

PURCHASING AND LICENSING COMMITTEE

11-0450R

RESOLUTION AUTHORIZING AGREEMENTS WITH MICROSOFT LICENSING GP AND SHI FOR THE USE OF SPECIFIED MICROSOFT SOFTWARE PRODUCTS FOR UP TO 6 YEARS IN THE AMOUNT OF \$1,207,598.70.

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to execute a Program signature form, on file in the office of the city clerk as public document no. _____, agreeing to the terms and conditions of the documents listed below, to execute the Microsoft Enterprise Agreement Amendment, a copy of which is on file in the office of the city clerk as Public Document No. _____ and to be bound by the Enterprise Enrollment State and Local Supplemental Enterprise Agreement Terms and Conditions, a copy of which is on file in the office of the city clerk as Public Document No. _____ and by the Microsoft Licensing Product Use Rights document dated March, 2011 and the Microsoft Product List dated June 1, 2011, all with Microsoft Licensing GP ("Microsoft") providing for the use by the city of various software products, to execute the "Electronic Document Submission Authorization, a copy of which is on file in the office of the city clerk as Public Document No. _____, from Software House International ("SHI"), Microsoft's reseller, and to pay to SHI, in accordance with SHI's "Microsoft Enterprise Agreement-Governing Pricing" document, a copy of which is on file in the office of the city clerk as Public Document No. _____, as required by the afore-said documents and in accordance with agreements between Microsoft and SHI, a total amount of not to exceed \$1,207,598.70, of which the first year's payment amount of \$207,184.67 shall be payable from Fund 250-015-2010-5580 CE250-E1004 (Capital Equipment, Administrative Services, Fiscal Year-2010) with the annual payments thereafter for years 2012 through 2016 in the amount of \$200,082.82 per year payable from Fund 110-117-1107-5201 (General, Management Information Services, MIS):

DOCUMENT

PUBLIC DOCUMENT NO.

State of Minnesota Enterprise
Enrollment Volume Licensing
Custom Enrollment State and
Local
Volume Licensing Online Services
Supplemental Terms and
Conditions

Approved:

Approved for presentation to council:



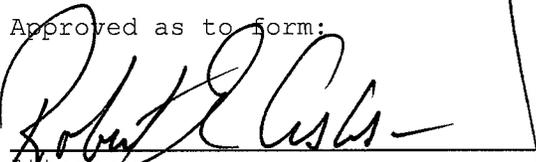
Department Director



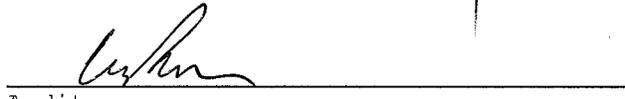
Chief Administrative Officer

Approved as to form:

Approved:



Attorney



Auditor

MIS/ATTY REA:cjk 8/19/2011

STATEMENT OF PURPOSE: The purpose of this resolution is to authorize the City to enter into an Enterprise Agreement with Microsoft in conjunction with its reseller, SHI (Software House International) for the purchase and maintenance of enterprise wide software licensing for all of the City's operations except for those of the Library which will be handled through a different set of agreements.

This project will include the migration of the City's network operating system and email systems from Novell to Microsoft as well as the necessary server licensing. This project will also allow for the standardization on the Microsoft Office Suite of applications for use by all City departments.

By entering into this Enterprise Agreement, the City will realize savings in standardizing on a single software platform, as well as savings in the area of software license management. This standardization is critical to ensure effective and efficient communications amongst the many City departments and will also allow for more seamless integration with the other enterprise level applications in use by the various City departments.

This project was included in the MIS Business Plan for 2010 and 2011. The initial year's payment will come from the Capital Equipment budget. The annual cost of the licensing thereafter in the amount of approximately \$200,000 per year will be paid from operating funds.

Program Signature Form

MBA/MBSA number

Agreement number

SGN-	Proposal ID
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Note: Enter the applicable active numbers associated with the documents below. Microsoft requires the associated active number be indicated here, or listed below as new.

For the purposes of this form, "Customer" can mean the signing entity, Enrolled Affiliate, Government Partner, Institution, or other party entering into a volume licensing program agreement.

This signature form and all contract documents identified in the table below are entered into between the Customer and the Microsoft Affiliate signing, as of the effective date identified below.

Contract Document	Number or Code
<Choose Agreement>	Document Number or Code
<Choose Agreement>	Document Number or Code
<Choose Agreement>	Document Number or Code
<Choose Agreement>	Document Number or Code
<Choose Agreement>	Document Number or Code
Enterprise Enrollment	State of Minnesota Custom Enrollment
<Choose Enrollment/Affiliate Registration Form>	Document Number or Code
<Choose Enrollment/Affiliate Registration Form>	Document Number or Code
<Choose Enrollment/Affiliate Registration Form>	Document Number or Code
Online Services Supp Ts and Cs	X20-02002
Document Description	Document Number or Code
Document Description	Document Number or Code
Document Description	Document Number or Code
Document Description	Document Number or Code

By signing below, Customer and the Microsoft Affiliate agree that both parties (1) have received, read and understand the above contract documents, including any websites or documents incorporated by reference and any amendments and (2) agree to be bound by the terms of all such documents.

