PUBLIC SERVICE BOARD MEETING
AGENDA ITEM
REGULAR MEETING

Wednesday, September 8, 2021

SUBJECT

Increase Capacity of Master Contract with Sequel Data Systems, Inc.

BACKGROUND

This fiscal year EPWater is constructing the Field Operations and Customer Service Office at 9751 Pan American Drive. The information technology infrastructure components required for communication services as well as overall network redundancy need to be put in place for successful operation of the facility. The master contract for the information technology components is with approved reseller, Sequel Data Systems, Inc. through Cisco Systems, Inc. Contract Number DIR-TSO-4167. Additional capacity on the master contract is needed to provide the necessary information technology infrastructure components.

STRATEGIC OBJECTIVES SUPPORTED

Improve Infrastructure

EVALUATION PROCESS

Staff evaluated Texas DIR Contract Number DIR-TSO-4167 and determined that Sequel Data Systems, Inc. provides the optimal approach to continue the standardization of the Utility's communication infrastructure.

FINANCIAL IMPLICATIONS

Sufficient funds are available in various accounts.

PROPOSED ACTION REQUESTED

Consider and approve an increase in capacity of the Master Contract ID MCSEQUELDATA21 awarded to Sequel Data Systems, Inc. through Cisco Systems, Inc. Texas DIR Contract Number DIR-TSO-4167, for an additional $1,500,000 to increase the Master Contract's cumulative amount to $2,000,000.

SUPPORTING DOCUMENTATION PROVIDED

- Sequel Data System, Inc. Master Contract ID MCSEQUELDATA21
- Texas DIR Contract No. DIR-TSO-4167
- Cisco Systems, Inc. DIR-TSO-4167 Resellers List

CONTRACT

Dispatch via Print

P.O. BOX 511 El Paso, Texas 79961-0001
Phone: 915.594.5623 Fax: 915.594.5604

Contract ID		Page
MCSEQUELDATA21		1 of 1
Contract Dates	**Payment Terms**	
04/08/2021 to 04/07/2022	NET 30	
Description:		
NETWORK HARDWARE		

Supplier 0000002282
SEQUEL DATA SYSTEMS INC
11824 Jollyville Rd Ste 400
Austin TX 78759

Tax Exempt? Y Tax Exempt ID: 1746003579

Line #	Item Desc	Qty	Amt	Qty	Amt
1	NETWORK HARDWARE BY CISCO SYSTEMS	NTE	500,000.00	1	500,000.00

CONTRACT AMOUNT NOT TO EXCEED $500,000.00

INVOICES MUST REFERENCE: MCSEQUELDATA21

AWARDED BY THE PSB: NOVEMBER 4, 2020 PER BUYBOARD RESOLUTION

CONTRACT IS LIMITED TO NO MORE THAN ONE YEAR FROM DATE OF AWARD.

ACCOUNT NUMBER: VARIOUS ACCOUNT
REQUESTED BY: EDGAR CAMPOS

PSB AGENCY NO. K0711
PER STATE OF TEXAS CONTRACT NO DIR-TSO-4167
EXPIRATION DATE: JULY 3, 2023
ALL TERMS AND CONDITIONS APPLY

FOR INFORMATION REGARDING THIS PURCHASE ORDER, CONTACT CHRISTINA RIVAS @ (915) 594-5629.

MAIL INVOICE TO:
EL PASO WATER
ACCOUNTING DEPARTMENT
P.O. BOX 511 EL PASO, TEXAS 79961
PHONE NO: (915) 594-5623

CR 4-8-21

$500,000.00

04/08/2021

Authorized Signature

STATE OF TEXAS
DEPARTMENT OF INFORMATION RESOURCES

CONTRACT FOR PRODUCTS AND RELATED SERVICES

Cisco Systems, Inc.

1. Introduction

A. Parties

This Contract for products and related services is entered into between the State of Texas, acting by and through the Department of Information Resources (hereinafter "DIR") with its principal place of business at 300 West 15th Street, Suite 1300, Austin, Texas 78701, and Cisco Systems, Inc. (hereinafter "Vendor"), with its principal place of business at 170 West Tasman Drive, San Jose, California 95134.

B. Compliance with Procurement Laws

This Contract is the result of compliance with applicable procurement laws of the State of Texas. DIR issued a solicitation on the Comptroller of Public Accounts' Electronic State Business Daily, Request for Offer (RFO) DIR-TSO-TMP-425, on December 20, 2017, for Cisco Branded Products and Services. Upon execution of this Contract, a notice of award for RFO DIR-TSO-TMP-425 shall be posted by DIR on the Electronic State Business Daily.

C. Order of Precedence

For purchase transactions under this Contract, the order of precedence shall be as follows: this Contract; Appendix A, Standard Terms and Conditions For Products and Related Services Contracts; Appendix B, Vendor's Historically Underutilized Businesses Subcontracting Plan; Appendix C, Pricing Index; Appendix D, End User License Agreement; Appendix E, Services Agreement; Exhibit 1, Vendor's Response to RFO DIR-TSO-TMP-425, including all addenda; and Exhibit 2, DIR-TSO-TMP-425, including all addenda; are incorporated by reference and constitute the entire agreement between DIR and Vendor governing purchase transactions. In the event of a conflict between the documents listed in this paragraph related to purchases, the controlling document shall be this Contract, then Appendix A, then Appendix B, then Appendix C, then Appendix D, then Appendix E, then Exhibit 1, and finally Exhibit 2. In the event and to the extent any provisions contained in multiple documents address the same or substantially the same subject matter but do not actually conflict, the more recent provisions shall be deemed to have superseded earlier provisions.

2. Term of Contract

The initial term of this Contract shall be two (2) years commencing on the last date of approval by DIR and Vendor, with three (3) optional one-year renewals. Prior to expiration of each term, the contract will renew automatically under the same terms and conditions unless either party provides notice to the other party 60 days in advance of the renewal date stating that the party wishes to discuss modification of terms or not renew. Additionally, the parties by mutual agreement may extend the term for up to ninety (90) additional calendar days.

