Commonwealth of Virginia
Department of Information Technology

TOTAL COST OF OWNERSHIP (TCO) CONSULTING SERVICES

Optional Use Contract

Date:	June 27, 2001
Contract #:	See Attached
Authorized User:	State Agencies, Institutions, and Other Public Bodies
Contractors:	See Attached
Contact Person:	See Attached
FIN:	See Attached
Fax Orders To:	See Attached
Term:	January 22, 2001 – January 21, 2003

For Additional Information, Please Contact:

Contract Information:
Mrs. T. J. Hudson, VCO
Contracts Administrator
Phone: 804-371-5971
E-Mail: thudson@state.va
Fax: 804-371-5969

Technical Information:
Joe A. Parr, CPPO, VCO
Contract Officer
Phone: 804-371-5991
E-Mail: jparr@dit.state.va.us
Fax: 804-371-5969

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

For updates, please visit our Website at http://asd.state.va.us

DEPARTMENT OF TECHNOLOGY PLANNING (DTP): Prior review and approval by the Department of Technology Planning for purchases in excess of $100,000.00 is required for State Agencies and Institutions only.

CONTRACT CHANGE LOG

Change No.	Description of Change	Contract #	Effective Date
1	Correct Phone Number for Harris Technology Services Corp, To make extract readable	VA-01022-HTSC	3/09/01
2	To Change Address for Digital Intelligence Systems	VA-010122-DISY	6/27/01

FIN/FEI NUMBER	CONTRACTORS' INFORMATION	TELEPHONE NUMBER
54-1796110	Harris Technology Services Corp. 1201 East Abingdon Drive, Suite 500 Alexandria, VA 22314 **Contract # VA-010122-HTSC** Contact: Mrs. Jennifer L. Augustine Email: jaugustine@harris.com Web: www.harris.com	Phone: (703) 739-1845 Fax: (703) 739-1991
36-2513626	Booz-Allen & Hamilton, Inc. 8283 Greensboro Drive McLean, VA 22120 **Contract # VA-010122-BOOZ** Contact: Howie Lind Email: lind_howie@bah.com Web: www.bah.com	Phone: (757) 413-2932 Fax: (703) 902-3555
54-1715860	Digital Inteligence Systems 4151 Lafayette Center Drive Suite 600 Chantilly, VA 20151 Contract # VA-010122-DISY Contact: Vijay Soni Email: vijay.soni@disys.com Web: www.disys.com	Phone: (703) 802-0500

TCO Evaluations are to determine the costs to acquire, maintain and support desktop, server and portable computer hardware and software over its useful life. All evaluations performed under these contracts will be based on the Gartner Group TCO Model (Attachment B).

Services are to be provided at either Time and Materials or per seat rates depending on the availability of an inventory.

Senior Consultant/Consultant rates will be used for those agencies that do not have current inventories.

Per seat rate will be used when the requesting agency can certify a current and accurate desktop, server and portable computer hardware and software inventory. The vendor shall assume the agency's provided inventory is accurate and requires no validation. The vendor will charge a minimum price (Base Price) with an allowance for a per seat charge for overages as provided for in the schedule.

Time and Materials Rates

Item:	Hourly Rate:
Senior Consultant	$175.00
Consultant	$135.00

Per Seat Ranges

Range of Seats	Minimum Price (Base)		
1 to 100	$29,500.00	$10.00	**Price per Seat for over 50 Seats**
101 to 300	$33,250.00	$10.00	**Price per Seat for over 200 Seats**
301 to 500	$34,500.00	$10.00	**Price per Seat for over 400 Seats**
501 and over	$37,500.00	$15.00	**Price per Seat for over 750 Seats**

BOOZ-ALLEN & HAMILTON SERVICE CO.
VA-010122-BOOZ

Time and Materials Rates

Item:	**Hourly Rate**:
Senior Consultant	$230.00
Consultant	$175.00

Per Seat Ranges

Range of Seats	**Minimum Price (Base)**		
1 to 100	$ 43,500.00	$200.00	**Price per Seat for over 50 Seats**
101 to 300	$ 60,500.00	$150.00	**Price per Seat for over 200 Seats**
301 to 500	$108,000.00	$100.00	**Price per Seat for over 400 Seats**
501 and over	$128,500.00	$50.00	**Price per Seat for over 750 Seats**

Time and Materials Rates

Item:	Hourly Rate:
Senior Consultant	$150.00
Consultant	$100.00

Per Seat Ranges

Range of Seats	Minimum Price (Base)		
1 to 100	$ 3,662.00	$60.00	**Price per Seat for over 50 Seats**
101 to 300	$10,987.00	$50.00	**Price per Seat for over 200 Seats**
301 to 500	$21,975.00	$40.00	**Price per Seat for over 400 Seats**
501 and over	$36,625.00	$30.00	**Price per Seat for over 750 Seats**

Attachment A

Position Descriptions

POSITION TITLE – SENIOR CONSULTANT

Position Description – Performs, under general supervision of State personnel or assigned contract personnel any assigned duties in the following areas:

- Manages and supervises teams in the gathering of information for total cost of ownership evaluations of state agency computing environments.
- Gathers information for total cost of ownership evaluations of state agency computing environments.
- Develops or assists in developing detailed project plans for conducting TCO evaluations.
- Ensures or assists the agency in ensuring information collected is consistent with the GartnerGroup's TCO Model and state guidelines.
- Ensures or assists the agency in ensuring TCO generated evaluation reports are consistent and accurate.

Minimum qualifications – Three or more years of project management experience, with at least one year project management experience in performing TCO related evaluations. Three or more years experience performing TCO evaluations using a GartnerGroup TCO model.

POSITION TITLE – CONSULTANT

Position Description – Performs, under general supervision of State personnel or assigned contract personnel any assigned duties in the following areas:

- Gathers or assists the state in gathering information for total cost of ownership evaluations of state agency computing environments.
- Develops or assists in developing detailed project plans for conducting TCO evaluations.
- Ensures or assists the agency in ensuring information collected is consistent with the GartnerGroup's TCO Model and state guidelines.
- Ensures or assists the agency in ensuring TCO generated evaluation reports are consistent and accurate.

Minimum qualifications - One or more years experience performing TCO evaluations using a GartnerGroup TCO model.

Attachment B

GartnerGroup TCO Model

Distributed Computing Chart of Accounts

The GartnerGroup TCO Model - Distributed Computing Chart of Accounts provides a method in which costs are divided into defined categories such that costs between different organizations and groups can be simulated and analyzed in a consistent, reliable and detailed fashion. Without consistent cost categories with defined scope, costs collected by various groups would be different, making comparisons and resultant conclusions impossible.

