

**CITY CLERK
ORIGINAL**

**C-10956
06/28/2016**

**LINKING AGREEMENT
BETWEEN
THE CITY OF GLENDALE, ARIZONA
AND
COX ARIZONA TELCOM L.L.C.**

THIS LINKING AGREEMENT (this "Agreement") is entered into as of this 28 day of June, 2016, between the City of Glendale, an Arizona municipal corporation (the "City"), and Cox Arizona Telcom L.L.C., a Delaware corporation authorized to do business in Arizona ("Contractor"), collectively, the "Parties."

RECITALS

- A. On July 1, 2015, under the State of Arizona Cooperative Purchasing Agreement, the State of Arizona entered into a contract with Contractor to purchase the goods and services described in the Carrier and Broadband Provider Services Contract, Contract No. ADSPO15-088473 ("Cooperative Purchasing Agreement"), which is attached hereto as Exhibit A. The Cooperative Purchasing Agreement permits its cooperative use by other governmental agencies including the City.
- B. Section 2-149 of the City's Procurement Code permits the Materials Manager to procure goods and services by participating with other governmental units in cooperative purchasing agreements when the best interests of the City would be served.
- C. Section 2-149 also provides that the Materials Manager may enter into such cooperative agreements without meeting the formal or informal solicitation and bid requirements of Glendale City Code Sections 2-145 and 2-146.
- D. The City desires to contract with Contractor for supplies or services identical, or nearly identical, to the supplies or services Contractor is providing other units of government under the Cooperative Purchasing Agreement. Contractor consents to the City's utilization of the Cooperative Purchasing Agreement as the basis of this Agreement, and Contractor desires to enter into this Agreement to provide the supplies and services set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated by reference, and the covenants and promises contained in this Linking Agreement, the parties agree as follows:

1. Term of Agreement. The City is purchasing the supplies and/or services from Contractor pursuant to the Cooperative Purchasing Agreement. According to the Cooperative Purchasing Agreement purchases can be made by governmental entities from the date of award, which was July 1, 2015, until the date the contract expires on June 30, 2020, unless the term of the Cooperative Purchasing Agreement is extended by the mutual agreement of the original contracting parties. The Cooperative Purchasing Agreement, however, may not be extended beyond June 30, 2020. The initial period of this Agreement, therefore, is the period from the Effective Date of this Agreement until June 30, 2017. The City Manager or designee,

however, may renew the term of this Agreement for three (3) one-year periods until the Cooperative Purchasing Agreement expires on June 30, 2020. Renewals are not automatic and shall only occur if the City gives the Contractor notice of its intent to renew. The City may give the Contractor notice of its intent to renew this Agreement 30 days prior to the anniversary of the Effective Date to effectuate such renewal.

2. Scope of Work; Terms, Conditions, and Specifications.

- A. Contractor shall provide City the supplies and/or services identified in the Scope of Work attached as Exhibit B.
- B. Contractor agrees to comply with all the terms, conditions and specifications of the Cooperative Purchasing Agreement. Such terms, conditions and specifications are specifically incorporated into and are an enforceable part of this Agreement.

3. Compensation.

- A. City shall pay Contractor compensation at the same rate and on the same schedule as provided in the Cooperative Purchasing Agreement, which is attached hereto as Exhibit C.
- B. The total purchase price for the supplies and/or services purchased under this Agreement shall not exceed one hundred thirty-seven thousand, five hundred dollars (\$137,500) annually or five hundred fifty thousand dollars (\$550,000) for the entire term of the Agreement (initial term plus any renewals).

4. Cancellation. This Agreement may be cancelled pursuant to A.R.S. § 38-511.

5. Non-discrimination. Contractor must not discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, national origin, age, marital status, sexual orientation, gender identity or expression, genetic characteristics, familial status, U.S. military veteran status or any disability. Contractor will require any Sub-contractor to be bound to the same requirements as stated within this section. Contractor, and on behalf of any subcontractors, warrants compliance with this section.

6. Insurance Certificate. A certificate of insurance applying to this Agreement must be provided to the City prior to the Effective Date.

7. E-verify. Contractor complies with A.R.S. § 23-214 and agrees to comply with the requirements of A.R.S. § 41-4401.

8. Notices. Any notices that must be provided under this Agreement shall be sent to the Parties' respective authorized representatives at the address listed below:

City of Glendale
c/o Connie Schneider, C.P.M.
5850 Glendale Ave, Suite 317
Glendale, Arizona 85301
623-930-2868
cschneider@glendaleaz.com

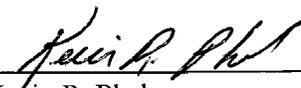
and

Cox Arizona Telcom L.L.C.
c/o Melissa Dus
1550 W. Deer Valley Rd.
Phoenix, AZ 85027
623-328-2940
Melissa.Dus@cox.com

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year set forth above.

“City”

City of Glendale, an Arizona
municipal corporation

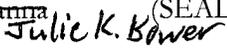
By: 
Kevin R. Phelps
City Manager

“Contractor”

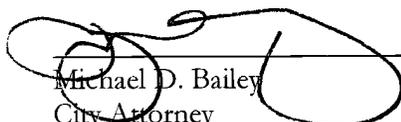
Cox Arizona Telcom L.L.C.,
a Delaware Corporation

By: 
Name: Edward Aaronson
Title: Vice President, Cox Business Arizona

ATTEST:


Pamela Hanna (SEAL)
City Clerk 

APPROVED AS TO FORM:


Michael D. Bailey
City Attorney

**LINKING AGREEMENT
BETWEEN
THE CITY OF GLENDALE, ARIZONA
AND
COX ARIZONA TELCOM L.L.C.**

**EXHIBIT A
CARRIER AND BROADBAND PROVIDER SERVICES**



Offer and Acceptance

EXHIBIT A

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

OFFER

TO THE STATE OF ARIZONA:

The Undersigned hereby offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, specifications and amendments in the Solicitation and any written exceptions in the offer. Signature also certifies Small Business status.

Cox Arizona Telcom L.L.C.

Company Name

1550 W. Deer Valley Rd.

Address

Phoenix

AZ

85027

City

State

Zip

David.daniels3@cox.com

Contact Email Address

Signature of Person Authorized to Sign Offer

Steve Rowley

Printed Name

Senior Vice President

Title

Phone: (404) 269-5647

(404) 269-8128

Fax:

By signature in the Offer section above, the Offeror certifies:

1. The submission of the Offer did not involve collusion or other anticompetitive practices.
2. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 2009-9 or A.R.S. §§ 41-1461 through 1465.
3. The Offeror has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. The Offeror certifies that the above referenced organization IS/ X IS NOT a small business with less than 100 employees or has gross revenues of \$4 million or less.

ACCEPTANCE OF OFFER

The Offer is hereby accepted.

The Contractor is now bound to sell the materials or services listed by the attached contract and based upon the solicitation, including all terms, conditions, specifications, amendments, etc., and the Contractor's Offer as accepted by the State.

This Contract shall henceforth be referred to as Contract No.

ADSP015-08A13

The effective date of the Contract is 7-1-15

The Contractor is cautioned not to commence any billable work or to provide any material or service under this contract until Contractor receives purchase order, contract release document or written notice to proceed.

State of Arizona 10th day of February 20 15
Awarded this

Procurement Officer



Table of Content

EXHIBIT A

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

TABLE OF CONTENTS 1

SCOPE OF WORK2

SPECIAL TERMS AND CONDITIONS 17

UNIFORM TERMS AND CONDITIONS.....31

EXHIBIT A, BACKHAUL BANDWIDTH FOR CENSUS DESIGNATED PLACES38

EXHIBIT B, STATE OF ARIZONA WAN STRATEGY DIAGRAM50



Scope of Work

EXHIBIT A

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

1. PURPOSE

The State desires to establish a Contract or Contract Set for Carrier and Broadband Provider Services as described herein. The State acknowledges that the telecommunication and broadband industries and its suppliers are changing rapidly and as such desires to allow flexibility to accommodate open-standards-based products and new technologies.

2. BACKGROUND

The State currently holds nine (9) contracts for Telecommunication Carrier Services. Within these contracts a customer is able to obtain carrier services through a limited technology base. It is the intent of the State to widen the technologies and related services that are available for purchase by all eligible State customers from both traditional telecommunication carriers as well as broadband service providers to better serve the State of Arizona as a whole.

This contract will be utilized by two specific customer bases:

Primary Customers: Defined as all State Agencies, Boards and Commissions. These customers are *required* to be compliant with AZNet standards. The executive branch of the State has outsourced the management of its telecommunications infrastructure from a fragmented agency-centric model to a new enterprise network. Under this structure the State government has consolidated the purchasing power of all Executive Branch Agencies. At the direction of the State, AZNet has aggregated executive branch purchasing across the State.

Other Customers: Defined as customers who have membership in the State Purchasing Cooperative (specifically, all Arizona political subdivisions including, counties, cities, school districts and special districts.) Membership is also available to all non-profit organizations, as well as State governments, the US Federal Government and Tribal Nations or any other consortium of entities eligible to purchase under this contract.

3. OBJECTIVES

3.1 The objectives of this Solicitation are:

- 3.1.1 Standardized Carrier Services Descriptions: To provide Carriers more detailed and standardized communication service product descriptions, purchasable within this contract. The intention is to make Provider offerings more directly comparable with regard to functionality and specification as well as price.
- 3.1.2 Encourage Broader Participation: Encourage multiple Carriers and Broadband Providers to become contracted on a county-by-county basis so as to create robust and vital markets for multiple services throughout the State.
- 3.1.3 Harmonize with eRate: Allow contracts for eRate eligible purchasing. Align terms and product offerings in accordance with USAC's terms and approved products.
- 3.1.4 Strategic Infrastructure Investments: Encourage strategic investment by Carriers and Broadband Providers in building and expanding new high capacity (broadband) strategic infrastructure in Arizona counties and communities that currently have limited infrastructure capacity.

4. PRODUCT CATEGORIES

4.1 The following product categories are not exhaustive and are expected to evolve with emerging technologies and standards.

4.2 Standards and Quality of Service Guarantees.

- 4.2.1 *Current Standards and Standards Bodies:* At a minimum, all product and service offerings listed below and within the Product Categories of Attachment II shall be compliant with applicable standards for the particular



Scope of Work

EXHIBIT A

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

purchased product or service as required by the following standards setting bodies: Telcordia, ITU, ANSI, IEEE, IETF, FCC, NIST, CableLabs, Metro Ethernet Forum, and IP MPLS Forum.

4.2.2 *Quality of Service (QoS) Guarantees*: Specific types of QoS guarantees that are required to be included as part of the purchase price of offered services as described in the 'Product Description' section of Attachment II, associated with each service category. These guarantees are further specified as appropriate on a product-by-product basis in Attachment II. However, at a minimum, the following types of QoS guarantees shall be required by Bidder for every service category with stated Service Level Agreements (SLAs) appropriate to the specific product.

- Percentage of availability,
- Time to respond reported trouble,
- Time to repair reported trouble.

4.3 Desired Network Capabilities:

4.3.1 *Scalability*: The ability to increase delivery of service in number and/or size within a reasonable timeframe.

4.3.2 *Survivability*: The ability to continue to operate or quickly restore services in the face of unanticipated incidents, disasters, or catastrophes.

4.3.3 *Redundancy*: Having one or more circuits/systems available to sustain the operation of the service in case of failure of the main circuits/systems.

4.3.4 *Diversity*: Backbone network paths and infrastructure offered in such a way as to minimize the chance of a single point of failure.

4.4 CATEGORY 1: Dedicated Private Circuits and Networks (Leased Lines/Circuits, VPNs) requiring standards compliance.

4.4.1 Including but not limited to the following types of service:

4.4.1.1 Copper or Coaxial Analog Circuits:

- 4.4.1.1.1 Two Wire (POTS telephone line for voice or fax use)
- 4.4.1.1.2 Four wire (POTS telephone line for voice or fax use)
- 4.4.1.1.3 T1 (Channel bank termination up to 24 POTS lines)
- 4.4.1.1.4 T3 (Channel bank termination up to 72 POTS lines)

4.4.1.2 Digital TDM Circuits (Copper, Coax, Microwave, and HFC Transport)

- 4.4.1.2.1 DS0
- 4.4.1.2.2 DS1 (Data Transport or PBX Trunks, [CAS, or ISDN-PRI])
- 4.4.1.2.3 ISDN (BRI, PRI)
- 4.4.1.2.4 DS3 (Data Transport)

4.4.1.3 SONET Circuits (Optical Fiber, and/or Microwave Transport, and Fiber Terminal termination);

- 4.4.1.3.1 OC1
- 4.4.1.3.2 OC3
- 4.4.1.3.3 OC12
- 4.4.1.3.4 OC 24
- 4.4.1.3.5 OC 48
- 4.4.1.3.6 OC 192
- 4.4.1.3.7 OC 768

4.4.1.4 Virtual Private Circuits and Networks: may be transported over the following types of physical media: Copper pairs, Coax, Fiber, DWDM, Hybrid-Fiber/Coax (HFC), or Microwave and terminated



Scope of Work

EXHIBIT A

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

at the customer demarcation with the following types of access methods: 10/100/1000 Ethernet, Cable Modem, DSL Modem or Fiber Terminal.

- 4.4.1.4.1 Ethernet Virtual Connections (EVCs): Point-to-point, Hub and Spoke Service, Point to multi-point, Multi-point to Multi-point.
 - 4.4.1.4.1.1 Ethernet Private Line (EPL)
 - 4.4.1.4.1.2 Ethernet Virtual Private Line (EVPL)
 - 4.4.1.4.1.3 Ethernet Virtual LAN (E-LAN)
 - 4.4.1.4.1.4 Converged VoIP Services (Replicating Landline Voice Services over Metro Ethernet virtual networks and circuits and interoperable with the PSTN)
 - 4.4.1.4.1.5 Stand Alone VoIP Services over Metro Ethernet virtual circuits and E-LANs
 - 4.4.1.4.1.6 SIP Trunking over Metro Ethernet Virtual Circuits and E-LANs
- 4.4.1.4.2 MPLS-IP Virtual Network Services: Point-to-point, Hub and Spoke Service, Point to multi-point, Multi-point to Multi-point (Any-to-Any).
 - 4.4.1.4.2.1 MPLS Virtual Private Line Service (point-to-point)
 - 4.4.1.4.2.2 MPLS Virtual LAN service (multi-point to multi-point)
 - 4.4.1.4.2.3 Converged VoIP Services (Replicating Landline Voice Services over MPLS networks and services and interoperable with the PSTN)
 - 4.4.1.4.2.4 Stand Alone VoIP Services over MPLS virtual circuits and LANs
 - 4.4.1.4.2.5 SIP Trunking over MPLS Virtual Circuits and E-LANs

4.5 CATEGORY 2: Voice Grade Services; Business phone "lines" shall be flexible, affordable and reliable. Carriers and Providers shall also provide options for call features. Phone "lines" can be provided as landline or VoIP services.

4.5.1 Basic telephone services: For Providers offering voice services, basic voice services shall include at a minimum: a "line" (Physical or Voice-over-Internet-Protocol (VoIP)) with an assigned telephone number and unlimited local calling with options for the following requested call features. Some of the features listed below, in section 4.5.3, must be enabled by the Provider; others may be enabled/disabled by the customer using Touch Tone commands, (Carrier provisioned or customer controlled). Local calling is defined as calls originating and terminating within a LATA or equivalent geographic boundary.

4.5.2 Number portability: Number portability shall be supported by telephone service Providers; allowing assigned numbers to be imported from other providers at the time of service activation and exported to other providers at the time of service termination using industry standard practices.

4.5.3 Basic telephone service optional features:

- 4.5.3.1 Call Back or equivalent;
- 4.5.3.2 Call Blocking or Selective Call Blocking;
- 4.5.3.3 Call Forwarding (Busy; No Answer; Selective; To Multiple Lines, etc)
- 4.5.3.4 Call Trace;
- 4.5.3.5 Call Transfer;
- 4.5.3.6 Call Waiting;
- 4.5.3.7 Caller ID Name and Number;
- 4.5.3.8 Distinctive Ringing Restricted Call Forwarding or equivalent;
- 4.5.3.9 Feature Blocking;
- 4.5.3.10 Line Hunting;
- 4.5.3.11 Long Distance Blocking;
- 4.5.3.12 Remote Access to Call Forwarding;
- 4.5.3.13 Teleconferencing
- 4.5.3.14 Three Way Calling;
- 4.5.3.15 Voice Mail; and
- 4.5.3.16 Other features that may not be listed above, or as emerge with technology.



Scope of Work

EXHIBIT A

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-0004241**
Description: **Carrier and Broadband Provider Services**

4.5.4 Providers should also make available the following voice services:

- 4.5.4.1 Customer specified Default Long Distance provider;
- 4.5.4.2 Direct Inward Dialing Services (DID);
- 4.5.4.3 Domestic Long Distance and Global Long Distance access;
- 4.5.4.4 Foreign Exchange (FX) Services;
- 4.5.4.5 PBX ALI (Private Branch Exchange Automatic Location Identification); This is specific to a multiline telephone system (MLTS);
- 4.5.4.6 Teleconferencing Bridge Services (Audio Conferencing); and
- 4.5.4.7 Toll Free Services.

4.6 CATEGORY 3: WiFi Services. WiFi Access Services are eligible for purchase when the WiFi Access Points terminating the service at the customer premises are bundled with the Carrier or Broadband Provider's network access service for a private line or other network service. For such WiFi services the WiFi Access Points (and any required traffic aggregating routers located at the customer premises) shall be considered to be on the providers side of the provider's demark. The Provider of WiFi Access Service shall be responsible for all configuration and management of any equipment bundled with the service and necessary for its operation.

Primary Customers who may purchase WiFi Access Services shall require the Provider to support a user log-in splash screen capability and to comply with all other State Security Policies in the implementation of the service. The State of Arizona has adopted National Institute Standards and Technology (NIST) standards for security. The State of Arizona Security Policies will be available after contract award. Additionally, WiFi Access Services shall not be configured to connect directly to the State network. It is recommended that Other Customers who may order this service require the Provider to follow the same security guidelines as AZNet.

Please note: Specifically *not* eligible under *this* contract is the purchase, installation, or operation of any WiFi equipment by the customer.

4.6.1 WiFi Access Services:

- 4.6.1.1 Single 802.11a/g/n Access Point with 6 to 30 Mbps access connection;
- 4.6.1.2 Single 802.11a/g/n/ac Access Point with 10 to 500 Mbps access connection;
- 4.6.1.3 Multiple 802.11a/g/n Access Points routed to a single access connection supporting up to 30 Mbps per Access Point;
- 4.6.1.4 Multiple 802.11a/g/n/ac Access Points routed to a single access connection supporting up to 500 Mbps per Access Point; and
- 4.6.1.5 Other services that may not be listed above, or as emerge with technology.

4.7 CATEGORY 4: Internet Access Services. These services may be bundled with transport or access services or provided separately for transport over private circuits and networks, or over Provider operated networks. Internet Access Services may also be bundled with Provider managed router services.

4.7.1 Feature functionality:

- 4.7.1.1 Symmetric
- 4.7.1.2 Asymmetric
- 4.7.1.3 Border Gateway Protocol (BGP)
- 4.7.1.4 Open Shortest Path First (OPSPF)
- 4.7.1.5 DNS Services
- 4.7.1.6 Carrier DHCP Addressing
- 4.7.1.7 Static IP Address
- 4.7.1.8 Private IP Address
- 4.7.1.9 Other features that may not be listed above, or as emerge with technology.

4.7.2 Providers may also make available the following Internet Security Services which may be bundled with Internet Access services or sold separately:



Scope of Work

EXHIBIT A

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

- 4.7.2.1 Next Generation Firewall Services;
- 4.7.2.2 Distributed Denial of Service Prevention (DDoS);
- 4.7.2.3 Data Loss Prevention (DLP);
- 4.7.2.4 Web Proxy Filtering;
- 4.7.2.5 Content Filtering;
- 4.7.2.6 Other Security Services that may not be listed above, or as emerge with technology.

4.8 CATEGORY 5: Fiber Services.

Fiber Services can be provided as:

- 4.8.1 Leased dedicated conduits or micro-conduits within conduits (through which a customer can install and operate their own fiber and provide their electronics);
- 4.8.2 Leased "Dark" Dedicated Fiber Cable (point-to-point or ring configuration, Fiber Optic Distribution Unit (FODU) demarcation, customer provides electronics);
- 4.8.3 Leased "Dark" Fiber Strand Pairs on shared fiber cable (point-to-point or ring configuration, FODU demarcation, customer provides electronics);
- 4.8.4 Leased Dense Wavelength Division Multiplexing (DWDM) wavelength(s) on shared fiber pairs (point-to-point or ring configuration, Optical FODU Demarcation, Customers provides electronics); and

4.9 Excluded Products and Services: The following products and services shall be excluded from a resultant Contract:

- 4.9.1 Building Wiring System (BWS, cabling and connection devices beyond the telecommunications demarcation);
- 4.9.2 Mobile radio related products;
- 4.9.3 Wireless Mobility Services (specifically, cell phone carrier services)
- 4.9.4 Hardware and software for build-out of Buyer's campus networks (CPE); and
- 4.9.5 9-1-1 Services;
- 4.9.6 Integration Services; and
- 4.9.7 All other products and services not specified herein.

5. EXPANDING GEOGRAPHIC AVAILABILITY FOR TARIFFED AND NON-TARIFFED CARRIER TELECOMMUNICATION SERVICES

5.1 Geographic availability of ILEC and CLEC telecommunication services may change for an ILEC or CLEC during the life of a resultant contract. As such, under a resultant Contract is limited to the areas included herein. Based on technological advances and/or expanded capabilities and infrastructure, the Contractor may add supplemental Geographic Areas to the Contract as new ILEC or CLEC service territories and/or service capabilities become available. The addition of new Geographic Areas under the Contract shall be the State's discretion.

6. BROADBAND EXPANSION PROVISION

The state seeks to encourage the building and expansion of new broadband infrastructure by encouraging Providers to work aggressively and strategically with communities and anchor institutions in those communities in underserved areas of the State to coordinate the aggregation of demand and the coordinated purchase of new and expanded high capacity broadband services especially in underserved rural communities and counties in the state.

6.1 To encourage provider investment in, and implementation of such new infrastructure, the State will consider the following within a resultant contract:

- 6.1.1 Special Terms: When services are purchased in connection with new infrastructure expansion by Carriers and/or Broadband Providers, Special Terms and Conditions can be considered for approval, as follows:



Scope of Work

EXHIBIT A

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

- 6.1.1.1 Longer-Term Contracts. After the initial 5 years base the contract can be extended for one (1) three (3) year term. At the expiration of that three (3) year term, the contract can be extended a final time for two (2) additional years, making the max life of a resultant contract 10 years.
- 6.1.1.2 Longer-Term Service Contracts. If a Carrier or Provider wishes to seek special terms for a Longer-Term Service Contract (greater than five (5) years) with a customer, to justify investment in new infrastructure expansion, they shall submit a business case to the State Procurement Office for review and possible acceptance.
- 6.1.1.3 Early-Termination Terms. If a Carrier or Provider wishes to seek special terms for early-termination, a business case shall be submitted to the State Procurement Office for review and possible acceptance.
- 6.1.2 Non-Recurring Costs (NRC). NRC of new infrastructure construction can be amortized over the term of a service order by the allowance for an increase monthly recurring costs (MRC) for provided services beyond the awarded price for service(s) that may utilize such new infrastructure. This amortization can be for all or a portion of the term of those specific contracted services provided that the total cost shall not increase beyond the sum of the regular bid price and the quoted NRC.
- 6.1.2.1 The State considers that providing broadband capacity, requiring new infrastructure construction, to a community shall be defined as having at least one Provider Point of Presence within a Census Designated Place or a geographic Cluster of Census Designated Places having 4,000 or more households, connected with fiber-optic or microwave back-haul transport capacity equal to or greater than 1 Mbps per household to a Point of Presence in a metropolitan area. If a Census Designated Place with a population less than 4,000 households is to be considered as served with broadband capacity the minimum connection capacity between at least one Point of Presence in the community and a Point of Presence in metropolitan areas shall be 1 Gbps. Exhibit A lists all the recommended Backhaul Bandwidth for Census Designated Places and logical Clusters of Places.
- 6.1.3 Consortia / Group Buying. Eligible 'Other Customers', as defined in Section 2, Background, are allowed to create new consortia with or without the participation of Primary Customers, also defined in Section 2, Background, to increase their buying power for services and to enhance the likelihood of new infrastructure investments being made by Carriers and Broadband Providers.
- 6.1.3.1 Billing of Consortium Projects. If Carriers or Broadband Providers accept an order from a consortium that has more than one customer (example: a school district, a city, a county, a fire district, and a non-profit) the Carrier or Broadband Provider must agree to bill every member of the consortium separately for each of their agreed portion of the cost.
- 6.2 To be considered for an award within the broadband expansion provision of a resultant contract the Offeror shall follow the specific instructions on how to respond to this section stated with Attachment I, Offeror Questionnaire.
- 6.3 Pricing. If a Carrier or Broadband Provider can provide a services within a County only after committing to the construction of new Infrastructure in that County that would enable the delivery of said services the Carrier or Broadband Provider may request the negotiation of special terms and conditions for services that would utilize the new infrastructure in that County to justify their investment. In these cases the State acknowledges that pricing shall be negotiated.
- 6.4 Additional Expansion Proposals. If an infrastructure expansion opportunity arises in an area that was not originally identified to the State through the initial RFP process, the Contractor may submit a proposal to the State for review to be considered for the additional terms listed in 6.1.1.

7. SERVICE LEVEL GUARANTEES

7.1 Service Level Agreements (SLAs)



Scope of Work

EXHIBIT A

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

7.1.1 SLAs are required when establishing service for applicable products.

7.1.2 The customer shall negotiate SLAs directly with the carriers and providers when establishing requested service.

7.1.2.1 Once negotiated, the SLA shall be submitted the State Procurement Office for review and approval against the Terms and Conditions of a resultant contract.

7.1.3 Costs associated with more stringent guarantees then outlined below in section 7.2 may be added to a quote as a service premium.

7.1.3.1 The fixed rate MRC shall not be changed to reflect the premium associated with the SLAs rather it should be it's own monthly line item.

7.1.4 Carriers and Providers are required to monitor and report to customers monthly for agreed to Service Level Agreements performance and nonperformance.

7.2 Minimum Guarantees:

7.2.1 Restore and Response defined:

7.2.1.1 Restore – Means a 'full service restoration'.

7.2.1.2 Response – Means having a physical presence onsite.

7.2.2 Metro Areas defined:

7.2.2.1 Phoenix Metro, 50 mile radius of the Capital Mall circle

7.2.2.2 Tucson Metro, 50 mile radius of the University of Arizona

7.2.2.3 Yuma Metro, 25 mile radius of the Yuma County Court House

7.2.2.4 Flagstaff Metro, 25 mile radius of Coconino County Court House

7.2.2.5 Prescott Metro, 25 mile radius of Yavapai County Court House

7.2.3 Restore and Response times:

7.2.3.1 Metro Areas:

7.2.3.1.1 Specific sites to be provided after contract award.

7.2.3.1.1.1 Full restoration shall be completed within two (2) hours.

7.2.3.2 Rural Areas:

7.2.3.2.1 Specific sites to be provided after contract award.

7.2.3.2.1.1 Full restoration shall be completed within four (4) hours.

7.2.3.3 If full restoration cannot be achieved within the above stated time frames, the customer shall be notified immediately upon discovery of such event that hinders restoration.



Scope of Work

EXHIBIT A

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSPO14-00004241**
Description: **Carrier and Broadband Provider Services**

7.2.3.3.1 Every hour that service has not been restored the carrier or provider shall be responsible for updating the customer of status on the restoration project.

7.2.4 Restore and Response penalties:

7.2.4.1 If Full Service Restoration is not completed the Contractor shall be liable for 1/720 of the MRC for each hour after the allowable response time has been exhausted. This will be seen in the form of a credit against the billed amount at the end of the month.

An "Outage" is an interruption in Service or use of the Equipment caused by a failure of the Contractor's Network, excluding degradation or disruption due to planned or emergency maintenance or an event outside of the Contractor's direct control.

7.2.4.2 If full restoration has not been completed within double the allowed time the customer will have the right to terminate services with that Carrier with no penalty.

7.2.4.2.1 Customer, at its discretion, can allow an exception to this within their negotiated SLA, based on agreed to terms by both parties, for allowances such as, but not limited to, force majeure.

7.2.5 Restore and Response tracking:

7.2.5.1 The two (2) or four (4) hour window shall start when the customer (AZNet, for the primary customer) calls the carrier directly and opens a repair ticket.

7.2.5.2 Once the service has been fully restored, the carrier shall call the customer and notify of completion.

7.2.5.3 Once notified the customer shall confirm that service has been fully restored before the carrier closes the open repair ticket. Once this confirmation has been completed the window for restoration shall be closed and calculated for any applicable penalties.

7.2.5.3.1 If the carrier or provider closes the repair ticket before confirmation has been provided by the customer and is required to open a new ticket, the restoration and response time shall not be restarted, rather merged with the original outage notification.

8. PROCESS FOR ESTABLISHING SERVICES:

8.1 Establishing Service for State Agencies, Boards and Commissions exclusively, please reference Exhibit B for the State of Arizona WAN Strategy Diagram:

8.1.1 Quote Process. The most current version of 10.5 AZNet II – RFI Carrier Order Process Guide can be found at <https://aset.az.gov/aznet-ii-arizona-network>.

8.1.1.1 Customer is required to open a Request for Information (RFI) ticket for requested Carrier products and services.

8.1.1.1.1 Within this request the Customer shall provide the 'AZ Service ID' found within Attachment II, Pricing Structure.

8.1.1.2 All Contractors awarded in geographical location are notified of an opportunity to provide a quote for requested products and services based on contract category.

8.1.1.3 Site Assessments:



Scope of Work

EXHIBIT A

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

8.1.1.3.1 Contractor will be notified at the time they are given the opportunity to quote that a site assessment is requested.

8.1.1.3.2 Site assessments shall be provided at no charge.

8.1.1.3.3 Contractor is able to waive the opportunity to walk the premises and still provide a quote, however, the quote shall not be revised if the Contractor waived their right to walk the site.

8.1.1.4 Providing the Quote:

8.1.1.4.1 Quote shall be in compliance with the Quote form provided by ASET-EIC.

8.1.1.4.2 NRC's quotes shall be firm fixed, ranges shall not be accepted.

8.1.1.4.3 MRC quotes shall be firm fixed.

8.1.1.4.4 Contractor(s) are required to submit the resulting quote to ASET_EIC_Carrier@azdoa.gov by the requested due date and time of the original RFI.

8.1.1.4.5 Late quotes shall not be accepted.

8.1.1.5 ASET-EIC compiles received quotes and sends them to the requesting customer for evaluation.

8.1.2 Ordering Process. The most current version of 10.6 AZNet II – MAC Project Carrier Order Process Guide can be found at <https://aset.az.gov/aznet-ii-arizona-network>.