3. Product and Service Offerings

A. Products

Products available under this Contract are limited to Cisco branded products and services and third-party products that complement the Cisco branded products and services as specified in the Appendix C, Pricing Index. Vendor may incorporate changes to their product offering; however, any changes must be within the scope of products awarded based on the posting described in Section 1.B above. Vendor may not add a manufacturer's product line which was not included in the Vendor's response to the solicitation described in Section 1.B above.

B. Services

Services available under this Contract are limited to Cisco branded services as specified in Appendix C, Pricing Index and Appendix E, Services Agreement. Vendor may incorporate changes to their service offering; however, any changes must be within the scope of services awarded based on the posting described in Section 1.B above.

C. Emerging Technologies and Future Acquisitions

DIR recognizes that technology is ever-evolving and advancing. DIR reserves the right to consider the addition of emerging technologies such as next generation, enhancements and upgrades for products or services that are within the scope of the Cisco Branded Products and Services RFO DIR-TSO-TMP-425. Vendor may propose such products and services throughout the term of the Contract with pricing and terms to be negotiated upon DIR's acceptance. Any determination or acceptance of additions will be at DIR's sole discretion. In addition, DIR and Vendor may mutually agree to add future acquisitions by Cisco to the Contract, with product and service terms, conditions and pricing to be mutually agreed upon in writing by contract amendment.

4. Pricing

Pricing to the DIR Customer shall be as set forth in Appendix A, Section 8, Pricing, Purchase Orders, Invoices and Payment, and as set forth in Appendix C, Pricing Index, and shall include the DIR Administrative Fee.

5. DIR Administrative Fee

A) The administrative fee to be paid by the Vendor to DIR based on the dollar value of all sales to Customers pursuant to this Contract is three-quarters of one percent (.75%). Payment will be calculated for all sales, net of returns and credits. For example, the administrative fee for sales totaling $100,000 shall be $750.00.

B) All prices quoted to Customers shall include the administrative fee. DIR reserves the right to change this fee upwards or downwards during the term of this Contract, upon thirty (30) calendar days written notice to Vendor without further requirement for a formal contract amendment. Any change in the administrative fee shall be incorporated in the price to the Customer.

6. Notification

All notices under this Contract shall be sent to a party at the respective address indicated below.

If sent to the State:
Kelly A Parker, CTPM, CTCM
Director, Cooperative Contracts
Department of Information Resources
300 W. 15th St., Suite 1300
Austin, Texas 78701
Phone: (512) 475-1647
Facsimile: (512) 475-4759
Email: kelly.parker@dir.texas.gov

If sent to the Vendor:
Lynne Coughlan
Cisco Systems, Inc.
170 West Tasman Drive
San Jose, California 95134
Phone: (617) 951 - 6755
Facsimile: (703) 842 - 8684
Email: lcoughla@cisco.com

7. Software License, Service and Leasing Agreements

A. Software License Agreement

1) Customers acquiring software licenses to Cisco branded products under the Contract shall hold, use and operate such software subject to compliance with the End User License Agreement set forth in Appendix D of this Contract. No changes to the End User License Agreement terms and conditions may be made unless previously agreed to between Vendor and DIR. Customers may not add, delete or alter any of the language in Appendix D; provided however, that a Customer and Vendor may agree to additional terms and conditions that do not diminish a term or condition in the Software License Agreement, or in any manner lessen the rights or protections of Customer or the responsibilities or liabilities of Vendor. Order Fulfiller shall make the Software License Agreement terms and conditions available to all Customers at all times.

2) Compliance with the End User License Agreement is the responsibility of the Customer. DIR shall not be responsible for any Customer's compliance with the End User License Agreement. If DIR purchases software licenses for its own use under this Contract, it shall be responsible for its compliance with the End User License Agreement terms and conditions.

B. Shrink/Click-wrap License Agreement

Regardless of any other provision or other license terms which may be issued by Vendor after the effective date of this Contract, and irrespective of whether any such provisions have been proposed prior to or after the issuance of a Purchase Order for products licensed under this Contract, or the fact that such other agreement may be affixed to or accompany software upon delivery (shrink-wrap), the terms and conditions set forth in this Contract shall supersede and govern the license terms between Customers and Vendor for Cisco branded products. **It is the Customer's responsibility to read the Shrink/Click-wrap License Agreement and determine if the Customer accepts the license terms as amended by this**

Contract. If the Customer does not agree with the license terms, Customer shall be responsible for negotiating with the reseller to obtain additional changes in the Shrink/Click-wrap License Agreement language from the software publisher. For third-party products included in the Appendix C Pricing Index, Vendor will provide the applicable third-party software license agreements to Customer.

C. Service Agreement

Services provided under this Contract shall be in accordance with the Service Agreement as set forth in Appendix E of this Contract. No changes to the Service Agreement terms and conditions may be made unless previously agreed to by Vendor and DIR.

D. Conflicting or Additional Terms

In the event that conflicting or additional terms in Vendor Software End User License Agreements, Shrink/Click Wrap License Agreements, Service Agreements or linked or supplemental documents amend or diminish the rights of DIR Customers or the State, such conflicting or additional terms shall not take precedence over the terms of this Contract.

In the event of a conflict, any linked documents may not take precedence over the printed or referenced documents comprising this contract; provided further that any update to such linked documents shall only apply to purchases or leases of the associated Vendor product or service offering after the effective date of the update; and, provided further, that, if Vendor has responded to a solicitation or request for pricing, no update of such linked documents on or after the initial date of Vendor's initial response shall apply to that purchase unless Vendor directly informs Customer of the update before the purchase is consummated.

In the event that different or additional terms or conditions would otherwise result from accessing a linked document, agreement to said linked document shall not be effective until reviewed and approved in writing by Customer's authorized signatory.

