



STATE OF CALIFORNIA
Department of General Services - Office of Procurement

PURCHASE ORDER

Purchase Order No.	Rev.	Date
62069		6/30/2008

Form GSOP 1-PIN (04/98)

Supplier No.	Solicitation No.	Delivery Date	FOB Point	Invoice Terms
666781	56886	As Specified	Destination	N45
<i>S h i o p</i> DEPT OF TECHNOLOGY SERV. 10173 CROYDON WAY, STE 5 SACRAMENTO, CA 95827		<i>C h a r o e</i> TECHNOLOGY SERVICES C-36 ACCOUNTING OFFICE PO BOX 168025 SACRAMENTO CA 95816		
Agency Billing	Agency Purchase Estimate	Purchase Estimate	Revision	
33000	2288	67252	4	
Agency Contact		Phone	Date Received	
TRICIA RODRIGUEZ-MORITA		916-454-8189		

DIRECT SYSTEMS SUPPORT
9020 KENAMAR DRIVE
SUITE 201
SAN DIEGO, CA 92121
Attn: ROBERT HEDGE

Phone: 818-878-1800

Item No.	Quantity	Unit	Commodity Code	Description	Unit Price	Extension
<p><u>TERMS AND CONDITIONS</u></p> <p>The terms and conditions of the GS \$Mart AlphaPlan, Version 4.0, dated June 1, 2006, found in the State Financial Marketplace, and the attached payment schedule, scheduled provisions and notes, are hereby incorporated into this agreement by reference. The State designates IBM as its Lender for this Contract. The Lender will pay the Supplier for assets/services on behalf of the State. The Lender's rate quote dated June 24, 2008 is hereby incorporated in this contract. The Lender is entitled to all payments owed pursuant to the Payment Schedule in consideration for the Lender's payment of the cost of the Assets to the Supplier.</p> <p>THE ATTACHED DOCUMENTS ARE PART OF THIS AGREEMENT:</p> <ol style="list-style-type: none"> Amortization Schedule Statement of Work Consisting of Five (5) Pages <p>THE FOLLOWING DOCUMENTS ARE INCORPORATED INTO THIS AGREEMENT AND MAY BE VIEWED AT THE WEBSITE LISTED:</p> <p>IT General Provisions, GSPD-401 Revised and Effective 6-21-2006 http://www.pd.dgs.ca.gov/modellang/GeneralProvisions.htm</p> <p>IT Purchase Special Provisions Effective 01/21/03 http://www.pd.dgs.ca.gov/modellang/purchasespecial012103.htm</p> <p>IT Maintenance Special Provisions Effective 01/21/03 http://www.pd.dgs.ca.gov/modellang/Maintenance+Special+Provisions.htm</p> <p>Information Technology Software License Special Provisions (Effective 01/21/2003) http://www.pd.dgs.ca.gov/modellang/ITModules.htm</p> <p>IT Personal Services Special Provisions Effective 02/08/07 http://www.pd.dgs.ca.gov/modellang/Personal+Services+Special+Provisions+01-21-03.htm</p>						
1	1	EA	9091-250-0072-3	HARDWARE AND SOFTWARE SUPPORT (AS DESCRIBED) VIRTUAL TAPE SYSTEM (SEE ATTACHED IBM PROPOSAL)	2,563,260.7800	2,563,260.78

Sales and/or use tax to be extra unless noted above

Buyer <i>D Mercado</i> DIANA MERCADO	Phone 916-375-4430	BOC Number
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John Albert

STATE OF CALIFORNIA

Department of General Services - Office of Procurement

PURCHASE ORDER CONTINUATION

Form GSOP 2-PIN (04/98)