The GartnerGroup TCO Model utilizes two major categories to organize costs:

- Direct (budgeted) costs are the capital, fees, and labor costs spent by the corporate IS department, business unit and department IS groups in delivering Information Technology services and solutions to the organization and users. Costs include hardware and software expenses, IS operations labor, service desk labor, IS finance and administration labor, outsourced management and support fees. The direct cost models typical costs and captures actual costs for all direct expenses related to the clients (mobile and desktop), servers, peripherals, and network in the distributed computing environment and serving the distributed computing users.
- Indirect (unbudgeted) costs measure the efficiency of IS in delivering expected services to end users. If the IS management and solutions are efficient, end users are less likely to be burdened with self and peer support, as well as downtime. If the IS management and solutions are inefficient, end users typically must spend more time supporting themselves and each other (self and peer support), and are impacted by more downtime. These costs often are hidden in most organizations and are not measured or tracked. Because of this, many organizations undertake direct cost reduction programs, but can unknowingly transfer the burden or support and unreliability to the end users. Our research shows that inefficient or overly aggressive spending cuts can lead to a USD$4 in lost productivity for every USD$1 saved. One can view Indirect costs as a second order effect that the IS spending, or lack thereof, has on the organization. It cannot be measured directly, and there is not always a direct causal relationship, but efficient IS spending can have a direct positive impact on end user productivity while inefficient spending or cuts can cost an organization more in lost productivity than what was saved in spending cuts.

The following major cost categories are used in the GartnerGroup TCO Model.

- **Direct (Budgeted) Costs** - measures the direct expenditures on IS by an organization (capital, labor, and fees).
  - **Hardware and Software**
    - Hardware
      - Expensed
      - Depreciated
      - Lease fees
      - Upgrades
      - Spares
      - Supplies
    - Software
      - Personal productivity and personal database applications
      - Business and engineers
      - Database, data management and development tools
      - Messaging and groupware
    - IS Hardware
      - Expensed
      - Depreciated
      - Lease fees
      - Upgrades
      - Spares
      - Supplies
    - IS Software
      - Network, systems storage and asset management
      - Service desk management
      - Training Software and CBT
      - Test/Other
  - **Operations**
    - Technical Services - Clients
      - Tier II problem resolution
      - Tier III problem resolution
      - Traffic management and planning
      - Performance tuning
      - User administration (logical adds and changes)
      - Operating system support
      - Maintenance labor
      - Software deployment
      - Application management
      - Hardware configuration/reconfiguration
      - Hardware deployment
      - Disk and file management
      - Storage capacity planning
      - Backup and archiving
      - Repository management
    - Technical Services – Servers
      - Tier II problem resolution
      - Tier III problem resolution
      - Traffic management and planning
      - Performance tuning
      - User administration (logical adds, moves, and changes)
      - Operating system support
      - Maintenance labor

        - Software deployment
        - Application management
        - Hardware configuration/reconfiguration
        - Hardware deployment
        - Disk and file management
        - Storage capacity planning
        - Backup and archiving
        - Repository management
    - Technical Services – Network
        - Tier II problem resolution
        - Tier III problem resolution
        - Traffic management and planning
        - Performance tuning
        - User administration (logical adds and changes)
        - Operating system support
        - Maintenance labor
        - Software deployment
        - Application management
        - Hardware configuration/reconfiguration
        - Hardware deployment
        - Disk and file management
        - Storage capacity planning
        - Backup and archiving
        - Repository management
    - Planning and Process Management
        - Account management
        - Systems research, planning and product management
        - Evaluation for purchase
        - Security and virus protection
        - Business recovery
    - Database Management and Administration
        - Service desk (Tier 0/1)
        - Service desk metrics
  - **Administration**
    - Finance and Administration
        - Supervisory management
        - IS administrative assistance
        - Asset management
        - Budgeting and chargeback
        - Auditing
        - Purchasing, procurement and contract management
        - Vendor management
    - IS Training
        - IS course development
        - IS training (delivery)
    - End User Training
        - End user course development
        - End user training

- **Indirect (Unbudgeted) Costs -** measures the efficiency of IS capital expenditures and labor as they impact the end users, measured as lost productivity due to end user operations and downtime impact.
  - **End User Operations**
    - Peer Support
    - Casual Learning/Support

- Formal Learning
- File and Data Management
- Application Development
- Futz Factor
- End User Metrics
- End User Satisfaction

- **Downtime**
  - Planned and/or Unplanned Downtown Lost Productivity

ATTACHMENT "C"

TO

IFB #2001-018

COMMONWEALTH OF VIRGINIA

BASIC ORDERING AGREEMENT

This Basic Ordering Agreement (BOA) is entered into as of the date of its final execution as noted in Block #13, DIT Form 62, by and between the Contractor identified in Block #9, DIT Form #62, a corporation authorized to do business in the Commonwealth of Virginia with a primary place of business at (see Block #9, DIT Form #62), hereinafter referred to as the "Vendor" or "Contractor", and the Commonwealth of Virginia, hereinafter referred to as "State" or "Commonwealth".

This Agreement shall be construed as a continuing offer by the Vendor to perform specified services which the Customer (Agencies, Institutions, and other public bodies as defined in Section 11-37 of the Virginia Public Procurement Act (VPPA)) may accept from time to time by the placement of either Purchase Orders or Task Orders, hereinafter referred to as "Orders" as described herein. No obligation for services or costs shall be incurred by either party hereto unless and until an Order or other written authorization has been executed by the Contracts Manager, DIT, or other as authorized.

As used throughout, the following terms shall have the meaning set forth below:

- The term "Agreement" means the Basic Ordering Agreement and includes the provisions identified below.
- The term "Purchase Order" and/or "Task Order" means each individual "Order" authorized under this Basic Ordering Agreement.
- The term "Work Order" means the additional terms and conditions attached to this Basic Ordering Agreement as Attachment "D" to IFB #2001-018.
- The term "Customer" means Agencies and Institutions and other public bodies as defined in Section 11-37 of the Virginia Public Procurement Act (VPPA).

ARTICLE I - WORK ORDERS

1. Work Orders issued hereunder shall be initiated and processed as set forth in Article II herein.
2. Said Work Orders shall contain, among other provisions:
   a. A reference to this Agreement;

b. Statement of Work;

c. Statement of Type of Work Order and costs or price; and,

d. Delivery or Performance Schedule.

3. An individual Work Order may be written into either of the following two types:

a. Time and Material Type: A Time and Material Work Order shall list the services to be performed by labor category of personnel desired together with specific computer or tabulating services and hourly costs associated with each. Time and Material Work Orders will contain a "Not to Exceed" limitation. When a "Not to Exceed" limitation is employed, it shall impose obligations upon the parties in accordance with the "Limitation of Cost" provisions in ARTICLE V - TERMS AND CONDITIONS, Section 17.

b. Per Seat Fixed Price Type: A Per Seat Fixed Price Work Order shall be priced as per Schedule, IFB 2001-018.

4. Pricing for all Work Orders shall be in accordance with the rate schedule provided by the Vendor and set forth in IFB #2001-018 "the Schedule".