Customer	Microsoft Affiliate
Name of Entity (must be legal entity name) * City of Duluth	Microsoft Licensing, GP
Signature * _____	Signature
Printed Name *	Printed Name
Printed Title *	Printed Title
Signature Date *	Signature Date (date Microsoft Affiliate countersigns)

Tax ID	Effective Date (may be different than Microsoft's signature date)
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* indicates required field

Optional 2nd Customer signature or Outsourcer Signature (if applicable)

Customer	Outsourcer
Name of Entity (must be legal entity name) *	Name of Entity (must be legal entity name) *
Signature * _____	Signature * _____
Printed Name *	Printed Name *
Printed Title *	Printed Title *
Signature Date *	Signature Date *

If Customer requires physical media, additional contacts, or is reporting multiple previous Enrollments, include the appropriate form(s) with this signature form. If no media form is included, no physical media will be sent.

After this signature form is signed by the Customer, send it and the Contract Documents to Customer's channel partner or Microsoft account manager, who must submit them to the following address. When the signature form is fully executed by Microsoft, Customer will receive a confirmation copy.

Microsoft Licensing, GP
 Dept. 551, Volume Licensing
 6100 Neil Road, Suite 210
 Reno, Nevada 89511-1137
 USA

Prepared By: Name of Preparer
Email of Preparer

**Microsoft Enterprise Agreement
Amendment**

Publ Doc. No. _____
Referred to _____

Agreement number
Microsoft to complete

Amendment ID

CTX-	MN-003-Iroxberg-45
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ID Number
Microsoft to complete

This amendment is entered into between the Customer and Microsoft Affiliate signing, as of the effective date identified below. All terms used but not defined will have the same meanings as in the Microsoft Enterprise Agreement identified above ("the Agreement"). The following terms and conditions amend the terms and conditions of the Agreement identified above, but only with respect to the Customer identified below and only for purposes of this Agreement.

18. m. **Lack of Appropriation.** Is hereby deleted in its entirety and replaced with the following:

The Continuation of each enrollment under this agreement beyond June 30 of any year is contingent upon continued City Council appropriation of funds for the purposes of this agreement. If these funds are not appropriated, you must submit written notice to us at least 30 days prior to June 30 of that year and the effected enrollments(s) will terminate on the June 30 of that year. Licenses will be determined in accordance with the section of 10c of this agreement, and you shall not be assessed any penalty because of the decision of the City Council not to appropriate funds.

Except for changes made by this amendment, all terms of this Agreement remain unchanged. By signing below, the parties agree to be bound by the terms of this amendment.

<i>Customer</i>	<i>Contracting Microsoft Affiliate</i>
Name of Entity *	
City of Duluth, MN	Microsoft Licensing, GP
Signature *	Signature
Printed Name *	Printed Name
Printed Title *	Printed Title
Signature Date *	Signature Date (date Microsoft affiliate countersigns)
	Effective Date (may be different than our signature date)

* indicates required field

Please sign this amendment and send to Customer's Reseller or Software Advisor. Customer's Reseller or Software Advisor must submit to the following address. When the amendment is fully signed, Customer will receive a confirming copy.

Microsoft Licensing, GP
Dept. 551, Volume Licensing
6100 Neil Road, Suite 210
Reno, Nevada USA 89511-1137

Prepared By: Linda Roxberg, LE

Online Services Supplemental Terms and Conditions

Enrollment number

Must be attached to a signature form to be valid.

If Customer has a Master Agreement v.2009 or earlier and Enrolled Affiliate are ordering Online Services, these Online Services Supplemental Terms and Conditions ("Supplemental Terms") update the terms of the Enterprise Enrollment identified above ("Agreement").

1. Definitions.

Capitalized used, but not defined herein, shall have the meanings given them in the Master Agreement and/or Agreement. The following definitions replace or supplement the definitions in the Agreement, as appropriate:

"Customer Data" means all data, including all text, sound, or image files that are provided to Microsoft by, or on behalf of, Customer through Customer's use of the Online Services.

"Online Services" means the Microsoft-hosted services identified in the Online Services section of the Product List.

"Product" means all software, Online Services and other web-based services, including pre-release or beta versions, identified on the Product List.

"Service Level Agreement" means the document specifying the standards Microsoft agrees to adhere to and by which it measures the level of service for an Online Service.

2. Limited Warranty for Online Services.

Microsoft warrants that the Online Services will perform in accordance with the applicable Service Level Agreement. This limited warranty is for the duration of Customer's use of the Online Service, subject to the notice requirements in the applicable Service Level Agreement.

If Microsoft fails to meet this limited warranty and Customer notifies Microsoft within the warranty period, then Microsoft provide the remedies identified in the Service Level Agreement for the affected Online Service. These are Customer's only remedies for breach of the limited warranty, unless other remedies are required to be provided under applicable law.

This limited warranty is subject to the following limitations:

- a. any implied warranties, guarantees or conditions not able to be disclaimed as a matter of law last for one year from the start of the limited warranty;
- b. the limited warranty does not cover problems caused by accident, abuse or use in a manner inconsistent with this agreement or the Product Use Rights, or resulting from events beyond Microsoft's reasonable control;
- c. the limited warranty does not apply to components of Products that Customer is permitted to redistribute;
- d. the limited warranty does not apply to free, trial, pre-release, or beta products; and
- e. the limited warranty does not apply to problems caused by the failure to meet minimum system requirements.