<i>Purchase Order No.</i> 62069	<i>Revision</i>	<i>Date</i> 6/30/2008	<i>Supplier No.</i> 666781	<i>Supplier Name</i> DIRECT SYSTEMS SUPPORT
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<i>Item No.</i>	<i>Quantity</i>	<i>Unit</i>	<i>Commodity Code</i>	<i>Description</i>	<i>Unit Price</i>	<i>Extension</i>
2	1	EA	9838-000-0003-4	MISCELLANEOUS SERVICE (AS DESCRIBED) TECHNICAL SERVICES	26,500.0000	26,500.00
3	1	EA	9838-000-0003-4	MISCELLANEOUS SERVICE (AS DESCRIBED) COPY SERVICES (OPTIONAL)	347,340.0000	347,340.00
4	1	EA	3610-999-0047-4	FINANCE CHARGE (AS DESCRIBED)	192,067.0300	192,067.03
Total Value:						3,129,167.81

FOB DESTINATION:

For the purpose of this award, only FOB Destination will be accepted.

CHANGE ORDERS:

This Purchase Order may be amended, modified, or terminated at any time by mutual agreement of the parties in writing. Change orders amending, modifying or terminating the Purchase Order, including any modifications of the compensation payable, may be issued only by the State Procurement Officer. All such change orders shall be in writing and issued only upon written concurrence of the supplier. Termination, as that term is used in this section, does not include termination for default of the supplier.

STATE CONTRACTS AND PROCUREMENT REGISTRATION:

This Purchase Order has been registered into the State Contracts and Procurement Registration System (<https://www.scprs.dgs.ca.gov>). The Registration Number is: 19550608318251

IBM Corporation
Payment Schedule

Lender Contact: Mary Rossell, IBM Credit LLC, 916-265-6346
 Lender Address: 2710 Gateway Oaks Drive, Suite 200, Sacramento, CA 95833
 Customer Name: State of California
 Q0296198401
 Q0296198301
 Reference Number: Q0296198201
 Date: 6/24/2008

Mach/Model Storage/Services/Tax
 Term 48
 Acceptance Month June 2008
 Monthly Rate 3.04%

Net Purchase Price: \$3,164,726.09
 Payment Frequency: Monthly
 Option: IG/T/S'
 Interest Commencement Date: 7/1/2008

This payment schedule combines each line item financed onto one schedule. For liquidation and actual rates by line item, use individual schedules instead. Details available upon request.