Vendor shall not without prior written agreement from Customer's authorized signatory, require any document that: 1) diminishes the rights, benefits, or protections of the Customer, or that alters the definitions, measurements, or method for determining any authorized rights, benefits, or protections of the Customer; or 2) imposes additional costs, burdens, or obligations upon Customer, or that alters the definitions, measurements, or method for determining any authorized costs, burdens, or obligations upon Customer.

If Vendor attempts to do any of the foregoing, the prohibited documents will be void and inapplicable to the contract between DIR and Vendor or Vendor and Customer, and Vendor will nonetheless be obligated to perform the contract without regard to the prohibited documents, unless Customer elects instead to terminate the contract, which in such case may be identified as a termination for cause against Vendor.

The foregoing requirements apply to all contracts, including, but not limited to, contracts between Customer and Vendor's resellers who pass through product documents and obligations from the Manufacturer or Publisher.

8. Authorized Exceptions to Appendix A, Standard Terms and Conditions for Product and Related Services Contracts.

A. Appendix A, Section 3, Definitions, A. Customer, is hereby restated in its entirety as follows:

A. Customer - the any Texas state agency, unit of local government, institution of higher education as defined in Section 2054.003, Texas Government Code, the Electric Reliability Council of Texas, the Lower Colorado River Authority, a private school, as defined by Section 5.001, Education Code, a private or independent institution of higher education, as defined by Section 61.003, Education Code, a volunteer fire department, as defined by Section 152.001, Tax Code, and those state agencies purchasing from a DIR contract through an Interagency Agreement, as authorized by Chapter 771, Texas Government Code, any local government as authorized through the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the state agencies and political subdivisions of other states as authorized by Section 2054.0565, Texas Government Code and, except for telecommunications services under Chapter 2170, Texas Government Code, assistance organizations as defined in Section 2175.001, Texas Government Code to mean:

1) A non-profit organization that provides educational, health or human services or assistance to homeless individuals;
2) A nonprofit food bank that solicits, warehouses, and redistributes edible but unmarketable food to an agency that feeds needy families and individuals;
3) Texas Partners of the Americas, a registered agency with the Advisory Committee on Voluntary Foreign Aid, with the approval of the Partners of the Alliance Office of the Agency for International Development;
4) A group, including a faith-based group, that enters into a financial or non-financial agreement with a health or human services agency to provide services to that agency's clients;
5) A local workforce development board created under Section 2308.253;
6) A nonprofit organization approved by the Supreme Court of Texas that provides free legal services for low-income households in civil matters;
7) The Texas Boll Weevil Eradication Foundation, Inc., or an entity designated by the commissioner of agriculture as the foundation's successor entity under Section 74.1011, Texas Agriculture Code;
8) A nonprofit computer bank that solicits, stores, refurbishes and redistributes used computer equipment to public school students and their families; and
9) A nonprofit organization that provides affordable housing.Customer's fiscal form or format, which is used when making a purchase (e.g., formal written Purchase Order, Procurement Card, Electronic Purchase Order.

Notwithstanding the above, nothing in the definition of Customer shall require Vendor to offer products and services to state agencies and political subdivisions of other states as authorized under Chapter 2170, Texas Government Code.

B. Appendix A, Section 3, Definitions, G. Purchase Order, is hereby restated in its entirety as follows:

G. Purchase Order - the Customer's fiscal form or format, which is used when making a purchase (e.g., formal written Purchase Order, Procurement Card, Electronic Purchase Order, or other authorized instrument). The terms of this agreement supersedes any terms printed on Customer's Purchase Order and any Purchase Order terms are null and void.

C. Appendix A, Section 4, General Provisions, D. Assignment, is hereby restated in its entirety as follows:

D. Assignment

DIR or Vendor may assign the Contract without prior written approval to: i) a successor in interest (for DIR, another Texas state agency as designated by the Texas Legislature), or ii) a subsidiary, parent company or affiliate, or iii) as necessary to satisfy a regulatory requirement imposed upon a party by a governing body with the appropriate authority. Assignment of the Contract under the above terms shall require written notification by the assigning party. Any other assignment by a party shall require the written consent of the other party. Each party agrees to cooperate to amend the Contract as necessary to maintain an accurate record of the contracting parties.

D. Appendix A, Section 4, General Provisions, E. Survival, is hereby restated in its entirety as follows:

E. Survival

All applicable software license agreements, warranties or service agreements that were entered into between Vendor and a Customer under the terms and conditions of the Contract shall survive the expiration or termination of the Contract. All Purchase Orders issued and accepted by Vendor or Order Fulfiller shall survive expiration or termination of the Contract for the term of the Purchase Order, unless the Customer terminates the Purchase Order prior to acceptance by Vendor or its Order Fulfiller. However, regardless of the term of the Purchase Order, no Purchase Order shall survive the expiration or termination of the Contract for more than five years, unless Customer makes an express finding and justification for the longer term. The finding and justification must either be included in the Purchase Order, or referenced in it and maintained in Customer's procurement record. Rights and obligations under this Contract which by their nature should survive, including, but not limited to the DIR Administrative Fee; and any and all payment obligations invoiced prior to the termination or expiration hereof; obligations of confidentiality; and, indemnification, will remain in effect after termination or expiration hereof.

E. Appendix A, Section 5, Intellectual Property Matters, is hereby restated in its entirety as follows:

This contract does not contemplate, authorize or support acquisition of custom software products or services or the creation of intellectual property. If Vendor and Customer seek to contract for such product or service, they must use a separate contract or seek amendment with DIR of this contract. If DIR and Vendor decide to authorize customized software or hardware products or the creation of intellectual property, then the terms and conditions of ownership of intellectual property will be negotiated between the parties at such time**.**

F. Appendix A, Section 7, Contract Fulfillment and Promotion, A. Service, Sales and Support of the Contract, is hereby restated in its entirety as follows:

A. Service, Sales and Support of the Contract

Vendor shall provide service, sales and support resources to serve all Customers throughout the State. It is the responsibility of the Vendor to sell, market, and promote services available under the Contract. Vendor shall use its commercially reasonable efforts to ensure that potential Customers are made aware of the existence of the Contract. All sales to Customers for services available under the Contract shall be processed through the Contract.