5. All Work Orders shall be incorporated as an integral part of this Agreement. Additional terms and conditions or clauses concerning individual Work Orders may be included with and form part of the Work Order. In the event the additional terms and conditions and/or clauses included in a Work Order conflict with any terms and conditions or clauses of this Agreement, the terms of the Work Order shall govern as concerns that individual Work Order only.

ARTICLE II - ACTIVATION OF ORDERS

1. The following procedure will be used to initiate and activate an Order under this Agreement:

a. The Customer will prepare an Order in duplicate, together with all necessary technical attachments, and provide the Order to the Vendor.

b. The Vendor shall review the Order and, upon acceptance by the Vendor, cause the Order to be executed by a duly authorized Vendor representative, and return both Vendor executed documents to the Customer.

c. The Customer, upon acceptance of the Vendor's executed documents, shall execute the Order and return one fully executed Order to the Vendor. One fully executed Order shall be attached to and shall be made an integral part of this Basic Ordering Agreement (BOA).

ARTICLE III - PERIOD OF PERFORMANCE

1. This Agreement shall remain in full force and effect for a period of two (2) years from the date identified in Block #13, page 1, DIT Form #62, unless sooner terminated or discontinued in accordance with other terms of this Agreement, or extended in accordance with the provisions of the attached Work Order.

2. As evidenced by written amendments hereto, this Agreement can be extended at the Commonwealth's sole discretion for three (3) additional one year periods, provided however that no additional costs are incurred unless specifically approved by the Contracts Manager, DIT.

3. The terms of this Agreement and its incorporated Work Orders and other related Orders shall survive the period of performance stated in Sections 1 and 2 above until such time as all Work Orders and Orders (executed prior to the expiration date of this BOA) have been completely performed.

ARTICLE IV - INVOICING AND PAYMENT

1. Where performance contemplated by the Work Order is longer than one (1) month, the Vendor shall invoice monthly in arrears.

a. On Time and Material Work Orders, invoices will be at the billing rates set forth in the Schedule (IFB #2001-018) for all efforts performed during the invoice period. Invoices shall provide as a minimum the following information:

(1) Name of assigned employee(s)
(2) Date of assignment
(3) Rate per hour
(4) Hours worked
(5) Order Number
(6) Vendor's Federal Tax Identification Number (FIN)

b. On Fixed Price Work Orders, a mutually acceptable billing schedule shall be defined in the Work Order.

2. Where the performance under an individual Work Order is to be completed in less than one (1) month, the Vendor shall invoice the Customer for the full amount of the Work Order at the completion thereof.

3. A maximum of fifteen percent (15%) of each Fixed Price invoice may be withheld pending completion and acceptance of the total project.

ARTICLE V - TERMS AND CONDITIONS

1. ENTIRE AGREEMENT

By signing and returning Invitation For Bid (#2001-018), it is expressly agreed that the Basic Ordering Agreement, the Work Order issued hereunder, IFB #2001-018 and the Vendor's response thereto which have been accepted by the Commonwealth and has resulted in an award to the Vendor, and all Orders issued under this Agreement constitute the entire agreement of the parties in relation to the subject matter hereof, and that no other agreement or understandings, verbal or otherwise, exist between the parties except as herein expressly set forth.

2. STANDARDS OF WORK

The Vendor agrees that the performance of work and services pursuant to an Order shall conform to the requirements of the Work Order and to high professional standards.

3. INSPECTION AND ACCEPTANCE

All work under an Order shall be subject to inspection by the Customer, to the extent practicable at all times and places, including the period of design or processing, but in any event, prior to acceptance. All inspections by the Customer shall be performed in such a manner as not to unduly delay the work. Unsatisfactory work shall be corrected prior to acceptance.

If any inspection or acceptance test is made by the Customer on the premises of the Vendor, the Vendor, without additional charge, shall provide reasonable facilities and assistance for the safety and convenience of the Customer's inspectors in the performance of their duties. If the Customer's inspection or test is made at a place other than the premises of the Vendor, it shall be at the expense of the Customer when cost is incurred by the Vendor. Suitable acceptance criteria shall be included in the Work Statement as part of the Order.

4. RISK OF LOSS

All work, including data, after delivery to the Customer, but prior to acceptance, shall become the responsibility of the Customer to protect same from risk of loss, damage, or destruction. The Customer shall be liable for such loss, damage or destruction and replacement of the items so lost, damaged or destroyed shall be at the sole expense of the Customer. To minimize potential problems due to this loss, damage, or destruction, Vendor shall insure that additional copies of the work are available at Vendor's office.

5. PROPRIETARY INFORMATION, DUPLICATION AND DISCLOSURE

The Vendor agrees that proprietary information disclosed by the Customer to the Vendor for the purpose of an Order shall be held in confidence, as required by this Section and Section 29 herein, and used only in performance of the Order. No item designed for or by the Customer shall be duplicated or furnished to others without prior written consent of the Customer. All products of an Order are the sole and exclusive property of the Commonwealth of Virginia.

6. PATENT(S), COPYRIGHT(S), AND/OR TRADE SECRET(S) PROTECTION

Contractor, at its own expense, shall defend any suit brought against the Commonwealth for the infringement of patents, copyrights or trade secrets enforceable in the United States if the claim of infringement is alleged to relate to or arise from the Contractor's or Commonwealth's use of any equipment, software, materials or information prepared, developed or delivered in connection with performance of this Agreement. In such suit, Contractor shall indemnify the Commonwealth, its agents, officers and employees for any loss, liability or expense incurred as a result of such suit.

The purchasing agency shall notify the Contractor of such suit within a reasonable time after learning of it and shall give the Contractor the full right and opportunity to conduct the defense of the suit, subject however to the requirements of Section 2.1-122 and Section 2.1-127 of the Code of Virginia or any successor statute. If principles of governmental or public law are involved, the Commonwealth may, at its option and expense, participate in the defense of the suit.

The Contractor shall not be required to indemnify the Commonwealth for liability arising solely out of the Commonwealth's own specifications or design or solely from the combination of equipment or software furnished hereunder with any equipment or software not supplied by the Contractor.

If, any Product or Service becomes, or in the Contractor's opinion, is likely to become, the subject of a claim of infringement, Contractor may, at its option, provide noninfringing substitutes that are satisfactory to the Commonwealth, or at Contractor's option and expense, may obtain the right for the Commonwealth to continue the use of such Product or Service.

If the use of such equipment or software by the Commonwealth is prevented by permanent injunction or by Contractor's failure to procure the right for the Commonwealth to continue using the software, the Contractor agrees to take back the infringing equipment, software, materials or information and refund the total amount the Commonwealth has paid Contractor under this Agreement, less one half (1/2) percent of the total paid for each month of use by the Commonwealth. This obligation is in addition to the obligations cited in the first four subparagraphs of paragraph 6. above.