Payment No.	Payment Date	Payment Amount	Interest	Principal	Balance
Loan	6/30/2008				3,164,726.09
FY 2007/2008					
1	7/1/2008	\$69,933.19	\$0.00	\$0.00	\$3,094,792.90
2	8/1/2008	\$69,933.19	\$7,850.35	\$62,082.84	\$3,032,710.06
3	9/1/2008	\$69,933.19	\$7,692.87	\$62,240.32	\$2,970,469.74
4	10/1/2008	\$69,933.19	\$7,534.99	\$62,398.20	\$2,908,071.54
5	11/1/2008	\$69,933.19	\$7,376.71	\$62,556.48	\$2,845,515.06
6	12/1/2008	\$69,933.19	\$7,218.03	\$62,715.16	\$2,782,799.90
7	1/1/2009	\$69,933.19	\$7,058.94	\$62,874.25	\$2,719,925.65
8	2/1/2009	\$69,933.19	\$6,899.45	\$63,033.74	\$2,656,891.91
9	3/1/2009	\$69,933.19	\$6,739.56	\$63,193.63	\$2,593,698.28
10	4/1/2009	\$69,933.19	\$6,579.26	\$63,353.93	\$2,530,344.35
11	5/1/2009	\$69,933.19	\$6,418.55	\$63,514.64	\$2,466,829.71
12	6/1/2009	\$69,933.19	\$6,257.44	\$63,675.75	\$2,403,153.96
FY 2008/2009		\$839,198.28	\$77,626.15	\$691,638.94	
13	7/1/2009	\$69,933.19	\$6,095.92	\$63,837.27	\$2,339,316.69
14	8/1/2009	\$69,933.19	\$5,933.99	\$63,999.20	\$2,275,317.49
15	9/1/2009	\$69,933.19	\$5,771.64	\$64,161.55	\$2,211,155.94
16	10/1/2009	\$69,933.19	\$5,608.89	\$64,324.30	\$2,146,831.64
17	11/1/2009	\$69,933.19	\$5,445.72	\$64,487.47	\$2,082,344.18
18	12/1/2009	\$69,933.19	\$5,282.14	\$64,651.05	\$2,017,693.13
19	1/1/2010	\$69,933.19	\$5,118.15	\$64,815.04	\$1,952,878.08
20	2/1/2010	\$69,933.19	\$4,953.73	\$64,979.46	\$1,887,898.63
21	3/1/2010	\$69,933.19	\$4,788.91	\$65,144.28	\$1,822,754.34
22	4/1/2010	\$69,933.19	\$4,623.66	\$65,309.53	\$1,757,444.81
23	5/1/2010	\$69,933.19	\$4,457.99	\$65,475.20	\$1,691,969.61
24	6/1/2010	\$69,933.19	\$4,291.91	\$65,641.28	\$1,626,328.33
FY 2009/2010		\$839,198.28	\$62,372.65	\$776,825.63	
25	7/1/2010	\$69,933.19	\$4,125.40	\$65,807.79	\$1,560,520.54
26	8/1/2010	\$69,933.19	\$3,958.47	\$65,974.72	\$1,494,545.81
27	9/1/2010	\$69,933.19	\$3,791.11	\$66,142.08	\$1,428,403.74
28	10/1/2010	\$69,933.19	\$3,623.34	\$66,309.85	\$1,362,093.88
29	11/1/2010	\$69,933.19	\$3,455.13	\$66,478.06	\$1,295,615.82
30	12/1/2010	\$69,933.19	\$3,286.50	\$66,646.69	\$1,228,969.14
31	1/1/2011	\$69,933.19	\$3,117.44	\$66,815.75	\$1,162,153.39
32	2/1/2011	\$69,933.19	\$2,947.96	\$66,985.23	\$1,095,168.15
33	3/1/2011	\$69,933.19	\$2,778.04	\$67,155.15	\$1,028,013.00
34	4/1/2011	\$69,933.19	\$2,607.69	\$67,325.50	\$960,687.51
35	5/1/2011	\$69,933.19	\$2,436.91	\$67,496.28	\$893,191.23
36	6/1/2011	\$69,933.19	\$2,265.70	\$67,667.49	\$825,523.73
FY 2010/2011		\$839,198.28	\$38,393.69	\$800,804.59	
37	7/1/2011	\$69,933.19	\$2,094.05	\$67,839.14	\$757,684.59
38	8/1/2011	\$69,933.19	\$1,921.97	\$68,011.22	\$689,673.37
39	9/1/2011	\$69,933.19	\$1,749.45	\$68,183.74	\$621,489.63
40	10/1/2011	\$69,933.19	\$1,576.49	\$68,356.70	\$553,132.93
41	11/1/2011	\$69,933.19	\$1,403.09	\$68,530.10	\$484,602.84
42	12/1/2011	\$69,933.19	\$1,229.26	\$68,703.93	\$415,898.91
43	1/1/2012	\$69,933.19	\$1,054.98	\$68,878.21	\$347,020.70
44	2/1/2012	\$69,933.19	\$880.26	\$69,052.93	\$277,967.77
45	3/1/2012	\$69,933.19	\$705.10	\$69,228.09	\$208,739.68
46	4/1/2012	\$69,933.19	\$529.50	\$69,403.69	\$139,335.99
47	5/1/2012	\$69,933.19	\$353.44	\$69,579.75	\$69,756.24
48	6/1/2012	\$69,933.19	\$176.95	\$69,756.24	\$0.00
FY 2011/2012		\$839,198.28	\$13,674.55	\$825,523.73	
Grand Totals		\$ 3,356,793.12	\$ 192,067.03	\$ 3,094,792.90	

