Commonwealth of Virginia
Virginia Information Technologies Agency

MICROSOFT SELECT LARGE ACCOUNT RESELLER (LAR)

Optional Use Contract

Date:	July 10, 2007
Contract #:	VA-030700-PCMG
Authorized User:	State Agencies, Institutions, and other Public Bodies as defined in the VPPA
Contractor:	PC MALL GOV, Inc. 7421 Gateway Court Manassas, VA 20109-7313 Telephone: 703-594-8100
FIN:	33-0964088
Contact Person:	See Attached
FOB:	Destination
Delivery:	5 Days ARO
Term:	August 1, 2007 – September 30, 2007
Payment:	Net 30 days

For Additional Contract Information, Please Contact:

Virginia Information Technologies Agency
Supply Chain Management Division

Doug Crenshaw
Phone: 804-371-5993
E-Mail: doug.crenshaw@vita.virginia.gov
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://www.vita.virginia.gov/procurement/contracts.cfm

VIRGINIA INFORMATION TECHNOLOGIES AGENCY (VITA): Prior review and approval by VITA for purchases in excess of $100,000.00 is required for State Agencies and Institutions only.

PC MALL GOV SALES TEAM

Sales Team:

Main Sales email address: cova@pcmallgov.com

Jeff Mayes
PC Mall Gov, Inc.
Account Representative- Central VA
804-730-3857
jeffreym@pcmallgov.com

Vong Pham
PC Mall Gov, Inc.
Account Representative- Western VA
800-323-2704 x 4373
vongp@pcmallgov.com

Andre Pimienta
Account Representative- Tidewater Region
800-323-2704 x 4416
andrep@pcmallgov.com

Julio Angulo
Account Representative- Northern VA
800-323-2704 x 4584
julioa@pcmallgov.com

Sandeep Kapoor
PC Mall Gov, Inc.
Sales Manager
800-323-2704 x 4505
sandeepk@pcmallgov.com

Donna Norris
PC Mall Gov, Inc.
Business Development/Program Manager
703-594-8100
donnan@pcmallgov.com

CONTRACT # VA-030700-PCMG

CONTRACT CHANGE LOG

Change No.	Description of Change	Effective Date
1	To correct vendor contact email address	9/9/03
2	To update VITA contact information and order forms	11/06/03
3	Update VITA and PC Mall contact information	01/14/04
4	To update VITA contact information	02/09/04
5	To update PC Mall contact information	06/02/04
6	To update PC Mall contact information	07/12/04
7	Updates VITA and Supplier contact information	12/16/04
8	Updates Supplier Corporate Office Address	6/8/05
9	Mod 1 extends contract term for 3 months and changes discounts	7/30/05
10	Mod 2 extends contract term for 9 months and changes discount percentages	11/1/05
11	Correct the renewal term on the cover sheet	11/17/05
12	Mod 3 extends contract term	5/19/06
13	Updates Supplier's contact information	5/25/06
14	Incorporates 3rd party access rights for VITA's contractors	7/1/06
15	Updates Supplier's address and telephone number	3/20/07
16	Mod 4 extends contract for 2 months	8/1/07

PC MALL GOV, INC.
CONTRACT VA-030700-PCMG

As of December 2, 2003, Dell Marketing will no longer be the Microsoft LAR for Select State and Local Government and Academic Select software products.

Dell Marketing will remain the Microsoft LAR for Enterprise software products only.

All Microsoft Select State and Local Government and Academic Select software products may be ordered through PC Mall Gov, Inc., Contract VA-030700-PCMG.

How do I officially purchase Microsoft software products through PC Mall Gov, Inc.?

- **MICROSOFT ACADEMIC SELECT ENROLLMENT**
  ((**New Customers Only**) Complete only if you are not currently enrolled in an Academic Select Enrollment)

  √Complete two original forms in blue ink with original signatures and **mail** (do not email or fax) to:

  Sharon Ennis
  Senior Director of Business Development
  PC Mall Gov, Inc.
  2201 Cooperative Way, Suite 301
  Herndon, VA 20171-3099

  Sharon will review the forms to make sure they are complete (including having two signed originals). Microsoft will reject the forms if they look like they have been photocopied. If you have any questions, you may contact Sharon at (703) 904-9054 or email her at sharone@pcmallgov.com.

- MICROSOFT STATE AND LOCAL GOVERNMENT SELECT ENROLLMENT
  ((**New Customers Only**) Complete only if you are not currently enrolled in an Academic Select Enrollment)

  √Complete two original forms in blue ink with original signatures and **mail** (do not email or fax) to:

  Sharon Ennis
  Senior Director of Business Development
  PC Mall Gov, Inc.
  2201 Cooperative Way, Suite 301
  Herndon, VA 20171-3099

  Sharon will review the forms to make sure they are complete (including having two signed originals). Microsoft will reject the forms if they look like they have been photocopied. If you have any questions, you may contact Sharon at (703) 904-9054 or email her at sharone@pcmallgov.com.

MODIFICATION #4
TO
CONTRACT NUMBER VA-030700-PCMG
BETWEEN THE
COMMONWEALTH OF VIRGINIA
AND
PC MALL GOV, INC.

This MODIFICATION #4 is an agreement between the Commonwealth of Virginia, hereinafter referred to as "State" or "Commonwealth" or "VITA" (Virginia Information Technologies Agency), and PC MALL GOV, INC., hereinafter referred to as "Contractor" relating to the modification of the above Contract. This Modification #4 is hereby incorporated into and made an integral part of Contract VA-030700-PCMG (the Agreement), as modified.

The purpose of this Modification #4 is to extend the term of the Contract to provide Microsoft Select licenses to Virginia governmental entities for an additional two (2) month period.

Both parties agree to the following:

The Contract VA-030700-PCMG is hereby extended for an additional two (2) month period. The two (2) month period will extend the contract from August 1, 2007 through September 30, 2007, under the original terms and conditions of the contract.

The percentage discount off the Microsoft Estimated Retail Price shall remain at 17.6% for Select and 17.7% for Academic Select.

The foregoing is the complete and final expression of the parties' agreement to modify Contract VA-030700-PCMG and cannot be modified, except by a writing signed by duly authorized representatives of both parties.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PERSONS SIGNING THIS CONTRACT ARE AUTHORIZED REPRESENTATIVES OF EACH PARTY TO THIS CONTRACT AND ACKNOWLEDGE THAT EACH PARTY AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE CONTRACT.

PC MALL GOV, INC.