OTHER THAN THIS LIMITED WARRANTY, MICROSOFT PROVIDES NO OTHER EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS. MICROSOFT DISCLAIMS ANY IMPLIED REPRESENTATIONS, WARRANTIES OR CONDITIONS, INCLUDING WARRANTIES OF

MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SATISFACTORY QUALITY, TITLE OR NON-INFRINGEMENT. THESE DISCLAIMERS WILL APPLY UNLESS APPLICABLE LAW DOES NOT PERMIT THEM.

3. *Customer's agreement to protect.*

Customer will defend Microsoft against any claims made by an unaffiliated third party that:

- a. any Customer Data or non-Microsoft software Microsoft hosts on Customer's behalf infringes the third party's patent, copyright, or trademark or makes intentional unlawful use of its Trade Secret; or
- b. arise from Customer's or its end user's violation of the terms of this agreement.

Customer must pay the amount of any resulting adverse final judgment (or settlement to which Customer consents). This section provides Microsoft's exclusive remedy for these claims.

Microsoft must notify Customer promptly in writing of a claim subject to this section. Microsoft must (1) give Customer sole control over the defense or settlement of such claim; and (2) provide reasonable assistance in defending the claim. Customer will reimburse Microsoft for reasonable out of pocket expenses that it incurs in providing assistance.

4. *Limitation on liability.*

To the extent permitted by applicable law, the liability of each party, its Affiliates, and its Contractors arising under this agreement is limited to direct damages up to the amount Customer was required to pay for the Online Service giving rise to that liability during the prior 12 months. In the case of Online Services provided free of charge, or code that Customer is authorized to redistribute to third parties without separate payment to Microsoft, Microsoft's liability is limited to U.S. \$5,000. These limitations apply regardless of whether the liability is based on breach of contract, tort (including negligence), strict liability, breach of warranties, or any other legal theory. However, these monetary limitations will not apply to:

- a. Microsoft's obligations under the section of the Master Terms titled "Defense of infringement, misappropriation, and third party claims" or Customer's obligations under the section of these Supplemental Terms titled "Customer's agreement to protect";
- b. liability for damages caused by either party's gross negligence or willful misconduct, or that of its employees or its agents, and awarded by a court of final adjudication (provided that, in jurisdictions that do not recognize a legal distinction between "gross negligence" and "negligence," "gross negligence" as used in this subsection shall mean "recklessness");
- c. liabilities arising out of any breach by either party of its obligations under the section of the Master Terms entitled "Confidentiality", except that Microsoft's liability arising out of or in relation to Customer Data shall in all cases be limited to the amount Customer paid for the Online Service giving rise to that liability during the prior 12 months;
- d. liability for personal injury or death caused by either party's negligence, or that of its employees or agents, or for fraudulent misrepresentation; and
- e. violation by either party of the other party's intellectual property rights.

TO THE EXTENT PERMITTED BY APPLICABLE LAW, WHATEVER THE LEGAL BASIS FOR THE CLAIM, NEITHER PARTY, NOR ANY OF ITS AFFILIATES OR CONTRACTORS, WILL BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, SPECIAL, OR INCIDENTAL DAMAGES, OR DAMAGES FOR LOST PROFITS, REVENUES, BUSINESS INTERRUPTION, OR LOSS OF BUSINESS INFORMATION ARISING IN CONNECTION WITH THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR IF SUCH POSSIBILITY WAS REASONABLY FORESEEABLE. HOWEVER, THIS EXCLUSION DOES NOT APPLY TO EITHER PARTY'S LIABILITY TO THE OTHER FOR VIOLATION OF ITS CONFIDENTIALITY OBLIGATIONS (EXCEPT TO THE EXTENT THAT SUCH VIOLATION RELATES TO CUSTOMER DATA), THE OTHER PARTY'S INTELLECTUAL PROPERTY RIGHTS, OR MICROSOFT'S OBLIGATIONS IN THE SECTION OF THE MASTER TERMS TITLED "DEFENSE OF INFRINGEMENT,

MISAPPROPRIATION, AND THIRD PARTY CLAIMS” OR CUSTOMER’S OBLIGATIONS IN THE SECTION OF THESE SUPPLEMENTAL TERMS TITLED “CUSTOMER’S AGREEMENT TO PROTECT.”

5. *Open Source License restrictions.*

Certain third party license terms require that computer code be generally (1) disclosed in source code form to third parties; (2) licensed to third parties for the purpose of making derivative works; or (3) redistributable to third parties at no charge (collectively, “Open Source License Terms”). Neither party may use, incorporate, modify, distribute, provide access to, or combine the computer code of the other with any other computer code or intellectual property (collectively, “Provide”) in a manner that would subject the other’s computer code to Open Source License Terms. Microsoft is not responsible for Customer’s upload, use or distribution of Customer’s code from the Online Services. Customer may upload code to an Online Service and allow third parties access to use or download Customer’s code on the Online Service, provided that (1) such use is not restricted by a license agreement or the Product Use Rights and (2) any Open Source License Terms apply solely to Customer and their uploaded code, and not to any code or Products provided by Microsoft. Each party warrants that it will not provide the other party with, or give third parties access through the Online Services to, computer code that is governed by Open Source License Terms, except as described above.