G. Appendix A, Section 7, Contract Fulfillment and Promotion, C. Product Warranty and Return Policies, is hereby restated in its entirety as follows:

C. Product Warranty and Return Policies

Order Fulfiller will adhere to the Vendor's then-currently published policies concerning product warranties and returns. Product warranty and return policies for Customers will not be more restrictive or more costly than warranty and return policies for other similarly situated Customers for like products. Warranty and returns for third-party products will be subject to the separate policies and terms set forth by the applicable third-party, provided said policies and terms were provided to Customers prior to acceptance by Customer of the third-party products. Vendor/Order Fulfiller will assign any such warranty and return rights to Customer, to the extent applicable.

H. Appendix A, Section 7, Contract Fulfillment and Promotion, E. Internet Access to Contract and Pricing Information, is hereby restated in its entirety as follows:

E. Internet Access to Contract and Pricing Information

1) Vendor Website

Within thirty (30) calendar days of the effective date of the Contract, Vendor will establish and maintain a website specific to the product and service offerings under the Contract which is clearly distinguishable from other, non-DIR Contract offerings at Vendor's website. The website must include:

a) the products and services awarded (alternatively, categories);
b) description of product and service (categories) awarded;
c) a current price list or mechanism (for example, a services calculator or product builder) to obtain specific contracted pricing;
d) discount percentage (%) off MSRP or List Price;
e) designated Order Fulfillers;
f) contact information (name, telephone number and email address) for Vendor and designated Order Fulfillers;
g) instructions for obtaining quotes and placing Purchase Orders;
h) warranty policies;
i) return policies;
j) the DIR Contract number with a hyperlink to the Contract's DIR webpage;
k) a link to the DIR "Cooperative Contracts" webpage; and
l) the DIR logo in accordance with the requirements of this Section.

If Vendor does not meet the webpage requirements listed above, DIR may cancel the contract without penalty; provided however, that Vendor is provided written notice of the website's non-compliance, and Vendor fails to correct such non-compliance withing thirty (30) calendar days.

2) Accurate and Timely Contract Information

Vendor warrants and represents that the website information specified in the above paragraph will be accurately and completely posted, maintained and displayed in an objective and timely manner. Vendor, at its own expense, shall correct any non-conforming or inaccurate information posted at Vendor's website within thirty (30) business days after written notification by DIR.

3) Website Compliance Checks

Periodic compliance checks of the information posted for the Contract on Vendor's website will be conducted by DIR. Upon request by DIR, Vendor shall provide verifiable documentation that pricing listed upon this website is compliant with the pricing as stated in Section 4 of the Contract.

4) Website Changes

Vendor hereby consents to a link from the DIR website to Vendor's website in order to facilitate access to Contract information. The establishment of the link is provided solely for convenience in carrying out the business operations of the State. DIR reserves the right to terminate or remove a link at any time, in its sole discretion, without advance notice, or to deny a future request for a link. DIR will provide Vendor with subsequent notice of link termination or removal. Vendor shall provide DIR with timely written notice of any change in URL or other information needed to access the site and/or maintain the link.

5) Use of Access Data Prohibited

If Vendor stores, collects or maintains data electronically as a condition of accessing Contract information, such data shall only be used internally by Vendor for the purpose of implementing or marketing the Contract, and shall not be disseminated to third parties or used for other marketing purposes. The Contract constitutes a public document under the laws of the State and Vendor shall not restrict DIR or Customer access to Contract terms and conditions including pricing, i.e., through use of restrictive technology or passwords.

6) Responsibility for Content

Vendor is solely responsible for administration, content, intellectual property rights, and all materials at Vendor's website. DIR reserves the right to require a change of listed content if, in the opinion of DIR, it does not adequately represent the Contract.

I. Appendix A, Section 7, Contract Fulfillment and Promotion, G. Vendor and Order Fulfiller Logo, is hereby restated in its entirety as follows:

G. Vendor and Order Fulfiller Logo

In the event DIR should need use of Vendor's or Order Fulfiller's Logos, mutually agreed upon criteria will be coordinated with Vendor.

J. Appendix A, Section 8, Pricing, Purchase Order, Invoices, and Payments, C. Customer Price, is hereby restated in its entirety as follows:

C. Customer Price

1) The price to the Customer shall be calculated as follows:

Customer Price = (MSRP or List Price – Customer Discount as set forth in Appendix C, Pricing Index) x (1 + DIR Administrative Fee, as set forth in the Contract).

2) Customers purchasing products and services under this Contract may negotiate more advantageous pricing or participate in special promotional offers. In such event, a copy of such better offerings shall be furnished to DIR upon request.

3) If pricing for Vendor's products or services available under this Contract are provided by Vendor at a lower price to: (i) an eligible Customer in Texas who is not purchasing those products or services under this Contract or (ii) any other Texas entity or consortia authorized by Texas law to sell said products and services to eligible Customers, then the available Customer Price in this Contract shall be adjusted to that lower price prospectively. This requirement applies to products or services quoted directly by Vendor for a quantity of one (1) under like terms and conditions, and does not apply to volume or special pricing purchases. Upon either Customer's notice to Vendor, or Vendor's notice to Customer that the party(ies) have become aware of this pricing differential and the pricing differential has been confirmed by Vendor or Customer provides reasonable confirmation to Vendor, this Contract shall be amended within ten (10) business days to reflect the lower price.

K. Appendix A, Section 8, Pricing, Purchase Orders, Invoices, and Payments, G. Changes to Prices, is hereby replaced in its entirety as follows:

G. Changes to Prices

Vendor may change the price of any product or service at any time, based upon changes to the MSRP, but discount levels shall remain consistent with the discount levels specified in this Contract.

Vendor may revise its pricing (but not its discount rate, if any, and not the products or services on its contract pricing list) by posting a revised pricing list. Such revised pricing lists are subject to review by DIR. If DIR finds that a product's or service's price has been increased unreasonably, DIR may request Vendor to reduce its pricing for the product or service to the level published before the revision. Vendor must reduce its pricing or remove the product or service from its pricing list within thirty (30) calendar days. Failure to do so will constitute an act of default by Vendor.