BY: Alan Bechara

NAME: ALAN BECHARA

TITLE: PRESIDENT

DATE: 7/2/2007

COMMONWEALTH OF VIRGINIA

BY:

NAME: GREGORY SCEARCE

TITLE: STRATEGIC SOURCING SPECIALIST

DATE: 7-06-07

MODIFICATION #3
TO
CONTRACT NUMBER VA-030700-PCMG
BETWEEN THE
COMMONWEALTH OF VIRGINIA
AND
PC MALL GOV, INC.

This MODIFICATION #3 is an agreement between the Commonwealth of Virginia, hereinafter referred to as "State" or "Commonwealth" or "VITA" (Virginia Information Technologies Agency), and PC MALL GOV,Inc., hereinafter referred to as "Contractor" relating to the modification of the above Contract. This Modification #3 is hereby incorporated into and made an integral part of Contract VA-030700-PCMG (the Agreement), as modified.

The purpose of this Modification #3 is to document both parties' agreement to extend the term of this contract for one year, from July 31, 2006 through July 31, 2007.

The foregoing is the complete and final expression of the parties' agreement to modify Contract VA-030700-PCMG and cannot be modified, except by a writing signed by duly authorized representatives of both parties.

ALL OTHER TERMS AND CONDITIONS AND DISCOUNTS REMAIN UNCHANGED.

PERSONS SIGNING THIS CONTRACT ARE AUTHORIZED REPRESENTATIVES OF EACH PARTY TO THIS CONTRACT AND ACKNOWLEDGE THAT EACH PARTY AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE CONTRACT.

PC MALL GOV, INC.	COMMONWEALTH OF VIRGINIA
BY: Alan Bechara	BY: Doug Crenshaw
NAME: ALAN BECHARA	NAME: Doug Crenshaw
TITLE: PRESIDENT	TITLE: Strategic Sourcing Mgr
DATE: May 17, 2006	DATE: 5/18/06

MODIFICATION #2
TO
CONTRACT VA-030700-PCMG
BETWEEN
THE COMMONWEALTH OF VIRGINIA
AND
PC MALL GOV, INC.

This MODIFICATION #2 is an Agreement between the Commonwealth of Virginia, hereinafter referred to as "State" or "Commonwealth" or "VITA" (Virginia Information Technologies Agency), and PC MALL GOV, INC., hereinafter referred to as "Contractor" relating to the modification of the above Contract or Agreement. This Modification #2 is hereby incorporated into and made an integral part of Contract VA-030700-PCMG.

The purpose of this Modification #2 is to document both parties' agreement concerning renewal of the Contract initial term and pricing discounts.

Reference: Contract VA-030700-PCMG, a) Page 13 of 25, paragraph 34 entitled "Term", b) Page 12 of 13, paragraph 33 entitled Price Protection/Adjustments, and c) Modification 1, VA-030700-PCMG.

Both above-referenced parties do hereby agree to renew the term of the Agreement from November 1, 2005 through July 31, 2006. Both parties further agree to the discount percentages as follows:

Microsoft Select Agreement - Discount percentage (%) off the Estimated Retail Price (ERP) as of Purchase Date:

1) Microsoft Select Agreement v5.1, for all Applications, Systems, and Server Products Levels A-D:

Category	Old Discount	New Discount
Government	17.5%	17.6%
Academic	17.6%	17.7%

2) Microsoft Select Agreement v6.0, for all Applications, Systems, and Server Products Levels A-D:

Category	Old Discount	New Discount
Government	17.5%	17.6%
Academic	17.6%	17.7%

The foregoing is the complete and final expression of the parties' agreement to modify Contract VA-030700-PCMG and cannot be modified, except by a writing signed by the duly authorized representatives of both parties.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PERSONS SIGNING THIS CONTRACT ARE AUTHORIZED REPRESENTATIVES OF EACH PARTY TO THIS CONTRACT AND ACKNOWLEDGE THAT EACH PARTY AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE CONTRACT.

PC MALL GOV, INC.

BY: Alan Bechara

NAME: ALAN BECHARA

TITLE: President

DATE: 4 NOVEMBER 2005

COMMONWEALTH OF VIRGINIA

BY: Robert E Gleason

NAME: Robert E. Gleason

TITLE: Virginia Contracting Officer

DATE: 11/7/05

MODIFICATION #1
TO
CONTRACT VA-030700-PCMG
BETWEEN
THE COMMONWEALTH OF VIRGINIA
AND
PC MALL GOV, INC.

This MODIFICATION #1 is an Agreement between the Commonwealth of Virginia, hereinafter referred to as "State" or "Commonwealth" or "VITA" (Virginia Information Technologies Agency), and PC MALL GOV, INC., hereinafter referred to as "Contractor" relating to the modification of the above Contract or Agreement. This Modification #1 is hereby incorporated into and made an integral part of Contract VA-030700-PCMG.

The purpose of this Modification #1 is to document both parties' agreement concerning extension of the Contract initial term and pricing discounts.

Reference: Contract VA-030700-PCMG, a) Page 13 of 25, paragraph 34 entitled "Term", and b) Page 12 of 13, paragraph 33 entitled Price Protection/Adjustments.

Both above-referenced parties do hereby agree to extend the term of the Agreement for a period of up to three (3) months from July 30, 2005 through October 31, 2005.

Both parties further agree to change the discount percentages as follows:

Microsoft Select Agreement - Discount percentage (%) off the Estimated Retail Price (ERP) as of Purchase Date:

1) Microsoft Select Agreement v5.1, for all Applications, Systems, and Server Products Levels A-D:

Category	Old Discount	New Discount
Government	20.4%	17.5%
Academic	20.5%	17.6%

2) Microsoft Select Agreement v6.0, for all Applications, Systems, and Server Products Levels A-D:

Category	Old Discount	New Discount
Government	20.4%	17.5%
Academic	20.5%	17.6%

Both Parties agree to review the above discounts during the extension period, and that the discounts may be revised preparatory to Contract renewal.

The foregoing is the complete and final expression of the parties' agreement to modify Contract VA-030700-PCMG and cannot be modified, except by a writing signed by the duly authorized representatives of both parties.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PERSONS SIGNING THIS CONTRACT ARE AUTHORIZED REPRESENTATIVES OF EACH PARTY TO THIS CONTRACT AND ACKNOWLEDGE THAT EACH PARTY AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE CONTRACT.