8.1.2.1 Customer reviews quote(s) provided to them by ASET-EIC.

8.1.2.1.1 Decision shall be based on the results of the RFI.

8.1.2.2 Customer opens a new move, add, change (MAC) ticket.

8.1.2.3 AZNet sends the order to the Selected Carrier.

8.1.2.4 Carrier sends e-mail confirmation to AZNet within 24 hours of receipt of the order.

8.1.2.5 Depending on the product ordered the Carrier sends an e-mail to AZNet with applicable supporting information as follows:

8.1.2.5.1 Circuit Number;

8.1.2.5.2 Carrier Order Number; and

8.1.2.5.3 Due Date.

8.1.2.6 AZNet provides the supporting information to the AZNet Engineers and requesting Customer.

8.1.2.7 Carrier confirms that the product has been installed.

8.1.2.8 AZNet verifies with the AZNet Engineer and Customer that product was installed in compliance with the agreed upon project specifications.

8.2 Establishing Service for 'Other Customers':



Scope of Work

EXHIBIT A

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

As Eligible 'Other Customers' these customers are not required to follow the State of Arizona ASET requirements, nor are their networks and infrastructures managed by the State ASET department. As such, the customers may require the Contractor to assist in Order preparation by providing necessary product and services descriptions, operating parameters, and interface information. Contractor shall provide this assistance at no additional cost to the Customer.

8.2.1 Quote Process. Customers may request quotes for the specific products and/or services available under the Contract, through the issuance of a Contract Quote or Purchase Quote (Quote Request) to the Contractor. Quote Requests shall cite the Contract number and shall be limited to those products and/or services available under the Contract only.

Extra-contractual Products and Services Prohibited. Any attempt to use a Quote Request and/or any response thereto, to represent any products and/or services not specifically awarded and cited in the Contract as being included in the Contract is a violation of the Contract and the Arizona Procurement Code. Any such action is subject to the legal and contractual remedies available to the State, inclusive of but not limited to Contract termination for default, suspension and/or debarment of the Contractor.

8.2.1.1 Quote Request Form. Quote shall include, at a minimum, the following information:

- 8.2.1.1.1 Date the quote was requested;
- 8.2.1.1.2 Quote Number;
- 8.2.1.1.3 E-Rate SPIN number, if requested;
- 8.2.1.1.4 Customer information, to the individual department, division or office as applicable;
- 8.2.1.1.5 Customer contact person;
- 8.2.1.1.6 Term of the Service, including Service start date, expiration date – if applicable, and installation date – if applicable;
- 8.2.1.1.7 Total cost to the Customer; and
- 8.2.1.1.8 A list or description specifying the quantity, type and special options and/or provisions of the Service to be provided.

8.2.2 Ordering Process.

- 8.2.2.1 Purchase Order Issued. Purchase Orders shall be in accordance with the requirements set forth herein.
- 8.2.2.2 Order Acknowledgement. Contractor shall acknowledge receipt of all Orders. Contractor shall notify the Customer, in writing or electronically, within two (2) days of Order receipt. Customers may accept verbal Order acknowledgment when time and circumstances require.
- 8.2.2.3 Order Acceptance. Contractor shall acknowledge acceptance of all Orders. Contractor shall notify the Customer, in writing or electronically, within five (5) days of Order receipt. Orders that are not accepted and not specifically rejected by the Contractor within the five (5) days shall be considered accepted. Customers may accept verbal order acceptance when time and circumstances require. Order acceptance shall include the reservation of all elements necessary to deploy the ordered and accepted products and services.
- 8.2.2.4 Order Notification. Contractor shall, prior to the Order start date, notify Customer, in written or electronically, information pertaining to the installation of the Order's products and services.
- 8.2.2.5 Order Implementation. Contractor shall be responsible for and shall minimize the impact of any transition between the Customer's incumbent service providers and the Contractor. Contractor shall inform the Customer of all Customer responsibilities throughout service implementation. In general, Order implementation shall not exceed ninety (90) days but shorter or longer timeframes may be negotiated between the Customer and the Contractor on a case by case basis. Contractor shall be responsible for all billing variations incurred during an unsuccessful service implementation. For



Scope of Work

EXHIBIT A

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

example, new rates are not applied correctly or telephone numbers are not recognized in database, etc.

8.3 Additional Provisions regarding Service Establishment for both Primary and Other customers:

8.3.1 Major Service Implementations:

8.3.1.1 Inspection of all Major Services Implementations. A Major Services Implementation is defined as any Customers with ten (10) or more locations and / or ten (10) or more PVC's. Customer may appoint an Inspector(s) from time to time to serve as Customer's representative during, installation, testing, cutover, operation and maintenance of the Services (and its billing) and shall advise Contractor of same. Such inspection may extend to any part of the installation or operation of the Services. The Inspector shall not be permitted to modify in any way the provisions of the Contract, nor to delay the work by failing to complete the inspection with reasonable promptness. The Inspector shall not interfere with the Contractor's management of the work. Instructions given by the Inspector shall be respected and responded to by Contractor. Whenever required by the Inspector, Contractor shall furnish without additional charge, all tools, test equipment, and labor necessary to make an examination of the work completed or in progress or test the quality of the Services. If the Services, including its installation and operation, is found to be not in compliance with the Specifications, Contractor shall bear all expenses of such examination and of satisfactory correction of the deficiencies. After all Service installation and testing activities are completed, and upon delivery of all required Service and testing documentation, Final Services Acceptance (FCA) shall be executed.

8.3.1.2 Acceptance Testing of all Major Services Implementation. Upon notification of completion of Contractor testing, Customer shall commence its Acceptance Testing Period of 30 calendar days for compliance with Services performance requirements. In the event of apparent failure to meet any performance requirements or standards during any Acceptance Testing Period, it is not required that one 30-day period expire in order for another Acceptance Testing Period to begin. Furthermore, if, during any Acceptance Testing Period, Customer identifies Service Affecting deficiencies, it shall be at Customer's option if another 30-day Acceptance Testing Period is required after Contractor satisfactorily corrects such deficiencies. Customer's standard of performance shall be met when the Services operates in conformance with the SLA requirements during its operational-use-time for a period of 30 consecutive calendar days from the commencement date of the Performance Period. If Customer identifies Service Affecting deficiencies, during the Performance Period, Customer shall promptly notify Contractor in writing of such deficiencies. Contractor shall correct these deficiencies in a timely and satisfactory manner and shall notify Customer in writing when deficiencies are corrected. Customer shall make every effort to assist Contractor in the resolution of all deficiencies but the responsibility ultimately resides with Contractor. Promptly upon successful completion of the Performance Period, Customer may notify Contractor in writing that the Performance Period is now complete. Contractor's receipt of Customer's letter shall prompt the execution of the Final Services Acceptance Document. If the Performance Period Acceptance Testing is not completed within 90 calendar days of the Contractor's CSO Initiation date, Customer shall have the option of terminating the CSO, without penalty or of authorizing Contractor in writing of an extension of the Performance Period deadline. Customer's option to terminate the CSO shall remain in effect until such time as successful completion of the service performance requirements is attained.

8.3.2 Order Modifications and Cancellations:

8.3.2.1 Modifications or Cancellations **prior to** Order Acceptance:

Customer may, at any time prior to Order acceptance, modify or cancel the Order, in whole, or in part. Customer shall have no liability for making such modifications or cancellations.

8.3.2.2 Modifications or Cancellations **after** Order Acceptance:



Scope of Work

EXHIBIT A

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

Customer may modify or cancel an Order after Order acceptance. Contractors may modify Orders as authorized by the Customer. Modifications or cancellations shall be executed in writing or electronically. Any unauthorized modification or cancellation by Contractor shall constitute a material breach of the Contract and, at the Customer's option, cause the Order to be void. Customer liability for modifications or cancellation made after Order acceptance shall be limited to the full cost of all non-recoverable expenses, including any special construction charges, caused by the modification, not to exceed the non-recurring costs for products and services in the Order. Customers may cancel an Order due to Contractor's failure to perform in accordance with the Order notification, and/or the service level agreements contained in the Contract. Cancellation for Contractor default shall limit Customer liability to the reoccurring and non-reoccurring costs already accepted and in use by Customer.

9. CONTRACT MANAGEMENT:

9.1 Performance Management. Contractor shall cooperate with the Procurement Officer in the administration of the Contract, to review performance indicators, to identify performance issues before, or promptly after, a problem occurs, and to address and resolve performance problems in a timely and responsible manner.

9.1.1 Annual and Semi-annual Meetings. Contractor shall, at least once annually and more frequently as required by the State, meet with the Procurement Officer and/or members of delegated representatives of the State's ASET-EIC department, to review Contractor performance against the terms, conditions and requirements of the Contract.

9.1.2 Issue and Problem Resolution. When an issue or problem requires notice and mitigation steps by the parties, the State and Contractor shall follow the same Dispute Resolution process as set forth herein. Depending on the severity of the issue or problem, the State may at its discretion, bypass the Dispute Resolution process herein and precede directly to the Remedies provisions of the Contract.

9.1.3 Responsibility Documentation. Contractor's past performance is a standard determinant of Offeror Responsibility in the award of Arizona State Contracts. Contractor performance, as documented in the Contract File, may positively or negatively effect future proposals submitted in response to solicitations conducted by the State of Arizona, its agencies, boards or commissions, as well as members of the State Purchasing Cooperative.

9.2 Broadband Expansion Management.

9.2.1 Annual and Semi-annual Meetings. Contractor shall, at least once annually and more frequently as required by the State, meet with the Procurement Officer and/or members of delegated representatives of the State's ASET-Broadband department, to review Contractor performance against the terms, conditions and requirements of the Contract. Reviewing progress on plans of expansion originally submitted.

9.2.2 Service Maps. Contractors shall provide maps of their current and planned broadband infrastructure in KMZ or an equivalent digital format for counties in which they intend to offer services under this contract, such maps need to include physical layer fiber routes, including long haul, middle mile and last mile segments; points-of-presence, interconnection/peering points, central offices, and data centers; other access points such as: manholes, splice points, etc. Direct information with regard to served customers need not be included. These maps are to be updated on a semi-annual basis and submitted to the State Procurement Office.

9.2.3 Issue and Problem Resolution. When an issue or problem requires notice and mitigation steps by the parties, the State and Contractor shall follow the same Dispute Resolution process as set forth herein. Depending on the severity of the issue or problem, the State may at its discretion, bypass the Dispute Resolution process herein and precede directly to the Remedies provisions of the Contract.

10. E-RATE COMPLIANCE



Scope of Work

EXHIBIT A

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

In order to provide the services listed within an awarded contract to E-Rate eligible entities a Carrier or Provider shall obtain a Service Provider Identification Number (SPIN) from the Universal Service Administrative Company as part of their response to this solicitation. Failure to do so will result in a Carrier or Provider being excluded from bidding services to said eligible entities.

If a provider chooses not to obtain a SPIN they will not be disqualified from consideration for this reason alone.

10.1 The originating FCC Form 470 number for this RFP is **426480001240887**.

As required by federal law, providers of eligible services must comply with the Lowest Corresponding Price (LCP) rule:

- a. **47 CFR § 54.500(f)**
Lowest corresponding price is the lowest price that a service provider charges to non-residential customers who are similarly situated to a particular school, library, or library consortium for similar services. ("Similarly situated" means the "geographic service area" in which a service provider is seeking to serve customers with any of its E-rate services.)
- b. **47 CFR § 54.511(b)**
Providers of eligible services shall not charge schools, school districts, libraries, library consortia, or consortia including any of these entities a price above the lowest corresponding price for supported services, unless the Federal Communications Commission, with respect to interstate services or the state commission with respect to intrastate services, finds that the lowest corresponding price is not compensatory.

The Billed Entity Applicant Reimbursement (BEAR) FCC Form 472 is filed by the applicant and approved by the service provider after the applicant has paid for services in full. The Service Provider Invoice (SPI) FCC Form 474 is filed by the service provider after the applicant has been billed for the non-discount portion of the cost of eligible services. *Note: Applicants can choose their method of invoicing; service providers cannot force applicants to use a particular method.*

11. PRICING STRUCTURE

Providers shall only charge the pricing found within 'Attachment II, Pricing Structure', which shall be firm fixed pricing.

Providers are required to provide pricing as lowest corresponding price, which is defined as the lowest price that a service provider charges to non-residential customers, such as, schools, libraries, consortiums, and businesses who are similarly situated customers for similar services. "Similarly situated" means the "geographic service area" in which a service provider is seeking to serve customers.

11.1 Category 1, Dedicated Private Circuits and Networks:

- 11.1.1 Pricing Structure: Prices for Private (physical and virtual) circuit and network services shall be based on the service access medium and capacity, the provisioned bandwidth for the access connection, and the guaranteed QoS parameters of the service. The following are examples of allowed pricing elements:
 - 11.1.1.1 Non-Recurring Costs (NRC) for installing and activating the service at a specific location;
 - 11.1.1.2 'Extension' NRC for extending the provider's transport medium to an off-net location;
 - 11.1.1.3 Monthly lease for Demarcation equipment if not provided by customer unless the description in Attachment II for a particular Type Of Service requires that any equipment associated with the service be bundled with the service and the cost to be included in the Monthly Recurring Cost (MRC);
 - 11.1.1.4 Monthly Recurring Costs (MRC) for service at specified data rates with any required bundled equipment cost; and
 - 11.1.1.5 MRC for any specific service level commitments not described in the product bid lists.



Scope of Work

EXHIBIT A

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

11.2 Category 2, Voice Grade Services:

11.2.1 Non-Recurring Costs (NRC) for installing and activating the service at a specific location;

11.2.1.1 Monthly Recurring Charge (MRC) for Voice Package:

11.2.1.1.1 Base voice service includes a local "line" with assigned local number and unlimited local calling.

11.2.1.1.2 Call feature packages including call features as selected by the Customer:

11.2.1.1.2.1 Base voice service with 1 include Call Feature;

11.2.1.1.2.2 Base voice service with bundled package of up to 5 Call Features;

11.2.1.1.2.3 Base voice service with bundled package of up to 10 Call Features;
and

11.2.1.1.2.4 Base voice service with bundled package of 11 or more Call Features.

11.2.1.2 Long Distance Services:

11.2.1.2.1 Domestic: U.S. Long Distance rates shall be quotes as ICB on the following billing alternatives:

11.2.1.2.1.1 Flat Rate; and

11.2.1.2.1.2 Usage Based by 1/10th minute increments starting with called party answer.

11.2.1.2.2 Global: International Long Distance rates shall be quoted as ICB based on a country list provided by the Customer. Billing shall be based on the following alternatives:

11.2.1.2.2.1 Flat Rate by called country.; and

11.2.1.2.2.2 Usage Based by country called per 1/10th minute increments starting with called party answer.

11.2.1.3 'Extension' NRC for extending the provider's transport medium to an off-net location.

11.3 Category 3, WiFi Access Services:

11.3.1 Pricing for WiFi Access Services shall be based on, the provisioned bandwidth for the access connection, and the guaranteed QoS parameters of the service specified in the bid list. The following are examples of allowed pricing elements:

11.3.1.1 Non-Recurring Costs (NRC) for installing and activating the service per access point installed at a specific location;

11.3.1.2 'Extension' NRC for extending the provider's transport medium to an off-net location;

11.3.1.3 Monthly Recurring Costs (MRC) for transport service at specified data rates (including bundled Access Point(s) and any managed routers); and

11.3.1.4 MRC for any specific service level commitments not described in the product bid lists.

11.4 Category 4, Internet Access Services:

11.4.1 Pricing for Internet Access Services shall be based on the service access medium and capacity, the provisioned bandwidth for the access connection, and the guaranteed QoS parameters of the service. The following are examples of allowed pricing elements:

11.4.1.1 Non-Recurring Costs (NRC) for installing and activating the service at a specific location;

11.4.1.2 'Extension' NRC for extending the provider's transport medium to an off-net location;



Scope of Work

EXHIBIT A

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

- 11.4.1.3 Monthly cost for Demarcation equipment (such as cable modem, DSL modem, fiber termination panel, etc.) if not bundled with the service and included with the MRC. or if not provided by customer; and
- 11.4.1.4 Monthly Recurring Costs (MRC) for guarantee service at specified data rates and QoS/CoS levels.

11.5 Category 5, Fiber services:

11.5.1 Pricing for Fiber Services shall be based on the capacity, distance of the circuit, and Guaranteed Availability and Service Restoration commitments, as well as any bundled electronics on the Provider side of the demarcation. Examples of allowable charges are:

- 11.5.1.1 Non-Recurring Costs (NRC) for installing and activating the service at specific locations;
- 11.5.1.2 'Extension' NRC for extending the provider's transport medium to an off-net location;
- 11.5.1.3 Monthly lease for Demarcation equipment (such as fiber termination panel, FODUs etc.) if not bundled with the service and included with the MRC, or if not provided by customer; and
- 11.5.1.4 Monthly Recurring Costs (MRC) for guarantee service at specified data rates and QoS/CoS levels.

11.6 E-Rate Eligible Entities:

11.6.1 Specific only to E-Rate Eligible Entities, a Contractor may be required to quote the bundled rate pricing proposed within Attachment II, Pricing Structure, as a 'de-bundled' set of services separating Internet Access and transport services from managed router(s) and WiFi router service. If required to 'de-bundle' the pricing, the quoted price shall not exceed the pricing of the bundled rate proposed within Attachment II, pricing structure for the WiFi Access Service in question.



EXHIBIT A

Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

1. TERM OF CONTRACT

The contract shall begin on July 1, 2015 and shall continue for a term of five (5) years, unless terminated in accordance to the terms of this contract.

2. CONTRACT TYPE (AS NEEDED)

The contract shall be on an as needed, if needed basis at Firm Fixed Price rates.

3. NON-EXCLUSIVE CONTRACT

This contract has been awarded with the understanding and agreement that it is for the sole convenience of the State of Arizona. The State reserves the right to obtain like goods or services from another source when necessary. Off-contract purchase authorization(s) may be approved by the State Procurement Office. Approvals shall be at the exclusive discretion of the State and shall be final. Off-contract procurement shall be consistent with the Arizona Procurement Code.

4. ELIGIBLE AGENCIES (Statewide)

This Contract shall be for the use of all State of Arizona departments, agencies, commissions and boards. In addition, eligible State Purchasing Cooperative members may participate at their discretion. In order to participate in this contract, a cooperative member shall have entered into a Cooperative Purchasing Agreement with the Department of Administration, State Procurement Office as required by Arizona Revised Statutes § 41-2632.

Membership in the State Purchasing Cooperative is available to all Arizona political subdivisions including cities, counties, school districts, and special districts. Membership is also available to all non-profit organizations, as well as State governments, the US Federal Government and Tribal Nations. Non-profit organizations are defined in A.R.S. § 41-2631(4) as any nonprofit corporation as designated by the internal revenue service under section 501(c)(3) through 501(c)(6).

5. ESTIMATED QUANTITIES (CONSIDERABLE)

The State anticipates considerable activity resulting from contract(s) that will be awarded as a result of this solicitation; however, no commitment of any kind is made concerning quantities actually acquired and that fact should be taken into consideration by each potential Contractor.

6. ADMINISTRATIVE FEE / USAGE REPORTS

6.1 Method Method of Assessment. At the completion of each quarter, the Contractor reviews all sales under their contract in preparation for submission of their Usage Report. The Contractor identifies all sales receipts transacted by members of the State Purchasing Cooperative and assesses one percent (1.0%) of this amount in their Usage Report. An updated list of State Purchasing Cooperative members may be found at: <https://spo.az.gov/state-purchasing-cooperative>. At its option, the State may expand or narrow the applicability of this fee.

For this contract only, the State of Arizona will not assess the 1% administrative fee to Contractors for E-Rate eligible purchases. E-Rate eligible purchases can be made by eligible recipients per 47 CFR §54.501. To determine if a customer is an eligible recipient the Contractor shall refer to the following web address: <http://usac.org/sl/applicants/beforeyoubegin/definitions.aspx>

The Contractor shall summarize all sales, along with all assessed Administrative Fee amounts within their Usage Report, including total amounts for the following:

- o Total sales receipts from State agencies, boards and commissions;
- o Total sales receipts from members of the State Purchasing Cooperative; and
- o Total Administrative Fee amount based on one percent (1.0%) of the sales receipts from members of the State Purchasing Cooperative.

6.2 Submission of Reports and Fees. Within thirty (30) days following the end of the quarter, the Contractor submits their Usage Report and if applicable, a check in the amount of one percent (1%) of their sales receipts from members of the State Purchasing Cooperative, to the Department of Administration, State



EXHIBIT A

Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

Procurement Office. Contractors are required to use the State's current report templates unless you have authorization from your contract officer to use a different format. You need to complete Form 799, which is a cover letter that gives the totals of your transactions; and Form 801, which is an Excel spreadsheet that details your transactions. Sales to state agencies and the cooperative members are to be totaled separately. The most current forms can be downloaded at <https://spo.az.gov/statewide-contracts-administrative-fee>.

6.2.1 The submission schedule for Administrative Fees and Usage reports shall be as follows:

| | |
|---------------------------------|-----------------|
| FY Q1, July through September | Due October 31 |
| FY Q2, October through December | Due January 31 |
| FY Q3, January through March | Due by April 30 |
| FY Q4, April through June | Due by July 31 |

6.2.2 Usage Reports and any questions are to be submitted by email to the state's designated usage report email address: usage@azdoa.gov

6.2.3 Administrative Fees shall be made out to the "State Procurement Office" and mailed to:

Department of Administration
General Services Division
ATTN: "Statewide Contracts Administrative Fee"
100 N. 15th Avenue, Suite 202
Phoenix, AZ 85007

6.3 The Administrative Fee shall be a part of the Contractor's unit prices and is not to be charged directly to the customer in the form of a separate line item. Statewide contracts shall not have separate prices for State Agency customers and State Purchasing Cooperative customers.

6.4 Contractor's failure to remit administrative fees in a timely manner consistent with the contract's requirements may result in the State exercising any recourse available under the contract or as provided for by law.

7. LICENSES

The Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of a business conducted by the Contractor.

8. SUBCONTRACTORS

Supplemental to the Subcontractor term in the Uniform Terms and Conditions, Contractor shall not enter into any Subcontract under this Contract, for the provision of supplies or performance of services under this Contract, *without the advance written approval, by way of bilateral contract amendment, of the State Procurement Office.* When requesting the Procurement Officer's approval, the Contractor shall list all new subcontractors, their contact information, certifications required of them, their Minority and Women Owned Enterprise status (cite any certifications use in determining such status) as well as the subcontractor's proposed responsibilities under the Contract. The Subcontractor's most current certificate of insurance shall be provided at this time as well. With the request, Contractor shall certify that all Subcontracts incorporate by reference the terms and conditions of this Contract.

Wholesale/Inter-carrier Agreements shall not be considered as subcontractor relationships that need to be disclosed or approved by the State Procurement Office.

9. PERFORMANCE BOND

The Contractor shall be required to furnish an irrevocable security in the amount of \$1,000,000 payable to the State of Arizona, binding the Contractor to provide faithful performance of the contract. This shall be provided on an annual basis at the time of contract's annual anniversary.



EXHIBIT A

Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

Performance security shall be in the form of a performance bond, certified check or cashier's check. This security must be in the possession of the State Procurement Office within ten (10) calendar days from contract start date as defined in the Special Terms and Conditions Section 1. If the Contractor fails to execute the security document, as required, the Contractor may be found in default and contract terminated by the State. In case of default, the state reserves all rights to recover as provided by law.

10. NEW EQUIPMENT

All equipment, materials, parts and other components incorporated in the work or an item covered by this Contract shall be new, of the latest model and of the most suitable grade for the purpose intended. Any and all work under this Contract shall be performed in a skilled and workmanlike manner.

11. EMERGING TECHNOLOGIES

The telecommunication and broadband industries are changing rapidly and the types of services, technology, methods of deployment, and providers of product and services will likely change during the term of this Contract. The State seeks to ensure that Contracts can meet the shifting needs caused by these changes. If new services within the existing categories are identified the State at its option can add those new services within Attachment II via a bilateral contract amendment.

12. BROADBAND EXPANSION PROVISION

Contractors who are awarded the opportunity to provide new infrastructure expansion are eligible to receive consideration for the following additional terms:

12.1 Longer-Term Contracts. After the initial 5 years base the contract can be extended for one (1) three (3) year term. At the expiration of that three (3) year term, the contract can be extended a final time for two (2) additional years, making the max life of a resultant contract 10 years.

12.2 Longer-Term Service Contracts. If a Carrier or Provider wishes to seek special terms for a Longer-Term Service Contract (greater than five (5) years) with a customer, to justify investment in new infrastructure expansion, they shall submit a business case to the State Procurement Office for review and possible acceptance.

12.3 Early-Termination Terms. If a Carrier or Provider wishes to seek special terms for early-termination, a business case shall be submitted to the State Procurement Office for review and possible acceptance.

13. BRAND NAME

References made to items, identified by trade name, are intended to show kind and quality of products desired and is not intended to be restrictive or limit competition. The use of brand names or manufacturer's catalog references shall be constructed as quality level, method and type of performance and does not indicate that item cited is mandatory. The State reserves the right to determine what products are considered like or equal. Products substantially equivalent to those designated shall qualify for consideration.

14. WARRANTY

14.1 Liens. The Contractor warrants that the Materials supplied under this Contract are free of liens and shall remain free of liens.

14.2 Quality. Unless otherwise modified elsewhere in the terms and conditions, the Contractor warrants that, for one year after acceptance by the State, the Materials shall be:

- Of a quality to pass without objection in the trade under the Contract description;
- Fit for the intended purposes for which the Materials are used;
- Conform to the written promises or affirmations of fact made by the Contractor; and
- Fully compatible with the State's computer hardware and software environment.



EXHIBIT A

Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

- 14.3 Fitness. The Contractor warrants that any Materials supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.
- 14.4 Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the Materials by the State.
- 14.5 Compliance with Applicable Laws. The Materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.

Contractor represents and warrants to the State that Contractor has the skill and knowledge possessed by members of its trade or profession and Contractor will apply that skill and knowledge with care and diligence so Contractor and Contractor's employees and any authorized subcontractors shall perform the Services described in this Contract in accordance with the Statement of Work.

Contractor represents and warrants that the Materials provided through this Contract and Statement of Work shall be free of viruses, backdoors, worms, spyware, malware and other malicious code that will hamper performance of the Materials, collect unlawful personally identifiable information on users or prevent the Materials from performing as required under the terms and conditions of this Contract.

15. AUTHORIZATION FOR SERVICES

Authorization for purchase of services shall be made only upon the issuance of a Purchase Order that is signed by an authorized agent. The Purchase Order will indicate the contract number and the dollar amount of funds authorized. The Contractor shall only be authorized to perform services up to the amount on the Purchase Order. The State shall not have any legal obligation to pay for services in excess of the amount indicated on the Purchase Order. No further obligation for payment shall exist unless a) the Purchase Order is changed or modified with an official Change Order, and/or b) an additional Purchase Order is issued for purchase of services under this Contract.

16. EXTRA-CONTRACTUAL PRODUCTS AND SERVICES PROHIBITED

Any attempt to use an Order to represent any products and/or services not specifically awarded and cited in the Contract as being included in the Contract is a violation of the Contract and the Arizona Procurement Code. Any such action is subject to the legal and contractual remedies available to the State, inclusive of but not limited to Contract termination for default, suspension and/or debarment of the Contractor.

17. BILLING

Contractors will be doing business with Customers of dramatically different size and need. As such, different levels of complexity in billing may be required. An objective of this contract is to meet the various needs of different customers in standard electronic format. The State desires electronic billing be adopted where possible for any purchased services by any customer for services covered by this Contract.

17.1 Billing Detail

Invoices submitted for payment shall contain the same description detail as provided in the Quote Form, at a minimum, shall identify all products and services (e.g. circuit number, BTN, WTN), the unit price, units of quantity, extended price, service address or location of Service, and invoice total, for both paper and electronic media. Additionally, the approved electronic media shall also include at a minimum; Call Detail Records identifying the actual originating phone extension (unless ANI not sent by customer for dedicated facilities), Discount Details, Tax Details, Feature Details, Other Fees and Surcharges details, approved Adjustment details, circuit detail at the CSR level, and USOC level invoice details. Invoice Identification Information. Invoice Identification Information (III) shall include at a minimum the following 16 data elements: 1) Vendor Name; 2) Vendor Account Number; 3) Invoice Date; 4) Total Invoice Amount; 5) Total Current Charges; 6) Vendor Remit Address; 7) Account-Level Late Fees; 8) Account Level Outstanding Balance; 9) Account Level Payment Received; 10) Account Level Miscellaneous Fees; 11) Point of Service ID (e.g., Circuit number, phone number, etc.); 12) Monthly Fees; 13) Usage-based Charges; 14) Feature Charges; 15) Taxes; and 16) Total Charges for Point of Service



EXHIBIT A

Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

17.2 Billing and Payment Data

Contractor shall provide basic billing data to all Ordering Entities that request it. This data shall include at a minimum Usage Statistics; Applicable Discount Details; Call Detail for LD at the actual originating extension level (unless ANI is not sent by Customer for dedicated facilities); Circuit Detail, when applicable, at the Customer Service Record (CSR) or equivalent level; Tax Details; Feature Details; Other Fees and Surcharges Details; Approved Adjustment Details; and Universal Service Order Code (USOC) level or equivalent Invoice Details. Ordering Entities may request this data at any point during the Term of Contract.

17.3 Billing SLA Affected Services

Contractor shall process invoices in accordance with the Billing and Payment Section of resultant Service Level Agreements. If, after the SLA is resolved the Customer owes the disputed amount in part or in whole to the Contractor, Contractor may assess overdue account charges up to a maximum rate of two-thirds of one percent per month on the outstanding balance.

17.4 Billing Disputes

Contractor and Customers shall use the following process in identifying and mitigating performance issues or problems associated with billing issues under the Contract. Contractor shall work with Customer, or their designee (which may be an approved Subcontractor), to automate the dispute process between Contractor and Customer. Contractor shall provide a responsibility matrix identifying representatives, their phone number and email address, for questions and resolution of issues, including escalation of unresolved disputes.

17.4.1 Billing Dispute Resolution

Failure by Customer to pay any portion of or the entire invoiced amount based on Contractor billing errors or disputed charges shall not constitute default under this Contract. Customer will pay undisputed portions of disputed or incorrect invoices where Customer can easily identify the undisputed portion. Payment of an amount less than the total amount due on all unpaid invoices shall be credited as directed by Customer. In no event shall Contractor apply any payment or portion thereof to any particular amount or item that is subject to any claim of error or dispute between the parties.

17.5 Billing Adjustments

Revised invoices or billing adjustments shall apply only to Contractor's Services that can be verified by the Customer, and requests for such adjustments must be submitted in writing to the Customer within 60 days of Service invoice delivery; shall reference the original invoice in which the error was made, and contain sufficient level of detail to make a reasonable determination of fact. Billing Adjustments, once determined to be fact, shall be documented in writing on all forms of billing, paper and electronic, in the next billing cycle.