6. *Applicability of Supplemental Terms.*

These Supplemental Terms apply only to Customer’s purchase and use of Online Services. Services (e.g., consulting or professional services) and Products other than Online Services remain subject to the terms of the Master Agreement, the Agreement, and any terms referenced therein. In the case of any conflict between these Supplemental Terms and the terms and conditions of the Master Terms or Agreement that are not expressly resolved by their terms, these Supplemental Terms control.





To City Council _____
Publ Doc. No. _____ (2)
Referred to _____

Electronic Document Submission Authorization

By signing below, you agree that the accompanying contract documentation is authorized to be submitted to Microsoft Licensing, G.P. via electronic means.

Additionally, you acknowledge and consent that:

- The electronically submitted version of the contract document(s) is a legally binding arrangement, and that no other copies of the agreement will be processed.
- Upon execution by Microsoft, the contract documentation will be returned to you with an original Microsoft signature on your non-original signature document.

Customer Name
City of Duluth
Customer Representative Signature
Customer Printed Name and Title
Date



To City Council _____
 Publ Doc. No. _____
 Referred to _____

Microsoft Enterprise Agreement - Government Pricing

Quote to: City of Duluth
 Quote Prepared by: Karla Culhane
 Michelle DeAngelis - Microsoft Sales Specialist
 732-868-5869 Michelle_DeAngelis@shi.com
 Phone: _____ Fax: _____

Qty	Part Number	Description	Desktop Price	Extended Price
723	269-12445	Office Pro Plus L&SA - Year 1	\$ 116.00	\$ 83,868.00
614	76A-00010	Enterprise User CAL Suite L&SA - Year 1	\$ 95.00	\$ 58,330.00
723	FQC-03030	Windows Pro Upg/SA w/MDOP - Year 1	\$ 43.00	\$ 31,089.00
		Add-On Products Annual Payment - Year 1	\$ 20,570.00	\$ 20,570.00
723	269-12445	Office Pro Plus L&SA - Year 2	\$ 116.00	\$ 83,868.00
614	76A-00010	Enterprise User CAL Suite L&SA - Year 2	\$ 95.00	\$ 58,330.00
723	FQC-03030	Windows Pro Upg/SA w/MDOP - Year 2	\$ 43.00	\$ 31,089.00
		Add-On Products Annual Payment - Year 2	\$ 24,082.00	\$ 24,082.00
723	269-12445	Office Pro Plus L&SA - Year 3	\$ 116.00	\$ 83,868.00
614	76A-00010	Enterprise User CAL Suite L&SA - Year 3	\$ 95.00	\$ 58,330.00
723	FQC-03030	Windows Pro Upg/SA w/MDOP - Year 3	\$ 43.00	\$ 31,089.00
		Add-On Products Annual Payment - Year 3	\$ 24,082.00	\$ 24,082.00
723	269-12445	Office Pro Plus L&SA - Year 4	\$ 116.00	\$ 83,868.00
614	76A-00010	Enterprise User CAL Suite L&SA - Year 4	\$ 95.00	\$ 58,330.00
723	FQC-03030	Windows Pro Upg/SA w/MDOP - Year 4	\$ 43.00	\$ 31,089.00
		Add-On Products Annual Payment - Year 4	\$ 24,082.00	\$ 24,082.00
723	269-12445	Office Pro Plus L&SA - Year 5	\$ 116.00	\$ 83,868.00
614	76A-00010	Enterprise User CAL Suite L&SA - Year 5	\$ 95.00	\$ 58,330.00
723	FQC-03030	Windows Pro Upg/SA w/MDOP - Year 5	\$ 43.00	\$ 31,089.00
		Add-On Products Annual Payment - Year 5	\$ 24,082.00	\$ 24,082.00
723	269-12445	Office Pro Plus L&SA - Year 6	\$ 116.00	\$ 83,868.00
614	76A-00010	Enterprise User CAL Suite L&SA - Year 6	\$ 95.00	\$ 58,330.00
723	FQC-03030	Windows Pro Upg/SA w/MDOP - Year 6	\$ 43.00	\$ 31,089.00
		Add-On Products Annual Payment - Year 6	\$ 24,082.00	\$ 24,082.00

Qty		Additional Products	Annual Unit	Annual Extended
200	6VC-01252	Remote Desktop Services User CAL - L&SA	\$ 24.00	\$ 4,800.00
12	P73-00226	Windows Server Standard - SA Year 1	\$ 50.00	\$ 600.00
3	P72-00165	Windows Server Enterprise - L&SA	\$ 642.00	\$ 1,926.00
1	312-02177	Exchange Server Standard - L&SA	\$ 193.00	\$ 193.00
1	H04-00232	SharePoint Server - L&SA	\$ 1,340.00	\$ 1,340.00
2	228-03159	SQL Server Standard 1 Proc - L&SA	\$ 1,951.00	\$ 3,902.00
4	228-03148	SQL Server Standard Processor - SA Year 1	\$ 487.00	\$ 1,948.00
1	J3A-00167	System Center Config Manager Server - L&SA	\$ 158.00	\$ 158.00
1	UAR-00662	System Center Ops Manager Server - L&SA	\$ 159.00	\$ 159.00
1	Q7F-00051	System Center Service Manager - L&SA	\$ 159.00	\$ 159.00
1	CVA-00038	System Center Data Protection Manager Server ML Std - L&SA	\$ 43.00	\$ 43.00
1	CGA-00058	System Center Data Protection Manager Server ML Ent - L&SA	\$ 118.00	\$ 118.00
24	MFF-00502	System Center Client Management Suite per OSE - L&SA	\$ 12.00	\$ 288.00
24	M3J-00092	Forefront Endpoint Protection Device Subscription	\$ 5.00	\$ 120.00
4	9ED-00071	Visual Studio Premium w/MSDN - L&SA	\$ 1,204.00	\$ 4,816.00
12	P73-00226	Windows Server Standard - SA Years 2-6	\$ 119.00	\$ 1,428.00
4	228-03148	SQL Server Standard - SA Years 2-6	\$ 1,158.00	\$ 4,632.00