PC MALL GOV, INC.	COMMONWEALTH OF VIRGINIA
BY: Alan Bechara	BY:
NAME: ALAN BECHARA	NAME: Robert E. Gleason
TITLE: President	TITLE: Virginia Contracting Officer
DATE: 7/29/2005	DATE: 8/1/05

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ervices

MASTER AGREEMENT
CONTRACT VA-030700-PCMG
BETWEEN
THE COMMONWEALTH OF VIRGINIA
AND
PC MALL GOV, INC.

1. SCOPE OF CONTRACT

This is a Master Agreement (the "Agreement") between the Commonwealth of Virginia, hereinafter referred to as "Commonwealth" or "State" or "VITA" (Virginia Information Technologies Agency) and PC MALL GOV, INC. (the "Contractor"), a wholly-owned subsidiary of PC Mall Inc., having its principal place of business at 2201 Cooperative Way, Suite 301, Herndon, VA 20171-3099. This Agreement contains the Contractual terms and conditions by which the Commonwealth will establish a Master License Ordering Agreement for State Agencies, Institutions, and other public bodies as defined in Section 2.2-4301. Definitions of the Virginia Public Procurement Act (VPPA), as amended, and hereinafter referred to as "Authorized Users" to acquire "Software" and "Services" pursuant to the Commonwealth's Request For Proposal #2003-41, dated April 4, 2003 (the "RFP") and the Contractor's proposal, dated May 2, 2003, as amended and in response thereto.

Upon award, all orders for Software and Services will be placed directly with the Contractor by Authorized Users.

The Virginia General Assembly passed legislation that abolishes the Department of information Technology ("DIT") as of July 1, 2003. All activities and functions of DIT have been consolidated into a new agency that is the Virginia Information Technologies Agency ("VITA"). Therefore, for purposes of this Contract ("Agreement") all references to either the Commonwealth, or DIT, or VITA, shall have the same meaning.

2. HEADINGS NOT CONTROLLING

Headings used in this Contract are for reference purposes only and shall not be considered to be a substantive part of this Contract.

3. INTERPRETATION OF AGREEMENT

As used in this Agreement, "Software" and "Software Product" shall include all related materials and documentation, whether in machine-readable or printed form.

The documents comprising this Agreement, and their order of precedence in case of conflict, are: (1) this document, consisting of Terms and Conditions labeled 1 through 56, Attachment A, entitled *Product Pricing* and Attachment B entitled *Lobbying Certificate*; (2) the Commonwealth's RFP 2003-41, dated April 4, 2003, and amendments thereto, (3) the Contractor's proposal dated May 2, 2003 in response to

the Commonwealth's RFP 2003-41 dated April 4, 2003 and amendments thereto; and, (4) all executed Orders and Attachments referencing this Agreement.

If any term or condition of this Agreement is found to be illegal or unenforceable, it shall be severed, and the validity of the remaining terms and conditions shall not be affected.

Nothing in this Agreement shall be construed as an express or implied waiver of the Commonwealth's sovereign or Eleventh Amendment immunity, or as a pledge of its full faith and credit.

4. VENDORS MANUAL

This solicitation is subject to the provisions of the Commonwealth of Virginia *Vendors Manual* and any changes or revisions thereto, which are hereby incorporated into this contract in their entirety. The procedure for filing contractual claims is in section 7.19 of the *Vendors Manual.* A copy of the manual is normally available for review at the purchasing office and is accessible on the Internet at www.dgs.state.va.us/dps under "Manuals."

5. APPLICABLE LAWS AND COURTS

This solicitation and any resulting Contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The Contractor shall comply with all applicable federal, state and local laws, rules and regulations.

6. ANTI-DISCRIMINATION

By submitting their offers, offerors certify to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and §2.2-4311 of the Virginia Public Procurement Act. If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, Services, or disbursements made pursuant to the Contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that Contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (Code of Virginia, § 2.2-4343.1E)

In every Contract over $10,000 the provisions in a. and b. below apply:

a. During the performance of this Contract, the Contractor agrees as follows:

1) The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except there 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.

2) 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.

3) Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for meeting these requirements.

b. The Contractor will include the provisions of 1, above, in every subcontract or purchase order over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

7. ETHICS IN PUBLIC CONTRACTING

By submitting their offers, offerors certify that their offers are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer or subcontractor in connection with their offer, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

8. IMMIGRATION REFORM AND CONTROL ACT OF 1986

By submitting their offers, offerors certify that they do not and will not during the performance of this Contract employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.

9. DEBARMENT STATUS

By submitting their offers, offerors certify that they are not currently debarred by the Commonwealth of Virginia from submitting offers on Contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.

10. ANTITRUST

By entering into a Contract, the Contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said Contract.

11. MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS FOR IFBs AND RFPs

Failure to submit an offer on the official state form provided for that purpose shall be a cause for rejection of the offer. Modification of or additions to any portion of the Request for Proposal may be cause for rejection of the offer; however, the Commonwealth reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a offer as non-responsive. As a precondition to its acceptance, the Commonwealth may, in its sole discretion, request that the offeror withdraw or modify non-responsive portions of an offer which do not affect quality, quantity, price, or delivery. No modification of or addition to the provisions of the Contract shall be effective unless reduced to writing and signed by the parties.

12. CLARIFICATION OF TERMS

If any prospective offeror has questions about the specifications or other solicitation documents, the prospective offeror should contact the buyer no later than April 17th. Any revisions to the solicitation will be made only by addendum issued by the buyer.

13. PAYMENT

a. To Prime Contractor:

1) Invoices for items ordered, delivered and accepted shall be submitted by the Contractor directly to the payment address shown on the purchase order/Contract. All invoices shall show the state Contract number and/or purchase order number; social security number (for individual Contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).

2) Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.

3) All goods or services provided under this Contract or purchase order, 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.

4) The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.

5) **Unreasonable Charges**. Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, Contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges that appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Commonwealth shall promptly notify the Contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A Contractor may not institute legal action unless a settlement cannot be reached within thirty (30) days of notification. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges that are not in dispute (Code of Virginia, § 2.2-4363).

b. To Subcontractors:

1) A Contractor awarded a Contract under this solicitation is hereby obligated:

(a) To pay the subcontractor(s) within seven (7) days of the Contractor's receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the subcontractor(s) under the Contract; or

(b) To notify the agency and the subcontractor(s), in writing, of the Contractor's intention to withhold payment and the reason.

2) The Contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the Contract) on all amounts owed by the Contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier Contractor performing under the primary Contract. A Contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth.