17.6 Billing Agent

Contractor may use an Agent (designated herein as a Subcontractor) to prepare and submit invoices and receive Customer payments, on behalf of, but in the Contractor's name. Contractor shall remain responsible for the accuracy and correctness of the invoices issued and payments collected by any billing Agent. If Contractor exercises this option, Contractor shall promptly notify Customer in writing of such arrangement for invoicing and collection, including name, mailing and street addresses, and telephone number for the firm and the individual person responsible for this function, and any changes thereto.

18. PAYMENT PROCEDURES

The State will not make payments to any Entity, Group or individual other than the Contractor with the Federal Employer Identification (FEI) Number identified in the Contract. Contractor invoices requesting payment to any Entity, Group or individual other than the contractually specified Contractor shall be returned to the Contractor for correction.

The Contractor shall review and insure that the invoices for services provided show the correct Contractor name prior to sending them for payment.



EXHIBIT A

Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

If the Contractor Name and FEI Number change, the Contractor must complete an "Assignment and Agreement" form transferring contract rights and responsibilities to the new Contractor. The State must indicate consent on the form. A written Contract Amendment must be signed by both parties and a new W-9 form must be submitted by the new Contractor and entered into the system prior to any payments being made to the new Contractor.

19. PRICING

19.1 Price Increase

Contractor prices accepted and subsequently awarded by a Contract shall remain in effect for a minimum of one (1) year. All written requests for price adjustments made by the Contractor shall be submitted 60 to 90 days prior to the anniversary or contract renewal date.

The State will review any requested rate increase to determine whether such request is reasonable in relation to increased supplier or material costs. Contractor shall provide written justification for any price adjustment requested, including information contained in the Consumer Price Index or similar official cost analysis to support any requested price increase. The State shall determine whether the requested price increase or an alternate option is in the best interest of the State. Any price increase adjustment, if approved, will be effective upon execution of a written Contract amendment.

Contract release order/purchase orders placed before a price increase is authorized shall be delivered at the purchase order price. However, if the price should decrease between receipt of the order, and shipment of the order, the Contractor shall invoice at the new lowest discounted price. The awarded contract price shall remain the same throughout the term of the contract, to include all renewals.

19.2 Price Reduction

Price reductions may be submitted in writing to the State for consideration at any time during the contract period. The State at its own discretion may accept a price reduction.

In relation to recurring costs based on most favored term pricing, after 3 years of completed service customer may request a review of the contract to bring pricing into line with current market pricing.

Any price reductions requests that are accepted by the State will be acknowledged by the issuance and acceptance of a fully executed bilateral contract amendment. Any accepted price reduction shall be available to all customers who may utilize this contract.

19.3 Bulk Pricing:

In addition to decreasing contract pricing in accordance with Special Terms and Conditions, Section 19.2, Price Reduction, Contractor(s) may offer bulk pricing at any time during the Contract. Such pricing shall be at a MRC of at least 10% less than the current contract pricing for said service. The Bulk Pricing may be presented for consideration by the State in the form of tiered pricing as well.

If electing to exercise this provision the Contractor shall submit to the following to the State Procurement Office, Procurement Officer:

- A Formal request to consider an addition of Bulk Pricing for specified products;
- Product Identification, identifying the 'Arizona Service ID' as listed in Attachment II, Pricing Structure; and
- The Bulk Pricing vs the existing contract pricing.

Approval of Bulk Pricing shall be in the form of a bilateral contract amendment. Bulk Pricing shall be available to all customers allowed to purchase under the Contract and available for the life of the Contract.

20. DATA SECURITY / SECURITY

20.1 Data Privacy/Security Incident Management.

Contractor and its agents shall cooperate and collaborate with appropriate State personnel to identify and respond to an information security or data privacy incident, including a security breach.



EXHIBIT A

Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

20.1.1 Threat of Security Breach

Contractor(s) agrees to notify the Customer's Chief Information Officer (CIO), the Customer's Chief Information Security Officer (CISO) and other key personnel as identified by the Customer of any perceived threats placing the supported infrastructure and/or applications in danger of breach of security. The speed of notice shall be at least commensurate with the level of threat, as perceived by the Contractor(s). Customer shall agree to provide contact information for the CIO, the CISO and key personnel to the Contractor if applicable.

20.1.2 Discovery of Security Breach

Contractor agrees to immediately notify the Customer's CIO, the CISO and key personnel as identified by the State of a discovered breach of security. Customer shall agree to provide contact information for the CIO, the CISO and key personnel to the Contractor if applicable.

20.2 Security Requirements for Contractor Personnel.

Each individual proposed to provide services through this contract agrees to security clearance and background check procedures, including fingerprinting, as defined by the Arizona Department of Administration in accordance with Arizona Revised Statutes §41-710. The results of the individual's background check procedures must meet all HIPAA and law enforcement requirements. Contractor is responsible for all costs to obtain security clearance for their consultants providing services through this contract. Contractor personnel, agents or sub-contractors that have administrative access to the State's networks may be subject to any additional security requirements of ADOA-ASET as may be required for the performance of the contract. The Contractor, its agents and sub-contractors shall provide documentation to ADOA-ASET confirming compliance with all such additional security requirements for performance of the contract. Additional security requirements include but are not limited to the following:

20.2.1 Identity and Address Verification – that verifies the individual is who he or she claims to be including verification of the candidate's present and previous addresses;

20.2.2 UNAX/confidentiality Training;

20.2.3 HIPAA Privacy and Security Training; and

20.2.4 Information Security Training.

20.3 Information Access. The Contractor shall, where applicable, implement and/or use network management and maintenance applications and tools and appropriate fraud prevention and detection and encryption technologies. The Contractor and its employees, agents and Subcontractors shall comply with all policies and procedures of the individual Customer regarding data access, privacy and security, including those prohibiting or restricting remote access to the Customer's systems and data. The Customer shall authorize, and the Contractor shall issue, any necessary information-access mechanisms, including access IDs and passwords, and the Contractor agrees that the same shall be used only by the personnel to whom they are issued. The Contractor shall provide to such personnel only such level of access as is minimally necessary to perform the tasks and functions for which such personnel are responsible. The Contractor shall from time-to-time, upon request from the Customer, but in the absence of any request from the Customer at least quarterly, provide the Customer with an updated list of the Contractor personnel having access to the Customer's systems, software, and data, and the level of such access. Computer data and software, including the Customers Data, provided by the Customer or accessed (or accessible) by the Contractor personnel or the Contractor's Subcontractor personnel, shall be used by such personnel only in connection with the obligations provided hereunder, and shall not be commercially exploited by the Contractor or its Subcontractors in any manner whatsoever. Failure of the Contractor or the Contractor's Subcontractors to comply with the provisions of this Contract may result in the Customer restricting offending personnel from access to the Customer computer systems or the Customer Data or immediate termination of this Contract. It shall be the Contractor's obligation to maintain and ensure the confidentiality and security of the Customer Data in its possession or on its systems.

20.4 Information Disclosure. The Contractor shall establish and maintain procedures and controls that are acceptable to the State for the purpose of assuring that no information contained in its records or obtained from the state or from others in carrying out its functions under the contract shall be used or disclosed by it,



EXHIBIT A

Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

its agents, officers, or employees, except as required to efficiently perform duties under the Contract. Persons requesting such information should be referred to the State. The Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the State.

20.5 Building Access.

20.5.1 Contractor access to Customer facilities and resources shall be properly authorized by Customer personnel, based on business need and will be restricted to least possible privilege. Upon approval of access privileges, the Contractor shall maintain strict adherence to all policies, standards, and procedures. Policies / Standards, ADOA/ASET Policies / Procedures, and Arizona Revised Statutes (ARS) 28-447, 28-449, 28-450, 38-421, 13-2408, 13-2316, 41-770).

20.5.2 Failure of the Contractor, its agents or subcontractors to comply with policies, standards, and procedures including any person who commits an unlawful breach or harmful access (physical or virtual) will be subject to prosecution under all applicable state and / or federal laws. Any and all recovery or reconstruction costs or other liabilities associated with an unlawful breach or harmful access shall be paid by the Contractor.

21. SECTION 508 COMPLIANCE

Unless specifically authorized in the Contract, any electronic or information technology offered to the State of Arizona under this Contract shall comply with A.R.S. § 41-3531 and § 41-3532 and Section 508 of the Rehabilitation Act of 1973, which requires that employees and members of the public shall have access to and use of information technology that is comparable to the access and use by employees and members of the public who are not individuals with disabilities.

22. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996

The Contractor warrants that it is familiar with the requirements of HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH Act) of 2009, and accompanying regulations and will comply with all applicable HIPAA requirements in the course of this Contract. Contractor warrants that it will cooperate with the State in the course of performance of the Contract so that both the State and the Contractor will be in compliance with HIPAA, including cooperation and coordination with the Arizona Strategic Enterprise Technology (ASET) Group, Statewide Information Security and Privacy Office (SISPO), Chief Privacy Officer and HIPAA Coordinator and other compliance officials required by HIPAA and its regulations. Contractor will sign any documents that are reasonably necessary to keep the State and Contractor in compliance with HIPAA, including but not limited to, business associate agreements.

If requested, the Contractor agrees to sign a "Pledge to Protect Confidential Information" and to abide by the statements addressing the creation, use and disclosure of confidential information, including information designated as protected health information and all other confidential or sensitive information as defined in policy. In addition, if requested, Contractor agrees to attend or participate in job related HIPAA training that is: (1) intended to make the Contractor proficient in HIPAA for purposes of performing the services required and (2) presented by a HIPAA Privacy Officer or other person or program knowledgeable and experienced in HIPAA and who has been approved by the ASET/SISPO Chief Privacy Officer and HIPAA Coordinator.

23. FIRST PARTY LIMITATION OF LIABILITY

Contractor's liability for first party damages to the State arising from this Contract shall be limited to two (2) times the maximum-not-to-exceed amount of this Contract. The foregoing limitation of liability shall not apply to: (i) liability, including indemnification obligations, for third party claims, including but not limited to, infringement of third party intellectual property rights; (ii) claims covered by any specific provision of the Contract calling for liquidated damages or other amounts, including but not limited to, performance requirements; or (iii) costs or attorneys' fees that the State is entitled to recover as a prevailing party in any action.

24. INDEMNIFICATION

Contractor shall indemnify, defend with counsel reasonably approved by the State, and hold harmless, the State, its departments, agencies, boards, commissions, universities, officers, agents and employees (collectively, the



EXHIBIT A

Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

"Indemnitee") from and against any and all claims, actions, damages, costs (including attorneys' fees), and losses arising under this Contract, including, but not limited to, bodily injury or personal injury (including death) or loss or damage to tangible or intangible property, but excluding damages arising solely from the gross negligence or willful misconduct of the Indemnitee. This indemnification obligation includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of Contractor to comply with any federal, state or local law, statute, ordinance, rule, regulation or court decree. Contractor shall have control, subject to the reasonable approval of the State, of the defense of any action on such claim and all negotiations for its settlement or compromise, provided, however, that when substantial principles of government or public law are involved, or when involvement of the State is otherwise mandated by law, the State may elect, in its sole and absolute discretion, to participate in such action at its own expense with respect to attorneys' fees and costs, but not liability, and the State shall have the right to approve or disapprove any settlement, which approval shall not be unreasonably withheld or delayed. The State shall reasonably cooperate in its defense and any related settlement negotiations.

25. IP INDEMNIFICATION

Indemnification - Patent and Copyright. With respect solely to Materials provided or proposed by Contractor or Contractor's agents, employees, or subcontractors (each a "Contractor Party") for performance of this Contract, Contractor shall indemnify, defend and hold harmless the State, its departments, agencies, boards, commissions, universities, officers, agents and employees (collectively, the "Indemnitee"), against any third-party claims for liability, including, but not limited to, reasonable costs and expenses, including attorneys' fees, for infringement or violation of any patent, trademark, copyright or trade secret, by such Materials or the State's use thereof.

In addition, with respect to claims arising from computer hardware or software manufactured or developed solely by a third party, Contractor shall pass through to the State such indemnity rights as it receives from such third party (the "Third Party Obligation") and will cooperate in enforcing them; provided, however, that (i) if the third party manufacturer fails to honor the Third Party Obligation, or (ii) the Third Party Obligation is insufficient to fully indemnify the State, Contractor shall indemnify, defend and hold harmless the State against such claims in their entirety or for the balance of any liability not fully covered by the Third Party Obligation.

The State shall reasonably notify the Contractor of any claim for which Contractor may be liable under this section. If the Contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply. Contractor shall have control, subject to the reasonable approval of the State, of the defense of any action on such claim and all negotiations for its settlement or compromise, provided, however, that when substantial principles of government or public law are involved or when involvement of the State is otherwise mandated by law, the State may elect, in its sole and absolute discretion, to participate in such action at its own expense with respect to attorneys' fees and costs, but not liability, and the State shall have the right to approve or disapprove any settlement, which approval shall not be unreasonably withheld or delayed. The State shall reasonably cooperate in the defense and any related settlement negotiations.

If Contractor believes at any time that any Materials provided or in use pursuant to this Contract infringe a third party's intellectual property rights, Contractor shall, at Contractor's sole cost and expense, and upon receipt of the State's prior written consent, which shall not be unreasonably withheld, (i) replace an infringing Material with a non-infringing Material; (ii) obtain for the State the right to continue to use the infringing Material; or (iii) modify the infringing Material to be non-infringing, provided that following any replacement or modification made pursuant to the foregoing, the Material continues to function in accordance with the Contract. Contractor's failure or inability to accomplish any of the foregoing shall be deemed a material breach of this Contract.

Notwithstanding the foregoing, Contractor shall not be liable for any claim for infringement based solely on any Indemnitee's:

(i) modification of Materials provided by Contractor other than as contemplated by the Contract or the specifications of such Materials or as otherwise authorized or proposed in any way by Contractor or a Contractor Party;

(ii) use of the Materials in a manner other than as contemplated by this Contract or the specifications of such Materials, or as otherwise authorized or proposed in any way by Contractor or a Contractor Party; or



EXHIBIT A

Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

(iii) use of the Materials in combination, operation, or use with other products in a manner not contemplated by the Contract, or, the specifications of such Materials, or as otherwise authorized or proposed in any way by Contractor or a Contractor Party.

Contractor certifies, represents and warrants to the State that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of the Contract for the acquisition, operation or maintenance of Materials in violation of intellectual property laws.

26. INTELLECTUAL PROPERTY

20.1 Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, or trade secrets created or conceived solely pursuant to or as a result of this Contract and any related subcontract (collectively, the "Intellectual Property"), shall be work made for hire and the State shall be the owner of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this Contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Software and other Materials developed or otherwise obtained by or for Contractor or its affiliates, independently of this Contract ("Independent Materials") do not constitute Intellectual Property. If Contractor creates derivative works of Independent Materials, then the elements of such derivative works created pursuant to this Contract shall constitute Intellectual Property owned by the State. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by Contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this Contract.

Notwithstanding the foregoing, if the State elects, in its sole and absolute discretion, to relinquish its ownership interest in any or all of the Intellectual Property, the State shall have the rights to use, modify, reproduce, release, perform, display, sublicense or disclose such Intellectual Property within State government and operations without restriction for any activity in which the State is a party (collectively, "Government Purpose Rights").

27. SURVIVAL OF RIGHTS AND OBLIGATIONS AFTER CONTRACT EXPIRATION OR TERMINATION

21.1 Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S. Title 12, Chapter 5.

21.2 Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer including, without limitation, all purchase orders received prior to, but not fully performed and satisfied at the expiration or termination of, this Contract.

28. INSURANCE REQUIREMENTS

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The *insurance requirements* herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work



EXHIBIT A

Special Terms and Conditions

State of Arizona
 State Procurement Office
 100 North 15th Avenue, Suite 201
 Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
 Description: **Telecommunications and Broadband Provider Services**

under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

28.1 MINIMUM SCOPE AND LIMITS OF INSURANCE: Contractor shall provide coverage with limits of liability not less than those stated below.

28.1.1 Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage, personal and advertising injury and broad form contractual liability coverage.

- General Aggregate \$5,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Damage to Rented Premises \$ 50,000
- Each Occurrence \$1,000,000

28.1.1.1 The policy shall be endorsed (**Blanket Endorsements are not acceptable**) to include the following additional insured language: ***“The State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.”*** Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.

28.1.1.2 Policy shall contain a waiver of subrogation endorsement (**Blanket Endorsements are not acceptable**) in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

28.1.2 Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

- Combined Single Limit (CSL) \$1,000,000

28.1.2.1 The policy shall be endorsed (**Blanket Endorsements are not acceptable**) to include the following additional insured language: ***“The State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor.”*** Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.

28.1.2.2 Policy shall contain a waiver of subrogation endorsement (**Blanket Endorsements are not acceptable**) in favor of the ***“State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees”*** for losses arising from work performed by or on behalf of the Contractor.

28.1.3 Worker's Compensation and Employers' Liability

- Workers' Compensation Statutory
- Employers' Liability \$1,000,000
 Each Accident



EXHIBIT A

Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

| | |
|-------------------------|-------------|
| Disease – Each Employee | \$1,000,000 |
| Disease – Policy Limit | \$1,000,000 |

28.1.3.1 Policy shall contain a waiver of subrogation endorsement (**Blanket Endorsements are not acceptable**) in favor of the “**State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees**” for losses arising from work performed by or on behalf of the Contractor.

28.1.3.2 This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. § 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

28.1.4 Technology Errors & Omissions Insurance

| | |
|--------------------|--------------|
| • Each Claim | \$ 2,000,000 |
| • Annual Aggregate | \$ 2,000,000 |

28.1.4.1 Such insurance shall cover any and all errors, omissions, or negligent acts in the delivery of products, services, and/or licensed programs under this contract.

28.1.4.2 In the event that the Tech E&O insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

28.1.5 Network Security (Cyber) and Privacy Liability (If applicable to service to be provided by the Contractor)

| | |
|--------------------|--------------|
| • Each Claim | \$ 2,000,000 |
| • Annual Aggregate | \$ 2,000,000 |

28.1.5.1 Such insurance shall include but not limited to coverage for third party claims and losses with respect to network risks (such as data breaches, unauthorized access or use, ID theft, theft of data) and invasion of privacy regardless of the type of media involved in the loss of private information, crisis management and identity theft response costs – includes breach notification costs, credit remediation and credit monitoring, defense and claims expenses, regulatory defense costs plus fines and penalties, cyber extortion, computer program and electronic data restoration expenses coverage (data asset protection), network business interruption, computer fraud coverage, funds transfer fund

28.1.5.2 In the event that the Network Security and Privacy Liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

28.2 ADDITIONAL INSURANCE REQUIREMENTS: The policies shall include, or be endorsed (**Blanket Endorsements are not acceptable**) to include, the following provisions:

28.2.1 The Contractor's policies shall stipulate that the insurance afforded the contractor shall be primary insurance and that any insurance carried by the Department, and its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).

28.2.2 Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.



EXHIBIT A

Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

28.3 **NOTICE OF CANCELLATION:** With the exception of (10) day notice of cancellation for non-payment of premium, any changes material to compliance with this contract in the insurance policies above shall require (30) days written notice to the State of Arizona. Such notice shall be sent directly to **Charlotte Righetti, CPPB 100 N 15th Ave, Suite 201, Phoenix AZ 85007** and shall be sent by certified mail, return receipt requested.

28.4 **ACCEPTABILITY OF INSURERS:** Contractors insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

28.5 **VERIFICATION OF COVERAGE:** Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by an authorized representative.

All certificates and endorsements (**Blanket Endorsements are not acceptable**) are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to **Charlotte Righetti, CPPB 100 N 15th Ave, Suite 201, Phoenix AZ 85007**. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete copies of all insurance policies required by this Contract at any time.

28.6 **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as insured under its policies or Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

28.7 **APPROVAL:** Any modification or variation from the *insurance requirements* in this Contract shall be made by the contracting agency in consultation with the Department of Administration, Risk Management Division. Such action will not require a formal Contract amendment, but may be made by administrative action.

28.8 **EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

29. MARKET ACQUISITIONS

In the event a Contractor acquires a market within a geographical region which they were not originally awarded, the Contractor may request an amendment to its contract to include pricing of services for this newly acquired market. Documentation of the acquisition must be provided in order for the State to consider, at its option, this addition, via a bilateral contract amendment.

30. CUSTOMER SERVICE ORDERS (CSO's)

Contractors and Customers may enter into Customer Service Order Agreements for services covered within resultant contracts of this Solicitation. Agreement shall only be valid if the Customer has the legal authority to enter into these types of agreements without going through a competitive process. Additional Terms and Conditions found within a Contractors CSO shall not become part of the State of Arizona's Master Contract.



EXHIBIT A

Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

31. NON-RECURRING COSTS (NRC)

Providers are required to quote NRC for services provided within their awarded County(ies) and Categories as outlined within Attachment II, Pricing Structure. In the event that a Contractor elects to quote a Customer an additional NRC, over and above the listed NRC within Attachment II, the Contractor shall comply with the following:

- The reason for the 'Extension' NRC is based on extending the Provider's transport medium to an off-net location;
- 'Extension' NRC should not exceed six (6) times the firm fixed monthly recurring cost (MRC) for the service in question; and
- No more than 20% of the requested quotes submitted within a one year period, for the service in question, shall have an Extension NRC.

Final acceptance of the Extension NRC is at the sole option of the customer. Customer reserves the right to negotiate the proposed Extension NRC. Extension NRC shall not be permitted in lieu of or in connection with a Contractors Broadband Expansion Projects.



EXHIBIT A

Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

UNIFORM TERMS AND CONDITIONS

1. Definition of Terms

As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

- 1.1 "Attachment" means any item the Solicitation requires the Offeror to submit as part of the Offer.
- 1.2 "Contract" means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
- 1.3 "Contract Amendment" means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
- 1.4 "Contractor" means any person who has a Contract with the State.
- 1.5 "Days" means calendar days unless otherwise specified.
- 1.6 "Exhibit" means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
- 1.7 "Gratuity" means a 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 is received.
- 1.8 "Materials" means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.
- 1.9 "Procurement Officer" means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
- 1.10 "Services" means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.
- 1.11 "Subcontract" means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
- 1.12 "State" means the State of Arizona and Department or Agency of the State that executes the Contract.
- 1.13 "State Fiscal Year" means the period beginning with July 1 and ending June 30.

2. Contract Interpretation

- 2.1 Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
- 2.2 Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
- 2.3 Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
 - 2.3.1 Special Terms and Conditions;
 - 2.3.2 Uniform Terms and Conditions;
 - 2.3.3 Statement or Scope of Work;
 - 2.3.4 Specifications;
 - 2.3.5 Attachments;



EXHIBIT A

Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

- 2.3.6 Exhibits;
- 2.3.7 Documents referenced or included in the Solicitation.

- 2.4 Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
- 2.5 Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
- 2.6 No Parole Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
- 2.7 No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3. Contract Administration and Operation

- 3.1 Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- 3.2 Non-Discrimination. The Contractor shall comply with State Executive Order No. 2009-09 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- 3.3 Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- 3.4 Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines non-compliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.
- 3.5 Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.
- 3.6 Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.
- 3.7 Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.
- 3.8 Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire



EXHIBIT A

Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.

- 3.9 Federal Immigration and Nationality Act. The contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.
- 3.10 E-Verify Requirements. In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A.
- 3.11 Offshore Performance of Work Prohibited.
Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

4. Costs and Payments

- 4.1 Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- 4.2 Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.
- 4.3 Applicable Taxes.
- 4.3.1 Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.
- 4.3.2 State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.
- 4.3.3 Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.
- 4.3.4 IRS W9 Form. In order to receive payment the Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona, unless not required by law.
- 4.4 Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any



EXHIBIT A

Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.

- 4.5 Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:
- 4.5.1 Accept a decrease in price offered by the contractor;
 - 4.5.2 Cancel the Contract; or
 - 4.5.3 Cancel the contract and re-solicit the requirements.

5. Contract Changes

- 5.1 Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the procurement officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
- 5.2 Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.
- 5.3 Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6. Risk and Liability

- 6.1 Risk of Loss: The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
- 6.2 Indemnification
- 6.2.1 Contractor/Vendor Indemnification (Not Public Agency) The parties to this contract agree that the State of Arizona, its departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its departments, agencies, boards and commissions shall be responsible for its own negligence. Each party to this contract is responsible for its own negligence.
 - 6.2.2 Public Agency Language Only Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers."
- 6.3 Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.



EXHIBIT A

Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

- 6.4 Force Majeure.
- 6.4.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "*force majeure*" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.
- 6.4.2 Force Majeure shall not include the following occurrences:
- 6.4.2.1 Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;
- 6.4.2.2 Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or
- 6.4.2.3 Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.
- 6.4.3 If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.
- 6.4.4 Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.
- 6.5 Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

7. Warranties

- 7.1 Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.
- 7.2 Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:
- 7.2.1 Of a quality to pass without objection in the trade under the Contract description;
- 7.2.2 Fit for the intended purposes for which the materials are used;
- 7.2.3 Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;
- 7.2.4 Adequately contained, packaged and marked as the Contract may require; and
- 7.2.5 Conform to the written promises or affirmations of fact made by the Contractor.
- 7.3 Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.
- 7.4 Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.



EXHIBIT A

Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

- 7.5 Compliance With Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.
- 7.6 Survival of Rights and Obligations after Contract Expiration or Termination.
- 7.6.1 Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
- 7.6.2 Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

8. State's Contractual Remedies

- 8.1 Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.
- 8.2 Stop Work Order.
- 8.2.1 The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.
- 8.2.2 If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.
- 8.3 Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.
- 8.4 Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.
- 8.5 Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

9. Contract Termination

- 9.1 Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this



EXHIBIT A

Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

Contract as provided in A.R.S. § 38-511.

- 9.2 **Gratuities.** The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.
- 9.3 **Suspension or Debarment.** The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.
- 9.4 **Termination for Convenience.** The State reserves the right to terminate the Contract, in whole or in part at any time when in the best interest of the State, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.
- 9.5 **Termination for Default.**
- 9.5.1 In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.
- 9.5.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.
- 9.5.3 The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.
- 9.6 **Continuation of Performance Through Termination.** The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

10. **Contract Claims**

All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

11. **Arbitration**

The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (Title 41).

12. **Comments Welcome**

The State Procurement Office periodically reviews the Uniform Terms and Conditions and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 201, Phoenix, Arizona, 85007.



EXHIBIT A

Exhibit A, Backhaul Bandwidth for Census Designated Places

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

**Exhibit A -
Backhaul Bandwidth for Census Designated Places**

This Exhibit describes the State's minimum recommended back-haul desired for each Community or Community Area for each County in the State. Community Areas are defined those Communities whose boundaries are within at least one mile of the boundaries of another Community. The recommended minimum backhaul into a Community or Area to support residential broadband service is based on a potential market of 10% of the households in a Community or Area times 6 Mbps of minimum bandwidth per potentially served household.

From time to time the State intends to provide qualified Providers and Customers additional recommendations minimum backhaul bandwidth recommendations for Communities and Community Areas including for: Student, government entity, public safety, and business users of bandwidth. The purpose of this is to assist in defining sufficient demand aggregation in communities to justify investments in expanded bandwidth delivery infrastructure.