L. Appendix A, Section 8, Pricing, Purchase Orders, Invoices, and Payments, K. Transfer of Title, is hereby added to this section as follows:

K. Transfer of Title

Transfer of Title shall occur upon acceptance of goods. Customer shall have five (5) business days after receipt to accept products. Absent written rejection within five (5) business days,

products will be deemed accepted, without waiving the right to return products as set forth under Vendor and product warranty provisions.

M. Appendix A, Section 9, Contract Administration, B. Reporting and Administrative Fees, is hereby restated in its entirety as follows:

1) Reporting Responsibility

a) Vendor shall be responsible for reporting all products and services purchased under the Contract. Vendor shall file the monthly reports, subcontract reports, and pay the administrative fees in accordance with the due dates specified in this section.

b) DIR shall have the right to verify required reports and to take any actions necessary to enforce its rights under this section, including but not limited to, compliance checks of Vendor's applicable Contract books at DIR's expense. Vendor will provide all required documentation at no cost.

2) Detailed Monthly Report

Vendor shall electronically provide DIR with a detailed monthly report in the format required by DIR showing the dollar volume of any and all sales under the Contract for the previous month period. Reports shall be submitted to the DIR ICT Cooperative Contracts E-Mail Box at ict.sales@dir.texas.gov. Reports are due on the fifteenth (15th) calendar day after the close of the previous month period. If the 15th calendar day falls on a weekend or state or federal holiday, the report shall be due on the next business day. It is the responsibility of Vendor to collect and compile all sales under the Contract from participating Order Fulfillers and submit one (1) monthly report. The monthly report shall include, per transaction: the detailed sales for the period, Order Fulfiller's Company name, if applicable, Customer name, invoice date, invoice number, description, part number, manufacturer (brand), quantity, unit price, extended price, Customer Purchase Order number, contact name, Customer's complete billing address, and other information as required by DIR. Each report must contain all information required by DIR and listed above per transaction or the report will be rejected and returned to the Vendor for correction in accordance with this section. Vendor shall report in a manner required by DIR which is subject to change dependent upon DIR's business needs. Failure to do so may result in contract termination.

3) Historically Underutilized Businesses Subcontract Reports

a) Vendor shall electronically provide each Customer with Vendor's applicable Order Fulfiller's relevant Historically Underutilized Business Subcontracting Report, pursuant to the Contract, as required by Chapter 2161, Texas Government Code. Reports shall also be submitted to DIR.

b) Reports shall be due in accordance with the CPA rules.

4) DIR Administrative Fee

a) An administrative fee shall be paid by Vendor to DIR to defray the DIR costs of negotiating, executing, and administering the Contract. The maximum administrative fee is set by the Texas Legislature in the biennial General Appropriations Act. DIR will review Vendor monthly sales reports, close the sales period, and notify the Vendor of the administrative fee no later than the fourteenth (14th) day of the second month following the date of the reported sale. Vendor shall pay the administrative fee by the twenty-fifth

(25th) calendar day of the second month following the date of the reported sale. For example, Vendor reports January sales by February 15th; DIR closes January sales and notifies Vendor of administrative fee by March 14th; Vendor submits administrative fee for January sales by March 25th.

b) DIR may change the amount of the administrative fee upon thirty (30) calendar days written notice to Vendor without the need for a formal contract amendment.

c) Vendor shall reference the DIR Contract number, reporting period, and administrative fee amount on any remittance instruments.

d) Notwithstanding the foregoing, DIR shall timely provide to Vendor a report of all ineligible sales or other reporting discrepancies (including administrative fees), based on DIR's review of available sales information.

5) Accurate and Timely Submission of Reports

a) The reports and administrative fees shall be accurate and timely and submitted in accordance with the due dates specified in this section. Vendor shall correct any inaccurate reports or administrative fee payments within ten (10) business days upon written notification by DIR. Vendor shall deliver any late reports or late administrative fee payments within ten (10) business days upon written notification by DIR. If Vendor is unable to correct inaccurate reports or administrative fee payments or deliver late reports and fee payments within three (3) business days, Vendor must contact DIR and provide a corrective plan of action, including the timeline for completion of correction. The corrective plan of action shall be subject to DIR approval, such approval not unreasonably withheld.

b) Should Vendor fail to correct inaccurate reports or cure the delay in timely delivery of reports and payments within the corrective plan of action timeline, DIR reserves the right to require an independent third party audit of the Vendor's records as specified in C.3 of this Section, at Vendor's expense. DIR will select the auditor (and all payments to auditor will require DIR approval).

c) Failure to timely submit three (3) reports or administrative fee payments within any rolling twelve (12) month period may, at DIR's discretion, result in the addition of late fees of $100/day for each day the report or payment is due (up to $1000/month) or suspension or termination of Vendor's Contract.

N. Appendix A, Section 9, Contract Administration, C. Records and Audit, paragraph 3, is hereby restated in its entirety as follows:

3) Vendor and/or Order Fulfillers shall grant access to all paper and electronic records, books, documents, accounting procedures, practices and any other items relevant to the performance of the Contract to the DIR Internal Audit department or DIR Contract Management staff, including the compliance checks designated by the DIR Internal Audit department, DIR Contract Management staff, the State Auditor's Office, and of the United States, and such other persons or entities designated by DIR for the purposes of inspecting, Compliance Checking and/or copying such books and records. Vendor and/or Order Fulfillers shall provide copies and printouts requested by DIR without charge. DIR shall provide Vendor and/or Order Fulfillers thirty (30) business days' notice prior to inspecting, Compliance Checking, and/or copying Vendor's and/or Order Fulfiller's records. Vendor's and/or Order Fulfillers records, whether paper or electronic, shall be

made available during regular office hours. Vendor and/or Order Fulfiller personnel familiar with the Vendor's and/or Order Fulfiller's books and records shall be available to the DIR Internal Audit department, or DIR Contract Management staff and designees as needed. Vendor and/or Order Fulfiller shall provide adequate office space to DIR staff during the performance of Compliance Check. If Vendor is found to be responsible for inaccurate reports, DIR may invoice for the reasonable costs of the audit, which Vendor must pay within thirty (30) calendar days of receipt.