7. LIMITATION OF LIABILITY

To the maximum extent permitted by applicable law, the contractor will not be liable under this contract for any indirect, incidental, special or consequential damages, or damages from loss of profits, revenue, data or use of the supplies, equipment and or services delivered under this contract. This limitation of liability will not apply, however, to liability arising from: (a) personal injury or death: (b) defect or deficiency caused by willful misconduct or negligence on the part of the contractor; or (c) circumstances where the contract expressly provides a right to damages, indemnification or reimbursement.

8. EXCUSABLE DELAY

The Vendor shall not be in default by reason of any failure in performance of this Agreement in accordance with its terms if such failure arises out of causes beyond its reasonable control and without the fault or negligence of the Vendor or its subcontractor(s). Such causes may include, but are not restricted to acts of God or the public enemy, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather, but in every case the failure to perform must be beyond the reasonable control and without the fault or negligence of the Vendor or its subcontractors.

9. TAXES

The Commonwealth of Virginia is exempt from all Federal excise taxes, and from State and Local taxes. Such taxes shall not be included in any invoice submitted by Vendor. Federal excise tax exemption certificates shall be furnished if requested.

10. SEVERABILITY

Each paragraph and provision of this Agreement is severable from the entire contract, and if any provision is declared invalid, the remaining provisions shall nevertheless remain in effect.

11. TERMINATION OF BASIC ORDERING AGREEMENT FOR CONVENIENCE

This Agreement may be terminated upon thirty (30) days written notice by the Commonwealth of Virginia. Consistent with Article III, Section 3, the terms of this Agreement, its incorporated Work Order and related Orders shall survive the effective date of termination until such time as all Orders (executed prior to the termination of this BOA) have been completely performed in accordance with Article V, Section 19 herein.

12. EMPLOYMENT DISCRIMINATION BY CONTRACTOR PROHIBITED

During performance under this Agreement, the Contractor agrees as follows:

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

b. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.

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

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

13. CERTIFICATIONS

The Vendor hereby certifies compliance with the following:

a. Virginia Fair Employment Contracting Act.
b. Virginia Governmental Frauds Act.
c. Virginia Public Procurement Act.
d. Virginians with Disabilities Act.
e. Americans with Disabilities Act.
f. Federal Immigration Reform and Control Act of 1986.
g. Federal Civil Rights Act of 1964.

14. GOVERNING LAW

This Agreement shall be deemed executed in Richmond, Virginia. This Agreement and any disputes arising under it shall be governed by the laws of the Commonwealth of Virginia. Any litigation arising in connection with this Agreement shall be brought in the courts of the Commonwealth of Virginia. The Contractor shall comply with all applicable federal, state and local laws, rules and regulations.

15. NON-APPROPRIATION

All funds for payment of Services under any approved Order is dependent at all times upon the appropriation of legislative appropriations for this purpose. In the event of nonappropriation of funds by the Legislature for the Services requested under this Contract, the Commonwealth will terminate this contract for those Services for which funds have not been appropriated. Written notice will be provided to the Contractor as soon as possible after legislative action is completed.

If any Services are to be supported by federal funding, and such funding is not made available, the Commonwealth may terminate this Contract for services dependent on such Federal funds without further obligation.

16. BREACH

In the event of breach by the Vendor of any authorized Order, the Customer shall have the right to immediately, or thereafter, terminate the Order or the entire Basic Ordering Agreement (without affecting the Basic Ordering Agreement with respect to existing Orders). In the alternative, Customer may give written notice to the Vendor specifying the breach and providing a period of time in which such breach must be corrected. If the breach is not corrected within the period of time specified, the Order may be terminated.

The Commonwealth's failure to exercise its right to terminate for breach under this provision shall not be construed as a waiver of its right to terminate, rescind or revoke a contract in the event of any subsequent breach of any provisions of this Agreement.

17. LIMITATION OF COST

It is hereby stipulated and agreed that the total cost to the Customer for the performance of each Order will be within the "Not to Exceed" funding limitation set forth in the Order, and the Vendor agrees to perform the work specified and all obligations under the Order within such funding limitation. The Vendor agrees to notify the Customer in writing no later than when the billable amounts reach eighty percent (80%) of the funding limitation and will include in such notification an estimate to complete the requirements of the Order.

The Customer shall not be obligated to reimburse the Vendor for billing in excess of appropriated funding up to the funding limitation set forth in the Order, and the Vendor shall not be obligated to continue performance of the Order or to incur costs in excess of the funding limitations if such increased costs are due to additional project requirements identified by the Customer after the initiation of the project effort, unless and until a written Change Order or written amendment to the Order increasing the funding limitation is approved by the Customer.

In addition to the limitations set forth above, Fixed Price Work Orders may not be increased more than twenty-five percent (25%) of the amount of the contract or $10,000, whichever is greater, without the advance written approval of the Governor of the Commonwealth of Virginia or his designee.

18. EXAMINATION OF RECORDS

The Vendor agrees to keep and maintain adequate records pertinent documents and papers involving transactions related to each Order for a period of five (5) years from the date of final payment.

The Vendor agrees that the Auditor of Public Accounts, his duly authorized representative, or Customer shall have access to and the right to examine any such directly pertinent records, documents, and papers involving transactions related to each Order.

19. TERMINATION OF WORK ORDERS FOR CONVENIENCE

Any individual Order under this Agreement may be terminated, in whole or in part, by the Customer for its convenience.

a. Termination of Time and Materials Order:

(1) Upon receipt of such written notice of termination as specified above, the Vendor shall, within thirty (30) days after receipt of written notice of termination, file a claim with the Customer which shall include an invoice for all costs incurred prior to termination.

(2) Upon receipt of payment for the Vendor's final invoice and the termination claim, the Vendor shall turn over to the Customer all completed programs, reports, data diagrams, and other materials generated during the performance of the terminated Order.

b. Termination of Fixed Price Work Orders:

(1) Upon receipt of written notice of termination, the Vendor shall, within thirty (30) days after receipt of written notice of termination, file a claim with the Customer which shall include an invoice for completed products delivered on or before the date of termination and which have been accepted by the Customer.

(2) There shall be no payment for partially completed deliverables except when progress payments are specified in the Order and the Vendor can provide evidence of progress prior to termination and which, in the sole opinion of the Customer, warrants payment for a partially completed and acceptable deliverable.

(3) Except as provided in 19.b.(2), there shall be no payment for deliverables contracted for but not delivered by the Vendor.

(4) When the Customer determines that the Vendor is in breach of this Basic Ordering Agreement and/or any Order incorporated hereunder, in no event shall any monies be due the Vendor for products or services which have not been delivered or services performed which are deemed unacceptable by the Customer.