The State recognizes that in many Communities and Areas these minimum recommendations have already been significantly exceeded but in many Communities and Areas this minimal capacity is still lacking.

| APACHE | Community or Community Area | Households | Population | Sq. Miles | Recommended Minimum Bandwidth To Community Or Area |
|--------|-----------------------------|------------|------------|-----------|--|
| | EAGAR | 2045 | 4885 | 11.2 | |
| | SPRINGVILLE | 954 | 1961 | 11.7 | |
| | EAGAR AREA | 2999 | 6846 | 22.9 | 1.8 Gbps |
| | CHINLE | 1483 | 4518 | 16.1 | 0.9 Gbps |
| | WINDOW ROCK | 938 | 2712 | 5.3 | |
| | ST. MICHAELS | 518 | 1443 | 3.8 | |
| | WINDOW ROCK AREA | 1456 | 4155 | 9.1 | 0.9 Gbps |
| | ST. JOHNS | 1476 | 3480 | 26.1 | 0.9 Gbps |
| | FORT DEFIANCE | 1250 | 3624 | 6.1 | 0.8 Gbps |
| | LUKACHUKAI | 674 | 1701 | 22.0 | 0.5 Gbps |
| | MANY FARMS | 491 | 1348 | 8.2 | 0.3 Gbps |
| | GANADO | 445 | 1210 | 9.2 | 0.3 Gbps |
| | HOUCK | 385 | 1024 | 42.5 | 0.3 Gbps |
| | TSAILE AREA | 346 | 1205 | 6.0 | 0.3 Gbps |
| | DENNEHOTSO | 264 | 746 | 10.0 | 0.2 Gbps |
| | ROUND ROCK | 260 | 789 | 14.3 | 0.2 Gbps |



EXHIBIT A

Exhibit A, Backhaul Bandwidth for Census Designated Places

State of Arizona
 State Procurement Office
 100 North 15th Avenue, Suite 201
 Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
 Description: **Telecommunications and Broadband Provider Services**

| | | | | |
|------------------------|-------|-------|-------|-----------|
| TEEC NOS POS | 258 | 730 | 14.3 | 0.2 Gbps |
| SAWMILL | 243 | 748 | 5.8 | 0.2 Gbps |
| SANDERS | 242 | 630 | 2.4 | 0.2 Gbps |
| ALPINE | 205 | 145 | 0.6 | 0.2 Gbps |
| ROCK POINT | 205 | 642 | 14.2 | 0.2 Gbps |
| RED MESA | 202 | 480 | 12.8 | 0.2 Gbps |
| BURNSIDE | 174 | 537 | 9.3 | 0.2 Gbps |
| GREER | 167 | 41 | 0.5 | 0.2 Gbps |
| ROUGH ROCK | 160 | 414 | 12.8 | 0.1 Gbps |
| NAZLINI | 136 | 489 | 7.5 | 0.1 Gbps |
| MCNARY | 136 | 528 | 5.6 | 0.1 Gbps |
| DEL MUERTO | 103 | 329 | 1.0 | 0.1 Gbps |
| STEAMBOAT | 92 | 284 | 2.4 | 0.1 Gbps |
| KLAGETOH | 71 | 242 | 0.3 | 0.1 Gbps |
| COTTONWOOD | 66 | 226 | 0.1 | 0.1 Gbps |
| RED ROCK | 64 | 169 | 1.2 | 0.1 Gbps |
| CORNFIELDS | 62 | 255 | 0.4 | 0.1 Gbps |
| VERNON | 61 | 122 | 0.6 | 0.1 Gbps |
| TSAILE AREA | 52 | 135 | 0.7 | 0.1 Gbps |
| CONCHO | 36 | 38 | 0.5 | 0.1 Gbps |
| NUTRIOSO | 30 | 26 | 0.3 | 0.1 Gbps |
| WIDE RUINS | 24 | 176 | 0.4 | 0.1 Gbps |
| OAK SPRINGS | 21 | 63 | 0.2 | 0.1 Gbps |
| LUPTON | 8 | 25 | 0.4 | 0.1 Gbps |
| TOYEI | 6 | 13 | 0.3 | 0.1 Gbps |
| COCHISE | | | | |
| SIERRA VISTA | 18742 | 43888 | 152.4 | |
| SIERRA VISTA SOUTHEAST | 6394 | 14797 | 110.8 | |
| WHETSTONE | 1163 | 2617 | 11.9 | |
| HUACHUCA | 920 | 1853 | 2.8 | |
| MIRACLE VALLEY | 287 | 644 | 0.6 | |
| PALOMINAS | 107 | 212 | 1.9 | |
| SIERRA VISTA AREA | 27613 | 64011 | 280.5 | 16.6 Gbps |
| DOUGLAS | 5652 | 17378 | 10.0 | 3.4 Gbps |
| BISBEE | 3284 | 5575 | 5.2 | 2 Gbps |
| BENSON | 2941 | 5105 | 41.4 | 1.8 Gbps |
| WILLCOX | 1659 | 3757 | 6.3 | 1 Gbps |
| TOMBSTONE | 864 | 1380 | 4.3 | 0.6 Gbps |
| MESCAL | 853 | 1812 | 4.9 | 0.6 Gbps |
| ST. DAVID | 804 | 1699 | 5.3 | 0.5 Gbps |



EXHIBIT A

Exhibit A, Backhaul Bandwidth for Census Designated Places

State of Arizona
 State Procurement Office
 100 North 15th Avenue, Suite 201
 Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
 Description: **Telecommunications and Broadband Provider Services**

| | | | | |
|----------------------|-------|-------|-------|-----------|
| PIRTLEVILLE | 631 | 1744 | 1.9 | 0.4 Gbps |
| NACO | 334 | 1046 | 3.3 | 0.3 Gbps |
| BOWIE | 256 | 449 | 1.7 | 0.2 Gbps |
| ELFRIDA | 243 | 459 | 3.8 | 0.2 Gbps |
| SUNIZONA | 206 | 281 | 8.5 | 0.2 Gbps |
| SAN SIMON | 127 | 165 | 0.7 | 0.1 Gbps |
| MCNEAL | 116 | 238 | 3.8 | 0.1 Gbps |
| DRAGOON | 115 | 209 | 1.8 | 0.1 Gbps |
| COCONINO | | | | |
| O | | | | |
| FLAGSTAFF | 26254 | 65870 | 63.9 | |
| DONEY PARK | 1896 | 5395 | 14.9 | |
| KACHINA VILLAGE | 1469 | 2622 | 1.2 | |
| MOUNTAINAIRE | 621 | 1119 | 10.2 | |
| FORT VALLEY | 371 | 779 | 7.6 | |
| FLAGSTAFFAREA | 30611 | 75785 | 97.9 | 18.4 Gbps |
| PAGE | 2787 | 7247 | 16.6 | |
| LECHEE | 359 | 1443 | 16.6 | |
| PAGE AREA | 3146 | 8690 | 33.2 | 1.9 Gbps |
| MUNDS PARK | 3019 | 631 | 22.3 | 1.9 Gbps |
| WILLIAMS | 1426 | 3023 | 43.8 | |
| PARKS | 1288 | 1188 | 172.3 | |
| WILLIAMS AREA | 2714 | 4211 | 216.0 | 1.7 Gbps |
| TUBA | 2465 | 8611 | 9.0 | 1.5 Gbps |
| GRAND CANYON VILLAGE | 858 | 2004 | 13.4 | 0.6 Gbps |
| VALLE | 583 | 832 | 243.8 | 0.4 Gbps |
| FREDONIA | 578 | 1314 | 7.3 | 0.4 Gbps |
| KAIBITO | 413 | 1522 | 15.9 | 0.3 Gbps |
| TUSAYAN | 289 | 558 | 8.9 | 0.2 Gbps |
| CAMERON | 285 | 885 | 18.7 | 0.2 Gbps |
| MOENKOPI | 284 | 964 | 1.5 | 0.2 Gbps |
| LEUPP | 255 | 951 | 13.6 | 0.2 Gbps |
| TONALEA | 132 | 549 | 9.9 | 0.1 Gbps |
| BITTER SPRINGS | 130 | 452 | 8.0 | 0.1 Gbps |
| TOLANI LAKE | 98 | 280 | 0.4 | 0.1 Gbps |
| SUPAI | 49 | 208 | 1.7 | 0.1 Gbps |
| GILA | | | | |
| PAYSON | 8958 | 15301 | 19.5 | |
| STAR VALLEY | 1531 | 2310 | 36.1 | |
| MESA DEL CABALLO | 406 | 765 | 0.3 | |
| ROUND VALLEY | 227 | 487 | 4.8 | |
| BEAVER VALLEY | 225 | 231 | 1.5 | |
| TONTO VILLAGE | 215 | 256 | 0.3 | |
| WASHINGTON PARK | 206 | 70 | 2.6 | |
| WHISPERING PINES | 188 | 148 | 0.4 | |
| EAST VERDE ESTATES | 165 | 170 | 2.5 | |



EXHIBIT A

Exhibit A, Backhaul Bandwidth for Census Designated Places

State of Arizona
 State Procurement Office
 100 North 15th Avenue, Suite 201
 Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
 Description: **Telecommunications and Broadband Provider Services**

| | | | | |
|-------------------------------|--------------|--------------|-------------|-----------------|
| OXBOW ESTATES | 141 | 217 | 0.5 | |
| KOHL'S RANCH | 127 | 46 | 1.2 | |
| MEAD RANCH | 108 | 38 | 0.6 | |
| BEAR FLAT | 54 | 18 | 0.2 | |
| FREEDOM ACRES | 51 | 84 | 1.8 | |
| FLOWING SPRINGS | 39 | 42 | 1.7 | |
| PAYSON AREA | 12641 | 20183 | 74.0 | 7.6 Gbps |
| GLOBE | 3386 | 7532 | 18.2 | |
| CENTRAL HEIGHTS-MIDLAND | 1191 | 2534 | 1.9 | |
| MIAMI | 973 | 1837 | 0.9 | |
| CLAYPOOL | 750 | 1538 | 1.2 | |
| SIX SHOOTER CANYON | 469 | 1019 | 2.9 | |
| WHEATFIELDS | 465 | 785 | 8.1 | |
| ICFHOUSE CANYON | 298 | 677 | 4.9 | |
| PINAL | 199 | 439 | 0.4 | |
| COPPER HILL | 63 | 108 | 7.3 | |
| EAST GLOBE | 61 | 226 | 3.4 | |
| CUTTER | 21 | 74 | 0.8 | |
| GLOBE AREA | 7876 | 16769 | 50.1 | 4.8 Gbps |
| PINE | 2588 | 1963 | 32.4 | |
| STRAWBERRY | 1293 | 961 | 9.5 | |
| GERONIMO ESTATES | 122 | 60 | 1.3 | |
| PINE AREA | 4003 | 2984 | 43.2 | 2.5 Gbps |
| TONTO BASIN | 1383 | 1424 | 31.3 | 0.9 Gbps |
| SAN CARLOS | 998 | 4038 | 8.6 | |
| PERIDOT | 362 | 1350 | 5.2 | |
| SAN CARLOS AREA | 1360 | 5388 | 13.7 | 0.9 Gbps |
| YOUNG | 667 | 666 | 47.8 | 0.5 Gbps |
| GISELA | 331 | 570 | 2.9 | |
| DEER CREEK | 129 | 216 | 1.7 | |
| RYE | 63 | 77 | 0.5 | |
| GISELA AREA | 523 | 863 | 5.1 | 0.4 Gbps |
| CHRISTOPHER CREEK | 388 | 156 | 3.0 | |
| HUNTER CREEK | 111 | 48 | 2.2 | |
| CHRISTOPHER CREEK AREA | 499 | 204 | 5.2 | 0.3 Gbps |
| HAYDEN | 301 | 662 | 1.3 | |
| WINKELMAN | 163 | 353 | 0.8 | |
| HAYDEN AREA | 464 | 1015 | 2.0 | 0.3 Gbps |
| CANYON DAY | 310 | 1209 | 5.1 | 0.2 Gbps |
| TOP-OF-THE-WORLD | 173 | 231 | 6.1 | 0.2 Gbps |
| DRIPPING SPRINGS | 121 | 235 | 6.7 | 0.1 Gbps |
| CEDAR CREEK | 97 | 318 | 17.0 | 0.1 Gbps |
| JAKES CORNER | 81 | 76 | 1.4 | 0.1 Gbps |
| HAIGLER CREEK | 46 | 19 | 1.6 | 0.1 Gbps |
| ROOSEVELT | 43 | 28 | 3.1 | 0.1 Gbps |
| ROCK HOUSE | 42 | 50 | 0.6 | 0.1 Gbps |
| CARRIZO | 40 | 127 | 9.0 | 0.1 Gbps |
| EL CAPITAN | 33 | 37 | 6.1 | 0.1 Gbps |
| GRAHAM | | | | |



EXHIBIT A

Exhibit A, Backhaul Bandwidth for Census Designated Places

State of Arizona
 State Procurement Office
 100 North 15th Avenue, Suite 201
 Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
 Description: **Telecommunications and Broadband Provider Services**

| | | | | |
|----------------------|--------|---------|-------|----------|
| SAFFORD | 3908 | 9566 | 8.6 | |
| THATCHER | 1840 | 4865 | 6.7 | |
| PIMA | 870 | 2387 | 5.9 | |
| SWIFT TRAIL JUNCTION | 679 | 2935 | 3.7 | |
| CACTUS FLATS | 595 | 1518 | 6.2 | |
| SAN JOSE | 211 | 506 | 4.2 | |
| CENTRAL | 209 | 645 | 1.9 | |
| SOLOMON | 171 | 426 | 0.2 | |
| BRYCE | 60 | 175 | 0.8 | |
| SAFFORD AREA | 8543 | 23023 | 38.3 | 5.2 Gbps |
| BYLAS | 491 | 1962 | 4.4 | 0.3 Gbps |
| FORT THOMAS | 206 | 374 | 8.7 | 0.2 Gbps |
| GRENLEE | | | | |
| CLIFTON | 1580 | 3311 | 14.8 | 1 Gbps |
| MORENCI | 792 | 1489 | 1.0 | 0.5 Gbps |
| DUNCAN | 398 | 696 | 2.2 | 0.3 Gbps |
| YORK | 336 | 557 | 1.9 | 0.3 Gbps |
| FRANKLIN | 51 | 92 | 1.0 | 0.1 Gbps |
| LAPAZ | | | | |
| CIENEGA SPRINGS | 2291 | 1798 | 3.9 | |
| PARKER STRIP | 1387 | 662 | 4.2 | |
| PARKER | 1098 | 3083 | 22.0 | |
| BLUEWATER | 669 | 725 | 2.4 | |
| CIENEGA SPRINGS AREA | 5445 | 6268 | 32.4 | 3.3 Gbps |
| QUARTZSITE | 3378 | 3677 | 36.8 | |
| LA PAZ VALLEY | 695 | 699 | 29.4 | |
| QUARTZSITE AREA | 4073 | 4376 | 66.1 | 2.5 Gbps |
| BOUSE | 914 | 996 | 136.4 | |
| BRENDA | 725 | 676 | 6.9 | |
| VICKSBURG | 687 | 597 | 143.1 | |
| UTTING | 103 | 126 | 26.5 | |
| BOUSE AREA | 2429 | 2395 | 312.8 | 1.5 Gbps |
| SALOME | 1078 | 1530 | 33.4 | 0.7 Gbps |
| EHRENBERG | 948 | 1470 | 12.2 | 0.6 Gbps |
| WENDEN | 416 | 728 | 15.0 | 0.3 Gbps |
| CIBOLA | 307 | 250 | 20.2 | 0.2 Gbps |
| POSTON | 85 | 285 | 1.4 | 0.1 Gbps |
| ALAMO LAKE | 31 | 25 | 46.6 | 0.1 Gbps |
| SUNWEST | 31 | 15 | 24.3 | 0.1 Gbps |
| MARICOP | | | | |
| A | | | | |
| PHOENIX | 590149 | 1445632 | 517.7 | |
| SCOTTSDALE | 124001 | 217385 | 184.3 | |
| GLENDALE | 90505 | 226721 | 60.1 | |
| TEMPE | 73462 | 161719 | 40.2 | |
| SURPRISE | 52586 | 117517 | 105.8 | |
| SUN | 28169 | 37499 | 14.5 | |
| AVONDALE | 27001 | 76238 | 45.6 | |



EXHIBIT A

Exhibit A, Backhaul Bandwidth for Census Designated Places

State of Arizona
 State Procurement Office
 100 North 15th Avenue, Suite 201
 Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
 Description: **Telecommunications and Broadband Provider Services**

| | | | | |
|---------------------------|----------------|----------------|--------------|-------------------|
| SUN WEST | 18218 | 24535 | 10.9 | |
| BUCKEYE | 18207 | 50876 | 375.3 | |
| FOUNTAIN HILLS | 13167 | 22489 | 20.4 | |
| EL MIRAGE | 11326 | 31797 | 10.1 | |
| ANTHEM | 8801 | 21700 | 8.0 | |
| NEW RIVER | 6273 | 14952 | 55.7 | |
| PARADISE VALLEY | 5643 | 12820 | 15.5 | |
| YOUNG | 2831 | 6156 | 1.5 | |
| LITCHFIELD PARK | 2716 | 5476 | 3.3 | |
| CAVE CREEK | 2579 | 5015 | 37.9 | |
| CAREFREE | 2251 | 3363 | 8.8 | |
| TOLLESON | 2169 | 6545 | 5.7 | |
| CITRUS PARK | 1385 | 4028 | 5.8 | |
| GUADALUPE | 1376 | 5523 | 0.8 | |
| GILA BEND | 943 | 1922 | 55.4 | |
| WITTMANN | 301 | 763 | 1.0 | |
| KOMATKE | 246 | 821 | 2.2 | |
| MARICOPA COLONY | 201 | 709 | 5.6 | |
| GILA CROSSING | 141 | 621 | 0.9 | |
| ARLINGTON | 99 | 194 | 2.3 | |
| | | | 1595. | |
| PHOENIX METRO AREA | 1084746 | 2503016 | 4 | 650.9 Gbps |
| MESA | 201173 | 439041 | 137.0 | |
| CHANDLER | 94404 | 236123 | 64.5 | |
| GILBERT | 74907 | 208453 | 68.1 | |
| SUN LAKES | 10028 | 13975 | 5.3 | |
| QUEEN CREEK | 8557 | 26361 | 28.1 | |
| MESA METRO AREA | 389069 | 923953 | 302.9 | 233.5 Gbps |
| PEORIA | 64818 | 154065 | 177.9 | 38.9 Gbps |
| GOODYEAR | 25027 | 65275 | 191.4 | 15.1 Gbps |
| WICKENBURG | 3619 | 6363 | 18.8 | 2.2 Gbps |
| RIO VERDE | 1647 | 1811 | 5.1 | 1 Gbps |
| AGUILA | 304 | 798 | 1.6 | 0.2 Gbps |
| WINTERSBURG | 173 | 136 | 0.5 | 0.2 Gbps |
| MORRIS | 139 | 227 | 0.8 | 0.1 Gbps |
| ST. JOHNS | 139 | 476 | 2.3 | 0.1 Gbps |
| KAKA | 57 | 141 | 0.3 | 0.1 Gbps |
| THEBA | 49 | 158 | 0.6 | 0.1 Gbps |
| TONOPAH | 30 | 60 | 1.4 | 0.1 Gbps |
| MOHAVE | | | | |
| LAKE HAVASU | 32327 | 52527 | 44.6 | |
| DESERT HILLS | 1847 | 2245 | 4.9 | |
| CRYSTAL BEACH | 171 | 279 | 0.3 | |
| LAKE HAVASU AREA | 34345 | 55051 | 49.8 | 20.7 Gbps |
| BULLHEAD | 23464 | 39540 | 60.3 | |
| FORT MOHAVE | 7179 | 14364 | 16.7 | |
| WILLOW VALLEY | 1326 | 1062 | 5.0 | |
| MOHAVE VALLEY | 1300 | 2616 | 14.1 | |
| ARIZONA VILLAGE | 531 | 946 | 1.6 | |
| MESQUITE CREEK | 240 | 416 | 1.0 | |
| KATHERINE | 158 | 103 | 4.6 | |



EXHIBIT A

Exhibit A, Backhaul Bandwidth for Census Designated Places

State of Arizona
 State Procurement Office
 100 North 15th Avenue, Suite 201
 Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
 Description: **Telecommunications and Broadband Provider Services**

| | | | | |
|--------------------------|--------------|--------------|--------------|------------------|
| MOJAVE RANCH ESTATES | 21 | 52 | 0.8 | |
| BULLHEAD AREA | 34219 | 59099 | 104.1 | 20.6 Gbps |
| KINGMAN | 12724 | 28068 | 34.9 | |
| NEW KINGMAN-BUTLER | 5863 | 12134 | 5.0 | |
| GOLDEN VALLEY | 4342 | 8370 | 78.9 | |
| WALNUT CREEK | 251 | 562 | 1.5 | |
| SO-HI | 242 | 477 | 0.9 | |
| LAZY Y U | 194 | 428 | 15.7 | |
| PINION PINES | 102 | 186 | 1.5 | |
| CLACKS CANYON | 83 | 173 | 3.3 | |
| MCCONNICO | 56 | 70 | 6.6 | |
| KINGMAN AREA | 23857 | 50468 | 148.2 | 14.4 Gbps |
| BEAVER DAM | 1202 | 1962 | 8.4 | |
| SCENIC | 779 | 1643 | 16.5 | |
| LITTLEFIELD | 153 | 308 | 12.0 | |
| BEAVER DAM AREA | 2134 | 3913 | 36.9 | 1.3 Gbps |
| GOLDEN SHORES | 1637 | 2047 | 8.2 | 1 Gbps |
| DOLAN SPRINGS | 1556 | 2033 | 58.2 | 1 Gbps |
| MEADVIEW | 1373 | 1224 | 31.1 | 0.9 Gbps |
| VALLE VISTA | 936 | 1659 | 12.0 | |
| ANTARES | 95 | 126 | 0.7 | |
| VALLE VISTA AREA | 1031 | 1785 | 12.7 | 0.7 Gbps |
| COLORADO | 599 | 4821 | 10.3 | |
| CENTENNIAL PARK | 225 | 1264 | 2.2 | |
| CANE BEDS | 168 | 448 | 8.3 | |
| COLORADO AREA | 992 | 6533 | 20.8 | 0.6 Gbps |
| PEACH SPRINGS | 334 | 1090 | 7.9 | 0.3 Gbps |
| WHITE HILLS | 290 | 323 | 52.0 | 0.2 Gbps |
| CHLORIDE | 245 | 271 | 1.5 | 0.2 Gbps |
| PINE LAKE | 156 | 138 | 1.7 | 0.1 Gbps |
| OATMAN | 112 | 135 | 0.2 | 0.1 Gbps |
| WIKIEUP | 103 | 133 | 4.4 | 0.1 Gbps |
| YUCCA | 98 | 126 | 2.2 | 0.1 Gbps |
| KAIBAB | 52 | 124 | 6.5 | |
| MOCCASIN | 37 | 89 | 0.8 | |
| KAIBAB AREA | 89 | 213 | 7.2 | 0.1 Gbps |
| TRUXTON | 73 | 134 | 3.8 | 0.1 Gbps |
| HACKBERRY | 45 | 68 | 17.6 | |
| VALENTINE | 14 | 38 | 1.6 | |
| CROZIER | 11 | 14 | 1.1 | |
| HACKBERRY AREA | 70 | 120 | 20.3 | 0.1 Gbps |
| TOPOCK | 31 | 10 | 0.3 | 0.1 Gbps |
| GRAND CANYON WEST | 19 | 2 | 17.6 | 0.1 Gbps |
| NAVAJO | | | | |
| SHOW LOW | 7722 | 10660 | 41.2 | |
| PINETOP COUNTRY CLUB | 3789 | 1794 | 6.8 | |
| PINETOP-LAKESIDE | 3451 | 4282 | 11.4 | |
| LAKE OF THE WOODS | 2859 | 4094 | 4.1 | |



EXHIBIT A

Exhibit A, Backhaul Bandwidth for Census Designated Places

State of Arizona
 State Procurement Office
 100 North 15th Avenue, Suite 201
 Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
 Description: **Telecommunications and Broadband Provider Services**

| | | | | |
|-------------------------------|--------------|--------------|--------------|-----------------|
| SNOWFLAKE | 2074 | 5590 | 33.6 | |
| WHITE MOUNTAIN LAKE | 1772 | 2205 | 24.2 | |
| LINDEN | 1468 | 2597 | 30.5 | |
| TAYLOR | 1464 | 4112 | 32.7 | |
| WAGON WHEEL | 1163 | 1652 | 3.1 | |
| WHITERIVER | 1072 | 4104 | 15.8 | |
| NORTH FORK | 396 | 1417 | 61.6 | |
| HONDAH | 286 | 812 | 12.3 | |
| RAINBOW | 226 | 968 | 2.2 | |
| SEVEN MILE | 176 | 707 | 2.3 | |
| EAST FORK | 170 | 699 | 1.9 | |
| TURKEY CREEK | 77 | 294 | 0.8 | |
| FORT APACHE | 53 | 143 | 1.2 | |
| SHOW LOW AREA | 28218 | 46130 | 285.4 | 17 Gbps |
| HEBER-OVERGAARD | 3593 | 2822 | 6.9 | 2.2 Gbps |
| WINSLOW | 3362 | 9655 | 12.3 | |
| WINSLOW WEST | 173 | 438 | 17.9 | |
| WINSLOW AREA | 3535 | 10093 | 30.19 | 2.2 Gbps |
| HOLBROOK | 1881 | 5053 | 17.4 | 1.2 Gbps |
| KAYENTA | 1602 | 5189 | 13.2 | 1 Gbps |
| FIRST MESA | 555 | 1555 | 15.7 | |
| SECOND MESA | 325 | 962 | 40.1 | |
| SHONGOPOVI | 240 | 831 | 1.6 | |
| KEAMS CANYON | 142 | 304 | 16.6 | |
| JEDDITO | 115 | 293 | 5.4 | |
| FIRST MESA AREA | 1377 | 3945 | 79.5 | 0.9 Gbps |
| JOSEPH | 547 | 1386 | 7.4 | 0.4 Gbps |
| CIBECUE | 455 | 1713 | 6.0 | 0.3 Gbps |
| DILKON | 361 | 1184 | 16.6 | 0.3 Gbps |
| PINON | 338 | 904 | 6.5 | 0.3 Gbps |
| HOTEVILLA-BACAVI | 412 | 957 | 11.8 | |
| KYKOTSMOVI VILLAGE | 328 | 746 | 16.9 | |
| HOTEVILLA-BACAVI AREA | 740 | 1703 | 28.67 | 0.5 Gbps |
| PINEDALE | 332 | 487 | 9.7 | 0.2 Gbps |
| WHITECONE | 300 | 817 | 45.1 | 0.2 Gbps |
| LOW MOUNTAIN | 260 | 757 | 36.9 | 0.2 Gbps |
| CHILCHINBITO | 228 | 506 | 23.8 | 0.2 Gbps |
| SHONTO | 205 | 591 | 4.6 | 0.2 Gbps |
| GREASEWOOD | 181 | 547 | 5.4 | 0.2 Gbps |
| CLAY SPRINGS | 164 | 401 | 2.8 | 0.1 Gbps |
| SUN VALLEY | 150 | 316 | 31.6 | 0.1 Gbps |
| TEES TOH | 149 | 448 | 17.0 | 0.1 Gbps |
| WOODRUFF | 85 | 191 | 5.8 | 0.1 Gbps |
| INDIAN WELLS | 75 | 255 | 10.4 | 0.1 Gbps |
| SEBA DALKAI | 57 | 136 | 15.1 | 0.1 Gbps |
| OLJATO-MONUMENT VALLEY | 46 | 154 | 12.4 | 0.1 Gbps |
| HARD ROCK | 41 | 94 | 5.9 | 0.1 Gbps |



EXHIBIT A

Exhibit A, Backhaul Bandwidth for Census Designated Places

State of Arizona
 State Procurement Office
 100 North 15th Avenue, Suite 201
 Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
 Description: **Telecommunications and Broadband Provider Services**

Pima

| | | | | |
|--------------------------|---------------|---------------|--------------|-------------------|
| TUCSON | 229762 | 520116 | 226.9 | |
| CASAS ADOBES | 30364 | 66795 | 26.9 | |
| CATALINA FOOTHILLS | 27211 | 50796 | 42.1 | |
| ORO VALLEY | 20340 | 41011 | 35.6 | |
| GREEN VALLEY | 17322 | 21391 | 32.2 | |
| MARANA | 14726 | 34961 | 122.1 | |
| SAHUARITA | 10615 | 25259 | 31.0 | |
| DREXEL HEIGHTS | 9684 | 27749 | 20.2 | |
| FLOWING WELLS | 7505 | 16419 | 4.0 | |
| TANQUE VERDE | 7340 | 16901 | 33.0 | |
| TUCSON ESTATES | 6152 | 12192 | 13.0 | |
| PICTURE ROCKS | 4177 | 9563 | 70.8 | |
| VAIL | 3754 | 10208 | 22.6 | |
| CATALINA | 3290 | 7569 | 14.1 | |
| VALENCIA WEST | 3206 | 9355 | 10.4 | |
| AVRA VALLEY | 2487 | 6050 | 22.2 | |
| CORONA DE TUCSON | 2165 | 5675 | 6.1 | |
| SOUTH TUCSON | 2137 | 5652 | 1.0 | |
| RINCON VALLEY | 2044 | 5139 | 27.8 | |
| SUMMIT | 1708 | 5372 | 4.5 | |
| ARIVACA JUNCTION | 388 | 1090 | 2.9 | |
| LITTLE | 277 | 873 | 0.1 | |
| ELEPHANT HEAD | 253 | 612 | 7.4 | |
| AMADO | 207 | 295 | 5.3 | |
| NELSON | 100 | 259 | 0.4 | |
| RILLITO | 50 | 97 | 0.1 | |
| TUCSON METRO AREA | 407264 | 901399 | 782.7 | 244.4 Gbps |
| THREE POINTS | 2487 | 5581 | 46.4 | 1.5 Gbps |
| AJO | 2175 | 3304 | 33.3 | 1.4 Gbps |
| SELLS | 736 | 2495 | 9.5 | 0.5 Gbps |
| ARIVACA | 492 | 695 | 27.8 | 0.3 Gbps |
| PIMACO TWO | 313 | 682 | 4.5 | 0.2 Gbps |
| SUMMERHAVEN | 259 | 40 | 4.5 | 0.2 Gbps |
| SANTA ROSA | 223 | 628 | 6.5 | 0.2 Gbps |
| WHY | 177 | 167 | 9.0 | 0.2 Gbps |
| TOPAWA | 135 | 299 | 5.2 | 0.1 Gbps |
| PISINEMO | 116 | 321 | 2.3 | 0.1 Gbps |
| ALI CHUKSON | 55 | 132 | 2.1 | |
| ALI MOLINA | 30 | 71 | 0.8 | |
| CHIAWULI TAK | 21 | 78 | 2.4 | |
| ALICHUKSON AREA | 106 | 281 | 5.3 | 0.1 Gbps |
| GU OIDAK | 91 | 188 | 7.1 | 0.1 Gbps |
| SAN MIGUEL | 79 | 197 | 5.7 | 0.1 Gbps |
| WILLOW CANYON | 68 | 1 | 0.3 | 0.1 Gbps |
| SOUTH KOMELIK | 65 | 111 | 3.9 | 0.1 Gbps |
| ALI CHUK | 60 | 161 | 1.4 | 0.1 Gbps |
| MAISH VAYA | 59 | 158 | 4.2 | 0.1 Gbps |
| WAHAK HOTRONTK | 46 | 114 | 1.5 | 0.1 Gbps |



EXHIBIT A

Exhibit A, Backhaul Bandwidth for Census Designated Places

State of Arizona
 State Procurement Office
 100 North 15th Avenue, Suite 201
 Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
 Description: **Telecommunications and Broadband Provider Services**

| | | | | |
|-----------------------|--------|--------|-------|-----------|
| ANEGAM | 43 | 151 | 2.3 | 0.1 Gbps |
| COWLIC | 41 | 135 | 0.8 | 0.1 Gbps |
| HAIVANA NAKYA | 39 | 96 | 1.9 | 0.1 Gbps |
| VENTANA | 29 | 49 | 1.0 | 0.1 Gbps |
| CHARCO | 26 | 52 | 0.9 | 0.1 Gbps |
| KO VAYA | 16 | 46 | 1.1 | 0.1 Gbps |
| NOLIC | 15 | 37 | 0.5 | 0.1 Gbps |
| AK CHIN | 11 | 30 | 0.5 | 0.1 Gbps |
| COMOBABI | 5 | 8 | 1.2 | 0.1 Gbps |
| PINAL | | | | |
| SAN TAN VALLEY | 29417 | 81321 | 35.8 | |
| APACHE JUNCTION | 22564 | 35840 | 35.0 | |
| CASA GRANDE | 22400 | 48571 | 109.6 | |
| MARICOPA | 17240 | 43482 | 47.5 | |
| GOLD CANYON | 6874 | 10159 | 22.4 | |
| FLORENCE | 5224 | 25536 | 52.5 | |
| ARIZONA | 5064 | 10475 | 6.2 | |
| COOLIDGE | 4796 | 11825 | 56.5 | |
| ELOY | 3691 | 16631 | 111.5 | |
| SACATON | 671 | 2672 | 8.1 | |
| CASA BLANCA | 388 | 1388 | 15.8 | |
| BLACKWATER | 332 | 1062 | 17.9 | |
| CACTUS FOREST | 287 | 594 | 2.7 | |
| AK-CHIN VILLAGE | 256 | 862 | 10.6 | |
| PICACHO | 185 | 471 | 6.4 | |
| STOTONIC VILLAGE | 181 | 659 | 5.0 | |
| SACATON FLATS VILLAGE | 168 | 541 | 6.2 | |
| UPPER SANTAN VILLAGE | 136 | 495 | 7.1 | |
| GOODYEAR VILLAGE | 121 | 457 | 3.4 | |
| LOWER SANTAN VILLAGE | 103 | 374 | 4.2 | |
| CHUICHU | 96 | 269 | 6.9 | |
| WET CAMP VILLAGE | 76 | 229 | 4.4 | |
| SACATE VILLAGE | 50 | 169 | 3.5 | |
| SWEET WATER VILLAGE | 26 | 83 | 0.8 | |
| SAN TAN VALLEY AREA | 120346 | 294165 | 579.7 | 72.3 Gbps |
| SADDLEBROOKE | 5671 | 9614 | 29.3 | 3.5 Gbps |
| ORACLE | 1772 | 3686 | 16.4 | |
| SAN MANUEL | 1541 | 3551 | 20.7 | |
| CAMPO BONITO | 48 | 74 | 4.0 | |
| ORACLE AREA | 3361 | 7311 | 41.1 | 2.1 Gbps |
| SUPERIOR | 1465 | 2837 | 1.9 | 0.9 Gbps |
| KEARNY | 878 | 1950 | 2.8 | 0.6 Gbps |
| RED ROCK | 786 | 2169 | 47.3 | 0.5 Gbps |
| MAMMOTH | 635 | 1426 | 1.0 | 0.4 Gbps |
| QUEEN VALLEY | 621 | 788 | 9.7 | 0.4 Gbps |
| DUDLEYVILLE | 423 | 959 | 6.7 | 0.3 Gbps |
| STANFIELD | 222 | 740 | 3.9 | 0.2 Gbps |
| VAIVA VO | 29 | 128 | 0.5 | 0.1 Gbps |