14. QUALIFICATIONS OF OFFERERS

The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the offeror to perform the services/furnish the goods and the offeror shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect offeror's physical facilities prior to award to satisfy questions regarding the offeror's capabilities. The Commonwealth further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such offeror fails to satisfy the Commonwealth that such offeror is properly qualified to carry out the obligations of the Contract and to provide the services and/or furnish the goods contemplated therein.

15. TESTING AND INSPECTION

The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.

16. ASSIGNMENT OF CONTRACT

This Contract shall not be assignable by the Contractor in whole or in part without the written consent of the Commonwealth.

17. MODIFICATIONS

This Contract may be modified in accordance with 2.2-4309 of the Code of Virginia. Such modifications may only be made by the representatives noted below. No modifications to this Contract shall be effective unless it is in writing and signed by the duly authorized representative of both parties. No term or provision hereof shall be deemed waived and no breach excused unless such waiver or consent to breach is in writing.

Any Contract issued on a firm fixed price basis may not be increased more than twenty five percent (25%) or $50,000.00 whichever is greater, without the approval of the Governor of the Commonwealth of Virginia or his authorized designee.

Authorized Representatives:

Commonwealth of Virginia:
Contracts Manager, VITA
Virginia Information Technologies Agency
Richmond Plaza Bldg., Lobby Level
110 South 7th Street
Richmond, VA 23219-3931
contracts@vita.virginia.gov

Contractor:
PC MALL GOV, INC.
ATTN: Alan Bechara
2201 Cooperative Way
Herndon, VA 20171-3099
alanb@pcmallgov.com

18. TAXES

Sales to the Commonwealth of Virginia are normally exempt from State sales tax. State sales and use tax certificates of exemption, Form ST-12, will be issued upon request, and can be obtained online at http://www.tax.state.va.us/. Deliveries against this Contract shall usually be free of Federal excise and transportation taxes. The Commonwealth's excise tax exemption registration number is 54-73-0076K.

19. USE OF BRAND NAMES

Unless otherwise provided in this solicitation, the name of a certain brand, make or manufacturer does not restrict offerors to the specific brand, make or manufacturer named, but conveys the general style, type, character, and quality of the article desired. Any article that the public body, in its sole discretion, determines to be the equal of that specified, considering quality, workmanship, economy of operation, and suitability for the purpose intended, shall be accepted. The offeror is responsible to clearly specify and identify the product being offered and to provide sufficient descriptive literature, catalog cuts and technical detail to enable the Commonwealth to determine if the product offered meets the requirements of the solicitation. This is required even if offering the exact brand, make or manufacturer specified.

20. TRANSPORTATION AND PACKAGING

By submitting their offer, all offerors certify and warrant that the price offered for F.O.B. destination includes only the actual freight rate costs at the lowest and best rate and is based upon the actual weight of the goods to be shipped. Except as otherwise specified herein, standard commercial packaging, packing and shipping containers shall be used. All shipping containers shall be legibly marked or labeled on the outside with purchase order number, commodity description, and quantity.

21. INSURANCE

By signing and submitting a proposal under this solicitation, the offeror or offeror 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 §§ 2.2-4332 and 65.2-800 et seq. of the Code of Virginia. The offeror or offeror 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:

a. Worker's Compensation - Statutory requirements and benefits.

b. Employers Liability - $100,000.

c. 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.

22. ANNOUNCEMENT OF AWARD

Upon the award or the announcement of the decision to award a contract as a result of this solicitation, the VITA Office of Acquisition Services ("OAS") will publicly post such notice on its website at http://www.oas.virginia.gov/ for a minimum of ten (10) days. Additionally, a public posting of the award will be available on the Commonwealth's eVA webpage at http://awards.dgs.state.va.us/Award-View.asp.

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

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific Contract awarded to a Contractor, the employees of whom 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.

24. NONDISCRIMINATION OF CONTRACTORS

An offeror or Contractor shall not be discriminated against in the solicitation or award of this Contract because of race, religion, color, sex, national origin, age, or disability or against faith-based organizations. If the award of this Contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this Contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a

reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

25. eVA BUSINESS-TO-GOVERNMENT VENDOR REGISTRATION

The eVA Internet electronic procurement solution, web site portal www.eva.state.va.us, streamlines and automates government purchasing activities in the Commonwealth. The portal is the gateway for vendors to conduct business with state agencies and public bodies.

All vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution either through the eVA Basic Vendor Registration Service or eVA Premium Vendor Registration Service, and complete the Ariba Commerce Services Network registration.

Vendors are strongly encouraged to register prior to submitting a bid or offer. Failure to register will result in the bid being found non-responsive and rejected. All vendors must register in both the eVA and the Ariba Commerce Services Network Vendor Registration Systems.

a. eVA Basic Vendor Registration Service: $25 Annual Fee plus a Transaction Fee of 1% per order received. The maximum transaction fee is $500 per order. eVA Basic Vendor Registration Service includes electronic order receipt, vendor catalog posting, on-line registration, and electronic bidding, as they become available.

b. eVA Premium Vendor Registration Service: $200 Annual Fee plus a Transaction Fee of 1% per order received. The maximum transaction fee is $500 per order. eVA Premium Vendor Registration Service includes all benefits of the eVA Basic Vendor Registration Service plus automatic email or fax notification of solicitations and amendments, and ability to research historical procurement data, as they become available.

c. Ariba Commerce Services Network Registration. The Ariba Commerce Services Network (ACSN) registration is required and provides the tool used to transmit information electronically between state agencies and vendors. There is no additional fee for this service.

26. eVA BUSINESS-TO-GOVERNMENT CONTRACTS

The eVA Internet electronic procurement solution, web site portal www.eva.state.va.us, streamlines and automates government purchasing activities in the Commonwealth. The portal is the gateway for vendors to conduct business with state agencies and public bodies.

Failure to comply with the requirements in a. and b. below will be just cause for the Commonwealth to reject your bid/offer or terminate this contract for default.

Vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution and agree to comply with the following:

a. Submit a fully executed American Management Systems, Inc., (AMS) Trading Partner Agreement, a copy of which can be accessed and downloaded from www.eva.state.va.us. AMS is the Commonwealth's service provider to implement and host the eVA e-procurement solution.

b. Provide an electronic catalog (price list) for items awarded under a term contract. The format of this electronic catalog shall conform to the eVA Catalog Interchange Format (CIF) Specification that can be accessed and downloaded from www.eva.state.va.us.

