

STATE OF TEXAS
DEPARTMENT OF INFORMATION RESOURCES
CONTRACT FOR PRODUCT, SERVICES, AND RELATED SERVICES
Verizon Business Network Services LLC

1 Introduction

1.1 Parties

This contract for Cabling Services and Related Products (this “Contract”) 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 Verizon Business Network Services LLC on behalf of MCI Communications Services LLC, d/b/a Verizon Business Services, Verizon Select Services Inc. and its applicable affiliates as listed in Verizon’s online Service Publication and Price Guide (hereinafter “Successful Respondent”), with its principal place of business at One Verizon Way, Basking Ridge, NJ 07920.

1.2 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-CPO-TMP-551, on 11/20/2020, for Cabling Services and Related Products (the “RFO”). Upon execution of all Contracts, a notice of award for DIR-CPO-TMP-551 shall be posted by DIR on the Electronic State Business Daily.

1.3 Order of Precedence

- a) For transactions under this Contract, the order of precedence shall be as follows:
 - i. this Contract;
 - ii. Appendix A, Standard Terms and Conditions;
 - iii. Appendix B, Successful Respondent’s Historically Underutilized Businesses Subcontracting Plan;
 - iv. Appendix C, Pricing Index;
 - v. Appendix C, Attachment 1 Geographical Zone Map;
 - vi. Appendix D, Service Agreement;
 - vii. Exhibit 1, RFO DIR-CPO-TMP-551, including all Addenda; and
 - viii. Exhibit 2, Successful Respondent’s Response to RFO DIR-CPO-TMP-551, including all Addenda.

- b) Each of the foregoing documents is hereby incorporated by reference and together constitute the entire agreement between DIR and Successful Respondent.

1.4 Definitions

Capitalized terms used but not defined herein have the meanings given to them in Appendix A, Standard Terms and Conditions.

2 Term of Contract

The initial term of this Contract shall be up to two (2) years commencing on the date of the last signature hereto (the “Initial Term”), with one (1) optional two-year renewal and one (1) optional one-year renewal (each, a “Renewal Term”). Prior to expiration of the Initial Term and each Renewal Term, this Contract will renew automatically under the same terms and conditions unless either party provides written notice to the other party at least sixty (60) days in advance of the renewal date stating that the party wishes to discuss amendment or non-renewal.

3 Option to Extend

Successful Respondent agrees that DIR may require continued performance under this Contract at the rates specified in this Contract following the expiration of the Initial Term or any Renewal Term. This option may be exercised more than once, but the total extension of performance hereunder shall not exceed ninety (90) calendar days. Such extension of services shall be subject to the requirements of this Contract, with the sole and limited exception that the term shall be extended pursuant to this provision. DIR may exercise this option upon thirty (30) calendar days written notice to Successful Respondent.

4 Product and Service Offerings

Products and services available under this Contract are limited to the technology categories defined in Request for Offer DIR-CPO-TMP-551 for Cabling Services and Related Products. At DIR’s sole discretion, Successful Respondent may incorporate changes or make additions to its service offering, provided that any changes or additions must be within the scope of the RFO.

5 Pricing

5.1 Pricing Index

Pricing to Customers shall be as set forth in **Appendix C, Pricing Index**, and shall include the DIR Administrative Fee (as defined below).

5.2 Customer Discount

- a) The minimum Customer discount for all products and services will be the percentage off List Price (as defined below) or MSRP (as defined below), as applicable, as specified in

Appendix C, Pricing Index. Successful Respondent shall not establish a List Price or MSRP for a particular solicitation. For purposes of this Section, “List Price” is the price for a product or service published in Successful Respondent’s price catalog (or similar document) before any discounts or price allowances are applied. For purposes of this Section, “MSRP,” or manufacturer’s suggested retail price, is the price list published by the manufacturer or publisher of a product and available to and recognized by the trade.

- b) Customers purchasing products or services under this Contract may negotiate additional discounts with Successful Respondent. Successful Respondent and Customer shall provide the details of such additional discounts to DIR upon request.
- c) If products or services available under this Contract are provided at a lower price to: (i) an eligible Customer who is not purchasing those products or services under this Contract, or (ii) to any other similarly situated public sector customer under the same terms and conditions provided for the State for the same products and services under this contract, then the price of such products and services under this Contract shall be adjusted to that lower price. This requirement applies to products or services quoted by Successful Respondent for a quantity of one (1), but does not apply to volume or special pricing purchases. Successful Respondent shall notify DIR within ten (10) days of providing a lower price as described in this Section, and this Contract shall be amended within ten (10) days to reflect such lower price.

5.3 Changes to Prices

- a) Subject to the requirements of this section, Successful Respondent may change the price of any product or service upon changes to the List Price or MSRP, as applicable. Discount levels shall not be subject to such changes, and will remain consistent with the discount levels specified in this Contract.
- b) Successful Respondent may revise its pricing by publishing a revised pricing list, subject to review and approval by DIR. If DIR, in its sole discretion, finds that the price of a product or service has been increased unreasonably, DIR may request that Successful Respondent reduce the pricing for the product or service to the level published before such revision. Upon such request, Successful Respondent shall either reduce the pricing as requested, or shall remove the product or service from the pricing list for this Contract. Failure to do so will constitute an act of default by Successful Respondent.