Total Annual Cost (Year 1)- Add-On Products			\$ 20,570.00
Total Annual Cost (Year 2-6) - Add-On Products			\$ 24,082.00
Annual Cost (Year 1) - EA Desktop + Add-Ons			\$ 193,857.00
Annual Cost (Year 2-6) - EA Desktop + Add-Ons			\$ 197,369.00
Total 6 Year EA Cost			\$1,180,702.00

Date Quoted: July 5, 2011

To City Council _____
Publ Doc. No. _____
Referred to _____

Enterprise Enrollment

State and Local

(For Use solely under the Minnesota Custom Enterprise Agreement)

Enterprise Enrollment number <i>(Microsoft to complete)</i>		Proposal ID	
Previous Enrollment number <i>(Reseller to complete)</i>		Earliest expiring previous Enrollment end date ¹	

¹ If consolidating from multiple previous Enrollments with Software Assurance, complete the multiple previous Enrollment form and attach it to this Enrollment. Enterprise Products can only be renewed from a Qualifying Enrollment. Additional Products can be renewed from any previous Enrollment with Software Assurance.

This Enrollment must be attached to a signature form to be valid.

This Microsoft Enterprise Enrollment is entered into between the entities as of the effective date identified in the signature form. Customer represents and warrants that it is the same Customer, or an Affiliate of the Customer, that entered into the Enterprise Agreement identified above.

This Enrollment consists of (1) this document, (2) the terms of the Enterprise Agreement identified on the signature form, and (3) any supplemental contact information form or multiple previous enrollment form that may be required. If Customer's Enterprise Agreement is a version 6.4 or earlier, the Desktop Terms and Conditions are incorporated by reference.

All terms used but not defined are located at <http://microsoft.com/licensing/contracts>. In the event of any conflict the terms of this agreement control.

As a condition of entering into this Enrollment with 25 - 249 Qualified Desktops, Customer has elected not to receive media as part of the Enrollment, and therefore no media will automatically be shipped. If Customer is enrolling with 25 - 249 Qualified Desktops and would like to receive media kits and updates, these may be ordered through Customer's Reseller for a fee.

Effective date. If Customer is renewing Software Assurance from one or more previous Qualifying Enrollments, then the effective date will be the day after the first enrollment expires. Otherwise the effective date will be the date this Enrollment is accepted by Microsoft.

If renewing Software Assurance, the Reseller will need to insert the previous Enrollment number and end date in the respective boxes above.

Term. This Enrollment will expire 72 full calendar months from the effective date. It could be terminated earlier or renewed as provided in the Microsoft Enterprise Agreement. Microsoft will advise Customer of the renewal options before it expires. *The 72-month initial term is required by The State of Minnesota as discussed on February 18, 2003 and as outlined in the letter summarizing this meeting written by the Department of Human Services. You may terminate this enrollment for your convenience without penalty on the third anniversary of this enrollment (or at any other time as permitted by Minnesota law) subject to proportional licensing as set forth in the subsection titled Effect of termination or expiration in the section titled Term, termination and renewal of the agreement.*

Product order. The Reseller will provide Customer with Customer's Product pricing and order. Prices and billing terms for all Products ordered will be determined by agreement between Customer and the Reseller. The Reseller will provide Microsoft with the order separately from this Enrollment.

Qualifying systems licenses. All desktop operating system Licenses provided under this program are upgrade Licenses. *No full operating system Licenses are available under this program.* If Customer selects the Desktop Platform or the Windows Desktop Operating System Upgrade & Software Assurance, all Qualified Desktops on which the Windows Desktop Operating System Upgrade must be licensed to run one of the qualifying operating systems identified in the Product List at <http://microsoft.com/licensing/contracts>. Note that the list of operating systems that qualify for the Windows Desktop Operating System Upgrade varies with the circumstances of the order. That list is more extensive at the time of the initial order than it is for some subsequent true-ups and system refreshes during the term of this Enrollment.

For example, Windows XP Home Edition or successor Products are not qualifying operating systems.

1. Contact information.

Each party will notify the other in writing if any of the information in the following contact information page(s) changes. The asterisks (*) indicate required fields. By providing contact information, Customer consents to its use for purposes of administering this Enrollment by Microsoft, its Affiliates, and other parties that help administer this Enrollment. The personal information provided in connection with this Enrollment will be used and protected in accordance with the privacy statement available at <http://licensing.microsoft.com>.