27. BREACH

The Contractor shall be deemed in breach of this Agreement if the Contractor (a) fails to make any Product or Service ready for acceptance testing by the specified delivery date; (b) repeatedly fails to respond to requests for maintenance or other required service within the time limits set forth in this Agreement; (c) fails to comply with any other term of this Agreement and fails to cure such noncompliance within ten days (or such greater period as is acceptable to the Commonwealth) following Contractor's receipt of a Show Cause Notice identifying such noncompliance; or (d) fails to provide a written response to the Commonwealth's Show Cause Notice within ten days after receiving same.

The Contractor shall not be in breach of this Agreement if its default was due to causes beyond the reasonable control of, and occurred without any fault or negligence on the part of, both the Contractor and its subcontractors. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the Commonwealth in either its sovereign or Contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather.

In the event of breach, in addition to any other remedies provided by law, the Commonwealth may cancel its obligations with respect to any or all unaccepted Products or Services. All costs for de-installation and return of Products shall be borne by the Contractor. In no event shall any failure by the Commonwealth to exercise any remedy available to it be construed as a waiver of or consent to any breach.

25. CONTRACTOR COMMITMENTS, WARRANTIES AND REPRESENTATIONS

Any commitment made by the Contractor within the scope of this Contract shall be binding upon Contractor. For the purposes of this Contract, a commitment by the Contractor includes:

a. Prices and options committed to remain in force over a specified period(s) of time;

b. Any written warranty or representation made by the Contractor in this solicitation as to hardware or software performance, or other physical design or functional characteristics of that which is offered.

28. DELIVERY DATE

The Contractor shall deliver the Products, and Software ready for testing, by the delivery date specified in any executed Attachment or Order referencing the Agreement, or within five (5) days After Receipt of the Order (ARO) if no date is specified. If delivery of all Products and Software is not completed within the time specified, the Commonwealth may cancel the Agreement or any individual Order without further obligation. The Commonwealth may postpone any delivery date by notifying the Contractor at least seven (7) days prior to the delivery date. However, the delivery date shall not be postponed more than a total of thirty (30) days.

29. AVAILABILITY OF SOFTWARE

The Contractor represents and warrants that all Products were formally announced for marketing purposes before execution of this Agreement or, in the case of subsequent Orders, before execution of such Orders.

30. PRODUCT CONDITION

All products to be supplied by Contractor shall be new.

31. PATENT/COPYRIGHT 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 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 2.2-510 and Section 2.2-514 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 Software furnished hereunder with any 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 non-infringing 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 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 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 above.

32. NON-APPROPRIATION

All funds for payment of Software or Services ordered under this Contract are subject to the availability of legislative appropriation for this purpose. In the event of non-appropriation of funds by the Legislature for the items under this Contract, the Commonwealth will terminate this Contract for those goods or 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 purchases are to be supported by federal funding, and such funding is not made available, the Commonwealth may terminate this Contract for goods or services dependent on such federal funds without further obligation.

33. PRICE PROTECTION/ADJUSTMENTS

The State will not pay any additional costs above those costs provided for in the Schedule identified herein. In no event may the amount of any Contract, without adequate consideration, be increased for any purpose.

Any price decrease effectuated during the Contract period by reason of market change shall be passed on to the Commonwealth of Virginia. This decrease will be effective ten (10) days after the receipt of the New Manufacturer Pricelist from Microsoft and on all new orders received after this date.

Notwithstanding anything in this Agreement to the contrary, Contractor shall have the right to adjust the Percentage Discount after the initial Contract Term (two years) in the event and to the extent Contractor's cost of procuring any Software, Services or Product

changes, including changes in pricing structure, MSRP or ERP pricing relative to cost, and volume performance incentives. In no instance shall price escalate beyond Contractor's anticipated GSA price. In the event that Contractor's GSA schedule for contract products has not been awarded, Contractor and the Commonwealth of Virginia shall mutually agree upon a reasonable price(s) for specified periods during the remainder of the contract term. If after the commencement of year three the Contractor has been successfully awarded a GSA pricing schedule, then at that point in time it is understood that for future increases of this contract, pricing shall not exceed GSA pricing.

34. TERM

This Agreement shall take effect on the data of its final execution by both parties, and continue for two (2) years, "initial Term". The Commonwealth at its sole discretion may extend this Agreement for three (3) additional one (1) year periods. The Commonwealth will issue a written notification to the Contractor stating the extension period, 30 days prior to the expiration of any current Term.

35. INVENTIONS AND COPYRIGHTS

The Contractor is prohibited from copyrighting any papers, reports, forms or other materials, and from obtaining any patent on any invention or other discovery resulting solely from its performance under the terms and conditions of this Contract.

36. CONTRACTUAL RECORDS

All Contractual books, records and other documents related to matters under this Contract shall be made available by Contractor to the State and its designated agents for a period of three (3) years after final payment for purposes of audit and examination.

Contractual records are hereby further defined as this Contract and all delivery/purchase orders, invoices or correspondence directly relating to this agreement.

37. 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, Software, 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.

38. SUPPLIES

Authorized charges do not include operational supplies (e.g. paper, tape, etc.) unless such supplies are specifically identified in the Schedule. All supplies used by the State shall conform to the Contractor's published specifications provided to State at time of installation. The State reserves the right to acquire such supplies from any Contractor of its choice.

39. TERMINATION FOR CONVENIENCE

The Commonwealth may terminate this Contract in whole or in part, for Convenience at any time by submitting to the Contractor, a writing, sixty (60) days prior to the date of termination. The Commonwealth shall be obligated for all outstanding Orders, as per Contract, subsequent to this termination. The Commonwealth shall not be obligated for any other costs in the event of Termination for Convenience.

40. FAILURE TO DELIVER

In the event the Contractor fails for any reason to deliver in a timely manner or according to Contract terms the items set forth in the Schedule, the Commonwealth, at its own discretion, may give Contractor oral or written notice of such breach. Once notice by State is sent or given, State may immediately procure the items from another source. Once State has effected a purchase from an alternate source (in accordance with the Virginia Public Procurement Act) the parties agree that the State may charge-back Contractor, in which case Contractor agrees to reimburse State for any difference in cost between the original Contract price and the State's cost to cover from the alternate source. In no event shall State be held to pay Contractor any costs incurred by Contractor, including but not limited to ordering, marketing, manufacturing, or delivering the item(s) which are subject of the State's notice of breach. This remedy is in addition to and not in lieu of any other remedy the Commonwealth may have under this agreement and the laws of the Commonwealth of Virginia.