5.4 Shipping and Handling

Prices to Customers shall include all shipping and handling fees. Shipments will be Free On Board Customer’s Destination. No additional fees may be charged to Customers for standard shipping and handling. If a Customer requests expedited or special delivery, Customer will be responsible for any additional charges for expedited or special delivery.

6 DIR Administrative Fee

- a) Successful Respondent shall pay an administrative fee to DIR based on the dollar value of all sales to Customers pursuant to this Contract (the “DIR Administrative Fee”). The amount of the DIR Administrative Fee shall be seventy-five hundredths of a percent (0.75%) of all sales, net of returns and credits. For example, the administrative fee for sales totaling \$100,000 shall be \$750.
- b) All prices quoted to Customers shall include the DIR Administrative Fee. DIR reserves the right to increase or decrease the DIR Administrative Fee during the term of this Contract, upon written notice to Successful Respondent without amending this Contract. Any increase or decrease in the DIR Administrative Fee shall be incorporated in the price to Customers.

7 Internet Access to Contract and Pricing Information

In addition to the requirements listed in Appendix A, Section 7.2, Internet Access to Contract and Pricing Information, Successful Respondent shall include the following with its webpage:

- a) A current price list or mechanism to obtain specific contract pricing;
- b) MSRP/list price or DIR Customer price;
- c) Discount percentage (%) off MSRP or List Price;
- d) Warranty policies; and
- e) Return policies.

8 Use of Order Fulfillers

8.1 Authorization to Use Order Fulfillers

Subject to the conditions in this Section 8, DIR agrees to permit Successful Respondent to utilize designated order fulfillers to provide products, services, and support resources to Customers under this Contract (“Order Fulfillers”).

8.2 Designation of Order Fulfillers

- a) Successful Respondent may designate Order Fulfillers to act as the distributors for products and services available under this Contract. In designating Order Fulfillers, Successful Respondent must be in compliance with the State’s Policy on Utilization of Historically Underutilized Businesses. DIR and Successful Respondent will agree on the number of Order Fulfillers that are Historically Underutilized Businesses as defined by the CPA.
- b) In addition to the required Subcontracting Plan, Successful Respondent shall provide DIR with the following Order Fulfiller information: Order Fulfiller name, Order Fulfiller

business address, Order Fulfiller CPA Identification Number, Order Fulfiller contact person email address and phone number.

- c) DIR reserves the right to require Successful Respondent to rescind any Order Fulfiller participation or request that Successful Respondent additional Order Fulfillers should DIR determine it is in the best interest of the State.
- d) Successful Respondent shall be fully liable for its Order Fulfillers' performance under and compliance with the terms and conditions of this Contract. Successful Respondent shall enter into contracts with Order Fulfillers and use terms and conditions that are consistent with the terms and conditions of this Contract.
- e) Successful Respondent may qualify Order Fulfillers and their participation under the Contract provided that: i) any criteria is uniformly applied to all potential Order Fulfillers based upon Successful Respondent's established, neutrally applied criteria, ii) the criteria is not based on a particular procurement, and iii) all Customers are supported under the criteria.
- f) Successful Respondent shall not prohibit any Order Fulfiller from participating in other procurement opportunities offered through DIR.

8.3 Changes in Order Fulfiller

Successful Respondent may add or remove Order Fulfillers throughout the term of this Contract upon written authorization by DIR. Prior to adding or removing Order Fulfillers, Successful Respondent must make a good faith effort to revise its Subcontracting Plan in accordance with the State's Policy on Utilization of Historically Underutilized Businesses. Successful Respondent shall provide DIR with its updated Subcontracting Plan and the Order Fulfillers information listed above.

8.4 Order Fulfiller Pricing to Customer

Order Fulfiller pricing to the Customer shall be in accordance with Section 5.

9 Notification

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

If sent to the State:

Hershel Becker or Successor in Office
Chief Procurement Officer
Department of Information Resources
300 W. 15th St., Suite 1300
Austin, Texas 78701
Phone: (512) 475-4700
Email: hershel.becker@dir.texas.gov

If sent to Successful Respondent:

Verizon Business Services
Attn: Customer Service
10000 Park Meadows Drive
Lone Tree, CO 80124
Phone: (940) 257 7318
Email: notice@verizon.com
with a copy to tory.anderson@verizon.com

10 Software License, and Service Agreements

10.1 Software License Agreement

- a) Customers acquiring software licenses under this Contract shall hold, use, and operate such software subject to compliance with the Software License Agreement. Customer and Successful Respondent 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 Successful Respondent. Successful Respondent shall make the Software License Agreement terms and conditions available to all Customers at all times.
- b) Compliance with the Software License Agreement is the responsibility of the Customer. DIR shall not be responsible for any Customer's compliance with the Software License Agreement.