O. Appendix A, Section 10, Vendor Responsibilities, A. Indemnification, 2) ACTS OR OMISSIONS, is hereby restated in its entirety as follows:

2) ACTS OR OMISSIONS

Vendor shall indemnify and hold harmless the State of Texas and Customers, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, AND/OR PERMITTED ASSIGNEES, FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED REASONABLE COSTS, ATTORNEY FEES, AND EXPENSES resulting from bodily injury (including death) or damage to tangible property to the extent arising out of, or resulting from any negligent acts or omissions, or willful misconduct of the Vendor or its agents, employees, or subcontractors, in the execution or performance of the Contract and any Purchase Orders issued under the Contract. THE DEFENSE SHALL BE COORDINATED BY THE OFFICE OF THE ATTORNEY GENERAL FOR TEXAS STATE AGENCY CUSTOMERS AND BY CUSTOMER'S LEGAL COUNSEL FOR NON-STATE AGENCY CUSTOMERS. VENDOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL. VENDOR AND THE CUSTOMER AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

P. Appendix A, Section 10, Vendor Responsibilities, A. Indemnification, 3) INFRINGEMENTS, is hereby restated in its entirety as follows:

3) INFRINGEMENTS

a) Vendor shall indemnify and hold harmless the State of Texas and Customers, AND/OR THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES from any and all third-party claims alleging infringement of United States patents, copyrights, trade and service marks, and any other intellectual or intangible property rights in connection with the PERFORMANCES OR ACTIONS OF VENDOR PURSUANT TO THIS CONTRACT. VENDOR AND THE CUSTOMER AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM. VENDOR SHALL BE LIABLE TO PAY ALL REASONABLE COSTS OF DEFENSE INCLUDING ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY THE OFFICE OF THE ATTORNEY GENERAL FOR TEXAS STATE AGENCY CUSTOMERS AND BY CUSTOMER'S LEGAL COUNSEL FOR NON-STATE AGENCY CUSTOMERS. VENDOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL.

Notwithstanding the foregoing, such indemnity shall not apply, and Vendor shall have no liability under this section if the alleged infringement is caused by:

1) Modification of a product by Customer or a third party

2) The amount or duration of use which Customer makes of the Product, revenue earned by Customer from services it provides that use the Product, or services offered by Customer to external or internal customers
3) Combination, operation, or use of a product with non-Cisco products, software or business processes
4) Customer's use of the products after Vendor informas Customer of modifications or a change required to avoid such claims and offers to implement those changes
5) Any modifications made to the Product by the Vendor pursuant to Customer's specific instructions.

b) If Vendor becomes aware of an actual or potential claim, or Customer provides Vendor with notice of an actual or potential claim, Vendor may (or in the case of an injunction against Customer, shall), at Vendor's sole option and expense: (i) procure for the Customer the right to continue to use the affected portion of the product or service, or (ii) modify or replace the affected portion of the product or service with functionally equivalent or superior product or service so that Customer's use is non-infringing.

Q. Appendix A, Section 10, Vendor Responsibilities, A. Indemnification, 4) Property Damage, is hereby deleted in its entirety.

R. Appendix A, Section 10, Vendor Responsibilities, B. Taxes/Worker's Compensation/ UNEMPLOYMENT INSURANCE, Paragraph 2), is hereby restated in its entirety as follows:

2) VENDOR AGREES TO INDEMNIFY AND HOLD HARMLESS CUSTOMERS, THE STATE OF TEXAS AND/OR THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, AND/OR ASSIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, REASONABLE ATTORNEYS' FEES, AND EXPENSES, RELATING TO TAX LIABILITY, UNEMPLOYMENT INSURANCE AND/OR WORKERS' COMPENSATION IN ITS PERFORMANCE UNDER THIS CONTRACT. VENDOR SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE INCLUDING REASONABLE ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY VENDOR WITH THE OFFICE OF THE ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND VENDOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL. VENDOR AND THE CUSTOMER AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

S. Appendix A, Section 10, Vendor Responsibilities, N. Required Insurance Coverage, is hereby restated in its entirety as follows:

N. Required Insurance Coverage

As a condition of this Contract with DIR, Vendor shall provide certificates of insurance, or other proof of insurance acceptable to DIR, reflecting maintenance of the listed insurance coverage within 5 business days of execution of the Contract if the Vendor is awarded services which require that Vendor's employees perform work at any Customer premises and/or use employer vehicles to conduct work on behalf of Customers. In addition, when engaged by a Customer to provide services on Customer premises, the Vendor shall, at its own expense, secure and maintain the insurance coverage specified herein, and shall

provide certificates of insurance, or other proof of such insurance coverage acceptable to Customer to the related Customer within five (5) business days following the execution of the Purchase Order. Vendor may not begin performance under the Contract and/or a Purchase Order until such proof of insurance coverage is provided to, and approved by, DIR and the Customer. All required insurance must be issued by companies that have an A rating and a Financial Size Category Class of VII from A.M. Best and are licensed in the State of Texas and authorized to provide the corresponding coverage. Required coverage must remain in effect throughout the term of the Contract and each Purchase Order issued to Vendor thereunder. The minimum acceptable insurance provisions are as follows:

1) Commercial General Liability

Commercial General Liability must include $1,000,000 per occurrence for Bodily Injury and Property Damage, with a separate aggregate limit of $2,000,000; Personal Injury and Advertising Liability of $1,000,000; Products/Completed Operations Aggregate Limit of $2,000,000; and Damage to Premises Rented: $50,000. Agencies may require additional Umbrella/Excess Liability insurance. The policy shall contain the following provisions:

a) Blanket contractual liability coverage for liability assumed under the Contract;
b) Independent Contractor coverage;
c) State of Texas, DIR and Customer included as an additional insured, but only to the extent of liabilities falling within Vendor's contractual and indemnity obligations pursuant this Agreement; and
d) Waiver of Subrogation, but only to the extent of liabilities falling within Vendor's contractual and indemnity obligations pursuant to this Agreement.