- a. **Primary contact information:** The Customer of this Enrollment must identify an individual from inside its organization to serve as the primary contact. This contact is the default administrator for this Enrollment and receives all notices unless Microsoft is provided written notice of a change. The administrator may appoint other administrators and grant others access to online information.

Name of entity (must be legal entity name)* City of Duluth
Contact name* First Karla **Last** Culhane
Contact email address* kculhane@duluthmn.gov
Street address* 411 W. 1st St.
City* Duluth **State *** MN **Postal code*** 55802
Country* USA
Phone* 218-730-5119 **Fax**
Tax ID (if applicable)

- b. **Notices and online access contact information:** This will designate a notices and online access contact different than the primary contact. This contact will replace the default administrator (primary contact) for this Enrollment and receive all notices. This contact may appoint other administrators and grant others access to online information.

Same as primary contact

Name of entity (must be legal entity name)*
Contact name* First **Last**
Contact email address*
Street address*
City* **State *** **Postal code***
Country*
Phone* **Fax**

This contact is a third party (not the Customer). Warning: This contact receives personally identifiable information of the Customer.

- c. **Language preference:** Select the language for notices. English
- d. **Microsoft account manager:** Provide the Microsoft account manager contact for this Customer.
Microsoft account manager name: Raamel Mitchell
Microsoft account manager email address: raamelm@microsoft.com
- e. If Customer requires a separate contact for any of the following, attach the Supplemental Contact Information form. Otherwise, the notices contact remains the default.
- Duplicate electronic contractual notices contact
 - Software Assurance benefits contact
 - MSDN contact
 - Online Services administrator
- f. Is a purchase under this Enrollment being financed through MS Financing? Yes, No.

g. **Reseller information**

Reseller company name* SHI International Corp
Street address (PO boxes will not be accepted)* 33 Knightsbridge Rd
City* Piscataway **State *** NJ **Postal code*** 08854
Country* USA
Contact name *
Phone* 888-764-8888
Fax
Contact email address*

The undersigned confirms that the information is correct.

Name of Reseller* SHI International Corp
Signature*
Printed name*
Printed title*
Date*

Changing a Reseller. If Microsoft or the Reseller chooses to discontinue doing business with one another, Customer must choose a replacement. If Customer intends to change the Reseller, it must notify Microsoft and the former Reseller, in writing on a form provided at least 30 days prior to the date on which the change is to take effect. The change will take effect 30 days from the date of Customer's signature.

2. Defining your Enterprise.

Use this section to identify which Affiliates are included in the Enterprise. Customer's Enterprise must consist of entire government agencies, departments or legal jurisdictions, not partial government agencies, departments, or legal jurisdictions. (Check only one box in this section.)

- Only you (and no other affiliates) will be participating
- Customer and all Affiliates are included (*excluding* new Affiliates with which you consolidate in the future)

The following Affiliates are excluded

3. Establishing Customer price level.

The price level indicated in this section will be the price level for the initial Enrollment term for all Enterprise Products ordered and for any Additional Products in the same pool(s). The price level for any other Additional Products will be level "D".

Qualified Desktops: Customer represents that the total number of Qualified Desktops in its Enterprise is, or will be increased to, this number during the initial term of this Enrollment (This number must be equal to at least 250 desktops).	723
Qualified Users: Customer represents that the total number of Qualified Users in its Enterprise is, or will be increased to, this number during the initial term of this Enrollment (This number must be equal to at least 250 users).	

The unit reference prices of the following payments (collectively, the "adjustable payments") are subject to change ("adjustment"), provided that the state's annual price level has increased or decreased relative to the initial price level, as of both the first and second anniversaries of an enrollment:

- (i) the third annual installment payment for the qualified desktops ordered pursuant to the initial order;
- (ii) additional qualified desktops (if any) ordered pursuant to the second anniversary true up order;
- (iii) additional quantities of additional products (if any) ordered pursuant to the second anniversary true up order; and
- (iv) all subsequent payments.

Please refer to subsection titled Determination of reference prices in the section titled Miscellaneous of the State of Minnesota Custom Microsoft Enterprise Agreement for complete details.

4. Enterprise Product orders.

Customer must select a desktop platform or any individual Enterprise Product before it can order Additional Products. The Office Product selection may be split between "professional plus" and "enterprise" editions within the Enterprise. The CAL selection must be the same across the Enterprise. The components of the current versions of any Enterprise Product are identified in the Product List.

Platform Product Selection (Select one)					
Professional Desktop		Enterprise Desktop		Custom Desktop	
<input type="checkbox"/>	Windows Desktop Operating System Upgrade Office Professional Plus Core CAL <Select>	<input checked="" type="checkbox"/>	Windows Desktop Operating System Upgrade Office Enterprise Enterprise CAL <Select>	<input type="checkbox"/>	Windows Desktop Operating System Upgrade <Select One or Both> <Select One> <Select>

Individual Enterprise Product Component Selection

<input type="checkbox"/>	Windows Desktop Operating System Upgrade	
<input checked="" type="checkbox"/>	Office Professional Plus	
<input type="checkbox"/>	<Select One>	<Select>

Prices and payment terms for all Products ordered will be determined by agreement between Customer and its Reseller. The reference price for the enterprise products covered by Customer's initial order is set forth in the State of Minnesota Custom Enterprise Agreement. Microsoft will invoice Customer's Reseller in six annual installments. The first installment will be invoiced upon Microsoft's acceptance of this Enrollment; the remaining installments will be invoiced at the anniversaries of the Enrollment effective date. All subsequent new Additional Products and true-ups are billed in full.

b. True up orders for Enterprise Products.