10.2 Service Agreement

Services provided under this Contract shall be in accordance with the Service Agreement as set forth in **Appendix D** of this Contract. No changes to the Service Agreement terms and conditions may be made unless previously agreed to by Successful Respondent and DIR. Successful Respondent and Customer may agree to terms and conditions that do not diminish or lessen the rights or protections of the Customer or the responsibilities or liabilities of the Successful Respondent.

11 Conflicting or Additional Terms

- a) The terms and conditions of this Contract shall supersede any additional conflicting or additional terms in any additional service agreements, statement of work, and any other provisions, terms, conditions, and license agreements, including those which may be affixed to or accompany software upon delivery (sometimes called shrink-wrap or click-wrap agreements), and any linked or supplemental documents, which may be proposed, issued, or accepted by Successful Respondent and Customer in addition to this Contract (such additional agreements, "Additional Agreements"), regardless of when such

Additional Agreements are proposed, issued, or accepted by Customer. Notwithstanding the foregoing, it is Customer's responsibility to review any Additional Agreements to determine if Customer accepts such Additional Agreement. If Customer does not accept such Additional Agreement, Customer shall be responsible for negotiating any changes thereto.

- b) Any update or amendment to an Additional Agreement shall only apply to Purchase Orders for the associated product or service offering after the effective date of such update or amendment; provided that, if Successful Respondent has responded to a Customer's solicitation or request for pricing, any subsequent update or amendment to an Additional Agreement may only apply to a resulting Purchase Order if Successful Respondent directly informs such Customer of such update or amendment before the Purchase Order is executed.
- c) Successful Respondent shall not require any Additional Agreement that: i) diminishes the rights, benefits, or protections of Customer, or that alters the definitions, measurements, or method for determining any authorized rights, benefits, or protections of Customer; or ii) 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.
- d) If Successful Respondent attempts to do any of the foregoing, the prohibited documents will be void and inapplicable to this Contract or the Purchase Order between Successful Respondent and Customer, and Successful Respondent will nonetheless be obligated to perform such Purchase Order without regard to the prohibited documents, unless Customer elects instead to terminate such Purchase Order, which in such case may be identified as a termination for cause against Successful Respondent.

12 Authorized Exceptions to Appendix A, Standard Terms and Conditions

- a) Section 4.2 Modification of Contract Terms and/or Amendments, Section B is hereby deleted and replaced in its entirety with the following:

DIR may amend the contract upon thirty (30) calendar days written notice to Successful Respondent without the need for a formal contract amendment: i) as necessary to satisfy a regulatory requirement imposed upon DIR by a governing body with the appropriate authority, or ii) as necessary to satisfy a procedural change due to DIR system upgrades or additions unless such change imposes material additional costs to Successful Respondent, in which case the Contract may only be modified or amended upon mutual written agreement of DIR and Successful Respondent. If Successful Respondent and DIR cannot reach agreement concerning such an amendment, then either party may

terminate this Contract upon thirty (30) calendar days written notice without attribution of fault to either party.

- b) Section 5 Intellectual Property Matters is hereby deleted and replaced in its entirety with the following:

The Contract does not contemplate, authorize or support acquisition of custom software products or services or the creation of intellectual property.

- c) Section 10.15 Required Insurance Coverage is hereby deleted and replaced in its entirety with the following:

A. As a condition of the Contract, Successful Respondent shall provide the listed insurance coverage within five (5) business days of execution of the Contract if the Successful Respondent is awarded services which require that Successful Respondent's employees perform work at any Customer premises and/or use vehicles to conduct work on behalf of Customers. In addition, when engaged by a Customer to provide services on Customer premises, the Successful Respondent shall, at its own expense, secure and maintain the insurance coverage specified herein, and shall provide proof of such insurance coverage to the related Customer within five (5) business days following the execution of the Purchase Order. Successful Respondent 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. If Successful Respondent's services under this Contract will not require Successful Respondent to perform work on Customer's premises, or to use vehicles (whether owned or otherwise) to conduct work on behalf of Customers, Successful Respondent may certify to the foregoing facts, and agree to provide notice and the required insurance if the foregoing facts change. The certification and agreement must be provided by executing a Certification of Off-Premise Customer Services, which shall serve to meet the insurance requirements.

B. 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. The Customer and DIR will be named as Additional Insureds on the Commercial General and Business Automobile Liability insurance policies. Required coverage must remain in effect through the term of the Contract and each Purchase Order issued to Successful Respondent there under. The minimum acceptable insurance provisions are as follows:

(Remainder of this page intentionally left blank.)

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

Verizon Business Network Services LLC on behalf of MCI Communications Services LLC, d/b/a Verizon Business Services, Verizon Select Services Inc. and its applicable affiliates as listed in Verizon’s online Service Publication and Price Guide

Authorized By: Signature on File

Name: Tony Recine

Title: Senior Vice President -Deal Mgmt

Date: 06/02/2022

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

Authorized By: Signature on File

Name: Hershel Becker

Title: Chief Procurement Officer

Date: 06/03/2022

Office of General Counsel: Signature on File

Date: 06/03/2022