41. CONTRACTUAL DISPUTES

In accordance with Section 2.2-4363 of the Code of Virginia, Contractual claims, whether for money or other relief, shall be submitted in writing to the purchasing agency no later than sixty (60) days after final payment; however, written notice of the Contractor's intention to file such claim must be given to such agency at the time of the occurrence or beginning of the work upon which the claim is based. Pendency of claims shall not delay payment of amounts agreed due in the final payment. The purchasing agency shall render a final decision in writing within thirty (30) days after its receipt of the Contractor's written claim.

The Contractor may not invoke any available administrative procedure under Section 2.2-4365 of the Code of Virginia nor institute legal action prior to receipt of the purchasing agency's decision on the claim, unless that agency fails to render its

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 2.2-4364, Code of Virginia or the administrative procedure authorized by Section 2.2-4365, Code of Virginia.

The Virginia Information Technologies Agency, its officers, agents and employees, including, without limitation, the Contracts Manager, are executing this Agreement and any Orders issued hereunder, solely in its or their statutory and regulatory capacities as agent for the Commonwealth agency purchasing and receiving the goods or services identified in the Appendices to this Agreement or on the subsequent Order in question and need not be joined as a party to any dispute that may arise thereunder.

In the event of any breach by the Commonwealth, Contractor's remedies shall be limited to claims for damages and Prompt Payment Act interest and, if available and warranted, equitable relief, all such claims to be processed pursuant to this Section. In no event shall Contractor's remedies include the right to terminate any license or support services hereunder.

42. CREDITS

Any credits due the State under the terms of this Contract may be applied against Contractor's invoices with appropriate information attached.

43. TITLE (SOFTWARE/FIRMWARE)

The Contractor represents and warrants that it is the sole owner of the Software/firmware product or, if not the owner, has received all proper authorizations from the owner to license the Software/firmware product, and has the full right and power to grant the rights contained in this Contract. Contractor further warrants and represents that the Software/firmware product is of original development, and that the package and its use will not violate or infringe upon any patent, copyright, trade secret or other property right of any other person.

44. TERM OF LICENSE

All licenses granted under this Agreement are purchased on a non-exclusive, irrevocable perpetual license basis and shall commence upon the acceptance of the Software Product by the Commonwealth. Notwithstanding the foregoing, the Commonwealth may terminate the license at anytime. All licenses granted to the Commonwealth are for the use of the Software Product at the Commonwealth's computing facilities at the sites identified in any executed Attachment or Order referencing this Agreement. This license is perpetual and in no event shall Contractor's remedies for any breach of this Agreement include the right to terminate any license or support services hereunder.

45. CONTRACTOR'S WARRANTY POINT-OF-CONTACT

The Contractor shall provide the Commonwealth with designated points-of-contact and make arrangements to enable its Warranty representative to receive such notification or other continuous telephone coverage to permit the Commonwealth to make such contact.

46. SOFTWARE WARRANTY

All Software shall have a thirty (30) day return to vendor/manufacturer warranty. For any Product that does not meet any published specification from the vendor/manufacturer, the Authorized User may return the Product for a full refund during this thirty (30) day period. The thirty (30) day period commences upon a successful acknowledged delivery and continues unabated for thirty (30) consecutive days.

47. WARRANTY AGAINST SHUTDOWN DEVICES

Contractor warrants that the Products provided under this Agreement shall not contain any lock, counter, CPU reference, virus, worm or other device capable of halting operations or erasing or altering data programs. Contractor further warrants that neither the Contractor, nor its agents, employees nor subcontractors shall insert any such device after execution of this Agreement.

48. PERIODIC PROGRESS REPORTS/INVOICES

For Contracts requiring the submission of periodic Contract performance progress reports or program status reports, the offeror will include a section on involvement of small businesses and business owned by women and minorities. This section will specify the actual dollars Contracted to-date with such businesses, actual dollars expended to-date with such businesses and the total dollars planned to be contracted for with such businesses on this Contract. This information shall be provided separately for small businesses, minority-owned businesses and women-owned businesses.

If the Contract does not require the submission of periodic progress reports, the offeror will provide the above required information on actual involvement of small businesses and businesses owned by minorities and women as part of their periodic invoices.

49. FINAL ACTUAL INVOLVEMENT REPORT

The Contractor will submit, prior to completion or at completion of the Contract and subject to final payment, a report on the actual dollars spent with small businesses and businesses owned by women and minorities during the performance of the Contract. At a minimum, this report shall include for each firm Contracted with and for each business class (i.e. small, minority-owned, women-owned) the total actual dollars spent on this Contract, the planned involvement of the firm and business class as specified in the proposal, and the actual percent of the total estimated Contract value.

50. BUY OUTS – THIRD PARTY ACQUISITION OF CONTRACTOR'S SOFTWARE

Contractor shall promptly notify the VITA Contracts Manager in the event that the intellectual property in or business associated with any Product or Service covered by this Agreement is acquired from the Contractor by a third party or in the event the Contractor or substantially all of its assets is acquired by a third party.

The terms and conditions of this Agreement including but not limited to the license rights and related services shall not be affected in such event identified above even if the successor or assignee already has an agreement with the Commonwealth covering products and services of the type covered by this Agreement. The Contractor's responsibilities under this Agreement shall not be released by such acquisition. In addition, prior to any acquisition, Contractor shall obtain for the Commonwealth's benefit the assignee's agreement to fully perform this Agreement.

The successor or assignee, by taking any benefit, including acceptance of payment, under this Agreement ratifies this Agreement.

The failure of any successor or assignee of the Contractor to acknowledge its obligation to adhere to the terms and conditions of this Agreement shall constitute a breach of this Agreement for which the successor or assignee and the original Contractor shall be liable and subject to debarment.

51. ORDERS

Authorized Users of this Contract may order Products and Software from this Contract by one of the following Order methods:

a. Purchase Order: An official Purchase Order form issued by an Authorized User.

b. Delivery Order (DO): A DO issued by the Office of Acquisition Services, VITA.

c. EVA: eVA is the Commonwealth's total e-procurement solution. Contractor shall accept any and all orders issued through eVA.

d. Charge/Credit Card:

   i. Any order/payment transaction processed through the Commonwealth's contract with American Express (AMEX). Each order must not exceed $5,000, or the then current charge card limit. Payment will made by AMEX to Contractor within three (3) business days.

   ii. Any other order/payment charge or credit card process, such as AMEX, MASTERCARD, or VISA under contract for use by an Authorized User.

This ordering authority is limited to issuing orders for the Products/Software available under this Agreement. Under no circumstances shall any Authorized User of the Commonwealth have the authority to modify this Agreement.