The price for the enterprise products covered by any true up orders submitted during the initial term is set forth in the section titled *Determination of Reference Prices of the State of Minnesota Custom Enterprise Agreement*. Microsoft will invoice Customer's Reseller in total upon Microsoft's acceptance of each true up order.

Columns 2 - 7:	Microsoft will provide the true up License reference prices for each anniversary through Tables 4 and 5 of the <i>State of Minnesota Custom Enterprise Agreement</i> or through Customer's Reseller, who will complete the table below. License prices will be filled in only for products ordered in the subsection titled Initial Order for Enterprise Products.
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Enterprise Product True Up Price Table:

1 Enterprise Product	2 Year 1 true up reference price	3 Year 2 true up reference price	4 Year 3 true up reference price	5 Year 4 true up reference price	6 Year 5 true up reference price	7 Year 6 true up reference price
Office Professional	See CPS					
Windows Desktop Operating System Upgrade						
Core Client Access License						

c. Qualifying systems Licenses.

All desktop operating system Licenses provided under this program are upgrade Licenses. Therefore, if Customer selects the Enterprise Desktop Professional Platform or the Windows Desktop Operating System Upgrade & Software Assurance, all qualified desktops on which Customer will run the Windows Desktop Operating System Upgrade must be licensed to run one of the qualifying operating systems identified in the Product List at <http://www.microsoft.com/licensing>. Note that the list of operating systems that qualify for the Windows Desktop Operating System Upgrade varies with the circumstances of Customer's order. That list is more extensive at the time of Customer's initial order than it is for some subsequent true ups and system refreshes during the term of Customer's Enrollment.

5. Additional Product Orders.

The License prices stated below are for Customer's reference only. Customer's prices and payment terms for all products ordered will be determined by agreement between Customer and Customer's Reseller.

a. Initial order for additional products.

The price for each additional product covered by Customer's initial order is listed in the table below as determined based upon section of the State of Minnesota Custom Enterprise Agreement titled *Determination of Reference Prices*. Microsoft will invoice Customer's Reseller in equal annual installments. The first installment will be invoiced upon Microsoft's acceptance of this Enrollment; the remaining installments will be invoiced at the anniversaries of the Enrollment effective date.

Complete the table below by filling in the blanks.	
Column 1:	List the additional products Customer wishes to license in Customer's initial order. If Customer chooses to license more than 10 additional products, attach a separate sheet with the information required below.
Column 2:	Next to each additional product Customer selects, insert "L&SA" in column 2 unless Customer is eligible to order Software Assurance only (in which case Customer may insert the words "SA only")

	in this column). To determine if Customer is eligible to order Software Assurance only for any product, refer to section of the <i>State of Minnesota Custom Enterprise Agreement</i> titled Placing the initial order. If Customer orders some L&SA and some Software Assurance for the same product, list the product twice below using a separate line for each product type.
Column 3:	Indicate the product pool for each of the additional products that Customer selected in column 1. Consult the Product List to determine the appropriate product pool for each additional product.
Column 4:	Enter the appropriate quantity of Licenses for each additional product Customer chooses to license.
Column 5:	Customer's Reseller or Microsoft account manager will provide the annual additional product per License reference price in this column as <i>determined according to the State of Minnesota Custom Enterprise Agreement Section titled Determination of Reference Prices</i> .

Additional Product Selection Table:

1 Additional Product	2 Product Type	3 Product Pool	4 Quantity	5 Annual additional product per license reference price
See CPS				

b. Subsequent additional product orders.

The price for any new additional products not initially included in Customer's Enrollment will be the then current price for Customer's price level for that product as of the date of Customer's order. Microsoft will invoice Customer's Reseller in total upon Microsoft's acceptance of Customer's order. Once Customer has placed the first order for copies of a new additional product, Customer may run additional copies of that product at any time and order them as described in subsection titled True up orders for additional products.

c. True up orders for additional products.

The price for additional products initially included in Customer's Enrollment and covered by any true up order submitted during the initial term are set forth below as determined according to the Section titled *Determination of Reference Prices of the State of Minnesota Custom Enterprise Agreement*. The true up price for any new additional products will be determined according to the calculations outlined in the Section titled *Determination of Reference Prices of the State of Minnesota Custom Enterprise Agreement* based upon the then current Select Price List for Customer's price level for that product as of the date of Customer's first order for that product. Microsoft will invoice Customer's Reseller in total upon Microsoft's acceptance of Customer's true up order.

Complete the table below by filling in the blanks:	
Column 1:	Enter each of the additional products Customer selected in subsection 7(a) (Initial Order for Additional Products) here. If Customer has chosen to license more than 10 additional products, attach a separate sheet.
Columns 2 - 7:	Customer's Reseller or Microsoft account manager will provide the true up License reference prices for each anniversary in these columns as determined according to the <i>State of Minnesota Custom Enterprise Agreement Section titled Determination of Reference Prices</i> .

