subcontractor to perform such obligations.

Good Faith Efforts Checklist

The items below summarize the critical factors to consider in determining whether good faith efforts have been made to identify and/or locate another subcontractor to perform the obligations. If any of the items below are not completed, attach a detailed written explanation why each such item was not completed. If any other factors were made to support SEP/Supplier participation, please provide a detailed explanation.

MT

MT

MT

MT

MT

MT

Section II B

Good Faith Efforts Contacts Log for Solicitation

SEP Sub-consultant, Subcontractor or Supplier Participation

The following table provides details of potential subcontractor or supplier participation:

<table>
<thead>
<tr>
<th>Subcontractor or Supplier Name</th>
<th>Contact Person</th>
<th>Contact Email</th>
<th>Contact Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

63
Due to time constraints getting both RFP responses done, we only contacted a few BEP vendors. Given more time we are confident we could engage more BEP firms and likely raise our Category 1 BEP percentage.
Letter of Intent (LOI)

Between Prime Vendor and Certified Vendor

Instructions: The responsive offeror is required to submit this signed and notarized Letter of Intent from each certified vendor identified on the Utilization Plan. LOIs must be submitted with the proposal and must be notarized by both parties. Submit a separate LOI for each proposed certified vendor. The amount and scope of work indicated on each LOI shall be the actual amount indicated on the Utilization Plan submitted with the proposal and approved by the Agency.

Changes to the Utilization Plan including substitution of certified vendors are permitted only after award of the contract and only with prior written approval of the Agency. A request for changes to the Utilization Plan must be submitted on the Request for Change of Utilization Plan form for all levels of subcontracting. LOIs must be submitted for all additions of certified vendors to the Utilization Plan prior to the start of work.

Project Name: Hardware Maintenance & Services
Project/Solicitation Number: REF#66730
Project Category: 

Name of Prime Vendor: IBM
Address: 3201 West White Oaks Drive, Suite 204, Springfield, IL 62704
Telephone: 217-547-0036, Fax: , Email: mrtowns@us.ibm.com

Name of Certified Vendor: CTG (d.b.a.) Novanis
Address: 3161 West White Oaks Drive, Suite 100, Springfield IL 62704
Telephone: 217-698-0999, Fax: 217-698-1087, Email: jvost@novanis.com

Type of Agreement: 
- Services
- Supplies
- Both Services/Supplies

Type of Payment: 
- Lump Sum
- Hourly Rate
- Unit Price

Period of Performance: 10/1/12-6/30/22
Proposed Subcontract Amount: $ of

Proposed % of Contract: 15

Description of work to be performed by certified vendor:
Fixed price hardware maintenance services
and hourly time and materials services

List the governmental agency or private organization with whom the certified vendor is currently certified as a disadvantaged, minority, or woman business enterprise:

Central Management Services, Dept. of Human Services, SURS

The prime vendor and the certified vendor above hereby agree that upon the execution of a contract for the above-named project between the prime vendor and the State of Illinois, the certified vendor will perform the scope of work for the price as indicated above.

65
Prime Vendor (Company Name and DBA): IBM

Mark R. Townsend
Printed Name

Title: Client Manager
Date: 6/18/12

Signature

Certified Vendor (Company Name and DBA):

Signature

Printed Name

Title
Date

Signature

Printed Name

Title
Date

Subscribed and sworn before me this
18th day of June 2012

Notary Public

My Commission expires: June 10, 2013

GALE LYNN BORDERS
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES JUL 10, 2013

Please see completed utilization plan and letter of intent included in a separately sealed container within our response.
STATE OF ILLINOIS Hardware Maintenance and Services

Letter of Intent (LOI)

Project Name: Hardware Maintenance & Services

Ref. #66730 Category 1

IBM

3201 West White Oaks Drive, Suite 204, Springfield, IL 62704

Phone: 217-547-0036

mrtowns@us.ibm.com

CTG (d.b.a.) Novanis

3161 West White Oaks Drive, Suite 100, Springfield IL 62704

Phone: 217-698-0999

217-698-1087 jvost@novanis.com

10/1/12-6/30/22

15

Renewal

Fixed price hardware maintenance services

and hourly time and materials services

Central Management Services, Dept. of

Human Services, SURS
Please see completed utilization plan and letter of intent included in a separately sealed container within our response.