EXHIBIT A

Exhibit A, Backhaul Bandwidth for Census Designated Places

State of Arizona
 State Procurement Office
 100 North 15th Avenue, Suite 201
 Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
 Description: **Telecommunications and Broadband Provider Services**

| | | | | |
|---------------------------------|-------|--------|-------|-----------|
| KOHATK | 15 | 27 | 0.1 | 0.1 Gbps |
| SANTA CRUZ | 13 | 37 | 1.6 | 0.1 Gbps |
| TAT MOMOLI | 9 | 10 | 0.9 | 0.1 Gbps |
| SANTA CRUZ | | | | |
| RIO RICO | 6356 | 18962 | 62.4 | |
| TUBAC | 1067 | 1191 | 10.8 | |
| TUMACACORI-CARMEN | 187 | 393 | 2.0 | |
| RIO RICO AREA | 7610 | 20546 | 75.1 | 4.6 Gbps |
| NOGALES | 7260 | 20837 | 20.8 | |
| BEYERVILLE | 55 | 177 | 0.3 | |
| NOGALES AREA | 7315 | 21014 | 21.2 | 4.4 Gbps |
| PATAGONIA | 576 | 913 | 1.3 | 0.4 Gbps |
| SONOITA | 462 | 818 | 10.6 | 0.3 Gbps |
| ELGIN | 85 | 161 | 5.9 | 0.1 Gbps |
| KINO SPRINGS | 65 | 136 | 0.3 | 0.1 Gbps |
| YAVAPAI | | | | |
| PRESCOTT | 22159 | 39843 | 41.6 | |
| PRESCOTT VALLEY | 17494 | 38822 | 38.6 | |
| CHINO VALLEY | 4967 | 10817 | 63.4 | |
| WILLIAMSON | 2779 | 5438 | 56.9 | |
| PAULDEN | 2268 | 5231 | 57.0 | |
| DEWEY-HUMBOLDT | 1888 | 3894 | 18.6 | |
| CORDES LAKES | 1463 | 2633 | 10.8 | |
| MAYER | 849 | 1497 | 20.1 | |
| SPRING VALLEY | 629 | 1148 | 10.6 | |
| PRESCOTT AREA | 54496 | 109323 | 317.6 | 32.7 Gbps |
| COTTONWOOD | 5866 | 11265 | 16.4 | |
| VERDE VILLAGE | 4989 | 11605 | 7.0 | |
| CAMP VERDE | 4726 | 10873 | 43.1 | |
| LAKE MONTEZUMA | 2334 | 4706 | 12.0 | |
| CLARKDALE | 2059 | 4097 | 10.6 | |
| JEROME | 290 | 444 | 0.9 | |
| COTTONWOOD AREA | 20264 | 42990 | 90.0 | 12.2 Gbps |
| SEDONA | 6367 | 10031 | 19.2 | 3.9 Gbps |
| VILLAGE OF OAK CREEK (BIG PARK) | 4076 | 6147 | 5.3 | 2.5 Gbps |
| CORNVILLE | 1695 | 3280 | 13.2 | 1.1 Gbps |
| BLACK CANYON | 1563 | 2837 | 24.3 | 1 Gbps |
| CONGRESS | 1226 | 1975 | 37.7 | 0.8 Gbps |
| YARNELL | 597 | 649 | 8.8 | |
| PEEPLES VALLEY | 338 | 428 | 15.1 | |
| YARNELL AREA | 935 | 1077 | 24.0 | 0.6 Gbps |
| BAGDAD | 838 | 1876 | 8.0 | 0.6 Gbps |
| WILHOIT | 483 | 868 | 15.7 | 0.3 Gbps |
| SELIGMAN | 292 | 445 | 6.4 | 0.2 Gbps |



EXHIBIT A

Exhibit A, Backhaul Bandwidth for Census Designated Places

State of Arizona
 State Procurement Office
 100 North 15th Avenue, Suite 201
 Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
 Description: **Telecommunications and Broadband Provider Services**

| | ASH FORK | 218 | 396 | 2.3 | 0.2 Gbps |
|---------------|----------|--------|-------|-----|-----------|
| YUMA | | | | | |
| YUMA AREA | 38626 | 93064 | 120.7 | | |
| YUMA AREA | 21642 | 26265 | 40.2 | | |
| YUMA AREA | 6525 | 25505 | 32.2 | | |
| YUMA AREA | 4052 | 14287 | 7.3 | | |
| YUMA AREA | 2081 | 2882 | 29.0 | | |
| YUMA AREA | 1968 | 4176 | 0.7 | | |
| YUMA AREA | 394 | 1508 | 0.1 | | |
| YUMA AREA | 225 | 678 | 2.0 | | |
| YUMA AREA | 199 | 504 | 1.0 | | |
| YUMA AREA | 174 | 594 | 0.1 | | |
| YUMA AREA | 162 | 625 | 0.1 | | |
| YUMA AREA | 131 | 258 | 0.6 | | |
| YUMA AREA | 115 | 415 | 0.4 | | |
| YUMA AREA | 84 | 272 | 0.2 | | |
| YUMA AREA | 46 | 171 | 0.3 | | |
| YUMA AREA | 76424 | 171204 | 234.9 | | 45.9 Gbps |
| MARTINEZ LAKE | 510 | 798 | 9.2 | | 0.4 Gbps |
| TACNA | 291 | 602 | 1.9 | | 0.2 Gbps |
| DATELAND | 221 | 416 | 22.1 | | |
| AZTEC | 24 | 47 | 6.2 | | |
| DATELAND AREA | 245 | 463 | 28.3 | | 0.2 Gbps |
| BUCKSHOT | 75 | 153 | 0.3 | | 0.1 Gbps |

EXHIBIT A

Final Exception Document

Mutually agreed to by the State of Arizona and Cox Arizona Telcom, LLC

The following are the exceptions which were submitted by Cox Arizona Telcom LLC in response to the State of Arizona's solicitation ADSP014-00004241. Any exceptions not addressed by the State in this document were not considered and shall be deemed not accepted by the State and shall not become a part of any resultant contract.

All accepted exceptions shall be incorporated within in applicable sections of a resultant contract. Approved exceptions shall override the original RFP language, unless the acceptance was only clarification.

1) Solicitation section reference: Scope of Work

- 7.2.3 Restore and Response times:
- 7.2.3.1 Metro Areas:
 - 7.2.3.1.1 Specific sites to be provided after contract award.
 - 7.2.3.1.1.1 Full restoration shall be completed within two (2) hours.
 - 7.2.3.2 Rural Areas:
 - 7.2.3.2.1 Specific sites to be provided after contract award.
 - 7.2.3.2.1.1 Full restoration shall be completed within four (4) hours.
 - 7.2.3.3 If full restoration cannot be achieved within the above stated time frames, the customer shall be notified immediately upon discovery of such event that hinders restoration.
 - 7.2.3.3.1 Every hour that service has not been restored the carrier or provider shall be responsible for updating the customer of status on the restoration project.
- 7.2.4 Restore and Response penalties:
- 7.2.4.1 Every 15 minutes that 'full service restoration' is not completed the Contractor shall be charged a penalty of 5% of the customer's monthly bill. This will be seen in the form of a credit against the billed amount at the end of the month.
 - 7.2.4.2 If full restoration has not been completed within double the allowed time the customer will have the right to terminate services with that Carrier with no penalty.
 - 7.2.4.2.1 Customer, at its discretion, can allow an exception to this within their negotiated SLA, based on agreed to terms by both parties, for allowances such as, but not limited to, force majeure.

Cox Exception:

RESPONSE: Cox has a long-standing relationship with the State of Arizona, with well-established ticket response, maintenance and repair processes. These processes have successfully served the State for many years. During regular stewardship meetings, Cox reviews outage reports with ASET/EIC, continually striving to identify gaps and improve performance if needed. Cox believes that the Restore and Response times and associated penalties are significantly narrower than industry standards for both Metro and Rural areas. The State's largest current carrier publicly posts a restoration SLA of 4 hours; 8 hours if a cable failure for most services.

Cox Alternative Language:

Therefore, Cox proposes the following service-specific, Restoration SLAs detailed on the following pages in lieu of those stated in the Scope of Work. Section 7.2.4.2, Cox proposes that the word "services" be replaced by "the specific service". Further, if the carrier has incurred Cap-Ex cost to extend its network to a customer site, the customer remains liable for cost recovery, as outlined Scope of Work Section 8.3.2.2

State Response: Unacceptable with alternate language proposed
The State would accept the following alternate language:

7.2.4.1 The contractor shall be liable for 1/720 of the MRC for each hour after the Contractor is notified of an outage. This will be seen in the form of a credit against the billed amount at the end of the month.

An "Outage" is an interruption in Service or use of the Equipment caused by a failure of the Contractor's Network, excluding degradation or disruption due to planned or emergency maintenance or an event outside of the Contractor's direct control.

7.2.4.2 If full restoration has not been completed within double the allowed time the customer will have the right to terminate the specific service with that Carrier with no penalty.

COX RESPONSE: Cox agrees to accept the State's Alternative language above.

State's Final Response: Revised language for section 7.2.4.1 is found at the end of this exception document, change to language was discussed and accepted by COX at discussion meeting held 1/23/15.

EXHIBIT A

Final Exception Document

Mutually agreed to by the State of Arizona and Cox Arizona Telcom, LLC

2) Solicitation section reference: Special Terms and Conditions

22. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996
The Contractor warrants that it is familiar with the requirements of HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH Act) of 2009, and accompanying regulations and will comply with all applicable HIPAA requirements in the course of this Contract. Contractor warrants that it will cooperate with the State in the course of performance of the Contract so that both the State and the Contractor will be in compliance with HIPAA, including cooperation and coordination with the Arizona Strategic Enterprise Technology (ASET) Group, Statewide Information Security and Privacy Office (SISPO), Chief Privacy Officer and HIPAA Coordinator and other compliance officials required by HIPAA and its regulations. Contractor will sign any documents that are reasonably necessary to keep the State and Contractor in compliance with HIPAA, including but not limited to, business associate agreements.

If requested, the Contractor agrees to sign a "Pledge to Protect Confidential Information" and to abide by the statements addressing the creation, use and disclosure of confidential information, including information designated as protected health information and all other confidential or sensitive information as defined in policy. In addition, if requested, Contractor agrees to attend or participate in job related HIPAA training that is: (1) intended to make the Contractor proficient in HIPAA for purposes of performing the services required and (2) presented by a HIPAA Privacy Officer or other person or program knowledgeable and experienced in HIPAA and who has been approved by the ASET/SISPO Chief Privacy Officer and HIPAA Coordinator.

Cox Exception:

RESPONSE: Cox notes that HIPAA referenced in the RFP is not applicable to Cox as the requirements of HIPAA do not apply to businesses who act merely as a "conduit" for protected health information. As stated by the Department of Health and Human Services "the conduit exception ... is intended to exclude only those entities providing mere courier services ... and their electronic equivalents, such as internet service providers (ISPs) For example, a telecommunications company may have occasional, random access to protected health information.... Such occasional, random access to protected health information would not qualify the company as a business associate." 78 Federal Register, No. 17, 5571-72.

Therefore, Cox proposes that this section be deleted from the contract and the parties acknowledge that the services provided by Cox are exempt from HIPAA.

~~State Response: Unacceptable, the state is not accepting changes to these requirements~~

~~COX~~ RESPONSE: Cox withdraws its exception.

~~State's Final Response: Exception withdrawn by Cox~~

3) Solicitation section reference: Special Terms and Conditions

23. FIRST PARTY LIMITATION OF LIABILITY
Contractor's liability for first party damages to the State arising from this Contract shall be limited to two (2) times the maximum-not-to-exceed amount of this Contract. The foregoing limitation of liability shall not apply to: (i) liability, including indemnification obligations, for third party claims, including but not limited to, infringement of third party intellectual property rights; (ii) claims covered by any specific provision of the Contract calling for liquidated damages or other amounts, including but not limited to, performance requirements; or (iii) costs or attorneys' fees that the State is entitled to recover as a prevailing party in any action.

Cox Exception:

RESPONSE: The parties need to address that neither is responsible for consequential damages and that except for the warranties provided in the agreement, there are no other warranties. Therefore, Cox proposes the following language be added to the contract: Under no circumstances will either party be liable for any indirect, incidental, special or consequential damages arising from this agreement or its provision of the services. Cox and/or its agents shall not be liable for damages for failure to furnish or interruption of any services, nor shall Cox or its agents be responsible for failure or errors in signal transmission, lost data, files or software damage regardless of the cause. Cox shall not be liable for damage to property or for injury to any person arising from the installation or removal of equipment unless caused by the negligence of Cox. Except as provided in this agreement, there are no other agreements, warranties or representations, express or implied, either in fact or by operation of law, statutory or otherwise, including warranties of merchantability and fitness for a particular purpose, relating to the services. Services provided are a best efforts service and Cox does not warrant that the services, equipment or software shall be error free or without interruption. Internet and WIFI speeds will vary. Cox makes no warranty as to transmission or upstream or downstream speeds of the network.

~~State Response: Unacceptable, the state is not accepting changes to these requirements~~

~~COX~~ RESPONSE: Cox withdraws its exception.

~~State's Final Response: Exception withdrawn by Cox~~

4) Solicitation section reference: Special Terms and Conditions

24. INDEMNIFICATION
Contractor shall indemnify, defend with counsel reasonably approved by the State, and hold harmless, the State, its departments, agencies, boards, commissions, universities, officers, agents and employees (collectively, the "Indemnitee") from and against any

EXHIBIT A

Final Exception Document

Mutually agreed to by the State of Arizona and Cox Arizona Telcom, LLC

and all claims, actions, damages, costs (including attorneys' fees), and losses arising under this Contract, including, but not limited to, bodily injury or personal injury (including death) or loss or damage to tangible or intangible property, but excluding damages arising solely from the gross negligence or willful misconduct of the Indemnitee. This indemnification obligation includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of Contractor to comply with any federal, state or local law, statute, ordinance, rule, regulation or court decree. Contractor shall have control, subject to the reasonable approval of the State, of the defense of any action on such claim and all negotiations for its settlement or compromise, provided, however, that when substantial principles of government or public law are involved, or when involvement of the State is otherwise mandated by law, the State may elect, in its sole and absolute discretion, to participate in such action at its own expense with respect to attorneys' fees and costs, but not liability, and the State shall have the right to approve or disapprove any settlement, which approval shall not be unreasonably withheld or delayed. The State shall reasonably cooperate in its defense and any related settlement negotiations.

Cox Exception:

RESPONSE: Cox states that part of the State's indemnification section is too broad as it requires Cox to indemnify the State's for injury or damage not caused by Cox. Cox proposes adding the following language after "tangible or intangible property": "to the extent such claims, actions, damages, costs (including attorneys' fees), and losses are caused by the intentional misconduct or negligence of Contractor" ending before the word "but".

~~State Response: Unacceptable; the state is not accepting changes to these requirements~~



RESPONSE: Cox withdraws its exception.

~~State's Final Response: Exception withdrawn by Cox.~~

5) Solicitation section reference: Special Terms and Conditions

26. INTELLECTUAL PROPERTY

26.1 Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, or trade secrets created or conceived solely pursuant to or as a result of this Contract and any related subcontract (collectively, the "Intellectual Property"), shall be work made for hire and the State shall be the owner of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this Contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Software and other Materials developed or otherwise obtained by or for Contractor or its affiliates independently of this Contract ("Independent Materials") do not constitute Intellectual Property. If Contractor creates derivative works of Independent Materials, then the elements of such derivative works created pursuant to this Contract shall constitute Intellectual Property owned by the State. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by Contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this Contract.

Notwithstanding the foregoing, if the State elects, in its sole and absolute discretion, to relinquish its ownership interest in any or all of the Intellectual Property, the State shall have the rights to use, modify, reproduce, release, perform, display, sublicense or disclose such Intellectual Property within State government and operations without restriction for any activity in which the State is a party (collectively, "Government Purpose Rights").

Cox Exception:

RESPONSE: Cox is not providing any Work Product in the provision of services and, therefore, this provision should be inapplicable.

Cox Alternative Language:

Cox proposes the following language replace the stated language:

The parties agree that, generally, Contractor is not providing any Work Product to the State and title to the network or any equipment provided by Contractor related to the services shall NOT be conveyed to State. The design of the services and Contractor's network, as well as any other pre-existing or newly developed intellectual property of Contractor created during the term shall remain the property of Contractor.

~~State Response: Unacceptable with clarification that a custom network design built on state owned infrastructure would be the ownership of the State.~~



RESPONSE: Cox withdraws its exception.

~~State's Final Response: Exception withdrawn by Cox.~~

6) Solicitation section reference: Special Terms and Conditions

31. NON-RECURRING COSTS (NRC)

EXHIBIT A

Final Exception Document

Mutually agreed to by the State of Arizona and Cox Arizona Telcom, LLC

Providers are required to quote NRC for services provided within their awarded County(ies) and Categories as outlined within Attachment II, Pricing Structure. In the event that a Contractor elects to quote a Customer an additional NRC, over and above the listed NRC within Attachment II, the Contractor shall comply with the following:

- The reason for the 'Extension' NRC is based on extending the Provider's transport medium to an off-net location;
- 'Extension' NRC should not exceed six (6) times the firm fixed monthly recurring cost (MRC) for the service in question; and
- No more than 20% of the requested quotes submitted within a one year period, for the service in question, shall have an Extension NRC.

Final acceptance of the Extension NRC is at the sole option of the customer. Customer reserves the right to negotiate the proposed Extension NRC. Extension NRC shall not be permitted in lieu of or in connection with a Contractors Broadband Expansion Projects.

Cox Exception:

RESPONSE: Cox takes exception to this Term as each build-out of network facilities to meet specific customer requests for service is unique. Engineering, costing and the resultant Extension NRC cannot be predicted in advance of RFI's for specific sites. It is therefore not realistic in certain circumstances to be able to adhere to the requirements in Section 31 above. Cox has built facilities with associated build cost to numerous agencies that exceed the 6 times limitation. Agencies have selected Cox for reasons including ROI versus cost of current service and lowest 5- year TCO versus other carrier proposals. With the requirement to bid all quotes to the limitations of the Extension NRC, it could be potentially crippling to any agency that needs reliable, high speed services that would require a provider to build such service. Cox requests the removal of this Term in its entirety as it significantly limits competition and could cause harm to agencies and the public whom they serve, should carriers refuse to bid because they cannot recover costs.

~~State Response: Unacceptable, the state is not accepting changes to these requirements~~

COX RESPONSE: Cox requests further discussion on this item. . We would like the opportunity to have some open discussion to bring to light how the language in its current structure may disadvantage the state's costs and in some instances preclude fair competition.

There are recent examples where the extension NRC exceeded the constructs in this new NRC language, yet the ROI was acceptable to the agency.

There are other scenarios where an AZNET RFI was issued resulting in a response which required an extension NRC. Subsequent RFI's for additional services for the same agency or service(s) for a different agency in the same building were issued by AZNET. Had these services been offered together, there may not have been any NRC.

Rural AZ is another scenario altogether, where any carrier offering service will likely need to build a network extension in order to provide the level of service required by the state's network constructs.

~~State's Final Response: Exception withdrawn by Cox during discussion held on 1/23/15~~

7) Solicitation section reference: Uniform Terms and Conditions

9.5 Termination for Default.

9.5.1 In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

9.5.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.

9.5.3 The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.

Cox Exception:

RESPONSE: Specific to 9.5.1, A notice period and opportunity to cure any default should be added to the contract so Cox has an opportunity to address any issues prior to termination. Cox will work with the State in good faith at all times to make sure the State is fully satisfied with the services.

Cox Alternative Language:

Cox proposes the following language be added:

The State may terminate if Contractor materially fails to comply with the terms and/or conditions of the Contract, provided that the State shall first give Contractor at least thirty (30) days written notice and right to cure prior to any termination for default or cause. If within thirty (30) days after

EXHIBIT A
Final Exception Document
Mutually agreed to by the State of Arizona and Cox Arizona Telcom, LLC

receipt of such written notice, Contractor shall have corrected such failure or, in the case of failure which cannot be corrected in (30) days, begun in good faith to correct such failure and thereafter proceeded diligently to complete such correction, then there shall be no right to terminate for default or cause. In addition to force majeure events, Contractor shall not be liable for delays due to the State or its agents or any issues from causes beyond Contractor's reasonable control. Specific to 9.5.3. Cox agrees to an appropriate termination for default section, but does not agree to be responsible for the excess cost of substituted services. Cox proposes the last sentence of 9.5.3 be deleted.

~~State Response: Unacceptable. Uniform Terms and Conditions, Section 8 – State's Contractual Remedies, gives the Contractor steps to prevent termination of contract.~~

COX RESPONSE: Cox withdraws its exception.

~~State's Final Response: Exception withdrawn by Cox.~~

The State of Arizona has revised language within resultant contracts as follows:

1. Scope of Work section 7.2.4.1, shall be deleted in its entirety and replaced with the following language:
 - 7.2.4.1 If Full Service Restoration is not completed the Contractor shall be liable for 1/720 of the MRC for each hour after the allowable response time has been exhausted. This will be seen in the form of a credit against the billed amount at the end of the month.

An "Outage" is an interruption in Service or use of the Equipment caused by a failure of the Contractor's Network, excluding degradation or disruption due to planned or emergency maintenance or an event outside of the Contractor's direct control.

2. Special Terms and Conditions section 6.1 Method of Assessment shall be deleted in its entirety and replaced with the following language:
 - 6.1 Method of Assessment. At the completion of each quarter, the Contractor reviews all sales under their contract in preparation for submission of their Usage Report. The Contractor identifies all sales receipts transacted by members of the State Purchasing Cooperative and assesses one percent (1.0%) of this amount in their Usage Report. An updated list of State Purchasing Cooperative members may be found at: <https://spo.az.gov/state-purchasing-cooperative>. At its option, the State may expand or narrow the applicability of this fee.

For this contract only, the State of Arizona will not assess the 1% administrative fee to Contractors for E-Rate eligible purchases. E-Rate eligible purchases can be made by eligible recipients per 47 CFR §54.501. To determine if a customer is an eligible recipient the Contractor shall refer to the following web address:
<http://usac.org/sl/applicants/beforeyoubegin/definitions.aspx>

The Contractor shall summarize all sales, along with all assessed Administrative Fee amounts within their Usage Report, including total amounts for the following:
 - o Total sales receipts from State agencies, boards and commissions;
 - o Total sales receipts from members of the State Purchasing Cooperative; and
 - o Total Administrative Fee amount based on one percent (1.0%) of the sales receipts from members of the State Purchasing Cooperative.

**LINKING AGREEMENT
BETWEEN
THE CITY OF GLENDALE, ARIZONA
AND
COX ARIZONA TELCOM L.L.C.**

EXHIBIT B
Scope of Work

PROJECT

Contractor will provide telecommunication services in multiple categories such as providing 1) Dedicated Private Circuits & Networks 2) Voice Services; 3) WiFi Services 4) Internet Access Services. Additional details can be found on the Attached B.



Request for Proposal

EXHIBIT B

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**

Description: **Carrier and Broadband Provider Services**

Notice of Request for Proposal

In accordance with A.R.S. § 41-2534, competitive sealed proposals for the materials or services specified, will be received by the State Procurement Office **online** through the State's e-Procurement system, ProcureAZ (<https://procure.az.gov>) at the date and time posted in ProcureAZ. Proposals received by the correct time and date will be opened and the name of each Offeror will be publically available. **Proposals must be in the actual possession of the State on or prior to the time and date indicated in the Notice. Late proposals will not be considered.**

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the appropriate Procurement Agency. Requests should be made as early as possible to allow time to arrange the accommodation. A person requiring special accommodations may contact the solicitation contact person responsible for this procurement as identified above.

OFFERORS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE SOLICITATION



Offer and Acceptance

EXHIBIT B

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSPO14-00004241**
Description: **Carrier and Broadband Provider Services**

OFFER

TO THE STATE OF ARIZONA:

The Undersigned hereby offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, specifications and amendments in the Solicitation and any written exceptions in the offer. Signature also certifies Small Business status

Company Name

Signature of Person Authorized to Sign Offer

Address

Printed Name

City State Zip

Title

Phone: _____

Fax: _____

Contact Email Address

By signature in the Offer section above, the Offeror certifies:

1. The submission of the Offer did not involve collusion or other anticompetitive practices.
2. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 2009-9 or A.R.S. §§ 41-1461 through 1465.
3. The Offeror has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. The Offeror certifies that the above referenced organization ___ IS/ ___ IS NOT a small business with less than 100 employees or has gross revenues of \$4 million or less.

ACCEPTANCE OF OFFER

The Offer is hereby accepted.

The Contractor is now bound to sell the materials or services listed by the attached contract and based upon the solicitation, including all terms, conditions, specifications, amendments, etc. and the Contractor's Offer as accepted by the State.

This Contract shall henceforth be referred to as Contract No. _____

The effective date of the Contract is _____

The Contractor is cautioned not to commence any billable work or to provide any material or service under this contract until Contractor receives purchase order, contract release document or written notice to proceed.

State of Arizona
Awarded this _____ day of _____ 20____

Procurement Officer



Table of Content

EXHIBIT B

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

| | |
|---|-----------|
| OFFER AND ACCEPTANCE FORM | 2 |
| TABLE OF CONTENTS | 3 |
| SCOPE OF WORK | 4 |
| SPECIAL TERMS AND CONDITIONS..... | 19 |
| UNIFORM TERMS AND CONDITIONS..... | 33 |
| SPECIAL INSTRUCTIONS..... | 41 |
| UNIFORM INSTRUCTIONS | 45 |
| ATTACHMENT I, OFFEROR QUESTIONNAIRE | 50 |
| ATTACHMENT II, PRICING STRUCTURE | 56 |
| EXHIBIT A, BACKHAUL BANDWIDTH FOR CENSUS DESIGNATED PLACES | 57 |
| EXHIBIT B, STATE OF ARIZONA WAN STRATEGY DIAGRAM | 58 |



Scope of Work

EXHIBIT B

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

1. PURPOSE

The State desires to establish a Contract or Contract Set for Carrier and Broadband Provider Services as described herein. The State acknowledges that the telecommunication and broadband industries and its suppliers are changing rapidly and as such desires to allow flexibility to accommodate open-standards-based products and new technologies.

2. BACKGROUND

The State currently holds nine (9) contracts for Telecommunication Carrier Services. Within these contracts a customer is able to obtain carrier services through a limited technology base. It is the intent of the State to widen the technologies and related services that are available for purchase by all eligible State customers from both traditional telecommunication carriers as well as broadband service providers to better serve the State of Arizona as a whole.

This contract will be utilized by two specific customer bases:

Primary Customers: Defined as all State Agencies, Boards and Commissions. These customers are *required* to be compliant with AZNet standards. The executive branch of the State has outsourced the management of its telecommunications infrastructure from a fragmented agency-centric model to a new enterprise network. Under this structure the State government has consolidated the purchasing power of all Executive Branch Agencies. At the direction of the State, AZNet has aggregated executive branch purchasing across the State.

Other Customers: Defined as customers who have membership in the State Purchasing Cooperative (specifically, all Arizona political subdivisions including, counties, cities, school districts and special districts.) Membership is also available to all non-profit organizations, as well as State governments, the US Federal Government and Tribal Nations or any other consortium of entities eligible to purchase under this contract.

3. OBJECTIVES

3.1 The objectives of this Solicitation are:

- 3.1.1 Standardized Carrier Services Descriptions: To provide Carriers more detailed and standardized communication service product descriptions, purchasable within this contract. The intention is to make Provider offerings more directly comparable with regard to functionality and specification as well as price.
- 3.1.2 Encourage Broader Participation: Encourage multiple Carriers and Broadband Providers to become contracted on a county-by-county basis so as to create robust and vital markets for multiple services throughout the State.
- 3.1.3 Harmonize with eRate: Allow contracts for eRate eligible purchasing. Align terms and product offerings in accordance with USAC's terms and approved products.
- 3.1.4 Strategic Infrastructure Investments: Encourage strategic investment by Carriers and Broadband Providers in building and expanding new high capacity (broadband) strategic infrastructure in Arizona counties and communities that currently have limited infrastructure capacity.

4. PRODUCT CATEGORIES

4.1 The following product categories are not exhaustive and are expected to evolve with emerging technologies and standards.

4.2 Standards and Quality of Service Guarantees.

- 4.2.1 *Current Standards and Standards Bodies:* At a minimum, all product and service offerings listed below and within the Product Categories of Attachment II shall be compliant with applicable standards for the particular



Scope of Work

EXHIBIT B

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

purchased product or service as required by the following standards setting bodies: Telcordia, ITU, ANSI, IEEE, IETF, FCC, NIST, CableLabs, Metro Ethernet Forum, and IP MPLS Forum.

4.2.2 *Quality of Service (QoS) Guarantees*: Specific types of QoS guarantees that are required to be included as part of the purchase price of offered services as described in the 'Product Description' section of Attachment II, associated with each service category. These guarantees are further specified as appropriate on a product-by-product basis in Attachment II. However, at a minimum, the following types of QoS guarantees shall be required by Bidder for every service category with stated Service Level Agreements (SLAs) appropriate to the specific product.

- Percentage of availability,
- Time to respond reported trouble,
- Time to repair reported trouble.

4.3 Desired Network Capabilities:

4.3.1 *Scalability*: The ability to increase delivery of service in number and/or size within a reasonable timeframe.

4.3.2 *Survivability*: The ability to continue to operate or quickly restore services in the face of unanticipated incidents, disasters, or catastrophes.

4.3.3 *Redundancy*: Having one or more circuits/systems available to sustain the operation of the service in case of failure of the main circuits/systems.

4.3.4 *Diversity*: Backbone network paths and infrastructure offered in such a way as to minimize the chance of a single point of failure.

4.4 CATEGORY 1: Dedicated Private Circuits and Networks (Leased Lines/Circuits, VPNs) requiring standards compliance.

4.4.1 Including but not limited to the following types of service:

4.4.1.1 Copper or Coaxial Analog Circuits:

- 4.4.1.1.1 Two Wire (POTS telephone line for voice or fax use)
- 4.4.1.1.2 Four wire (POTS telephone line for voice or fax use)
- 4.4.1.1.3 T1 (Channel bank termination up to 24 POTS lines)
- 4.4.1.1.4 T3 (Channel bank termination up to 72 POTS lines)

4.4.1.2 Digital TDM Circuits (Copper, Coax, Microwave, and HFC Transport)

- 4.4.1.2.1 DS0
- 4.4.1.2.2 DS1 (Data Transport or PBX Trunks, [CAS, or ISDN-PRI])
- 4.4.1.2.3 ISDN (BRI, PRI)
- 4.4.1.2.4 DS3 (Data Transport)

4.4.1.3 SONET Circuits (Optical Fiber, and/or Microwave Transport, and Fiber Terminal termination);

- 4.4.1.3.1 OC1
- 4.4.1.3.2 OC3
- 4.4.1.3.3 OC12
- 4.4.1.3.4 OC 24
- 4.4.1.3.5 OC 48
- 4.4.1.3.6 OC 192
- 4.4.1.3.7 OC 768

4.4.1.4 Virtual Private Circuits and Networks: may be transported over the following types of physical media: Copper pairs, Coax, Fiber, DWDM, Hybrid-Fiber/Coax (HFC), or Microwave and terminated



Scope of Work

EXHIBIT B

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

at the customer demarcation with the following types of access methods: 10/100/1000 Ethernet, Cable Modem, DSL Modem or Fiber Terminal.