Contractor acknowledges that the forgoing is not limited to preclude the Commonwealth from issuing Orders against subject Contract as it so chooses.

52. INVOICING

The Contractor shall remit each invoice to the ordering entity, or Authorized User. The Contractor shall issue invoices, identifying at a minimum, the components listed below.

a. manufacturer's product number
b. product description
c. price per unit
d. quantities of merchandise
e. extended price
f. date ordered
g. date delivered
h. listing of returns

53. COMMONWEALTH'S RIGHTS TO COMPUTER SOFTWARE

Notwithstanding anything to the contrary in this Agreement, the Commonwealth shall have:

a. Unlimited use of the Software Products on the machines for which it is acquired and on any replacement equipment;
b. Use of such Software Products with a backup system if the system(s) for which it was acquired is for any reason, inoperative or during an emergency, or the performance of engineering changes in features or model;
c. The right to use such Software Products at any Commonwealth installation to which the machine(s) may be transferred by the Commonwealth;
d. The right to copy such Software for safekeeping or backup purposes;
e. The right to modify such Software Product or combine it with other programs or material at the Commonwealth's risk; and
f. The Commonwealth shall have the right to reproduce any and all physical documentation supplied under the terms of this Agreement, provided, however, that such reproduction shall be for the sole use of the Commonwealth and shall be subject to the same restrictions or use and disclosure as are contained elsewhere in this Agreement.

Nothing contained herein shall be construed to restrict or limit the Commonwealth's rights to use any technical data which the Commonwealth may already possess or acquire under proper authorization from other sources.

54. CONFIDENTIALITY

Commonwealth agrees that when the Software Product is proprietary to Contractor and has been developed or acquired at Contractor's expense, that it shall hold and use the Software Product in the same manner as it would deal with its own confidential information. Commonwealth shall not knowingly divulge, nor knowingly permit any of its employees, agents, or representatives to divulge, any proprietary information with respect to the Software Product, the technology embodied therein, or any other documentation, models, descriptions, forms, instructions or other proprietary information relating thereto, except as specifically authorized by Contractor, in writing, or as may be required by the laws of the Commonwealth of Virginia.

Commonwealth shall take all reasonable steps necessary or appropriate to insure compliance with this Section by the Commonwealth's employees, agents and representatives, including copying reproducible legends and markings on all physical components of the Software Product.

The Commonwealth's obligation under this Section shall terminate three years after the Commonwealth ceases using the Software Product containing the proprietary information.

55. COMPLIANCE WITH FEDERAL LOBBYING ACT

a. Contractor shall not, in connection with this Agreement, engage in any activity prohibited by 31 U.S.C.A. Section 1352 (entitled "Limitation on use of appropriated funds to influence certain Federal Contracting and financial transactions") or by the regulations issued from time to time thereunder (together, the "Lobbying Act"), and shall promptly perform all obligations mandated by the Lobbying Act in connection with this Agreement, including, without limitation, obtaining and delivering to the Commonwealth all necessary certifications and disclosures.

b. Contractor is hereby advised that a significant percentage of the funds used to pay Contractor's invoices under this Agreement may be federal funds. Under no circumstances shall any provision of this Agreement be construed as requiring or requesting the Contractor to influence or attempt to influence any person identified in 31 U.S.C.A. Section 1352 (a) (1) in any matter.

c. A representative of Contractor shall sign the certification attached as Attachment "B" and deliver such certification to the Commonwealth simultaneously with the execution and delivery of this Agreement. Contractor shall have the certification signed by a representative with knowledge of the facts and shall fulfill the promises of undertakings set forth in the certification.

56. EXCLUSIVITY OF TERMS AND CONDITIONS

The Virginia Information Technologies Agency (VITA) will not sign or execute any additional contract, license or other agreement, including shrink-wrap Software, containing contractual terms and conditions as a result of this procurement. Any documents signed by persons other than the Contracts Manager, VITA, shall have no validity and the attached Terms and Conditions shall supersede all such agreements. Vendors should read and understand all of the Terms and Conditions prior to submitting a bid.

Notwithstanding the above, Authorized Users may be required to sign a Microsoft Enterprise or select Agreement to take advantage of the lower pricing and support benefits of these commitments.

For any instances whereby there is a conflict between this Master Agreement and the Microsoft Enterprise or Select Agreement, this Master Agreement shall control.

57. CONTRACTOR'S REPORT OF SALES

Contractor must agree to provide reporting on a monthly basis that breaks out the spend amounts by agency, Institution of Higher Education, Municipality and other Public Body, as well as the departmental and/or divisional levels that is buying. Reports are to be provided on the 15th of each month, reporting transactions that took place in the immediately prior month. At any time thereafter, as appropriate, additional reports may be agreed upon. Generally, the Commonwealth wants to capture the following types of information, at a minimum: All reports shall be forwarded electronically via Email using a Microsoft Excel Spreadsheet format to the Commonwealth.

a. Spend by Agency, Institution, Public Body, etc. at a detailed (line item) and summary level, as well as at the Commonwealth level;
b. For each High Spend List item, list price and actual price charged (which should be the same as the offer price);
c. For each Discount Schedule Full-Line Catalog item, list price, the discount applied, the actual price charged, for each item;
d. A column where you indicate whether the line item was a High Spend List or Discount Schedule Full Line Catalog item;
e. Fill rates on High Spend List and Discount Schedule Full Line Catalog items;
f. Invoice Payment speed in days by agency, Institution, Public Body, etc. for calculation of early payment discounts;
g. An indication whether an item was ordered through eVA;
h. Other information that is necessary to the state for the proper monitoring and tracking of spending and any rebates due

Electronic copies of reports shall be provided to the Commonwealth no later than 15 days following the end of each month. Late delivery or non-delivery of required reports

may result in cancellation of the award and in preclusion from bidding on any future requirements.

You will be provided an electronic version of the Microsoft Excel Spreadsheet and a listing of the proper name and spelling of each agency and Institution and Public Body that you will agree to use in your reporting.

58. SURCHARGE ADJUSTMENT

The Contractor must pay the Department of General Services (DGS), a Surcharge Adjustment (SCA) fee under this contract. The Contractor must remit the SCA within 30 days after the end of each quarterly reporting period as established in the clause entitled "Contractor's Report of Sales". The SCA equals two percent (2%) of the total quarterly sales reported. Contractor shall remit the SCA together with a copy of the Contractor's Report of Sales as delineated in the paragraph herein entitled "Contractor's Report of Sales". The SCA reimburses the Commonwealth and defrays the costs for Spend Management procurements and the administration of the subsequent awards. The SCA 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. DGS 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 DGS that validates agreement, then the payment shall be made by check as described herein made payable to the Department of General Services.