20. CHANGES/AMENDMENTS

This contract may be modified in accordance with Section 11-55 of the Code of Virginia. Such modifications may only be made by the representatives noted below. By written notice to the Vendor, the Customer may, from time to time, make changes in drawings, designs, specifications, place of delivery, and property and services being furnished to the Vendor by the Customer. If any change causes an increase or decrease in price of an Order, in the time required for its performance, or otherwise affects any other provision of the Order, the Vendor shall promptly and within thirty (30) days from the date of receipt of the change notify the Customer thereof in writing asserting its claim for adjustment, and an equitable adjustment may be made and incorporated into the Order. **THE ISSUANCE OF INFORMATION, ADVICE, APPROVALS, OR INSTRUCTIONS BY CUSTOMER'S TECHNICAL PERSONNEL OR OTHER REPRESENTATIVES SHALL BE DEEMED EXPRESSIONS OF PERSONAL OPINIONS ONLY AND SHALL NOT AFFECT THE VENDOR'S AND CUSTOMER'S RIGHTS AND OBLIGATIONS HEREUNDER UNLESS THE SAME IS IN WRITING SIGNED BY THE PARTIES AND EXPRESSLY STATES THAT IT CONSTITUTES A CHANGE TO THE ORDER.** The official for approval of any contract modification is:

Commonwealth of Virginia
Department of Information Technology (DIT)
DIT Contracts Manager
Richmond Plaza Building, Lobby Level
110 South 7th Street
Richmond, Virginia 23219

21. LIABILITY FOR RERUN TIME

When computer services are requested, any rerun time will be at the cost and expense of the Customer, except where it is established that Vendor employee error requires such rerun.

22. LIABILITY FOR LOSS OF DATA

When computer services are requested, the Customer will maintain adequate supporting material or copies to enable the Vendor to regenerate card files, tape files, printer outputs and other data furnished to the Vendor by the Customer. In the event of loss of such Customer supplied data due to machine failure or negligence of the Vendor or its employee(s), the Vendor's liability for such loss shall be limited to the replacement or regeneration of the lost data from Customer's supporting material in the methods or means deemed most suitable by the Vendor for such regeneration or replacement.

23. INVENTIONS

The Contractor is prohibited from obtaining any patent on any invention or other discovery resulting from Contractor's performance under the terms and conditions of this Agreement.

24. CONTINGENT FEE WARRANTY

The Contractor warrants that Contractor has not employed or retained any person or persons for the purpose of soliciting or securing this Agreement. The Contractor further warrants that Contractor has not paid or agreed to pay any company or person any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon the award of making of this Agreement. For breach of one or both of the foregoing warranties, the Commonwealth shall have the right to terminate this Agreement without liability, or, in its discretion, to deduct from the agreed fee, payment or consideration, or otherwise recover, the full amount of said prohibited fee, commission, percentage, brokerage fee, gift, or contingent fee.

25. ASSIGNMENTS

To the fullest extent permitted by law, the parties agree that Contractor's rights under this Agreement shall not be assignable, in whole or in part, to any other party without the Department of Information Technology's (DIT's) written consent, and that any purported assignment or transfer without such consent shall be null and void. If any law limits the right of the parties to prohibit assignment or nonconsensual assignments, the effective date of the assignment shall be as follows. The Contractor shall give the Customer's purchasing office prompt written notice of the assignment, signed by authorized representatives of both the Contractor and the assignee. This written notice shall be on DIT's "Assignment Notice / Payment Instruction" form and shall provide all information requested on that form. Copies of the form may be obtained from the Contracts Manager DIT. Upon Customer's acknowledgment of receipt of the properly executed form, the Assignee shall notify the Fiscal Officer, Customer of the assignment and shall supply the DIT Fiscal Officer with a copy of the properly executed form. Any payments made by Customerprior to receipt of such notification and form shall not be covered by this assignment.

In the event Customer receives any notice from a third party claiming to be an assignee of any rights of the Contractor under this Agreement, Contractor agrees that payment or other performance in respect of those rights shall not be due until at least thirty days after the Customer's receipt of the notice required by the above paragraph or receipt of a similarly executed notice confirming the absence or revocation of the purported assignment. The Customer shall promptly notify the Contractor of any assignment notice it receives.

26. CONTRACTUAL DISPUTES

Contractual claims whether for money or other relief, shall be submitted in writing no later than sixty (60) days after final payment; however, written notice of the Contractor's intention to file such claim must be given at the time of the occurrence or beginning of the work upon which the claim is based. Nothing herein shall preclude a contract from requiring submission of an invoice for final payment within a certain time after completion and acceptance of the work or acceptance of the goods. Pendency of claims shall not delay payment of amounts agreed due in the final payment. The public body will render its final decision in writing within 30 days after its receipt of Contractor's written claim.

A Contractor may not institute legal action prior to receipt of the purchasing agency's decision on the claim, unless that Agency fails to render such decision within thirty (30) days. The decision of the purchasing agency shall be final and conclusive unless the Contractor, within six (6) months of the date of the final decision on the claim, invokes appropriate action under Section 11-70, Code of Virginia or Administrative Appeals Procedure Section 11-71, Code of Virginia.

Any dispute, claim, or cause of action filed by Contractor (or any party making such claim on behalf of or under the rights of Contractor, his agents or any subcontractor) shall be governed by Sections 11-69, 11-70, 11-71, Code of Virginia (1950), as amended, and any period of limitation set forth therein.

27. INVOICES

a. Invoices for Service delivered under this Agreement are payable within thirty (30) days after receipt. Invoices shall not include any costs other than those identified in the Order. Invoices shall provide as a minimum:

(1) Reference to the Order Number;
(2) Type and description of the services provided and date(s) delivered;
(3) Charge for each item; and,
(4) Contractor's Federal Identification Number (FIN).

b. In accordance with the Virginia Public Procurement Act, all payments not made within seven (7) days following the payment date provided above, will be subject to Section 11-62.1 through Section 11-62.9 of the Code of Virginia.

(1) This payment will be due, unless the equipment, software or service requested hereunder is received with a defect or the invoice is incorrect.

(2) The rate of interest shall accrue at the rate determined by the base rate on corporate loans (prime rate) at large United States money center commercial banks, and as reported in the publication entitled The Wall Street Journal. Whenever a split prime rate is published, the lower of the two rates is to be used. In no event, however, shall the rate of interest exceed the rate of interest established pursuant to Section 58.1-15 of the Code of Virginia.

c. Notwithstanding paragraphs 27.a and 27.b, no interest penalty shall be charged when payment is delayed because of disagreement between the Commonwealth and the Contractor regarding the quantity, quality or time of delivery of the services delivered under this Agreement, or the accuracy of any invoice received for such service.

d. In all cases where payment is made by mail the date of postmark shall be deemed to be the date of payment.

e. The Contractor shall notify the Fiscal Officer of the Customer of all invoices which are in excess of thirty (30) days old.