- 4.4.1.4.1 Ethernet Virtual Connections (EVCs): Point-to-point, Hub and Spoke Service, Point to multi-point, Multi-point to Multi-point.
 - 4.4.1.4.1.1 Ethernet Private Line (EPL)
 - 4.4.1.4.1.2 Ethernet Virtual Private Line (EVPL)
 - 4.4.1.4.1.3 Ethernet Virtual LAN (E-LAN)
 - 4.4.1.4.1.4 Converged VoIP Services (Replicating Landline Voice Services over Metro Ethernet virtual networks and circuits and interoperable with the PSTN)
 - 4.4.1.4.1.5 Stand Alone VoIP Services over Metro Ethernet virtual circuits and E-LANs
 - 4.4.1.4.1.6 SIP Trunking over Metro Ethernet Virtual Circuits and E-LANs
- 4.4.1.4.2 MPLS-IP Virtual Network Services: Point-to-point, Hub and Spoke Service, Point to multi-point, Multi-point to Multi-point (Any-to-Any).
 - 4.4.1.4.2.1 MPLS Virtual Private Line Service (point-to-point)
 - 4.4.1.4.2.2 MPLS Virtual LAN service (multi-point to multi-point)
 - 4.4.1.4.2.3 Converged VoIP Services (Replicating Landline Voice Services over MPLS networks and services and interoperable with the PSTN)
 - 4.4.1.4.2.4 Stand Alone VoIP Services over MPLS virtual circuits and LANs
 - 4.4.1.4.2.5 SIP Trunking over MPLS Virtual Circuits and E-LANs

4.5 CATEGORY 2: Voice Grade Services; Business phone "lines" shall be flexible, affordable and reliable. Carriers and Providers shall also provide options for call features. Phone "lines" can be provided as landline or VoIP services.

4.5.1 Basic telephone services: For Providers offering voice services, basic voice services shall include at a minimum: a "line" (Physical or Voice-over-Internet-Protocol (VoIP)) with an assigned telephone number and unlimited local calling with options for the following requested call features. Some of the features listed below, in section 4.5.3, must be enabled by the Provider; others may be enabled/disabled by the customer using Touch Tone commands, (Carrier provisioned or customer controlled). Local calling is defined as calls originating and terminating within a LATA or equivalent geographic boundary.

4.5.2 Number portability: Number portability shall be supported by telephone service Providers; allowing assigned numbers to be imported from other providers at the time of service activation and exported to other providers at the time of service termination using industry standard practices.

4.5.3 Basic telephone service optional features:

- 4.5.3.1 Call Back or equivalent;
- 4.5.3.2 Call Blocking or Selective Call Blocking;
- 4.5.3.3 Call Forwarding (Busy; No Answer; Selective; To Multiple Lines, etc)
- 4.5.3.4 Call Trace;
- 4.5.3.5 Call Transfer;
- 4.5.3.6 Call Waiting;
- 4.5.3.7 Caller ID Name and Number;
- 4.5.3.8 Distinctive Ringing Restricted Call Forwarding or equivalent;
- 4.5.3.9 Feature Blocking;
- 4.5.3.10 Line Hunting;
- 4.5.3.11 Long Distance Blocking;
- 4.5.3.12 Remote Access to Call Forwarding;
- 4.5.3.13 Teleconferencing
- 4.5.3.14 Three Way Calling;
- 4.5.3.15 Voice Mail; and
- 4.5.3.16 Other features that may not be listed above, or as emerge with technology.



Scope of Work

EXHIBIT B

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

4.5.4 Providers should also make available the following voice services:

- 4.5.4.1 Customer specified Default Long Distance provider;
- 4.5.4.2 Direct Inward Dialing Services (DID);
- 4.5.4.3 Domestic Long Distance and Global Long Distance access;
- 4.5.4.4 Foreign Exchange (FX) Services;
- 4.5.4.5 PBX ALI (Private Branch Exchange Automatic Location Identification); This is specific to a multiline telephone system (MLTS);
- 4.5.4.6 Teleconferencing Bridge Services (Audio Conferencing); and
- 4.5.4.7 Toll Free Services.

4.6 **CATEGORY 3: WiFi Services.** WiFi Access Services are eligible for purchase when the WiFi Access Points terminating the service at the customer premises are bundled with the Carrier or Broadband Provider's network access service for a private line or other network service. For such WiFi services the WiFi Access Points (and any required traffic aggregating routers located at the customer premises) shall be considered to be on the providers side of the provider's demark. The Provider of WiFi Access Service shall be responsible for all configuration and management of any equipment bundled with the service and necessary for its operation.

Primary Customers who may purchase WiFi Access Services shall require the Provider to support a user log-in splash screen capability and to comply with all other State Security Policies in the implementation of the service. The State of Arizona has adopted National Institute Standards and Technology (NIST) standards for security. The State of Arizona Security Policies will be available after contract award. Additionally, WiFi Access Services shall not be configured to connect directly to the State network. It is recommended that Other Customers who may order this service require the Provider to follow the same security guidelines as AZNet.

Please note: Specifically *not* eligible under *this* contract is the purchase, installation, or operation of any WiFi equipment by the customer.

4.6.1 WiFi Access Services:

- 4.6.1.1 Single 802.11a/g/n Access Point with 6 to 30 Mbps access connection;
- 4.6.1.2 Single 802.11a/g/n/ac Access Point with 10 to 500 Mbps access connection;
- 4.6.1.3 Multiple 802.11a/g/n Access Points routed to a single access connection supporting up to 30 Mbps per Access Point;
- 4.6.1.4 Multiple 802.11a/g/n/ac Access Points routed to a single access connection supporting up to 500 Mbps per Access Point; and
- 4.6.1.5 Other services that may not be listed above, or as emerge with technology.

4.7 **CATEGORY 4: Internet Access Services.** These services may be bundled with transport or access services or provided separately for transport over private circuits and networks, or over Provider operated networks. Internet Access Services may also be bundled with Provider managed router services.

4.7.1 Feature functionality:

- 4.7.1.1 Symmetric
- 4.7.1.2 Asymmetric
- 4.7.1.3 Border Gateway Protocol (BGP)
- 4.7.1.4 Open Shortest Path First (OSPF)
- 4.7.1.5 DNS Services
- 4.7.1.6 Carrier DHCP Addressing
- 4.7.1.7 Static IP Address
- 4.7.1.8 Private IP Address
- 4.7.1.9 Other features that may not be listed above, or as emerge with technology.



Scope of Work

EXHIBIT B

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

4.7.2 Providers may also make available the following Internet Security Services which may be bundled with Internet Access services or sold separately:

- 4.7.2.1 Next Generation Firewall Services;
- 4.7.2.2 Distributed Denial of Service Prevention (DDoS);
- 4.7.2.3 Data Loss Prevention (DLP);
- 4.7.2.4 Web Proxy Filtering;
- 4.7.2.5 Content Filtering;
- 4.7.2.6 Other Security Services that may not be listed above, or as emerge with technology.

4.8 CATEGORY 5: Fiber Services.

Fiber Services can be provided as:

- 4.8.1 Leased dedicated conduits or micro-duets within conduits (through which a customer can install and operate their own fiber and provide their electronics);
- 4.8.2 Leased "Dark" Dedicated Fiber Cable (point-to-point or ring configuration, Fiber Optic Distribution Unit (FODU) demarcation, customer provides electronics);
- 4.8.3 Leased "Dark" Fiber Strand Pairs on shared fiber cable (point-to-point or ring configuration, FODU demarcation, customer provides electronics);
- 4.8.4 Leased Dense Wavelength Division Multiplexing (DWDM) wavelength(s) on shared fiber pairs (point-to-point or ring configuration, Optical FODU Demarcation, Customers provides electronics); and

4.9 Excluded Products and Services: The following products and services shall be excluded from a resultant Contract:

- 4.9.1 Building Wiring System (BWS, cabling and connection devices beyond the telecommunications demarcation);
- 4.9.2 Mobile radio related products;
- 4.9.3 Wireless Mobility Services (specifically, cell phone carrier services)
- 4.9.4 Hardware and software for build-out of Buyer's campus networks (CPE); and
- 4.9.5 9-1-1 Services;
- 4.9.6 Integration Services; and
- 4.9.7 All other products and services not specified herein.

5. EXPANDING GEOGRAPHIC AVAILABILITY FOR TARIFFED AND NON-TARIFFED CARRIER TELECOMMUNICATION SERVICES

5.1 Geographic availability of ILEC and CLEC telecommunication services may change for an ILEC or CLEC during the life of a resultant contract. As such, under a resultant Contract is limited to the areas included herein. Based on technological advances and/or expanded capabilities and infrastructure, the Contractor may add supplemental Geographic Areas to the Contract as new ILEC or CLEC service territories and/or service capabilities become available. The addition of new Geographic Areas under the Contract shall be the State's discretion.

6. BROADBAND EXPANSION PROVISION

The state seeks to encourage the building and expansion of new broadband infrastructure by encouraging Providers to work aggressively and strategically with communities and anchor institutions in those communities in underserved areas of the State to coordinate the aggregation of demand and the coordinated purchase of new and expanded high capacity broadband services especially in underserved rural communities and counties in the state.

6.1 To encourage provider investment in, and implementation of such new infrastructure, the State will consider the following within a resultant contract:



Scope of Work

EXHIBIT B

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

- 6.1.1 Special Terms: When services are purchased in connection with new infrastructure expansion by Carriers and/or Broadband Providers, Special Terms and Conditions can be considered for approval, as follows:
- 6.1.1.1 Longer-Term Contracts. After the initial 5 years base the contract can be extended for one (1) three (3) year term. At the expiration of that three (3) year term, the contract can be extended a final time for two (2) additional years, making the max life of a resultant contract 10 years.
 - 6.1.1.2 Longer-Term Service Contracts. If a Carrier or Provider wishes to seek special terms for a Longer-Term Service Contract (greater than five (5) years) with a customer, to justify investment in new infrastructure expansion, they shall submit a business case to the State Procurement Office for review and possible acceptance.
 - 6.1.1.3 Early-Termination Terms. If a Carrier or Provider wishes to seek special terms for early-termination, a business case shall be submitted to the State Procurement Office for review and possible acceptance.
- 6.1.2 Non-Recurring Costs (NRC). NRC of new infrastructure construction can be amortized over the term of a service order by the allowance for an increase monthly recurring costs (MRC) for provided services beyond the awarded price for service(s) that may utilize such new infrastructure. This amortization can be for all or a portion of the term of those specific contracted services provided that the total cost shall not increase beyond the sum of the regular bid price and the quoted NRC.
- 6.1.2.1 The State considers that providing broadband capacity, requiring new infrastructure construction, to a community shall be defined as having at least one Provider Point of Presence within a Census Designated Place or a geographic Cluster of Census Designated Places having 4,000 or more households, connected with fiber-optic or microwave back-haul transport capacity equal to or greater than 1 Mbps per household to a Point of Presence in a metropolitan area. If a Census Designated Place with a population less than 4,000 households is to be considered as served with broadband capacity the minimum connection capacity between at least one Point of Presence in the community and a Point of Presence in metropolitan areas shall be 1 Gbps. Exhibit A lists all the recommended Backhaul Bandwidth for Census Designated Places and logical Clusters of Places.
- 6.1.3 Consortia / Group Buying. Eligible 'Other Customers', as defined in Section 2, Background, are allowed to create new consortia with or without the participation of Primary Customers, also defined in Section 2, Background, to increase their buying power for services and to enhance the likelihood of new infrastructure investments being made by Carriers and Broadband Providers.
- 6.1.3.1 Billing of Consortium Projects. If Carriers or Broadband Providers accept an order from a consortium that has more than one customer (example: a school district, a city, a county, a fire district, and a non-profit) the Carrier or Broadband Provider must agree to bill every member of the consortium separately for each of their agreed portion of the cost.
- 6.2 To be considered for an award within the broadband expansion provision of a resultant contract the Offeror shall follow the specific instructions on how to respond to this section stated with Attachment I, Offeror Questionnaire.
- 6.3 Pricing. If a Carrier or Broadband Provider can provide a services within a County only after committing to the construction of new Infrastructure in that County that would enable the delivery of said services the Carrier or Broadband Provider may request the negotiation of special terms and conditions for services that would utilize the new infrastructure in that County to justify their investment. In these cases the State acknowledges that pricing shall be negotiated.
- 6.4 Additional Expansion Proposals. If an infrastructure expansion opportunity arises in an area that was not originally identified to the State through the initial RFP process, the Contractor may submit a proposal to the State for review to be considered for the additional terms listed in 6.1.1.



Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

7. SERVICE LEVEL GUARANTEES

7.1 Service Level Agreements (SLAs)

7.1.1 SLAs are required when establishing service for applicable products.

7.1.2 The customer shall negotiate SLAs directly with the carriers and providers when establishing requested service.

7.1.2.1 Once negotiated, the SLA shall be submitted the State Procurement Office for review and approval against the Terms and Conditions of a resultant contract.

7.1.3 Costs associated with more stringent guarantees then outlined below in section 7.2 may be added to a quote as a service premium.

7.1.3.1 The fixed rate MRC shall not be changed to reflect the premium associated with the SLAs rather it should be it's own monthly line item.

7.1.4 Carriers and Providers are required to monitor and report to customers monthly for agreed to Service Level Agreements performance and nonperformance.

7.2 Minimum Guarantees:

7.2.1 Restore and Response defined:

7.2.1.1 Restore – Means a 'full service restoration'.

7.2.1.2 Response – Means having a physical presence onsite.

7.2.2 Metro Areas defined:

7.2.2.1 Phoenix Metro, 50 mile radius of the Capital Mall circle

7.2.2.2 Tucson Metro, 50 mile radius of the University of Arizona

7.2.2.3 Yuma Metro, 25 mile radius of the Yuma County Court House

7.2.2.4 Flagstaff Metro, 25 mile radius of Coconino County Court House

7.2.2.5 Prescott Metro, 25 mile radius of Yavapai County Court House

7.2.3 Restore and Response times:

7.2.3.1 Metro Areas:

7.2.3.1.1 Specific sites to be provided after contract award.

7.2.3.1.1.1 Full restoration shall be completed within two (2) hours.

7.2.3.2 Rural Areas:

7.2.3.2.1 Specific sites to be provided after contract award.

7.2.3.2.1.1 Full restoration shall be completed within four (4) hours.



Scope of Work

EXHIBIT B

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

7.2.3.3 If full restoration cannot be achieved within the above stated time frames, the customer shall be notified immediately upon discovery of such event that hinders restoration.

7.2.3.3.1 Every hour that service has not been restored the carrier or provider shall be responsible for updating the customer of status on the restoration project.

7.2.4 Restore and Response penalties:

7.2.4.1 Every 15 minutes that 'full service restoration' is not completed the Contractor shall be charged a penalty of 5% of the customer's monthly bill. This will be seen in the form of a credit against the billed amount at the end of the month.

7.2.4.2 If full restoration has not been completed within double the allowed time the customer will have the right to terminate services with that Carrier with no penalty.

7.2.4.2.1 Customer, at its discretion, can allow an exception to this within their negotiated SLA, based on agreed to terms by both parties, for allowances such as, but not limited to, force majeure.

7.2.5 Restore and Response tracking:

7.2.5.1 The two (2) or four (4) hour window shall start when the customer (AZNet, for the primary customer) calls the carrier directly and opens a repair ticket.

7.2.5.2 Once the service has been fully restored, the carrier shall call the customer and notify of completion.

7.2.5.3 Once notified the customer shall confirm that service has been fully restored before the carrier closes the open repair ticket. Once this confirmation has been completed the window for restoration shall be closed and calculated for any applicable penalties.

7.2.5.3.1 If the carrier or provider closes the repair ticket before confirmation has been provided by the customer and is required to open a new ticket, the restoration and response time shall not be restarted, rather merged with the original outage notification.

8. PROCESS FOR ESTABLISHING SERVICES:

8.1 Establishing Service for State Agencies, Boards and Commissions exclusively, please reference Exhibit B for the State of Arizona WAN Strategy Diagram:

8.1.1 Quote Process. The most current version of 10.5 AZNet II – RFI Carrier Order Process Guide can be found at <https://aset.az.gov/aznet-ii-arizona-network>.

8.1.1.1 Customer is required to open a Request for Information (RFI) ticket for requested Carrier products and services.

8.1.1.1.1 Within this request the Customer shall provide the 'AZ Service ID' found within Attachment II, Pricing Structure.

8.1.1.2 All Contractors awarded in geographical location are notified of an opportunity to provide a quote for requested products and services based on contract category.

8.1.1.3 Site Assessments:



Scope of Work

EXHIBIT B

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

- 8.1.1.3.1 Contractor will be notified at the time they are given the opportunity to quote that a site assessment is requested.
- 8.1.1.3.2 Site assessments shall be provided at no charge.
- 8.1.1.3.3 Contractor is able to waive the opportunity to walk the premises and still provide a quote, however, the quote shall not be revised if the Contractor waived their right to walk the site.

8.1.1.4 Providing the Quote:

- 8.1.1.4.1 Quote shall be in compliance with the Quote form provided by ASET-EIC.
- 8.1.1.4.2 NRC's quotes shall be firm fixed, ranges shall not be accepted.
- 8.1.1.4.3 MRC quotes shall be firm fixed.
- 8.1.1.4.4 Contractor(s) are required to submit the resulting quote to [ASET EIC Carrier@azdoa.gov](mailto:ASET_EIC_Carrier@azdoa.gov) by the requested due date and time of the original RFI.
- 8.1.1.4.5 Late quotes shall not be accepted.

8.1.1.5 ASET-EIC compiles received quotes and sends them to the requesting customer for evaluation.

8.1.2 Ordering Process. The most current version of 10.6 AZNet II – MAC Project Carrier Order Process Guide can be found at <https://aset.az.gov/aznet-ii-arizona-network>.

- 8.1.2.1 Customer reviews quote(s) provided to them by ASET-EIC.
 - 8.1.2.1.1 Decision shall be based on the results of the RFI.
- 8.1.2.2 Customer opens a new move, add, change (MAC) ticket.
- 8.1.2.3 AZNet sends the order to the Selected Carrier.
- 8.1.2.4 Carrier sends e-mail confirmation to AZNet within 24 hours of receipt of the order.
- 8.1.2.5 Depending on the product ordered the Carrier sends and e-mail to AZNet with applicable supporting information as follows:
 - 8.1.2.5.1 Circuit Number;
 - 8.1.2.5.2 Carrier Order Number; and
 - 8.1.2.5.3 Due Date.
- 8.1.2.6 AZNet provides the supporting information to the AZNet Engineers and requesting Customer.
- 8.1.2.7 Carrier confirms that the product has been installed.
- 8.1.2.8 AZNet verifies with the AZNet Engineer and Customer that product was installed in compliance with the agreed upon project specifications.

8.2 Establishing Service for 'Other Customers':



Scope of Work

EXHIBIT B

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

As Eligible 'Other Customers' these customers are not required to follow the State of Arizona ASET requirements, nor are their networks and infrastructures managed by the State ASET department. As such, the customers may require the Contractor to assist in Order preparation by providing necessary product and services descriptions, operating parameters, and interface information. Contractor shall provide this assistance at no additional cost to the Customer.

8.2.1 Quote Process. Customers may request quotes for the specific products and/or services available under the Contract, through the issuance of a Contract Quote or Purchase Quote (Quote Request) to the Contractor. Quote Requests shall cite the Contract number and shall be limited to those products and/or services available under the Contract only.

Extra-contractual Products and Services Prohibited. Any attempt to use a Quote Request and/or any response thereto, to represent any products and/or services not specifically awarded and cited in the Contract as being included in the Contract is a violation of the Contract and the Arizona Procurement Code. Any such action is subject to the legal and contractual remedies available to the State, inclusive of but not limited to Contract termination for default, suspension and/or debarment of the Contractor.

8.2.1.1 Quote Request Form. Quote shall include, at a minimum, the following information:

- 8.2.1.1.1 Date the quote was requested;
- 8.2.1.1.2 Quote Number;
- 8.2.1.1.3 E-Rate SPIN number, if requested;
- 8.2.1.1.4 Customer information, to the individual department, division or office as applicable;
- 8.2.1.1.5 Customer contact person;
- 8.2.1.1.6 Term of the Service, including Service start date, expiration date – if applicable, and installation date – if applicable;
- 8.2.1.1.7 Total cost to the Customer; and
- 8.2.1.1.8 A list or description specifying the quantity, type and special options and/or provisions of the Service to be provided.

8.2.2 Ordering Process.

8.2.2.1 Purchase Order Issued. Purchase Orders shall be in accordance with the requirements set forth herein.

8.2.2.2 Order Acknowledgement. Contractor shall acknowledge receipt of all Orders. Contractor shall notify the Customer, in writing or electronically, within two (2) days of Order receipt. Customers may accept verbal Order acknowledgment when time and circumstances require.

8.2.2.3 Order Acceptance. Contractor shall acknowledge acceptance of all Orders. Contractor shall notify the Customer, in writing or electronically, within five (5) days of Order receipt. Orders that are not accepted and not specifically rejected by the Contractor within the five (5) days shall be considered accepted. Customers may accept verbal order acceptance when time and circumstances require. Order acceptance shall include the reservation of all elements necessary to deploy the ordered and accepted products and services.

8.2.2.4 Order Notification. Contractor shall, prior to the Order start date, notify Customer, in written or electronically, information pertaining to the installation of the Order's products and services.

8.2.2.5 Order Implementation. Contractor shall be responsible for and shall minimize the impact of any transition between the Customer's incumbent service providers and the Contractor. Contractor shall inform the Customer of all Customer responsibilities throughout service implementation. In general, Order implementation shall not exceed ninety (90) days but shorter or longer timeframes may be negotiated between the Customer and the Contractor on a case by case basis. Contractor shall be responsible for all billing variations incurred during an unsuccessful service implementation. For



Scope of Work

EXHIBIT B

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

example, new rates are not applied correctly or telephone numbers are not recognized in database, etc.

8.3 Additional Provisions regarding Service Establishment for both Primary and Other customers:

8.3.1 Major Service Implementations:

8.3.1.1 Inspection of all Major Services Implementations. A Major Services Implementation is defined as any Customers with ten (10) or more locations and / or ten (10) or more PVC's. Customer may appoint an Inspector(s) from time to time to serve as Customer's representative during, installation, testing, cutover, operation and maintenance of the Services (and its billing) and shall advise Contractor of same. Such inspection may extend to any part of the installation or operation of the Services. The Inspector shall not be permitted to modify in any way the provisions of the Contract, nor to delay the work by failing to complete the inspection with reasonable promptness. The Inspector shall not interfere with the Contractor's management of the work. Instructions given by the Inspector shall be respected and responded to by Contractor. Whenever required by the Inspector, Contractor shall furnish without additional charge, all tools, test equipment, and labor necessary to make an examination of the work completed or in progress or test the quality of the Services. If the Services, including its installation and operation, is found to be not in compliance with the Specifications, Contractor shall bear all expenses of such examination and of satisfactory correction of the deficiencies. After all Service installation and testing activities are completed, and upon delivery of all required Service and testing documentation, Final Services Acceptance (FCA) shall be executed.

8.3.1.2 Acceptance Testing of all Major Services Implementation. Upon notification of completion of Contractor testing, Customer shall commence its Acceptance Testing Period of 30 calendar days for compliance with Services performance requirements. In the event of apparent failure to meet any performance requirements or standards during any Acceptance Testing Period, it is not required that one 30-day period expire in order for another Acceptance Testing Period to begin. Furthermore, if, during any Acceptance Testing Period, Customer identifies Service Affecting deficiencies, it shall be at Customer's option if another 30-day Acceptance Testing Period is required after Contractor satisfactorily corrects such deficiencies. Customer's standard of performance shall be met when the Services operates in conformance with the SLA requirements during its operational-use-time for a period of 30 consecutive calendar days from the commencement date of the Performance Period. If Customer identifies Service Affecting deficiencies, during the Performance Period, Customer shall promptly notify Contractor in writing of such deficiencies. Contractor shall correct these deficiencies in a timely and satisfactory manner and shall notify Customer in writing when deficiencies are corrected. Customer shall make every effort to assist Contractor in the resolution of all deficiencies but the responsibility ultimately resides with Contractor. Promptly upon successful completion of the Performance Period, Customer may notify Contractor in writing that the Performance Period is now complete. Contractor's receipt of Customer's letter shall prompt the execution of the Final Services Acceptance Document. If the Performance Period Acceptance Testing is not completed within 90 calendar days of the Contractor's CSO Initiation date, Customer shall have the option of terminating the CSO, without penalty or of authorizing Contractor in writing of an extension of the Performance Period deadline. Customer's option to terminate the CSO shall remain in effect until such time as successful completion of the service performance requirements is attained.

8.3.2 Order Modifications and Cancellations:

8.3.2.1 Modifications or Cancellations **prior to** Order Acceptance:

Customer may, at any time prior to Order acceptance, modify or cancel the Order, in whole, or in part. Customer shall have no liability for making such modifications or cancellations.

8.3.2.2 Modifications or Cancellations **after** Order Acceptance:



Scope of Work

EXHIBIT B

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

Customer may modify or cancel an Order after Order acceptance. Contractors may modify Orders as authorized by the Customer. Modifications or cancellations shall be executed in writing or electronically. Any unauthorized modification or cancellation by Contractor shall constitute a material breach of the Contract and, at the Customer's option, cause the Order to be void. Customer liability for modifications or cancellation made after Offer acceptance shall be limited to the full cost of all non-recoverable expenses, including any special construction charges, caused by the modification, not to exceed the non-recurring costs for products and services in the Order. Customers may cancel an Order due to Contractor's failure to perform in accordance with the Order notification, and/or the service level agreements contained in the Contract. Cancellation for Contractor default shall limit Customer liability to the reoccurring and non-reoccurring costs already accepted and in use by Customer.

9. CONTRACT MANAGEMENT:

9.1 Performance Management. Contractor shall cooperate with the Procurement Officer in the administration of the Contract, to review performance indicators, to identify performance issues before, or promptly after, a problem occurs, and to address and resolve performance problems in a timely and responsible manner.

9.1.1 Annual and Semi-annual Meetings. Contractor shall, at least once annually and more frequently as required by the State, meet with the Procurement Officer and/or members of delegated representatives of the State's ASET-EIC department, to review Contractor performance against the terms, conditions and requirements of the Contract.

9.1.2 Issue and Problem Resolution. When an issue or problem requires notice and mitigation steps by the parties, the State and Contractor shall follow the same Dispute Resolution process as set forth herein. Depending on the severity of the issue or problem, the State may at its discretion, bypass the Dispute Resolution process herein and precede directly to the Remedies provisions of the Contract.

9.1.3 Responsibility Documentation. Contractor's past performance is a standard determinant of Offeror Responsibility in the award of Arizona State Contracts. Contractor performance, as documented in the Contract File, may positively or negatively effect future proposals submitted in response to solicitations conducted by the State of Arizona, its agencies, boards or commissions, as well as members of the State Purchasing Cooperative.

9.2 Broadband Expansion Management.

9.2.1 Annual and Semi-annual Meetings. Contractor shall, at least once annually and more frequently as required by the State, meet with the Procurement Officer and/or members of delegated representatives of the State's ASET-Broadband department, to review Contractor performance against the terms, conditions and requirements of the Contract. Reviewing progress on plans of expansion originally submitted.

9.2.2 Service Maps. Contractors shall provide maps of their current and planned broadband infrastructure in KMZ or an equivalent digital format for counties in which they intend to offer services under this contract, such maps need to include physical layer fiber routes, including long haul, middle mile and last mile segments; points-of-presence, interconnection/peering points, central offices, and data centers; other access points such as: manholes, splice points, etc. Direct information with regard to served customers need not be included. These maps are to be updated on a semi-annual basis and submitted to the State Procurement Office.

9.2.3 Issue and Problem Resolution. When an issue or problem requires notice and mitigation steps by the parties, the State and Contractor shall follow the same Dispute Resolution process as set forth herein. Depending on the severity of the issue or problem, the State may at its discretion, bypass the Dispute Resolution process herein and precede directly to the Remedies provisions of the Contract.



Scope of Work

EXHIBIT B

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

10. E-RATE COMPLIANCE

In order to provide the services listed within an awarded contract to E-Rate eligible entities a Carrier or Provider shall obtain a Service Provider Identification Number (SPIN) from the Universal Service Administrative Company as part of their response to this solicitation. Failure to do so will result in a Carrier or Provider being excluded from bidding services to said eligible entities.

If a provider chooses not to obtain a SPIN they will not be disqualified from consideration for this reason alone.

10.1 The originating FCC Form 470 number for this RFP is **426480001240887**.

As required by federal law, providers of eligible services must comply with the Lowest Corresponding Price (LCP) rule:

a. 47 CFR § 54.500(f)

Lowest corresponding price is the lowest price that a service provider charges to non-residential customers who are similarly situated to a particular school, library, or library consortium for similar services. ("Similarly situated" means the "geographic service area" in which a service provider is seeking to serve customers with any of its E-rate services.)

b. 47 CFR § 54.511(b)

Providers of eligible services shall not charge schools, school districts, libraries, library consortia, or consortia including any of these entities a price above the lowest corresponding price for supported services, unless the Federal Communications Commission, with respect to interstate services or the state commission with respect to intrastate services, finds that the lowest corresponding price is not compensatory.

The Billed Entity Applicant Reimbursement (BEAR) FCC Form 472 is filed by the applicant and approved by the service provider after the applicant has paid for services in full. The Service Provider Invoice (SPI) FCC Form 474 is filed by the service provider after the applicant has been billed for the non-discount portion of the cost of eligible services. *Note: Applicants can choose their method of invoicing; service providers cannot force applicants to use a particular method.*

11. PRICING STRUCTURE

Providers shall only charge the pricing found within 'Attachment II, Pricing Structure', which shall be firm fixed pricing.

Providers are required to provide pricing as lowest corresponding price, which is defined as the lowest price that a service provider charges to non-residential customers, such as, schools, libraries, consortiums, and businesses who are similarly situated customers for similar services. "Similarly situated" means the "geographic service area" in which a service provider is seeking to serve customers.