If the full amount of the SCA 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 SCA 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 SCA constitutes sufficient cause for terminating this Contract for default.

It is the intent of the Commonwealth to capture 2% of all sales, including but not limited to temporary reduced pricing, fire sales, one time sales, trade ins, and promotional items that have been marked down under this Contract.

59. NON-VISUAL ACCESS TO TECHNOLOGY

All information technology which, pursuant to this Agreement, is purchased or upgraded by or for the use of any State agency or institution or political subdivision of the Commonwealth (the "Technology") shall comply with the following non-visual access standards from the date of purchase or upgrade until the expiration of this Agreement:

(i) Effective, interactive control and use of the Technology shall be readily achievable by non-visual means;

(ii) The Technology equipped for non-visual access shall be compatible with information technology used by other individuals with whom any blind or visually impaired user of the Technology interacts;

(iii) Non-visual access technology shall be integrated into any networks used to share communications among employees, program participants or the public; and

(iv) The technology for non-visual access shall have the capability of providing equivalent access by non-visual means to telecommunications or other interconnected network services used by persons who are not blind or visually impaired.

Compliance with the foregoing non-visual access standards shall not be required if the head of the using agency, institution or political subdivision determines that (i) the Technology is not available with non-visual access because the essential elements of the Technology are visual and (ii) non-visual equivalence is not available.

Installation of hardware, Software, or peripheral devices used for non-visual access is not required when the Technology is being used exclusively by individuals who are not blind or visually impaired, but applications programs and underlying operating systems (including the format of the data) used for the manipulation and presentation of information shall permit the installation and effective use of non-visual access Software and peripheral devices.

If requested, the Contractor must provide a detailed explanation of how compliance with the foregoing non-visual access standards is achieved and a validation of concept demonstration.

The requirements of this Paragraph shall be construed to achieve full compliance with the Information Technology Access Act, 2.2-3500 through 2.2-3504 of the Code of Virginia.

PERSONS SIGNING THIS CONTRACT ARE AUTHORIZED REPRESENTATIVES OF EACH PARTY TO THIS CONTRACT AND ACKNOWLEDGE THAT EACH PARTY AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE CONTRACT.

PC MALL GOV, INC.	**COMMONWEALTH OF VIRGINIA**
BY: Sharon O Ennis	BY:
NAME: Sharon O. Ennis	NAME: Robert E. Gleason
TITLE: Director, Business Dev.	TITLE: Technology Contracts Mgr
DATE: 7/29/03	DATE: July 30, 2003

(ii) The Technology equipped for non-visual access shall be compatible with information technology used by other individuals with whom any blind or visually impaired user of the Technology interacts;

(iii) Non-visual access technology shall be integrated into any networks used to share communications among employees, program participants or the public; and

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PC MALL GOV, INC.	**COMMONWEALTH OF VIRGINIA**
BY: Sharon O. Ennis	BY: _____
NAME: Sharon O. Ennis	NAME: Robert E. Gleason
TITLE: Director, Business Dev.	TITLE: Technology Contracts Mgr
DATE: 7/29/03	DATE: _____

ATTACHMENT "A"
TO
CONTRACT VA-030700-PCMG

Attachment "A" is hereby incorporated into and made an integral part of Agreement Number VA-030700-PCMG between PC MALL GOV, INC. and the Commonwealth of Virginia.

In the event of any discrepancy between this Attachment "A" and Contract VA-030700-PCMG, the provisions of Contract VA-030700-PCMG shall control.

1. **PRICING**

FOB price for all Microsoft Worldwide Fulfillment Media and Documentation products is offered to the Commonwealth at a Percentage Discount of 18% from the published Manufacturer's Suggested Retail Price (MSRP) List Price. All orders for Software and Services will be placed directly with the Contractor by Authorized Users. Software products supplied by Contractor shall be new and have a thirty (30) day return to vendor/manufacturer warranty. For any Product that does not meet any published specification from the vendor/manufacturer, an Authorized User may return the Product for a full refund during this thirty (30) day period. The thirty (30) day period commences upon a successful acknowledged delivery and continues unabated for thirty (30) consecutive days. All other features, performance specifications and characteristics, warranty, maintenance and support requirements shall be in accordance with Contract VA-030700-PCMG.

a. **Microsoft Select Agreement** - Discount percentage (%) off of the Estimated Retail Price (ERP) as of Purchase Date:

   1) Microsoft Select Agreement *v5.1*, for all Applications, Systems, and Server Products Levels A-D:

Category	Discount
Government	20.4%
Academic	20.5%

   2) Microsoft Select Agreement *v6.0*, for all Applications, Systems, and Server Products Levels A-D:

Category	Discount
Government	20.4%
Academic	20.5%

b. **Microsoft Items *Not* on Select Agreement** - Discount percentage (%) off of the Estimated Retail Price (ERP) as of Purchase Date:

1) Microsoft Open Agreement (**Government** *and* **Academic**) for all Applications, Systems, and Server Products	14.0%
2) Microsoft Packaged Software (**Government** *and* **Academic**) for all Applications, Systems, and Server Products	10.0%

2. SHIP TO / BILL TO ADDRESSES

Shipping and billing addresses will be included on the individual Orders of Authorized Users referencing this Contract.

3. DELIVERY SCHEDULE

All shipments shall be FOB destination. Shipping charges shall be included in product pricing. No additional charges are allowed. The delivery schedule shall be specified in any executed Attachment or Order referencing the Agreement, or within five (5) days After Receipt of the Order (ARO) if no date is specified. If delivery of all Products and Software is not completed within the time specified, the Commonwealth may cancel the Agreement or any individual Order without further obligation.

4. VITA POINTS OF CONTACT

Contract Administration/Compliance
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5. CONTRACTOR POINTS OF CONTACT

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Email: jeffm@pcmallgov.com
Web: http://www.pcmallgov.com

Sales Representatives, Education
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Sales Representative, State/Local
Desi Munzon
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Ph: (310) 354-5600 x4567
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Email: desim@pcmall.com
Web: http://www.pcmallgov.com

ATTACHMENT "B"
TO
CONTRACT VA-030700-PCMG

CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

a. No Federal appropriated funds have been paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee or an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement.

b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

c. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and Contracts under grants, loans and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Signature: Sharon O. Ennis

Printed Name: Sharon O. Ennis

Organization: PC Mall Gov, Inc.

Date: 7/29/03