28. COMMONWEALTH'S RIGHTS TO SOFTWARE AND DOCUMENTATION

All materials generated under an Order shall be considered work made for hire. The Commonwealth shall have all rights, title and interest in or to all products, work plans, project reports, designs, programs, data bases and documentation developed or generated under this Agreement, including, without limitation, unlimited rights to use, duplicate, modify or disclose any part thereof, in any manner and for any purpose, and the right to permit or prohibit any other person, including the Contractor, from doing so. To the extent the Contractor may be deemed at any time to have any of the foregoing rights, the Contractor agrees to irrevocably assign and does hereby irrevocably assign such rights to the Commonwealth.

Contractor warrants that all documentation provided under an Order shall be of sufficient quality and detail to pass without objection in the trade and to enable outside parties and Commonwealth staff to maintain or modify the materials generated hereunder. Such warranty shall extend beyond the date of final acceptance of materials generated hereunder for a period of one (1) year.

29. CONFIDENTIALITY OF INFORMATION

CONTRACTOR AGREES TO OBSERVE COMPLETE CONFIDENTIALITY WITH RESPECT TO ALL ASPECTS OF ANY CONFIDENTIAL INFORMATION, PROPRIETARY DATA AND/OR TRADE SECRETS AND ANY PARTS THEREOF, WHETHER SUCH CONTENTS ARE THE COMMONWEALTH'S OR OTHER MANUFACTURER, VENDOR OR DISTRIBUTOR WHEREBY CONTRACTOR OR ANY CONTRACTOR'S PERSONNEL MAY GAIN ACCESS WHILE ENGAGED BY THE COMMONWEALTH OR WHILE ON COMMONWEALTH PREMISES. REVEALING, COPYING OR USING IN ANY MANNER WHATSOEVER ANY SUCH CONTENTS WHICH HAVE NOT BEEN AUTHORIZED BY THE COMMONWEALTH ARE STRICTLY PROHIBITED. THE RESTRICTIONS HEREIN SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT FOR ANY REASON AND SHALL CONTINUE IN FULL FORCE AND EFFECT AND SHALL BE BINDING UPON THE CONTRACTOR, HIS AGENTS, EMPLOYEES, SUCCESSORS, ASSIGNS, SUBCONTRACTORS

OR ANY PARTY CLAIMING AN INTEREST IN THIS AGREEMENT ON BEHALF OF OR UNDER THE RIGHTS OF CONTRACTOR FOLLOWING ANY TERMINATION. CONTRACTOR SHALL ADVISE ALL CONTRACTOR'S AGENTS, EMPLOYEES, SUCCESSORS, ASSIGNS AND SUBCONTRACTORS WHICH ARE ENGAGED BY THE COMMONWEALTH OF THE RESTRICTIONS, PRESENT AND CONTINUING, SET FORTH HEREIN. CONTRACTOR SHALL DEFEND AND INCUR ALL COSTS, IF ANY, FOR ACTIONS WHICH ARISE AS A RESULT OF NON-COMPLIANCE BY CONTRACTOR, HIS AGENTS, EMPLOYEES, SUCCESSORS, ASSIGNS AND SUBCONTRACTORS REGARDING THE RESTRICTIONS HEREIN.

30. PAYMENTS TO SUBCONTRACTORS

In accordance with Section 11-62.11 of the Code of Virginia, within seven days after receipt of amounts paid to the Contractor by the Commonwealth for work performed by a subcontractor, the Contractor shall:

(a) pay the subcontractor for the proportionate share of the total payment received from the agency attributable to the work performed by the subcontractor, or

(b) notify the agency and subcontractor, in writing, of the Contractor's intention to withhold all or a part of the subcontractor's payment with the reason for nonpayment.

The Contractor shall pay interest to the subcontractor on all amounts owed by the Contractor that remain unpaid after seven days following receipt by the Contractor of payment from the Commonwealth for work performed by the subcontractor, except for amounts withheld as allowed in "(b)" above. The Contractor shall provide its federal employer identification number (or social security number, if Contractor is an individual) to the Commonwealth as required by Section 11.62 (2) of the Code of Virginia. Unless otherwise provided under the terms of this Contract, interest shall accrue at the rate of one percent per month. The Contractor shall include in each of its subcontracts a provision requiring each subcontractor to be subject to the same payment and interest requirements with respect to each lower-tier subcontractor.

Nothing in this Section 30 shall be construed as creating any obligation on the part of the Commonwealth or as authorizing any additional charge to the Commonwealth.

31. THIRD PARTY BILLING

All goods or services provided under this Agreement, that are to be paid for with public funds, shall be billed by the Contractor at the contract price, regardless of which public agency is being billed.

32. INTELLECTUAL PROPERTY RIGHTS

The Contractor hereby agrees that the rights granted by Section 28 of this Agreement are irrevocable. Notwithstanding anything else in this Agreement by the Commonwealth, the Contractor's remedy shall not include any right to rescind, terminate or otherwise revoke or invalidate the provisions of Section 28 of this Agreement. Similarly, no termination of this Agreement by the Commonwealth shall have the effect of rescinding, terminating or otherwise invalidating the provisions of Section 28 of this Agreement.

33. VENDORS MANUAL

This Solicitation is subject to the provisions of the Commonwealth of Virginia Vendors Manual which was revised in December 1998 and any revisions thereto, which are hereby incorporated into this Agreement in their entirety. A copy of the manual is available for review at the purchasing office and, in addition, can be obtained by calling the Division of Purchases and Supply (804) 786-3842, or by accessing DPS's web site, http://www.dgs.state.va.us/dps/index.htm.

THE CONTRACTOR AND THE COMMONWEALTH BY THEIR EXECUTION OF BLOCKS #9 AND #15 OF IFB #2001-018 RESPECTIVELY ACKNOWLEDGE THAT EACH PARTY AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THIS BASIC ORDERING AGREEMENT, ATTACHMENT "D", IFB 2001-018.

34. CONTRACTOR'S REPORT OF SALES

The Contractor must report the quarterly dollar value, in U.S. dollars and rounded to the nearest whole dollar, of all sales under this Contract by calendar quarter; i.e., January through March, April though June, July through September, and October through December. The dollar value of a sale is the price paid by the user for products and services on a Contract order as recorded by the Contractor. The reported Contract sales value must include the Industrial Funding Adjustment, as delineated in paragraph entitled "Industrial Funding Adjustment". The Contractor shall provide this report in hard copy to the Controller, DIT, and a copy of the report to the Contracts Manager, DIT, both within 30 days after the end of each quarterly reporting period as defined herein. The report must show each individual item and quantities purchased and the purchaser. The report is required to be hard copy. DIT may at a later time, agree to an electronic version of the report, however, in lieu of any express agreement by both parties as to the electronic format, the Commonwealth will only accept a hardcopy version. The Contractor shall define "sale" prior to the first reporting period and then shall maintain that definition through out the term of this Agreement. Sale may be defined as; 1) when the Commonwealth pays the purchase price, or 2) when the Commonwealth accepts the Products or 3) other as defined by the Contractor.