11.1 Category 1, Dedicated Private Circuits and Networks:

11.1.1 Pricing Structure: Prices for Private (physical and virtual) circuit and network services shall be based on the service access medium and capacity, the provisioned bandwidth for the access connection, and the guaranteed QoS parameters of the service. The following are examples of allowed pricing elements:

- 11.1.1.1 Non-Recurring Costs (NRC) for installing and activating the service at a specific location;
- 11.1.1.2 'Extension' NRC for extending the provider's transport medium to an off-net location;
- 11.1.1.3 Monthly lease for Demarcation equipment if not provided by customer unless the description in Attachment II for a particular Type Of Service requires that any equipment associated with the service be bundled with the service and the cost to be included in the Monthly Recurring Cost (MRC);



Scope of Work

EXHIBIT B

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSPO14-00004241**
Description: **Carrier and Broadband Provider Services**

- 11.1.1.4 Monthly Recurring Costs (MRC) for service at specified data rates with any required bundled equipment cost; and
- 11.1.1.5 MRC for any specific service level commitments not described in the product bid lists.

11.2 Category 2, Voice Grade Services:

11.2.1 Non-Recurring Costs (NRC) for installing and activating the service at a specific location;

11.2.1.1 Monthly Recurring Charge (MRC) for Voice Package:

11.2.1.1.1 Base voice service includes a local "line" with assigned local number and unlimited local calling.

11.2.1.1.2 Call feature packages including call features as selected by the Customer:

11.2.1.1.2.1 Base voice service with 1 include Call Feature;

11.2.1.1.2.2 Base voice service with bundled package of up to 5 Call Features;

11.2.1.1.2.3 Base voice service with bundled package of up to 10 Call Features;
and

11.2.1.1.2.4 Base voice service with bundled package of 11 or more Call Features.

11.2.1.2 Long Distance Services:

11.2.1.2.1 Domestic: U.S. Long Distance rates shall be quotes as ICB on the following billing alternatives:

11.2.1.2.1.1 Flat Rate; and

11.2.1.2.1.2 Usage Based by 1/10th minute increments starting with called party answer.

11.2.1.2.2 Global: International Long Distance rates shall be quoted as ICB based on a country list provided by the Customer. Billing shall be based on the following alternatives:

11.2.1.2.2.1 Flat Rate by called country.; and

11.2.1.2.2.2 Usage Based by country called per 1/10th minute increments starting with called party answer.

11.2.1.3 'Extension' NRC for extending the provider's transport medium to an off-net location.

11.3 Category 3, WiFi Access Services:

11.3.1 Pricing for WiFi Access Services shall be based on, the provisioned bandwidth for the access connection, and the guaranteed QoS parameters of the service specified in the bid list. The following are examples of allowed pricing elements:

11.3.1.1 Non-Recurring Costs (NRC) for installing and activating the service per access point installed at a specific location;

11.3.1.2 'Extension' NRC for extending the provider's transport medium to an off-net location;

11.3.1.3 Monthly Recurring Costs (MRC) for transport service at specified data rates (including bundled Access Point(s) and any managed routers); and

11.3.1.4 MRC for any specific service level commitments not described in the product bid lists.

11.4 Category 4, Internet Access Services:

11.4.1 Pricing for Internet Access Services shall be based on the service access medium and capacity, the provisioned bandwidth for the access connection, and the guaranteed QoS parameters of the service. The following are examples of allowed pricing elements:



Scope of Work

EXHIBIT B

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Carrier and Broadband Provider Services**

- 11.4.1.1 Non-Recurring Costs (NRC) for installing and activating the service at a specific location;
- 11.4.1.2 'Extension' NRC for extending the provider's transport medium to an off-net location;
- 11.4.1.3 Monthly cost for Demarcation equipment (such as cable modem, DSL modem, fiber termination panel, etc.) if not bundled with the service and included with the MRC, or if not provided by customer; and
- 11.4.1.4 Monthly Recurring Costs (MRC) for guarantee service at specified data rates and QoS/CoS levels.

11.5 Category 5, Fiber services:

11.5.1 Pricing for Fiber Services shall be based on the capacity, distance of the circuit, and Guaranteed Availability and Service Restoration commitments, as well as any bundled electronics on the Provider side of the demarcation. Examples of allowable charges are:

- 11.5.1.1 Non-Recurring Costs (NRC) for installing and activating the service at specific locations;
- 11.5.1.2 'Extension' NRC for extending the provider's transport medium to an off-net location;
- 11.5.1.3 Monthly lease for Demarcation equipment (such as fiber termination panel, FODUs etc.) if not bundled with the service and included with the MRC, or if not provided by customer; and
- 11.5.1.4 Monthly Recurring Costs (MRC) for guarantee service at specified data rates and QoS/CoS levels.

11.6 E-Rate Eligible Entities:

11.6.1 Specific only to E-Rate Eligible Entities, a Contractor may be required to quote the bundled rate pricing proposed within Attachment II, Pricing Structure, as a 'de-bundled' set of services separating Internet Access and transport services from managed router(s) and WiFi router service. If required to 'de-bundle' the pricing, the quoted price shall not exceed the pricing of the bundled rate proposed within Attachment II, pricing structure for the WiFi Access Service in question.



EXHIBIT B

Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

1. **TERM OF CONTRACT**

The contract shall begin on July 1, 2015 and shall continue for a term of five (5) years, unless terminated in accordance to the terms of this contract.

2. **CONTRACT TYPE (AS NEEDED)**

The contract shall be on an as needed, if needed basis at Firm Fixed Price rates.

3. **NON-EXCLUSIVE CONTRACT**

This contract has been awarded with the understanding and agreement that it is for the sole convenience of the State of Arizona. The State reserves the right to obtain like goods or services from another source when necessary. Off-contract purchase authorization(s) may be approved by the State Procurement Office. Approvals shall be at the exclusive discretion of the State and shall be final. Off-contract procurement shall be consistent with the Arizona Procurement Code.

4. **ELIGIBLE AGENCIES (Statewide)**

This Contract shall be for the use of all State of Arizona departments, agencies, commissions and boards. In addition, eligible State Purchasing Cooperative members may participate at their discretion. In order to participate in this contract, a cooperative member shall have entered into a Cooperative Purchasing Agreement with the Department of Administration, State Procurement Office as required by Arizona Revised Statutes § 41-2632.

Membership in the State Purchasing Cooperative is available to all Arizona political subdivisions including cities, counties, school districts, and special districts. Membership is also available to all non-profit organizations, as well as State governments, the US Federal Government and Tribal Nations. Non-profit organizations are defined in A.R.S. § 41-2631(4) as any nonprofit corporation as designated by the internal revenue service under section 501(c)(3) through 501(c)(6).

5. **ESTIMATED QUANTITIES (CONSIDERABLE)**

The State anticipates considerable activity resulting from contract(s) that will be awarded as a result of this solicitation; however, no commitment of any kind is made concerning quantities actually acquired and that fact should be taken into consideration by each potential Contractor.

6. **ADMINISTRATIVE FEE / USAGE REPORTS**

6.1 Method of Assessment. At the completion of each quarter, the Contractor reviews all sales under their contract in preparation for submission of their Usage Report. The Contractor identifies all sales receipts transacted by members of the State Purchasing Cooperative and assesses one percent (1.0%) of this amount in their Usage Report. An updated list of State Purchasing Cooperative members may be found at: <https://spo.az.gov/state-purchasing-cooperative>. At its option, the State may expand or narrow the applicability of this fee. The State shall provide thirty (30) written notice prior to exercising or changing this option. The Contractor shall summarize all sales, along with all assessed Administrative Fee amounts within their Usage Report, including total amounts for the following:

- Total sales receipts from State agencies, boards and commissions;
- Total sales receipts from members of the State Purchasing Cooperative; and
- Total Administrative Fee amount based on one percent (1.0%) of the sales receipts from members of the State Purchasing Cooperative.

6.2 Submission of Reports and Fees. Within thirty (30) days following the end of the quarter, the Contractor submits their Usage Report and if applicable, a check in the amount of one percent (1%) of their sales receipts from members of the State Purchasing Cooperative, to the Department of Administration, State Procurement Office. Contractors are required to use the State's current report templates unless you have authorization from your contract officer to use a different format. You need to complete Form 799, which is a cover letter that gives the totals of your transactions; and Form 801, which is an Excel spreadsheet that details your transactions. Sales to state agencies and the cooperative members are to be totaled



EXHIBIT B

Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

separately. The most current forms can be downloaded at <https://spo.az.gov/statewide-contracts-administrative-fee>.

6.2.1 The submission schedule for Administrative Fees and Usage reports shall be as follows:

| | |
|---------------------------------|-----------------|
| FY Q1, July through September | Due October 31 |
| FY Q2, October through December | Due January 31 |
| FY Q3, January through March | Due by April 30 |
| FY Q4, April through June | Due by July 31 |

6.2.2 Usage Reports and any questions are to be submitted by email to the state's designated usage report email address: usage@azdoa.gov

6.2.3 Administrative Fees shall be made out to the "State Procurement Office" and mailed to:

Department of Administration
General Services Division
ATTN: "Statewide Contracts Administrative Fee"
100 N. 15th Avenue, Suite 202
Phoenix, AZ 85007

6.3 The Administrative Fee shall be a part of the Contractor's unit prices and is not to be charged directly to the customer in the form of a separate line item. Statewide contracts shall not have separate prices for State Agency customers and State Purchasing Cooperative customers.

6.4 Contractor's failure to remit administrative fees in a timely manner consistent with the contract's requirements may result in the State exercising any recourse available under the contract or as provided for by law.

7. LICENSES

The Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of a business conducted by the Contractor.

8. SUBCONTRACTORS

Supplemental to the Subcontractor term in the Uniform Terms and Conditions, Contractor shall not enter into any Subcontract under this Contract, for the provision of supplies or performance of services under this Contract, without the advance written approval, by way of bilateral contract amendment, of the State Procurement Office. When requesting the Procurement Officer's approval, the Contractor shall list all new subcontractors, their contact information, certifications required of them, their Minority and Women Owned Enterprise status (cite any certifications use in determining such status) as well as the subcontractor's proposed responsibilities under the Contract. The Subcontractor's most current certificate of insurance shall be provided at this time as well. With the request, Contractor shall certify that all Subcontracts incorporate by reference the terms and conditions of this Contract.

Wholesale/Inter-carrier Agreements shall not be considered as subcontractor relationships that need to be disclosed or approved by the State Procurement Office.

9. PERFORMANCE BOND

The Contractor shall be required to furnish an irrevocable security in the amount of \$1,000,000 payable to the State of Arizona, binding the Contractor to provide faithful performance of the contract. This shall be provided on an annual basis at the time of contract's annual anniversary.

Performance security shall be in the form of a performance bond, certified check or cashier's check. This security must be in the possession of the State Procurement Office within ten (10) calendar days from contract start date as defined in the Special Terms and Conditions Section 1. If the Contractor fails to execute the security document, as



EXHIBIT B

Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

required, the Contractor may be found in default and contract terminated by the State. In case of default, the state reserves all rights to recover as provided by law.

10. NEW EQUIPMENT

All equipment, materials, parts and other components incorporated in the work or an item covered by this Contract shall be new, of the latest model and of the most suitable grade for the purpose intended. Any and all work under this Contract shall be performed in a skilled and workmanlike manner.

11. EMERGING TECHNOLOGIES

The telecommunication and broadband industries are changing rapidly and the types of services, technology, methods of deployment, and providers of product and services will likely change during the term of this Contract. The State seeks to ensure that Contracts can meet the shifting needs caused by these changes. If new services within the existing categories are identified the State at its option can add those new services within Attachment II via a bilateral contract amendment.

12. BROADBAND EXPANSION PROVISION

Contractors who are awarded the opportunity to provide new infrastructure expansion are eligible to receive consideration for the following additional terms:

12.1 Longer-Term Contracts. After the initial 5 years base the contract can be extended for one (1) three (3) year term. At the expiration of that three (3) year term, the contract can be extended a final time for two (2) additional years, making the max life of a resultant contract 10 years.

12.2 Longer-Term Service Contracts. If a Carrier or Provider wishes to seek special terms for a Longer-Term Service Contract (greater than five (5) years) with a customer, to justify investment in new infrastructure expansion, they shall submit a business case to the State Procurement Office for review and possible acceptance.

12.3 Early-Termination Terms. If a Carrier or Provider wishes to seek special terms for early-termination, a business case shall be submitted to the State Procurement Office for review and possible acceptance.

13. BRAND NAME

References made to items, identified by trade name, are intended to show kind and quality of products desired and is not intended to be restrictive or limit competition. The use of brand names or manufacturer's catalog references shall be constructed as quality level, method and type of performance and does not indicate that item cited is mandatory. The State reserves the right to determine what products are considered like or equal. Products substantially equivalent to those designated shall qualify for consideration.

14. WARRANTY

14.1 Liens. The Contractor warrants that the Materials supplied under this Contract are free of liens and shall remain free of liens.

14.2 Quality. Unless otherwise modified elsewhere in the terms and conditions, the Contractor warrants that, for one year after acceptance by the State, the Materials shall be:

- Of a quality to pass without objection in the trade under the Contract description;
- Fit for the intended purposes for which the Materials are used;
- Conform to the written promises or affirmations of fact made by the Contractor; and
- Fully compatible with the State's computer hardware and software environment.

14.3 Fitness. The Contractor warrants that any Materials supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.

14.4 Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the Materials by the State.



EXHIBIT B

Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

- 14.5 Compliance with Applicable Laws. The Materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.

Contractor represents and warrants to the State that Contractor has the skill and knowledge possessed by members of its trade or profession and Contractor will apply that skill and knowledge with care and diligence so Contractor and Contractor's employees and any authorized subcontractors shall perform the Services described in this Contract in accordance with the Statement of Work.

Contractor represents and warrants that the Materials provided through this Contract and Statement of Work shall be free of viruses, backdoors, worms, spyware, malware and other malicious code that will hamper performance of the Materials, collect unlawful personally identifiable information on users or prevent the Materials from performing as required under the terms and conditions of this Contract.

15. AUTHORIZATION FOR SERVICES

Authorization for purchase of services shall be made only upon the issuance of a Purchase Order that is signed by an authorized agent. The Purchase Order will indicate the contract number and the dollar amount of funds authorized. The Contractor shall only be authorized to perform services up to the amount on the Purchase Order. The State shall not have any legal obligation to pay for services in excess of the amount indicated on the Purchase Order. No further obligation for payment shall exist unless a) the Purchase Order is changed or modified with an official Change Order, and/or b) an additional Purchase Order is issued for purchase of services under this Contract.

16. EXTRA-CONTRACTUAL PRODUCTS AND SERVICES PROHIBITED

Any attempt to use an Order to represent any products and/or services not specifically awarded and cited in the Contract as being included in the Contract is a violation of the Contract and the Arizona Procurement Code. Any such action is subject to the legal and contractual remedies available to the State, inclusive of but not limited to Contract termination for default, suspension and/or debarment of the Contractor.

17. BILLING

Contractors will be doing business with Customers of dramatically different size and need. As such, different levels of complexity in billing may be required. An objective of this contract is to meet the various needs of different customers in standard electronic format. The State desires electronic billing be adopted where possible for any purchased services by any customer for services covered by this Contract.

17.1 Billing Detail

Invoices submitted for payment shall contain the same description detail as provided in the Quote Form, at a minimum, shall identify all products and services (e.g. circuit number, BTN, WTN), the unit price, units of quantity, extended price, service address or location of Service, and invoice total, for both paper and electronic media. Additionally, the approved electronic media shall also include at a minimum; Call Detail Records identifying the actual originating phone extension (unless ANI not sent by customer for dedicated facilities), Discount Details, Tax Details, Feature Details, Other Fees and Surcharges details, approved Adjustment details, circuit detail at the CSR level, and USOC level invoice details. Invoice Identification Information. Invoice Identification Information (III) shall include at a minimum the following 16 data elements: 1) Vendor Name; 2) Vendor Account Number; 3) Invoice Date; 4) Total Invoice Amount; 5) Total Current Charges; 6) Vendor Remit Address; 7) Account-Level Late Fees; 8) Account Level Outstanding Balance; 9) Account Level Payment Received; 10) Account Level Miscellaneous Fees; 11) Point of Service ID (e.g., Circuit number, phone number, etc.); 12) Monthly Fees; 13) Usage-based Charges; 14) Feature Charges; 15) Taxes; and 16) Total Charges for Point of Service

17.2 Billing and Payment Data

Contractor shall provide basic billing data to all Ordering Entities that request it. This data shall include at a minimum Usage Statistics; Applicable Discount Details; Call Detail for LD at the actual originating extension level (unless ANI is not sent by Customer for dedicated facilities); Circuit Detail, when



EXHIBIT B

Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

applicable, at the Customer Service Record (CSR) or equivalent level; Tax Details; Feature Details; Other Fees and Surcharges Details; Approved Adjustment Details; and Universal Service Order Code (USOC) level or equivalent Invoice Details. Ordering Entities may request this data at any point during the Term of Contract.

17.3 Billing SLA Affected Services

Contractor shall process invoices in accordance with the Billing and Payment Section of resultant Service Level Agreements. If, after the SLA is resolved the Customer owes the disputed amount in part or in whole to the Contractor, Contractor may assess overdue account charges up to a maximum rate of two-thirds of one percent per month on the outstanding balance.

17.4 Billing Disputes

Contractor and Customers shall use the following process in identifying and mitigating performance issues or problems associated with billing issues under the Contract. Contractor shall work with Customer, or their designee (which may be an approved Subcontractor), to automate the dispute process between Contractor and Customer. Contractor shall provide a responsibility matrix identifying representatives, their phone number and email address, for questions and resolution of issues, including escalation of unresolved disputes.

17.4.1 Billing Dispute Resolution

Failure by Customer to pay any portion of or the entire invoiced amount based on Contractor billing errors or disputed charges shall not constitute default under this Contract. Customer will pay undisputed portions of disputed or incorrect invoices where Customer can easily identify the undisputed portion. Payment of an amount less than the total amount due on all unpaid invoices shall be credited as directed by Customer. In no event shall Contractor apply any payment or portion thereof to any particular amount or item that is subject to any claim of error or dispute between the parties.

17.5 Billing Adjustments

Revised invoices or billing adjustments shall apply only to Contractor's Services that can be verified by the Customer, and requests for such adjustments must be submitted in writing to the Customer within 60 days of Service invoice delivery; shall reference the original invoice in which the error was made, and contain sufficient level of detail to make a reasonable determination of fact. Billing Adjustments, once determined to be fact, shall be documented in writing on all forms of billing, paper and electronic, in the next billing cycle.

17.6 Billing Agent

Contractor may use an Agent (designated herein as a Subcontractor) to prepare and submit invoices and receive Customer payments, on behalf of, but in the Contractor's name. Contractor shall remain responsible for the accuracy and correctness of the invoices issued and payments collected by any billing Agent. If Contractor exercises this option, Contractor shall promptly notify Customer in writing of such arrangement for invoicing and collection, including name, mailing and street addresses, and telephone number for the firm and the individual person responsible for this function, and any changes thereto.

18. PAYMENT PROCEDURES

The State will not make payments to any Entity, Group or individual other than the Contractor with the Federal Employer Identification (FEI) Number identified in the Contract. Contractor invoices requesting payment to any Entity, Group or individual other than the contractually specified Contractor shall be returned to the Contractor for correction.

The Contractor shall review and insure that the invoices for services provided show the correct Contractor name prior to sending them for payment.

If the Contractor Name and FEI Number change, the Contractor must complete an "Assignment and Agreement" form transferring contract rights and responsibilities to the new Contractor. The State must indicate consent on the



EXHIBIT B

Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

form. A written Contract Amendment must be signed by both parties and a new W-9 form must be submitted by the new Contractor and entered into the system prior to any payments being made to the new Contractor.

19. PRICING

19.1 Price Increase

Contractor prices accepted and subsequently awarded by a Contract shall remain in effect for a minimum of one (1) year. All written requests for price adjustments made by the Contractor shall be submitted 60 to 90 days prior to the anniversary or contract renewal date.

The State will review any requested rate increase to determine whether such request is reasonable in relation to increased supplier or material costs. Contractor shall provide written justification for any price adjustment requested, including information contained in the Consumer Price Index or similar official cost analysis to support any requested price increase. The State shall determine whether the requested price increase or an alternate option is in the best interest of the State. Any price increase adjustment, if approved, will be effective upon execution of a written Contract amendment.

Contract release order/purchase orders placed before a price increase is authorized shall be delivered at the purchase order price. However, if the price should decrease between receipt of the order, and shipment of the order, the Contractor shall invoice at the new lowest discounted price. The awarded contract price shall remain the same throughout the term of the contract, to include all renewals.

19.2 Price Reduction

Price reductions may be submitted in writing to the State for consideration at any time during the contract period. The State at its own discretion may accept a price reduction.

In relation to recurring costs based on most favored term pricing, after 3 years of completed service customer may request a review of the contract to bring pricing into line with current market pricing.

Any price reductions requests that are accepted by the State will be acknowledged by the issuance and acceptance of a fully executed bilateral contract amendment. Any accepted price reduction shall be available to all customers who may utilize this contract.

19.3 Bulk Pricing:

In addition to decreasing contract pricing in accordance with Special Terms and Conditions, Section 19.2, Price Reduction, Contractor(s) may offer bulk pricing at any time during the Contract. Such pricing shall be at a MRC of at least 10% less than the current contract pricing for said service. The Bulk Pricing may be presented for consideration by the State in the form of tiered pricing as well.

If electing to exercise this provision the Contractor shall submit to the following to the State Procurement Office, Procurement Officer:

- A Formal request to consider an addition of Bulk Pricing for specified products;
- Product Identification, identifying the 'Arizona Service ID' as listed in Attachment II, Pricing Structure; and
- The Bulk Pricing vs the existing contract pricing.

Approval of Bulk Pricing shall be in the form of a bilateral contract amendment. Bulk Pricing shall be available to all customers allowed to purchase under the Contract and available for the life of the Contract.

20. DATA SECURITY / SECURITY

20.1 Data Privacy/Security Incident Management.

Contractor and its agents shall cooperate and collaborate with appropriate State personnel to identify and respond to an information security or data privacy incident, including a security breach.

20.1.1 Threat of Security Breach



EXHIBIT B

Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

Contractor(s) agrees to notify the Customer's Chief Information Officer (CIO), the Customer's Chief Information Security Officer (CISO) and other key personnel as identified by the Customer of any perceived threats placing the supported infrastructure and/or applications in danger of breach of security. The speed of notice shall be at least commensurate with the level of threat, as perceived by the Contractor(s). Customer shall agree to provide contact information for the CIO, the CISO and key personnel to the Contractor if applicable.

20.1.2 Discovery of Security Breach

Contractor agrees to immediately notify the Customer's CIO, the CISO and key personnel as identified by the State of a discovered breach of security. Customer shall agree to provide contact information for the CIO, the CISO and key personnel to the Contractor if applicable.

20.2 Security Requirements for Contractor Personnel.

Each individual proposed to provide services through this contract agrees to security clearance and background check procedures, including fingerprinting, as defined by the Arizona Department of Administration in accordance with Arizona Revised Statutes §41-710. The results of the individual's background check procedures must meet all HIPAA and law enforcement requirements. Contractor is responsible for all costs to obtain security clearance for their consultants providing services through this contract. Contractor personnel, agents or sub-contractors that have administrative access to the State's networks may be subject to any additional security requirements of ADOA-ASET as may be required for the performance of the contract. The Contractor, its agents and sub-contractors shall provide documentation to ADOA-ASET confirming compliance with all such additional security requirements for performance of the contract. Additional security requirements include but are not limited to the following:

20.2.1 Identity and Address Verification – that verifies the individual is who he or she claims to be including verification of the candidate's present and previous addresses;

20.2.2 UNAX/confidentiality Training;

20.2.3 HIPAA Privacy and Security Training; and

20.2.4 Information Security Training.

20.3 Information Access. The Contractor shall, where applicable, implement and/or use network management and maintenance applications and tools and appropriate fraud prevention and detection and encryption technologies. The Contractor and its employees, agents and Subcontractors shall comply with all policies and procedures of the individual Customer regarding data access, privacy and security, including those prohibiting or restricting remote access to the Customer's systems and data. The Customer shall authorize, and the Contractor shall issue, any necessary information-access mechanisms, including access IDs and passwords, and the Contractor agrees that the same shall be used only by the personnel to whom they are issued. The Contractor shall provide to such personnel only such level of access as is minimally necessary to perform the tasks and functions for which such personnel are responsible. The Contractor shall from time-to-time, upon request from the Customer, but in the absence of any request from the Customer at least quarterly, provide the Customer with an updated list of the Contractor personnel having access to the Customer's systems, software, and data, and the level of such access. Computer data and software, including the Customers Data, provided by the Customer or accessed (or accessible) by the Contractor personnel or the Contractor's Subcontractor personnel, shall be used by such personnel only in connection with the obligations provided hereunder, and shall not be commercially exploited by the Contractor or its Subcontractors in any manner whatsoever. Failure of the Contractor or the Contractor's Subcontractors to comply with the provisions of this Contract may result in the Customer restricting offending personnel from access to the Customer computer systems or the Customer Data or immediate termination of this Contract. It shall be the Contractor's obligation to maintain and ensure the confidentiality and security of the Customer Data in its possession or on its systems.

20.4 Information Disclosure. The Contractor shall establish and maintain procedures and controls that are acceptable to the State for the purpose of assuring that no information contained in its records or obtained from the state or from others in carrying out its functions under the contract shall be used or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the Contract.



EXHIBIT B

Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

Persons requesting such information should be referred to the State. The Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the State.

20.5 Building Access.

20.5.1 Contractor access to Customer facilities and resources shall be properly authorized by Customer personnel, based on business need and will be restricted to least possible privilege. Upon approval of access privileges, the Contractor shall maintain strict adherence to all policies, standards, and procedures. Policies / Standards, ADOA/ASET Policies / Procedures, and Arizona Revised Statutes (ARS) 28-447, 28-449, 28-450, 38-421, 13-2408, 13-2316, 41-770).

20.5.2 Failure of the Contractor, its agents or subcontractors to comply with policies, standards, and procedures including any person who commits an unlawful breach or harmful access (physical or virtual) will be subject to prosecution under all applicable state and / or federal laws. Any and all recovery or reconstruction costs or other liabilities associated with an unlawful breach or harmful access shall be paid by the Contractor.

21. SECTION 508 COMPLIANCE

Unless specifically authorized in the Contract, any electronic or information technology offered to the State of Arizona under this Contract shall comply with A.R.S. § 41-3531 and § 41-3532 and Section 508 of the Rehabilitation Act of 1973, which requires that employees and members of the public shall have access to and use of information technology that is comparable to the access and use by employees and members of the public who are not individuals with disabilities.

22. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996

The Contractor warrants that it is familiar with the requirements of HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH Act) of 2009, and accompanying regulations and will comply with all applicable HIPAA requirements in the course of this Contract. Contractor warrants that it will cooperate with the State in the course of performance of the Contract so that both the State and the Contractor will be in compliance with HIPAA, including cooperation and coordination with the Arizona Strategic Enterprise Technology (ASET) Group, Statewide Information Security and Privacy Office (SISPO), Chief Privacy Officer and HIPAA Coordinator and other compliance officials required by HIPAA and its regulations. Contractor will sign any documents that are reasonably necessary to keep the State and Contractor in compliance with HIPAA, including but not limited to, business associate agreements.

If requested, the Contractor agrees to sign a "Pledge to Protect Confidential Information" and to abide by the statements addressing the creation, use and disclosure of confidential information, including information designated as protected health information and all other confidential or sensitive information as defined in policy. In addition, if requested, Contractor agrees to attend or participate in job related HIPAA training that is: (1) intended to make the Contractor proficient in HIPAA for purposes of performing the services required and (2) presented by a HIPAA Privacy Officer or other person or program knowledgeable and experienced in HIPAA and who has been approved by the ASET/SISPO Chief Privacy Officer and HIPAA Coordinator.

23. FIRST PARTY LIMITATION OF LIABILITY

Contractor's liability for first party damages to the State arising from this Contract shall be limited to two (2) times the maximum-not-to-exceed amount of this Contract. The foregoing limitation of liability shall not apply to: (i) liability, including indemnification obligations, for third party claims, including but not limited to, infringement of third party intellectual property rights; (ii) claims covered by any specific provision of the Contract calling for liquidated damages or other amounts, including but not limited to, performance requirements; or (iii) costs or attorneys' fees that the State is entitled to recover as a prevailing party in any action.

24. INDEMNIFICATION

Contractor shall indemnify, defend with counsel reasonably approved by the State, and hold harmless, the State, its departments, agencies, boards, commissions, universities, officers, agents and employees (collectively, the



EXHIBIT B

Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

"Indemnitee") from and against any and all claims, actions, damages, costs (including attorneys' fees), and losses arising under this Contract, including, but not limited to, bodily injury or personal injury (including death) or loss or damage to tangible or intangible property, but excluding damages arising solely from the gross negligence or willful misconduct of the Indemnitee. This indemnification obligation includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of Contractor to comply with any federal, state or local law, statute, ordinance, rule, regulation or court decree. Contractor shall have control, subject to the reasonable approval of the State, of the defense of any action on such claim and all negotiations for its settlement or compromise, provided, however, that when substantial principles of government or public law are involved, or when involvement of the State is otherwise mandated by law, the State may elect, in its sole and absolute discretion, to participate in such action at its own expense with respect to attorneys' fees and costs, but not liability, and the State shall have the right to approve or disapprove any settlement, which approval shall not be unreasonably withheld or delayed. The State shall reasonably cooperate in its defense and any related settlement negotiations.

25. IP INDEMNIFICATION

Indemnification - Patent and Copyright. With respect solely to Materials provided or proposed by Contractor or Contractor's agents, employees, or subcontractors (each a "Contractor Party") for performance of this Contract, Contractor shall indemnify, defend and hold harmless the State, its departments, agencies, boards, commissions, universities, officers, agents and employees (collectively, the "Indemnitee"), against any third-party claims for liability, including, but not limited to, reasonable costs and expenses, including attorneys' fees, for infringement or violation of any patent, trademark, copyright or trade secret, by such Materials or the State's use thereof.

In addition, with respect to claims arising from computer hardware or software manufactured or developed solely by a third party, Contractor shall pass through to the State such indemnity rights as it receives from such third party (the "Third Party Obligation") and will cooperate in enforcing them; provided, however, that (i) if the third party manufacturer fails to honor the Third Party Obligation, or (ii) the Third Party Obligation is insufficient to fully indemnify the State, Contractor shall indemnify, defend and hold harmless the State against such claims in their entirety or for the balance of any liability not fully covered by the Third Party Obligation.

The State shall reasonably notify the Contractor of any claim for which Contractor may be liable under this section. If the Contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply. Contractor shall have control, subject to the reasonable approval of the State, of the defense of any action on such claim and all negotiations for its settlement or compromise, provided, however, that when substantial principles of government or public law are involved or when involvement of the State is otherwise mandated by law, the State may elect, in its sole and absolute discretion, to participate in such action at its own expense with respect to attorneys' fees and costs, but not liability, and the State shall have the right to approve or disapprove any settlement, which approval shall not be unreasonably withheld or delayed. The State shall reasonably cooperate in the defense and any related settlement negotiations.