2) Workers' Compensation Insurance

WORKERS' COMPENSATION INSURANCE AND EMPLOYERS' LIABILITY COVERAGE MUST INCLUDE LIMITS CONSISTENT WITH STATUTORY BENEFITS OUTLINED IN THE TEXAS WORKERS' COMPENSATION ACT (ART. 8308-1.01 ET SEQ. TEX. REV. CIV. STAT) AND MINIMUM POLICY LIMITS FOR EMPLOYERS' LIABILITY OF $1,000,000 BODILY INJURY PER ACCIDENT, $1,000,000 BODILY INJURY DISEASE PER EMPLOYEE AND $1,000,000 PER DISEASE POLICY LIMIT.

3) Business Automobile Liability Insurance

Business Automobile Liability Insurance must cover all owned, non-owned and hired vehicles with a minimum combined single limit of $500,000 per occurrence for bodily injury and property damage. The policy shall contain the following endorsements in favor of DIR and/or Customer:
a) Waiver of Subrogation, but only to the extent of liabilities falling within Vendor's contractual and indemnity obligations pursuant to this Agreement; and
b) State of Texas, DIR and Customer included as an additional Insured, but only to the extent of liabilities falling within Vendor's contractual and indemnity obligations pursuant to this Agreement.

T. Appendix A, Section 10, Vendor Responsibilities, X. Use and Protection of Confidential Information, is hereby added to Appendix A as follows:

X. Use and Protection of Confidential Information

Customer and Vendor agree that in connection with this Contract and their relationship, they may come into possession of another party's Confidential Information. The receiving party shall at all times keep in trust and confidence all such Confidential information received, and shall not use such Confidential Information other than as expressly authorized by the disclosing party under this Agreement, nor shall the receiving party disclose any such Confidential Information to third parties without the disclosing party's written consent. Notwithstanding the above, Vendor shall be authorized to disclose Customer's Confidential Information to order fulfillers, contractors or employees of a Vendor entity who have a legitimate business need to have access to such information to fulfill Customer's purchase orders. Notwithstanding any record retention policies and laws, the receiving party shall immediately return to the disclosing party all Confidential Information (including copies thereof) in the receiving party's possession, custody, or control upon termination or expiration of this Agreement. The obligations of confidentiality shall not apply to information which (a) has entered the public domain, except where such entry is the result of the receiving party's breach of this Agreement; (b) prior to disclosure hereunder was already rightfully in the receiving party's possession; (c) subsequent to disclosure hereunder is obtained by the receiving party on a non-confidential basis from a third party who has the right to disclose such information to the receiving party. Additionally, the receiving party is authorized to disclose Confidential Information pursuant to a valid order issued by a court or government agency, provided that the receiving party provides (i) prior written notice to the disclosing party of such obligation and (ii) the opportunity to oppose such disclosure. Customer and DIR may disclose information necessary to comply with the Texas Public Information Act.

Vendor shall not disclose, advertise, or publish the terms and conditions of this Agreement without the prior written consent of the Customer. Any press release or publication by Vendor regarding this Agreement is subject to prior review and written approval of DIR and Customer. Customer and DIR may publish the contract and Agreement in its customary manner or as required by law.

U. Appendix A, Section 11, Contract Enforcement, B. Termination, 1) Termination for Non-Appropriation, a) Termination for Non-Appropriation by Customer, is hereby restated in its entirety as follows:

a) Termination for Non-Appropriation by Customer

Customer may terminate Purchase Orders if funds sufficient to pay its obligations under the Contract are not appropriated: i) by the governing body on behalf of local governments; ii) by the Texas legislature on behalf of state agencies; or iii) by budget execution authority provisioned to the Governor or the Legislative Budget Board as provided in Chapter 317, Texas Government Code. In the event of non-appropriation, Vendor and/or Order Fulfiller will be provided ten (10) calendar days written notice of intent to terminate. Notwithstanding the foregoing, if a Customer issues a Purchase Order and has accepted delivery of the product or services, they are obligated to pay for the product or services or they may return the product and discontinue using services under any return provisions that Vendor offers. In the event of such termination, the Customer will not be considered to be in default or breach under this Contract, nor shall it be liable for any further payments ordinarily due under this Contract

(except for products or services accepted before termination, for which return provisions are provided, which Customer fails to return), nor shall it be liable for any damages or any other amounts which are caused by or associated with such termination.

V. Appendix A, Section 11, Contract Enforcement, B. Termination, 3) Termination for Convenience, is hereby restated in its entirety as follows:

3) Termination for Convenience

DIR may terminate the Contract, in whole or in part, by giving the other party thirty (30) calendar days written notice. A Customer may terminate a Purchase Order or other contractual document or relationship prior to the delivery of the ordered products or services by giving the other party thirty (30) calendar days written notice. Notwithstanding the foregoing, if a Customer issued a Purchase Order and accepted delivery of the ordered products or services, the Customer is obligated to pay for the product or services in accordance with the payment and return provisions contained in this Agreement.

W. Appendix A, Section B. Termination, 4. Termination for Cause, b) Purchase Order, is hereby restated in its entirety as follows:

b) Purchase Order

Customer or Order Fulfiller may terminate a Purchase Order or other contractual document or relationship upon the occurrence of a material breach of any term or condition: (i) of the Contract, or (ii) included in the Purchase Order or other contractual document or relationship in accordance with Section 4.B.2 above, upon the following preconditions: first, the parties must comply with the requirements of Chapter 2260, Texas Government Code, in an attempt to resolve a dispute; second, after complying with Chapter 2260, Texas Government Code, and the dispute remains unresolved, then the non-defaulting party shall give the defaulting party ten (10) calendar days from receipt of notice to cure said default. If the defaulting party fails to cure said default within the timeframe allowed, the non-defaulting party may, at its option and in addition to any other remedies it may have available, cancel and terminate the Purchase Order. Customer may immediately suspend a Purchase Order without advance notice in the event Vendor fails to comply with confidentiality, privacy, security requirements, environmental or safety laws or regulations, if such non-compliance materially relates to vendor provision of goods or services to the Customer.