DEPARTMENT OF TECHNOLOGY SERVICES

STATEMENT OF WORK

IBM Storage System Upgrade

1. Purpose

The purpose of this Statement of Work (hereafter referred to as the "SOW") is to define the tasks, responsibilities and the service between "Contractor" and the Department of Technology Services (hereafter referred to as the "DTS") applicable for the delivery, installation and warranty/maintenance of various storage subsystems equipment and software to be upgraded as detailed in the attached Purchase Estimate.

2. Installation Date

The planned installation date will begin 30 days after contract award on specified dates agreed to by DTS and Contractor.

3. Commencement of Performance

Contractor shall not be authorized to deliver product or commence performance of service as described in this SOW until written approval has been obtained from DTS. Any delivery or performance of service that is commenced prior to both DTS and the Contractor signing the Agreement shall be considered voluntary on the part of the Contractor.

4. Project Schedule

Contractor shall submit for DTS' approval within five (5) business days from the start of this Agreement, and prior to the Contractor's written Ready for Use notification is sent to DTS, a Project Schedule for both Contractor and DTS responsibilities with key action dates outlining the important actions, dates, and time (if applicable) by which the listed action(s) must be started and completed. Included in the Project Schedule will be the necessary actions to revert DTS' production processing to another mainframe system in the event that such a need should arise. If DTS finds it necessary to change any of the dates, it will do so in writing within five (5) business days from the receipt of the Project Schedule. Upon DTS' written approval of these dates to Contractor, this schedule will become the basis for DTS' more detailed implementation plan that will be used to complete the upgrade of the storage subsystems.

5. Responsibilities of DTS

- a. DTS will ensure that any access codes Contractor provides to DTS are used only by those who are authorized to do so.
- b. DTS will provide Contractor with information, which is related to the provision of these Services, and notify the Contractor of any changes.
- c. DTS will allow Contractor and entities within its Enterprise to store and use DTS contact information, including names, phone numbers, and e-mail addresses, solely for the purposes of business processing for this contract.
- d. DTS will use any electronic diagnostic and service delivery facilities the Contractor provides to DTS only in support of Eligible Machines listed in paragraph 1 above.
- e. DTS will use the information obtained under these services only for the support of the information processing requirements within its' Enterprise.
- f. Due to the high cost of certain parts, DTS will provide secure storage space for all parts stored at the department for the specific purpose of this Contract only.
- g. DTS will provide Contractor service technicians access to the secure storage space for storage and access to the parts.

6. Responsibilities of Contractor

- a. Contractor shall furnish maintenance services and parts at no charge for 3 years beginning on the first day of successful installation and certification of acceptance.
- b. The Principal period of maintenance (PPM) continuously throughout the term of this Agreement and any extension hereto for all equipment listed in the proposal will be 24 hours a day, 7 days a week, including all holidays.
- c. When DTS places a service call, a service personnel assigned to the service call must contact DTS within one hour to acknowledge receipt of the service call. If no response is received within one hour, DTS will escalate to Contractor's Duty Manager.
- d. Contractor's service personnel or backup must arrive onsite within two hours after notification in C. above by DTS that remedial maintenance is required.

- e. The Customer Engineers (CE) assigned to this Agreement must have the experience, knowledge, and training to repair all of the hardware listed in this Agreement.
- f. When a CE responds to a remedial maintenance call and the machine malfunction has not been diagnosed and repair begun within two (2) hours from the time of arrival, Contractor will utilize 2nd Level Technical Support. In the event that (2) additional hours elapse from the time of response of the 2nd Level Technical Support (which may not be local) and the machines malfunction has not been diagnosed and repair begun, Contractor will utilize 3rd Level Technical Support. In any event, Contractor will assign one or more levels of support for analysis and repair until the machine has been returned to good operating condition.
- g. 2nd Level Technical Support – A machine(s) specialist with unique training and/or experience who specializes in providing diagnostic assistance and/or repair expertise when a service call is particularly difficult.
- h. 3rd Level Technical Support – A machine(s) specialist whose geographic responsibilities normally include multiple Field Engineering Branch Offices and who has received in-depth specialized training and experience and possesses extensive diagnostic ability specifically designed to assist on unusually complex problems.