Additional Product True Up Price Table:

1 Additional Product	2 Year 1 true up reference price	3 Year 2 true up reference price	4 Year 3 true up reference price	5 Year 4 true up reference price	6 Year 5 true up reference price	7 Year 6 true up reference price
See CPS						

Enterprise Enrollment Supplemental Enterprise Agreement Terms and Conditions

The following terms are required to update and supplement your license agreement to make it consistent with the current version of the Enterprise Agreement program and to allow for additional features and benefits which may or not have been available on the effective date of your license agreement.

For example, these terms address the following:

- your option to license some Client Access Licenses (“CALs”) on a per user basis (“user-based CALs”), rather than on a per device basis, and some rights and obligations associated with user-based CALs;
- terms relating to ordering and use of online services;
- your right to order “step-up” licenses; and
- your ability, in some jurisdictions, to arrange for customized payment terms.

These terms and conditions amend your license agreement as it applies to this enrollment and any subsequent enrollments you or an enrolled affiliate enters into under it. It does not affect any prior enrollment already in existence. In the case of any conflict between these terms and conditions and the terms and conditions of your license agreement, these terms control.

1. Definitions.

If your license agreement does not already include a definition for “qualified users,” the following definition of “qualified users” is added. In addition, if any references appear in your license agreement to the “Core User CAL” or “Core CAL,” those references will be deemed to refer to any user-based CALs.

“online services” means the Microsoft-hosted services identified in the online services section of the Product Use Rights.

“qualified user” means a person who (1) is a user of a qualified desktop or (2) accesses any server software or online services licensed within an enrolled affiliate’s enterprise. It does not include a person who accesses the server software or online services solely under a license identified in the qualified user exemptions in the product list.

2. Terms relating to user-based CALs.

- a. **Price levels where user-based CALs are ordered.** When user-based CALs are ordered as an enterprise product, other than as part of the “platform,” the price level for any enterprise products or additional products ordered from the server pool will be set based on the enrolled affiliate’s initial number of qualified users, rather than its initial number of qualified desktops.

Similarly, upon any renewal, if user-based CALs are renewed, other than as part of the “platform,” the renewal price level for the server pool will be reset based on the number of the enrolled affiliate’s qualified users at the time of renewal, rather than its number of qualified desktops.

- b. **True-ups and update statements where user-based CALs are ordered.** The section of your license agreement that addresses the obligation to place true-up orders and submit update statements is hereby modified to require that, where user-based CALs are ordered as an enterprise product, the enrolled affiliate must determine the number of qualified users in its enterprise and, where that number has increased, submit a true-up order for L&SA for its user-based CALs covering those additional qualified users. If the number of qualified users has not increased, the enrolled affiliate must confirm this fact on its update statement.

At each anniversary, enrolled affiliate must submit either a true-up order or an update statement. This annual true-up order or update statement must be submitted between 60 days prior to, or 15 days following, the anniversary of the effective date of the enrollment to meet the annual true-up requirement. The third-year anniversary true-up order or update statement is due prior to, or upon the expiration date of, the enrollment term. While this annual true-up order or update statement are required to be submitted at the anniversary and upon enrollment expiration, an Enrolled Affiliate may also true-up more frequently and at any time during the term of the Enrollment.

Our commitment to work with the enrolled affiliate in good faith to accommodate changes in the number of its *qualified desktops* by more than ten percent as a result of mergers, acquisitions or divestitures will also apply, if user-based CALs are ordered as an enterprise product, in cases where the number of its *qualified users* changes by more than ten percent.

- c. License grant for user-based CALs.** The following clarifications are made to the section of your license agreement titled "License grant — what your enrolled affiliates are licensed to run," to account for user-based CALs:

For CALs, your license grant is as follows: during the term, each qualified desktop (if device-based CALs have been ordered) or qualified user (if user-based CALs have been ordered) covered by the enrollment may access and use the associated server software.

Regarding the number of perpetual licenses received for user-based CALs: When user-based CALs have been ordered as an enterprise product, and once the enrolled affiliate qualifies for perpetual licenses, the number of the enrolled affiliate's perpetual licenses for such CALs will be equal to the number of qualified users covered by the enrollment, rather than the number of qualified desktops.

- d. Placing renewal orders for user-based CALs.** Upon renewal of an enrollment, if user-based CALs were ordered as an enterprise product, the renewal order must include Software Assurance for such user-based CALs for the number of qualified users covered by the enrollment as of the date of renewal.

At renewal, where applicable, the enrolled affiliate can elect to exchange user-based CALs for device-based CALs or vice versa. In that event, the enrolled affiliate's renewal order must include L&SA for the number of qualified users or qualified desktops in excess of its current count. See the Product List for more information.

3. Online services.

Online services are provided as subscription services and are subject to the unique terms set forth in the Product Use Rights and the Product List.

4. Right to order "step-up" Licenses.

If an already ordered product has multiple editions, an enrolled affiliate may migrate to the higher edition by ordering the applicable step-up. If step up details are included in an initial enrollment order, then the enrolled affiliate may step-up in accordance with the true-up process. If the step-up details are not included in the initial enrollment order, the enrolled affiliate may step-up by placing an order in the month the step-up is first run in accordance with the process set out for adding new additional products not previously ordered.