X. Appendix A, Section 11, Contract Enforcement, C. Force Majeure, is hereby restated in its entirety as follows:

C. Force Majeure

DIR, Customer, Vendor or Order Fulfiller may be excused from performance under the Contract for any period when performance is prevented as the result of an act of God, strike, war, civil disturbance, epidemic, or court order, provided that the party experiencing the event of Force Majeure has prudently and promptly acted to take any and all steps that are within the party's control to ensure performance and to shorten the duration of the event of Force Majeure. The party suffering an event of Force Majeure shall provide notice of the event to the other parties when commercially reasonable. Subject to this provision, such non-performance shall not be deemed a default or a ground for termination. However, a Customer may terminate a Purchase

Order if it is determined by the Customer that Order Fulfiller will not be able to deliver product or services in a timely manner to meet the business needs of the Customer.

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This Contract is executed to be effective as of the date of last signature.

Cisco Systems, Inc.

Authorized By: Signature on File

Name: Jennifer Pate

Title: Authorized Signatory

Date: 6/29/2018

The State of Texas, acting by and through the Department of Information Resources

Authorized By: Signature on File

Name: Hershel Becker / Colleen Berkley, Procurement Director
On Behalf of Hershel Becker

Title: Chief Procurement Officer

Date: 7/3/2018

Office of General Counsel: Signature on File, 6/29/2018

Cisco Systems DIR-TSO-4167 Resellers List

vendor_name	contract_numbe	reseller_name
Cisco Systems, Inc.	DIR-TSO-4167	Advanced Network Management
Cisco Systems, Inc.	DIR-TSO-4167	Ahead, Inc.
Cisco Systems, Inc.	DIR-TSO-4167	AT&T Corp.
Cisco Systems, Inc.	DIR-TSO-4167	Carousel Industries
Cisco Systems, Inc.	DIR-TSO-4167	CCI Systems, Inc.
Cisco Systems, Inc.	DIR-TSO-4167	CDW Government LLC
Cisco Systems, Inc.	DIR-TSO-4167	Centre Technologies, Inc.
Cisco Systems, Inc.	DIR-TSO-4167	CenturyLink Communications, LLC
Cisco Systems, Inc.	DIR-TSO-4167	Commsys Technology Corp.
Cisco Systems, Inc.	DIR-TSO-4167	Computer Solutions dba Computex
Cisco Systems, Inc.	DIR-TSO-4167	ConvergeOne, Inc.
Cisco Systems, Inc.	DIR-TSO-4167	Datavox, Inc
Cisco Systems, Inc.	DIR-TSO-4167	Designs That Compute
Cisco Systems, Inc.	DIR-TSO-4167	DISYS Solutions, Inc.
Cisco Systems, Inc.	DIR-TSO-4167	Gain Innovation, LLC
Cisco Systems, Inc.	DIR-TSO-4167	General Datatech, L.P.
Cisco Systems, Inc.	DIR-TSO-4167	Great South Texas Corporation dba Computer Solutions
Cisco Systems, Inc.	DIR-TSO-4167	GTS Technology Solutions, Inc.
Cisco Systems, Inc.	DIR-TSO-4167	Industrial Networking Solutions
Cisco Systems, Inc.	DIR-TSO-4167	Insight Public Sector, Inc.
Cisco Systems, Inc.	DIR-TSO-4167	Iteris Inc.
Cisco Systems, Inc.	DIR-TSO-4167	Jet Web Communications LLC
Cisco Systems, Inc.	DIR-TSO-4167	Logicalis, Inc.
Cisco Systems, Inc.	DIR-TSO-4167	Netrix LLC
Cisco Systems, Inc.	DIR-TSO-4167	Netsync Network Solutions, Inc.
Cisco Systems, Inc.	DIR-TSO-4167	Pivot Solutions, North America, Inc. dba Sigma Technology Solutions, Inc
Cisco Systems, Inc.	DIR-TSO-4167	Porter Burgess Company dba Flair Data Systems
Cisco Systems, Inc.	DIR-TSO-4167	Prescriptive Data Solutions, LLC
Cisco Systems, Inc.	DIR-TSO-4167	Presidio Networked Solutions Group, LLC
Cisco Systems, Inc.	DIR-TSO-4167	Red River Technology LLC
Cisco Systems, Inc.	DIR-TSO-4167	Seamless Advanced Solutions, LLC
Cisco Systems, Inc.	DIR-TSO-4167	Sequel Data Systems, Inc.
Cisco Systems, Inc.	DIR-TSO-4167	SHI Government Solutions, Inc.
Cisco Systems, Inc.	DIR-TSO-4167	Sirius Computer Solutions, Inc
Cisco Systems, Inc.	DIR-TSO-4167	Sology, Inc.
Cisco Systems, Inc.	DIR-TSO-4167	Splendid Technology Services, LLC
Cisco Systems, Inc.	DIR-TSO-4167	StackLynk LLC
Cisco Systems, Inc.	DIR-TSO-4167	TanChes Global Management, Inc.
Cisco Systems, Inc.	DIR-TSO-4167	Technologent
Cisco Systems, Inc.	DIR-TSO-4167	Technology for Education LLC dba TFE
Cisco Systems, Inc.	DIR-TSO-4167	The Broadleaf Group, LLC
Cisco Systems, Inc.	DIR-TSO-4167	United Data Technologies, Inc.

Cisco Systems, Inc.	DIR-TSO-4167	Verizon Business Network Services, LLC
Cisco Systems, Inc.	DIR-TSO-4167	World Wide Technology, LLC
Cisco Systems, Inc.	DIR-TSO-4167	Zones, Inc.

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