35. INDUSTRIAL FUNDING ADJUSTMENT

The Contractor must pay DIT, an Industrial Funding Adjustment (IFA). The Contractor must remit the IFA within 30 days after the end of each quarterly reporting period as established in the clause entitled "Contractor's Report of Sales". The IFA equals two percent (2%) of the total quarterly sales reported. Contractor shall remit the IFA together with a copy of the Contractor's Report of Sales as delineated in the above paragraph. The IFA reimburses the Commonwealth and defrays the costs for IT procurement and the administration of the subsequent awards. The IFA amount due must be paid by check with identification of "Contract number", "report amounts", and "report period", on either the check stub or other remittance material. DIT may at its discretion, agree to an electronic funds transfer, in lieu of a check, however in the absence of an express written agreement from DIT that validates the electronic funds transfer, then the payment shall be made by check as described herein made payable to the Controller, DIT.

If the full amount of the IFA is not paid within 30 calendar days after the end of the applicable reporting period, it shall constitute a Contract debt to the Commonwealth of Virginia, and the State may exercise all rights and remedies available under law. Failure to submit sales reports, falsification

of sales reports, and or failure to pay the IFA in a timely manner may result in termination or cancellation of this Contract. Willful failure or refusal to furnish the required reports, falsification of sales reports, or failure to make timely payment of the IFA constitutes sufficient cause for terminating this Contract for default.

It is the intent of the Commonwealth to capture 2% of all sales, including temporary reduced pricing, fire sales, one time sales, trade ins, promotional items that have been marked down and all sales to the Commonwealth under this Agreement.

36. INSURANCE

By signing and submitting a bid under this solicitation, the bidder certifies that if awarded the Contract, it will have the following insurance coverages at the time the Contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 11-46.3 and 65.2-800 et seq. of the *Code of Virginia*. The bidder further certifies that the Contractor and any subcontractors will maintain these insurance coverages during the entire term of the Contract and that all insurance coverages will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

INSURANCE COVERAGES AND LIMITS REQUIRED:

1. Worker's Compensation – Statutory requirements and benefits; require that the Commonwealth of Virginia be added as an additional named insured on Contractor's policy.

2. Employers Liability - $100,000.

3. Commercial General Liability - $500,000 combined single limit. Commercial General Liability is to include Premises/Operations Liability, Products and Completed Operations Coverage, and Independent Contractor's Liability or Owner's and Contractor's Protective Liability. The Commonwealth of Virginia must be named as an additional insured when requiring a Contractor to obtain Commercial General Liability coverage.

4. Automobile Liability - $500,000 – Combined single limit. (Only if motor vehicle is to be used in the contract.)

37 DRUG-FREE WORKPLACE

During the performance of this Contract, the Contractor agrees to (i) provide a drug-free workplace for the Contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the forgoing clauses in

every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

"Drug-free workplace" means a site for the performance of work done in connection with this Contract, wherein the Contractor's employees are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession, or use of any controlled substance or marijuana during the performance of the Contract.

ATTACHMENT "D"

TO

IFB #2001-018

COMMONWEALTH OF VIRGINIA

WORK ORDER

REFERENCE: Basic Ordering Agreement (BOA) between See Block # 9, DIT FORM #62, hereinafter referred to as "Contractor", and the Commonwealth of Virginia, hereinafter referred to as "Commonwealth" or "State", dated See Block #13, DIT Form #62 and Invitation for Bid (IFB) #2001-018, issued November 29, 2000 are incorporated herein by reference as integral parts of this Work Order.

DATE OF ISSUANCE: See Block #13, DIT Form #62

OBJECTIVE: To provide "Customer" with qualified staff to perform total cost of ownership (TCO) evaluations to determine the cost to obtain, maintain, and support desk top, server and portable computer hardware and software over its useful life.

STATEMENT OF WORK: The Contractor shall provide qualified personnel, as identified by the above referenced IFB #2001-018 to perform TCO evaluations on a T&M or Per Seat basis.

Expertise of Contractor's personnel shall be required in the disciplines listed in Attachment "A".

TYPE OF AGREEMENT: This Work Order is issued under the provisions of the Basic Ordering Agreement referenced above.

Revised 6/27/01
Change # 2

ORDER OF PRECEDENCE: Any conflict between the Basic Ordering Agreement (BOA), Work Order, and IFB #2001-018 will be resolved in the following order of precedence:

1st: The Work Order (Attachment "D");

2nd: IFB #2001-018 dated November, 2000;

3rd: Basic Ordering Agreement, Attachment "C" deemed to have been entered into on (See Block #13, DIT Form #62);

4th: Related Orders issued hereunder.

CUSTOMER POINTS The Customer Points of Contact for requesting vendor consulting services and coordinating vendor work assignments shall be identified on each "Order".

PROCEDURE FOR ORDERS: The Contractor shall be provided a written or telephonic request setting forth the tasks and/or required skills of the position(s). The Contractor, upon receipt of the request, shall Provide Customer with the resumes of Contractor's qualified and available personnel within seventy-two (72) hours from the date of the request. Customer shall review the qualifications of the individuals presented. Customer shall have the option to conduct personal interviews with the candidates presented by the Contractor. If Customer, in its sole discretion, determines that the individual(s) reviewed is/are acceptable, Customer shall either issue a Purchase Order or request the DIT Contracts Manager to issue a Task Order, hereinafter referred to as "Orders", for the specific individuals requested. Customer reserves the right to refuse any or all individuals presented by the Contractor.
Upon receipt of an Order, the Contractor shall have five (5) working days to countersign the Order and return it to Customer or the DIT Contracts Manager and cause the named individual to report to work on the date specified in the Order.
CONTRACTOR'S PERSONNEL ARE NOT AUTHORIZED TO COMMENCE WORK ON ANY ORDER ISSUED UNDER THIS CONTRACT, UNTIL THE CONTRACTOR HAS COUNTERSIGNED THE ORDER AND RETURNED IT TO ISSUING OFFICE. AND WORK PERFORMED BY THE CONTRACTOR PRIOR TO THIS DATE MAY NOT BE BILLED AND/OR ACCEPTED BY CUSTOMER's FISCAL OFFICER.

ATTACHMENT "E"
TO
IFB #2001-018
COMMONWEALTH OF VIRGINIA

Department of Information Technology

SAMPLE TASK ORDER
CONTRACT VA-00xxxx-xxx

TASK ORDER #00-___ Fixed Price ____ or T&M____

No. of Seats ____

APR # _____ DATE _____, 2000

CONTRACTOR _____ USING AGENCY _____

_____ _____

_____ _____

_____ _____

NAME	Position	T&M RATE	REPORTING DATE	APPROXIMATE COMPLETION DATE

PROGRAM IDENTIFICATION PROJECT OFFICER TOTAL NOT TO EXCEED COST _____

Name:
Phone:

By signing and returning this order the Contractor agrees that the terms and conditions of the Basic Ordering Agreement (BOA) between Contractor and the Commonwealth of Virginia dated _____, 2000 and Work Order VA-00XXXX-____ apply to this tasking.