7. Replacement Parts Availability

Contractor shall provide replacement parts for the term of this agreement and any extension hereto. If replacement parts are not available after the expiration of this agreement, Contractor, when requested by DTS, will assist DTS to arrange for its own support by providing DTS with whatever documentation is available to Contractor, subject to the conditions and charges, if any, associated with such documentation.

8. Services Program License

- a. The following terms apply to each Program the Contractor provides with a Service that is not otherwise accompanied by a license agreement.
 - 1. The Contractor grants DTS a nonexclusive license to use the Program on the Machines listed in paragraph 1. above designated to assist the Contractor in problem determination or other system support in conjunction with these services.

2. DTS may not:
 - a) modify the Program's machine readable instructions or data or merge them into another Program
 - b) reverse assemble, reverse compile, or otherwise translate the Program,
 - c) sublicense, assign, or transfer the license for the Program, or
 - d) distribute the Program to any third party.
- b. The license terminates when:
 1. The Configuration Services terminates, is withdrawn or expires and is not renewed,
 2. The Program is no longer needed to perform the Services, or
 3. The Eligible Machine, which the Contractor designated for the Program is removed from productive use within DTS' Enterprise.
- c. Upon termination of this Agreement, DTS agrees to destroy the Program and any backup copy that were provided or made.

11. Satisfaction Guarantee

If, for any reason, DTS is not completely satisfied with a Service Contractor provides to DTS under this SOW, DTS shall notify Contractor in writing within one month of the time DTS first becomes dissatisfied. Contractor will try to resolve the problem to DTS' satisfaction. If Contractor is unable to do so, DTS will receive a credit equal to the prorated charge for the Service for the period of time DTS was dissatisfied.

12. Control and Supervision

The personnel provided by Contractor to accomplish the work specified in this Agreement shall be under the control, management and supervision of the Contractor.

13. Notices

All notices required by or relating to this Agreement shall be in writing and shall be sent to the parties of this Agreement at their address set below unless changed from time to time, in which event each party shall notify the other in writing, and all such notices shall be deemed duly given if deposited, postage prepaid, in the United States mail and directed to the following addresses:

The technical representatives during the term of this will be:

State: Department of Technology Services	Contractor: Direct Systems Support
Name: Molly Carter	Name: Tim Hale
Phone: (916) 454-4149	Phone: (858) 547-8300
Email: molly.carter@dts.ca.gov	Email: thale@abf-dss.com

Contract inquiries should be addressed to:

State: Department of Technology Services	Contractor: Direct Systems Support
Unit: Procurement & Contracting Unit	Unit: Sales
Attention: Tricia Rodriguez-Morita	Attention: Tim Hale
Address: 1615 Alhambra Boulevard Sacramento, CA 95816	Address: 9020 Kenamar Drive #201 San Diego, CA 92121
Phone: (916) 454-8189	Phone : (858) 547-8300
Email: tricia.rodriguez@dts.ca.gov	Email: thale@abf-dss.com
Fax: (916) 739-7856	Fax : (858) 597-8301

14. Payment Provisions

- a. For services satisfactorily rendered, and upon receipt and approval of the invoices, DTS agrees to compensate Contractor in accordance with the rates specified herein, which is attached hereto and made a part of this agreement.
- b. Invoices must reference the contract number and be submitted in triplicate to:

Department of Technology Services
Financial Management Branch - Accounting Office
P.O. Box 1810
Rancho Cordova, CA 95741-1810