CONTRACTOR	COMMONWEALTH OF VIRGINIA
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date:_____

In the event the specified individual fails to report at the time/date specified in the Order, the Contractor shall be considered to have breached the Work Order and the State may take such actions as are set forth in item #16 (entitled "BREACH") of Article V, Terms and Conditions, page 7 of the BOA.

The use of subcontractor personnel is authorized as identified herein, IFB #2001-018.

In the event none of the personnel submitted by Contractor are deemed, at Customer's sole discretion, to be fully qualified by Customer, then Customer may obtain the required services from other sources in compliance with the Virginia Public Procurement Act.

PAYMENT OF INVOICES:

All invoices shall be submitted in accordance with Article IV of the BOA. The Contractor will provide Customer with an itemized invoice setting forth the specific tasks on which work was accomplished: a) fixed priced per seat, or b) T&M to include the the number of fully burdened hours expended, and the individual's name and rate against which the invoice is submitted. Fractions of fully burdened hours worked shall be pro-rated at that individual's hourly rate. Upon execution by both parties of a mutually agreed to Order, invoices may be submitted on a monthly basis, in arrears, for work expended and shall be approved by Customer's Project Officer and Customer's Fiscal Officer prior to payment.

CUSTOMER RESERVES THE RIGHT TO REFUSE PAYMENT FOR HOURS EXPENDED WHICH WERE NOT FULLY BURDENED AND FOR HOURS EXPENDED ON WORK WHICH IS SUBSEQUENTLY DETERMINED BY CUSTOMER TO BE UNACCEPTABLE.

In the event Contractor's personnel are required by Customer to travel away from Customer's central facility to perform related tasks, Customer shall reimburse Contractor for actual out-of-pocket expenses which are reasonable and judicious in accordance with the latest published version of Department of Accounts' Lodging guidelines. Such reimbursement shall not exceed the rates set forth below:

Contractor Furnished Transportation.$.27 per mile
Meals and Lodging.....$136.00 per day
Customer shall not incur additional costs under any circumstances whatsoever.

Revised Change #2
Change #2

STATE'S RIGHTS TO COMPUTER SOFTWARE AND DOCUMENTATION:

The Commonwealth of Virginia shall have unlimited rights (TITLE) to specific software, including source code, and all documentation developed or generated under this Contract. Unlimited rights shall mean the right to use in whole or part, in any manner or for any purpose whatsoever, and to have or permit others to do so.

REPORTING:

Contractor shall provide a monthly report to the Customer'sProject Officer setting forth the fixed price per seat billing amount, or total number of hours invoiced each month and the total dollar value of services provided. This report shall be provided as of the end of each calendar month and shall be cumulative. Additionally, a copy of this report shall be provided at the same time to the DIT Contracts Manager, 110 S. 7th Street, Richmond Plaza Building (Lobby Floor), Richmond, VA 23219. The State shall not incur any costs for the preparation of or the providing of such reports.

HOURS OF OPERATION:

Normal hours of operation will be from 8 a.m. to 5 p.m., Monday through Friday (State holidays excluded); however, Contractor's personnel may be required to work additional hours and weekends when required to meet Customer project related requirements and/or suspense dates. When additional hours are required Customer's Project Officer will provide sufficient advance notice for proper planning. In no event shall the billing rate for hours expended outside the normal hours of operation exceed the hourly rate set forth in this Work Order.

RESOURCE COMMITMENT:

Contractor shall specifically commit, and shall make available at the date(s) specified, the NAMED individual(s) identified in each Order.

TERMINATION:

The Contractor agrees not to remove any personnel assigned under an Order without the approval of the Customer Project Officer.

In the event the individual(s) assigned to a task become unavailable, either through reemployment or sickness, or unable to perform at an acceptable level, the Contractor agrees to provide a qualified replacement. If the replacement offered is unacceptable to Customer, the Order may be terminated, or at the sole option of Customer, allotted to other individuals under a new or existing Order. Replacement personnel may also be acquired from a third party Contractor.

Should any Contractor's personnel be removed due to sickness, reemployment, or for nonperformance of assigned tasks, the replacement will perform his/her duties for a period of ten (10) working days at no cost to Customer. This period of time is provided for the individual to become familiar with Customer's program(s) and his/her relationship to the Overall system.

BILLING

The billing rates listed in the Schedule of IFB#2001-018 are approved for a) Fixed Priced Per Seat at the specific category, or b) T&M

PRICE INCREASES

Contractor will provide the required consultant services as defined in this contract for a period not to exceed two(2)years. Such services shall be provided in accordance with the contractor's price, set forth in the Schedule, for a period of twenty-four (24) months. Increases for additional periods shall be, at the sole discretion of the Commonwealth, and if accepted, be effective on each anniversary date for each succeeding year. All increases will be governed by the CPI-W index entitled "Other Services". The percentage increase shall not exceed the above index's most recent percentage available to the Commonwealth as published by the Bureau of Labor Statistic's, Philadelphia Office. If prices for the services remain the same or decrease for succeeding years, the State shall be afforded the opportunity to renew the services at the lowest price available to any other customer.

TERM:

This Work Order will automatically terminate two years after award. However, the Commonwealth at its sole option, reserves the right to extend this Work Order for three additional one year periods. The Contractor will be given thirty days advance written notice of the Commonwealth's requirement to extend this Work Order.

THE CONTRACTOR AND THE COMMONWEALTH BY THEIR EXECUTION OF BLOCKS #9 AND #15 RESPECTIVELY ACKNOWLEDGE THAT EACH PARTY AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THIS WORK ORDER, ATTACHMENT "D", IFB #2001-018.

Attachment F

Per Seat Sample Statement of Work To Send to Request Data Processing Consulting Services From Contractor to Perform Total Cost of Ownership (TCO) Evaluations

Require experienced staff to perform total cost of ownership evaluations using the GartnerGroup TCO Model for a computing environment that contains:

	Inventory Count
- Desktop computers	_____
- Servers	_____
- Portable computers	_____
Total # of Seats	_____

Evaluation to be conducted at the following (agency name) locations:

- Primary business location: *(complete address)*
- Other business locations: *(complete address)*
- Other business locations: *(complete address)*

(agency name) estimates *(all, most, etc.)* work to be performed at the primary business address listed above.

(agency name) has a current and complete inventory of all desktop, server, and portable computers and corresponding software that will not be validated by the vendor. This task order will use the BASE plus per seat for _____ seats (seat range *xx – xx*). Responding vendors should provide resumes of the proposed staff required to complete the evaluation, an estimate of the amount of time to complete the evaluation, and available start date for proposed staff.

(agency name) desires to start this effort *(time frame – 1 week, this month, no later than, etc.)*.