If Contractor believes at any time that any Materials provided or in use pursuant to this Contract infringe a third party's intellectual property rights, Contractor shall, at Contractor's sole cost and expense, and upon receipt of the State's prior written consent, which shall not be unreasonably withheld, (i) replace an infringing Material with a non-infringing Material; (ii) obtain for the State the right to continue to use the infringing Material; or (iii) modify the infringing Material to be non-infringing, provided that following any replacement or modification made pursuant to the foregoing, the Material continues to function in accordance with the Contract. Contractor's failure or inability to accomplish any of the foregoing shall be deemed a material breach of this Contract.

Notwithstanding the foregoing, Contractor shall not be liable for any claim for infringement based solely on any Indemnitee's:

- (i) modification of Materials provided by Contractor other than as contemplated by the Contract or the specifications of such Materials or as otherwise authorized or proposed in any way by Contractor or a Contractor Party;



EXHIBIT B

Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

(ii) use of the Materials in a manner other than as contemplated by this Contract or the specifications of such Materials, or as otherwise authorized or proposed in any way by Contractor or a Contractor Party; or

(iii) use of the Materials in combination, operation, or use with other products in a manner not contemplated by the Contract, or, the specifications of such Materials, or as otherwise authorized or proposed in any way by Contractor or a Contractor Party.

Contractor certifies, represents and warrants to the State that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of the Contract for the acquisition, operation or maintenance of Materials in violation of intellectual property laws.

26. INTELLECTUAL PROPERTY

26.1 Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, or trade secrets created or conceived solely pursuant to or as a result of this Contract and any related subcontract (collectively, the "Intellectual Property"), shall be work made for hire and the State shall be the owner of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this Contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Software and other Materials developed or otherwise obtained by or for Contractor or its affiliates independently of this Contract ("Independent Materials") do not constitute Intellectual Property. If Contractor creates derivative works of Independent Materials, then the elements of such derivative works created pursuant to this Contract shall constitute Intellectual Property owned by the State. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by Contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this Contract.

Notwithstanding the foregoing, if the State elects, in its sole and absolute discretion, to relinquish its ownership interest in any or all of the Intellectual Property, the State shall have the rights to use, modify, reproduce, release, perform, display, sublicense or disclose such Intellectual Property within State government and operations without restriction for any activity in which the State is a party (collectively, "Government Purpose Rights").

27. SURVIVAL OF RIGHTS AND OBLIGATIONS AFTER CONTRACT EXPIRATION OR TERMINATION

27.1 Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S. Title 12, Chapter 5.

27.2 Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer including, without limitation, all purchase orders received prior to, but not fully performed and satisfied at the expiration or termination of, this Contract.

28. INSURANCE REQUIREMENTS

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.



EXHIBIT B

Special Terms and Conditions

State of Arizona
 State Procurement Office
 100 North 15th Avenue, Suite 201
 Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
 Description: **Telecommunications and Broadband Provider Services**

The *insurance requirements* herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

28.1 MINIMUM SCOPE AND LIMITS OF INSURANCE: Contractor shall provide coverage with limits of liability not less than those stated below.

28.1.1 Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage, personal and advertising injury and broad form contractual liability coverage.

- General Aggregate \$5,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Damage to Rented Premises \$ 50,000
- Each Occurrence \$1,000,000

28.1.1.1 The policy shall be endorsed (**Blanket Endorsements are not acceptable**) to include the following additional insured language: ***“The State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.”*** Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.

28.1.1.2 Policy shall contain a waiver of subrogation endorsement (**Blanket Endorsements are not acceptable**) in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

28.1.2 Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

- Combined Single Limit (CSL) \$1,000,000

28.1.2.1 The policy shall be endorsed (**Blanket Endorsements are not acceptable**) to include the following additional insured language: ***“The State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor.”*** Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.

28.1.2.2 Policy shall contain a waiver of subrogation endorsement (**Blanket Endorsements are not acceptable**) in favor of the ***“State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees”*** for losses arising from work performed by or on behalf of the Contractor.

28.1.3 Worker's Compensation and Employers' Liability



EXHIBIT B

Special Terms and Conditions

State of Arizona
 State Procurement Office
 100 North 15th Avenue, Suite 201
 Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
 Description: **Telecommunications and Broadband Provider Services**

- Workers' Compensation Statutory
- Employers' Liability
 - Each Accident \$1,000,000
 - Disease – Each Employee \$1,000,000
 - Disease – Policy Limit \$1,000,000

28.1.3.1 Policy shall contain a waiver of subrogation endorsement (**Blanket Endorsements are not acceptable**) in favor of the “**State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees**” for losses arising from work performed by or on behalf of the Contractor.

28.1.3.2 This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. § 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

28.1.4 Technology Errors & Omissions Insurance

- Each Claim \$ 2,000,000
- Annual Aggregate \$ 2,000,000

28.1.4.1 Such insurance shall cover any and all errors, omissions, or negligent acts in the delivery of products, services, and/or licensed programs under this contract.

28.1.4.2 In the event that the Tech E&O insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

28.1.5 Network Security (Cyber) and Privacy Liability (If applicable to service to be provided by the Contractor)

- Each Claim \$ 2,000,000
- Annual Aggregate \$ 2,000,000

28.1.5.1 Such insurance shall include but not limited to coverage for third party claims and losses with respect to network risks (such as data breaches, unauthorized access or use, ID theft, theft of data) and invasion of privacy regardless of the type of media involved in the loss of private information, crisis management and identity theft response costs – includes breach notification costs, credit remediation and credit monitoring, defense and claims expenses, regulatory defense costs plus fines and penalties, cyber extortion, computer program and electronic data restoration expenses coverage (data asset protection), network business interruption, computer fraud coverage, funds transfer fund

28.1.5.2 In the event that the Network Security and Privacy Liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

28.2 **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed (**Blanket Endorsements are not acceptable**) to include, the following provisions:

28.2.1 The Contractor's policies shall stipulate that the insurance afforded the contractor shall be primary insurance and that any insurance carried by the Department, and its agents, officials,



EXHIBIT B

Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).

28.2.2 Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

28.3 **NOTICE OF CANCELLATION:** With the exception of (10) day notice of cancellation for non-payment of premium, any changes material to compliance with this contract in the insurance policies above shall require (30) days written notice to the State of Arizona. Such notice shall be sent directly to **Charlotte Righetti, CPPB 100 N 15th Ave, Suite 201, Phoenix AZ 85007** and shall be sent by certified mail, return receipt requested.

28.4 **ACCEPTABILITY OF INSURERS:** Contractors insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

28.5 **VERIFICATION OF COVERAGE:** Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by an authorized representative.

All certificates and endorsements (**Blanket Endorsements are not acceptable**) are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to **Charlotte Righetti, CPPB 100 N 15th Ave, Suite 201, Phoenix AZ 85007**. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete copies of all insurance policies required by this Contract at any time.

28.6 **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as insured under its policies or Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

28.7 **APPROVAL:** Any modification or variation from the *insurance requirements* in this Contract shall be made by the contracting agency in consultation with the Department of Administration, Risk Management Division. Such action will not require a formal Contract amendment, but may be made by administrative action.

28.8 **EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

29. MARKET ACQUISITIONS

In the event a Contractor acquires a market within a geographical region which they were not originally awarded, the Contractor may request an amendment to its contract to include pricing of services for this newly acquired market. Documentation of the acquisition must be provided in order for the State to consider, at its option, this addition, via a bilateral contract amendment.



EXHIBIT B
Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

30. CUSTOMER SERVICE ORDERS (CSO's)

Contractors and Customers may enter into Customer Service Order Agreements for services covered within resultant contracts of this Solicitation. Agreement shall only be valid if the Customer has the legal authority to enter into these types of agreements without going through a competitive process. Additional Terms and Conditions found within a Contractors CSO shall not become part of the State of Arizona's Master Contract.

31. NON-RECURRING COSTS (NRC)

Providers are required to quote NRC for services provided within their awarded County(ies) and Categories as outlined within Attachment II, Pricing Structure. In the event that a Contractor elects to quote a Customer an additional NRC, over and above the listed NRC within Attachment II, the Contractor shall comply with the following:

- The reason for the 'Extension' NRC is based on extending the Provider's transport medium to an off-net location;
- 'Extension' NRC should not exceed six (6) times the firm fixed monthly recurring cost (MRC) for the service in question; and
- No more than 20% of the requested quotes submitted within a one year period, for the service in question, shall have an Extension NRC.

Final acceptance of the Extension NRC is at the sole option of the customer. Customer reserves the right to negotiate the proposed Extension NRC. Extension NRC shall not be permitted in lieu of or in connection with a Contractors Broadband Expansion Projects.



EXHIBIT B

Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

UNIFORM TERMS AND CONDITIONS

1. Definition of Terms

As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

- 1.1 "Attachment" means any item the Solicitation requires the Offeror to submit as part of the Offer.
- 1.2 "Contract" means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
- 1.3 "Contract Amendment" means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
- 1.4 "Contractor" means any person who has a Contract with the State.
- 1.5 "Days" means calendar days unless otherwise specified.
- 1.6 "Exhibit" means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
- 1.7 "Gratuity" means a 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 is received.
- 1.8 "Materials" means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.
- 1.9 "Procurement Officer" means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
- 1.10 "Services" means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.
- 1.11 "Subcontract" means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
- 1.12 "State" means the State of Arizona and Department or Agency of the State that executes the Contract.
- 1.13 "State Fiscal Year" means the period beginning with July 1 and ending June 30.

2. Contract Interpretation

- 2.1 Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
- 2.2 Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
- 2.3 Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
 - 2.3.1 Special Terms and Conditions;
 - 2.3.2 Uniform Terms and Conditions;
 - 2.3.3 Statement or Scope of Work;
 - 2.3.4 Specifications;
 - 2.3.5 Attachments;



EXHIBIT B

Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

- 2.3.6 Exhibits;
- 2.3.7 Documents referenced or included in the Solicitation.

- 2.4 Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
- 2.5 Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
- 2.6 No Parole Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
- 2.7 No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3. Contract Administration and Operation

- 3.1 Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- 3.2 Non-Discrimination. The Contractor shall comply with State Executive Order No. 2009-09 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- 3.3 Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- 3.4 Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines non-compliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.
- 3.5 Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.
- 3.6 Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.
- 3.7 Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.
- 3.8 Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or



EXHIBIT B

Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.

3.9 Federal Immigration and Nationality Act. The contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.

3.10 E-Verify Requirements. In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A.

3.11 Offshore Performance of Work Prohibited.
Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

4. **Costs and Payments**

4.1 Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.

4.2 Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.

4.3 Applicable Taxes.

4.3.1 Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.

4.3.2 State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.

4.3.3 Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

4.3.4 IRS W9 Form. In order to receive payment the Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona, unless not required by law.

4.4 Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance



EXHIBIT B

Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.

- 4.5 Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:
- 4.5.1 Accept a decrease in price offered by the contractor;
 - 4.5.2 Cancel the Contract; or
 - 4.5.3 Cancel the contract and re-solicit the requirements.

5. Contract Changes

- 5.1 Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the procurement officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
- 5.2 Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.
- 5.3 Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6. Risk and Liability

- 6.1 Risk of Loss: The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
- 6.2 Indemnification
- 6.2.1 Contractor/Vendor Indemnification (Not Public Agency) The parties to this contract agree that the State of Arizona, its departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its departments, agencies, boards and commissions shall be responsible for its own negligence. Each party to this contract is responsible for its own negligence.
 - 6.2.2 Public Agency Language Only Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers."
- 6.3 Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not



EXHIBIT B

Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

apply.

6.4 Force Majeure.

6.4.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "*force majeure*" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

6.4.2 Force Majeure shall not include the following occurrences:

6.4.2.1 Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

6.4.2.2 Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or

6.4.2.3 Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

6.4.3 If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

6.4.4 Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

6.5 Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

7. **Warranties**

7.1 Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.

7.2 Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:

7.2.1 Of a quality to pass without objection in the trade under the Contract description;

7.2.2 Fit for the intended purposes for which the materials are used;

7.2.3 Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;

7.2.4 Adequately contained, packaged and marked as the Contract may require; and

7.2.5 Conform to the written promises or affirmations of fact made by the Contractor.

7.3 Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.



EXHIBIT B

Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

- 7.4 Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.
- 7.5 Compliance With Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.
- 7.6 Survival of Rights and Obligations after Contract Expiration or Termination.
- 7.6.1 Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
- 7.6.2 Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.
- 8. State's Contractual Remedies**
- 8.1 Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.
- 8.2 Stop Work Order.
- 8.2.1 The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.
- 8.2.2 If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.
- 8.3 Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.
- 8.4 Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.
- 8.5 Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.
- 9. Contract Termination**
- 9.1 Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or



EXHIBIT B

Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.

- 9.2 **Gratuities.** The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.
- 9.3 **Suspension or Debarment.** The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.
- 9.4 **Termination for Convenience.** The State reserves the right to terminate the Contract, in whole or in part at any time when in the best interest of the State, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.
- 9.5 **Termination for Default.**
- 9.5.1 In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.
- 9.5.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.
- 9.5.3 The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.
- 9.6 **Continuation of Performance Through Termination.** The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

10. Contract Claims

All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

11. Arbitration

The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (Title 41).



EXHIBIT B
Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

12. Comments Welcome

The State Procurement Office periodically reviews the Uniform Terms and Conditions and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 201, Phoenix, Arizona, 85007.



EXHIBIT B

Special Instructions to Offerors

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

1. PRE-OFFER CONFERENCE:

A Pre-Offer Conference will be held at the time and place indicated in the solicitation's 'Pre-Bid Conference' field as found within the State's e-Procurement system, ProcureAZ (<https://procure.az.gov>); attendance is not required. The purpose of the conference will be to clarify the contents of the solicitation in order to prevent any misunderstanding of the State of Arizona's position. Any doubt as to the requirements of the solicitation or any apparent omission or discrepancy should be presented to the State at the conference. The State of Arizona will then determine the appropriate action necessary, if any, and issue a written amendment to the solicitation if required. Oral statements or instructions will not constitute an amendment to the solicitation.

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, or this document in an alternative format, by contacting the State Procurement Office. Requests should be made as early as possible to allow sufficient time to arrange for accommodation.

2. INQUIRIES:

Any question related to this Request for Proposal shall be submitted utilizing the "Q&A" tab within ProcureAZ. The Offeror shall not contact or ask questions of the department for which the requirement is being procured.

3. PREPARATION OF PROPOSAL:

A responsive, responsible Offeror shall submit the following:

- 3.1 Offer and Acceptance. Offers shall include a signed Offer and Acceptance Form. The Offer and Acceptance Form shall be signed with an original signature by the person signing the Offer, and shall be submitted electronically with the submitted bid no later than the Offer due date and time. Failure to return an Offer and Acceptance Form may result in rejection of the offer.
- 3.2 Acknowledgement of Solicitation Amendments. Solicitation Amendments shall be acknowledged electronically prior to the Offer due date and time. Failure to acknowledge all Solicitation Amendments may result in rejection of the Offer.
- 3.3 Offer Forms: Offers shall include the following Offer Forms, completed accurately, in the format provided and according to any instructions contained within the form. Failure to follow Offer Form Instructions may result in rejection of Offer.
 - 3.3.1 Offer and Acceptance Form (completed and signed)
 - 3.3.2 Attachment I – Offeror Questionnaire
 - 3.3.3 Attachment II – Pricing Structure
- 3.4 Price Submission. Offers shall submit their pricing as follows, failure to complete ProcureAZ and Attachments as follows may result in Offeror(s) submission being deemed non-responsive:
 - 3.4.1 *ProcureAZ*: Offerors shall enter 1 in the unit cost of lines one (1) through five (5), based on categories in which they wish to be considered for award, within ProcureAZ, as a zero, or leaving these lines blank, will result in a no bid for that category.
 - 3.4.2 *Attachment II*: Offerors shall submit pricing based on the counties which they currently service, based on product categories as defined within the attachment.
 - 3.4.2.1 Within Attachment II Offerors shall fill in the data within the appropriate cells as follows:
 - 3.4.2.1.1 Provider Service ID (Carrier or Provider Product/Service Internal Identification Number)
 - 3.4.2.1.2 Feature Description
 - 3.4.2.1.3 Feature Restrictions, Limitations and Additional Information
 - 3.4.2.2 Within Attachment II Offerors shall fill in the applicable Non-Recurring Costs as well as Recurring Costs per month, if either is applicable. If they are not applicable, Offeror shall place and NA within that cell.



EXHIBIT B

Special Instructions to Offerors

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

3.4.2.3 Cells only need to be filled out, regarding pricing, for counties in which the Offeror is wishing to be considered for award.

3.4.2.4 *Additional Services For Consideration 'Tab'*. If an Offeror is presenting to the State additional Services for consideration, as a new standard offered product within Attachment II, which was not originally requested within the Scope of Work Section 4, this is the Tab within Attachment II that the Offeror shall utilize. The Offeror shall fill out the tab as the instructions indicate listed within this Tab of Attachment II.

The intention of this tab is to identify industry standard services that may have been unintentionally omitted by the state, services listed within this tab shall not be proprietary services to a single Offeror.

3.5 Contract Payment Terms. Offerors shall indicate the prompt payment terms that they will offer to the State (for example: 2/10 Net 30; 2/15 Net 30, etc.) At a minimum, Offeror's payment terms shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days.

4. SUBMISSION OF OFFER

4.1 ProcureAZ Offer Submission, Due Date and Time. Offers in response to this solicitation shall be submitted within the State's eProcurement system, PROCUREAZ (<https://procure.az.gov>). Please be advised that utilizing ProcureAZ requires a certain level of technical competency that should be considered when selecting staff to work in the system. The successful submission of your offer in ProcureAZ is critical in order for the State to receive and evaluate your offer. Therefore, particular focus should be placed on the selection of staff given the responsibility for submitting your offer in ProcureAZ. Offers shall be received before the date/time listed in the solicitation's 'Bid Opening Date' field. Offers submitted outside PROCUREAZ, or those that are received after the date/time stated in the 'Bid Opening Date' field, shall be rejected. Questions in this regard shall be directed to the Procurement Officer or to the PROCUREAZ Help Desk (procure@azdoa.gov or 602-542-7600).

4.2 Responsibility, Responsiveness and Acceptability. In accordance with A.R.S. 41-2534(G), A.A.C. R2-7-330 and R2-7-354, State shall consider, at a minimum, the following in determining Offerors' responsibility, as well, as the proposal's responsiveness and acceptability for contract award.

4.2.1 Whether the Offeror has had a contract within the last five (5) years that was terminated for cause due to breach or similar failure to comply with the terms of the contract;

4.2.2 Whether the Offeror's record of performance includes factual evidence of failure to satisfy the terms of the Offeror's agreements with any party to a contract. Factual evidence may consist of documented vendor performance reports, customer complaints and/or negative references;

4.2.3 Whether the Offeror is legally qualified to contract with the State and the Offeror's financial, business, personnel, or other resources, including subcontractors;

4.2.3.1 Legally qualified includes if the vendor or if key personnel have been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body.

4.2.4 Whether the Offeror promptly supplied all requested information concerning its responsibility;

4.2.5 Whether the Offer was sufficient to permit evaluation by the State, in accordance with the evaluation criteria identified in this Solicitation or other necessary offer components. Necessary offer components include: attachments, documents or forms to be submitted with the offer, an indication of the intent to be bound, reasonable or acceptable approach to perform the Scope of Work, acknowledged Solicitation Amendments, references to include experience verification, adequacy of financial/business/personal or other resources to include a performance bond and stability including subcontractors and any other data specifically requested in the Solicitation;

4.2.6 Whether the Offer was in conformance with the requirements contained in the Scope of Work, Terms and Conditions, and Instructions for the Solicitation including its Amendments and all documents incorporated by reference;



EXHIBIT B

Special Instructions to Offerors

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

- 4.2.7 Whether the Offer limits the rights of the State;
- 4.2.8 Whether the Offer includes or is subject to unreasonable conditions, to include conditions upon the State necessary for successful Contract performance. The State shall be the sole determiner as to the reasonableness of a condition;
- 4.2.9 Whether the Offer materially changes the contents set forth in the Solicitation, which includes the Scope of Work, Terms and Conditions, or Instructions; and,
- 4.2.10 Whether the Offeror provides misleading or inaccurate information.

4.3 Proposal Content: The Offeror shall make a firm commitment to provide services as required and proposed. The material contained in your proposal should be relevant to the service requirements stated in the solicitation and submitted in a sequence that reflects the scope of work portion of this document and information relevant to the designated evaluation criteria as stated herein. Failure to include the requested information may have a negative impact on the evaluation of the Offeror's proposal.

4.4 Electronic Documents. The Solicitation document is provided in an electronic format. Any unidentified alteration or modification to any Solicitation documents, to any attachments, exhibits, forms, charts or illustrations contained herein shall be null and void. In those instances where modifications are identified, the original document published by the State shall take precedence. As provided in the Solicitation Instructions, Offerors are responsible for clearly identifying any and all changes or modifications to any Solicitation documents upon submission to the State.

4.5 Acceptable Formats. Offer electronic files shall be submitted in a format acceptable to the State. Acceptable formats include .DOC and .DOCX (Microsoft Word), .XLS and .XLSX (Microsoft Excel), .PPT and .PPTX (Microsoft PowerPoint) and .PDF (Adobe Acrobat). Other file formats may also be acceptable, including .ZIP, .MDB, .MDBX, .MPP, .MPPX, .VSD, .JPG, .GIF, .BMP and KMZ. Offerors wishing to submit files in these or other formats shall submit an inquiry to the Procurement Officer.

4.6 Confidential Information. If a person believes that any portion of a proposal, bid, offer, specification, protest or correspondence contains information that should be withheld, then the Procurement Officer shall be so advised in writing (Price is not confidential and will not be withheld). Such material shall be identified as confidential wherever it appears. The State, pursuant to A.C.R.R. R2-7-104, shall review all requests for confidentiality and provide a written determination. If the confidential request is denied, such information shall be disclosed as public information, unless the person utilizes the 'Protest' provision as noted in §41-2611 through §41-2616.

5. EVALUATION

In accordance with the Arizona Procurement Code 41-2534, awards shall be made to the responsible Offeror(s) whose proposal is determined in writing to be the most advantageous to the State based upon the evaluation criteria listed below. The evaluation factors are listed in their relative order of importance.

Exceptions to the Terms and Conditions, as stated in the Special Instructions Section 4.2.6, will impact an Offeror's susceptibility for award.

- Cost;
- Method of Approach (Methodology); and
- Capacity of Offeror.

6. OPENING

Proposals received by the correct time and date will be opened and the name of each Offeror will be publically available. Proposals will not be subject to public inspection until after contract award.

7. CLARIFICATIONS

Upon receipt and opening of proposals submitted in response to this solicitation, the State may request oral or written clarifications, including demonstrations or questions and answers, for the sole purpose of information gathering or of eliminating minor informalities or correcting nonjudgmental mistakes in proposals. Clarifications shall not otherwise afford the Offerors the opportunity to alter or change its proposal.



EXHIBIT B
Special Instructions to Offerors

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

8. DISCUSSIONS

In accordance with A.R.S. 41-2534, after the initial receipt of proposals, the State may conduct discussions with those Offerors who submit proposals determined by the State to be reasonably susceptible of being selected for award.

9. FINAL PROPOSAL REVISIONS

If discussions are conducted, the State shall issue a written request for Final Proposal Revisions. The request shall set forth the date, time and place for the submission of Final Proposal Revisions. Final Proposal Revisions shall be requested only once; unless the State makes a determination that it is advantageous to conduct further discussions.

10. CONTRACT AWARD

Award of a contract(s) will be made to the most responsive and responsible Offeror(s) whose proposal is determined to be the most advantageous to the State based on the evaluation criteria set forth in the solicitation.

11. PUBLIC RECORD

All Proposals submitted in response to this Request For Proposal shall become the property of the State and shall become a matter of Public Record available for review, subsequent to the award notification, as provided for by the Arizona Procurement Code.



EXHIBIT B

Uniform Instructions to Offerors

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

UNIFORM INSTRUCTIONS TO OFFERORS

1. Definition of Terms

As used in these Instructions, the terms listed below are defined as follows:

- 1.1 "*Attachment*" means any item the Solicitation requires an Offeror to submit as part of the Offer.
- 1.2 "*Best and Final Offer*" means a revision to an Offer submitted after negotiations are completed that contains the Offeror's most favorable terms for price, service, and products to be delivered. Sometimes referred to as a Final Proposal Revision.
- 1.3 "*Contract*" means the combination of the Solicitation, including the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer, any Clarifications, and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
- 1.4 "*Contract Amendment*" means a written document signed by the Procurement Officer issued for the purpose of making changes in the Contract.
- 1.5 "Contractor" means any person who has a Contract with a state governmental unit.
- 1.6 "Day" means calendar days unless otherwise specified.
- 1.7 "*eProcurement (Electronic Procurement)*" means conducting all or some of the procurement function over the Internet. Point, click, buy and ship Internet technology is replacing paper-based procurement and supply management business processes. Elements of eProcurement also include Invitation for Bids, Request for Proposals, and Request for Quotations.
- 1.8 "*Exhibit*" means any document or object labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
- 1.9 "*Offer*" means a response to a solicitation.
- 1.10 "*Offeror*" means a person who responds to a Solicitation.
- 1.11 "*Person*" means any corporation, business, individual, union, committee, club, or other organization or group of individuals.
- 1.12 "*Procurement Officer*" means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
- 1.13 "*Solicitation*" means an Invitation for Bids ("IFB"), a Request for Technical Offers, a Request for Proposals ("RFP"), a Request for Quotations ("RFQ"), or any other invitation or request issued by the purchasing agency to invite a person to submit an offer.
- 1.14 "*Solicitation Amendment*" means a change to the Solicitation issued by the Procurement Officer.
- 1.15 "*Subcontract*" means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
- 1.16 "*State*" means the State of Arizona and Department or Agency of the State that executes the Contract.

2. Inquiries

- 2.1 Duty to Examine. It is the responsibility of each Offeror to examine the entire Solicitation, seek clarification in writing (inquiries), and examine its Offer for accuracy before submitting an Offer. Lack of care in preparing an Offer shall not be grounds for modifying or withdrawing the Offer after the Offer due date and time.
- 2.2 Solicitation Contact Person. Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation shall be directed solely to the Procurement Officer.
- 2.3 Submission of Inquiries. All inquiries related to the Solicitation are required to be submitted in the State's eProcurement system. All responses to inquiries will be answered in the State's eProcurement system. Any inquiry related to the Solicitation should reference the appropriate solicitation page and paragraph number. Offerors are prohibited from contacting any State employee other than the Procurement Officer



EXHIBIT B

Uniform Instructions to Offerors

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

concerning the procurement while the solicitation and evaluation are in process.

- 2.4 **Timeliness.** Any inquiry or exception to the Solicitation shall be submitted as soon as possible and should be submitted at least seven days before the Offer due date and time for review and determination by the State. Failure to do so may result in the inquiry not being considered for a Solicitation Amendment.
- 2.5 **No Right to Rely on Verbal or Electronic Mail Responses.** An Offeror shall not rely on verbal or electronic mail responses to inquiries. A verbal or electronic mail reply to an inquiry does not constitute a modification of the solicitation.
- 2.6 **Solicitation Amendments.** The Solicitation shall only be modified by a Solicitation Amendment.
- 2.7 **Pre-Offer Conference.** If a pre-Offer conference has been scheduled under the Solicitation, the date, time and location shall appear in the State's eProcurement system. Offerors should raise any questions about the Solicitation at that time. An Offeror may not rely on any verbal responses to questions at the conference. Material issues raised at the conference that result in changes to the Solicitation shall be answered solely through a Solicitation Amendment.
- 2.8 **Persons With Disabilities.** Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Procurement Officer. Requests shall be made as early as possible to allow time to arrange the accommodation.

3. Offer Preparation

- 3.1 **Electronic Documents.** The Solicitation is provided in an electronic format. Offerors are responsible for clearly identifying any and all changes or modifications to any Solicitation documents upon submission to the State's eProcurement system. Any unidentified alteration or modification to any Solicitation, attachments, exhibits, forms, charts or illustrations contained herein shall be null and void. Offeror's electronic files shall be submitted in a format acceptable to the State. Acceptable formats include .doc and .docx (Microsoft Word), .xls and .xlsx (Microsoft Excel), .ppt and .pptx (Microsoft PowerPoint) and .pdf (Adobe Acrobat). Offerors wishing to submit files in any other format shall submit an inquiry to the Procurement Officer.
- 3.2 **Evidence of Intent to be Bound.** The Offer and Acceptance form within the Solicitation shall be submitted with the Offer in the State's eProcurement system and shall include a signature by a person authorized to sign the Offer. The signature shall signify the Offeror's intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate and complete. Failure to submit verifiable evidence of an intent to be bound, such as a signature, shall result in rejection of the Offer.
- 3.3 **Exceptions to Terms and Conditions.** All exceptions included with the Offer shall be submitted in the State's eProcurement system in a clearly identified separate section of the Offer in which the Offeror clearly identifies the specific paragraphs of the Solicitation where the exceptions occur. Any exceptions not included in such a section shall be without force and effect in any resulting Contract unless such exception is specifically accepted by the Procurement Officer in a written statement. The Offeror's preprinted or standard terms will not be considered by the State as a part of any resulting Contract.
 - 3.3.1 **Invitation for Bids.** An Offer that takes exception to a material requirement of any part of the Solicitation, including terms and conditions, shall be rejected.
 - 3.3.2 **Request for Proposals.** All exceptions that are contained in the Offer may negatively impact an Offeror's susceptibility for award. An Offer that takes exception to any material requirement of the solicitation may be rejected.
- 3.4 **Subcontracts.** Offeror shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities in the Offer.
- 3.5 **Cost of Offer Preparation.** The State will not reimburse any Offeror the cost of responding to a Solicitation.
- 3.6 **Federal Excise Tax.** The State is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be provided by the State.
- 3.7 **Provision of Tax Identification Numbers.** Offerors are required to provide their Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number in the space provided on the Offer and



EXHIBIT B

Uniform Instructions to Offerors

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

Acceptance form.

3.7.1 Employee Identification. Offeror agrees to provide an employee identification number or social security number to the State for the purposes of reporting to appropriate taxing authorities, monies paid by the State under this Contract. If the federal identifier of the Offeror is a social security number, this number is being requested solely for tax reporting purposes and will be shared only with appropriate state and federal officials. This submission is mandatory under 26 U.S.C. § 6041A.

3.8 Identification of Taxes in Offer. The State is subject to all applicable state and local transaction privilege taxes. All applicable taxes shall be identified as a separate item offered in the Solicitation. When applicable, the tax rate and amount shall be identified on the price sheet.

3.9 Disclosure. If the person submitting this Offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any federal, state or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Offeror shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Offeror shall set forth the name and address of the governmental unit, the effective date of the suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.

3.10 Delivery. Unless stated otherwise in the Solicitation, all prices shall be F.O.B. Destination and shall include all freight, delivery and unloading at the destination(s).

3.11 Federal Immigration and Nationality Act. By signing of the Offer, the Offeror warrants that both it and all proposed subcontractors are in compliance with federal immigration laws and regulations (FINA) relating to the immigration status of their employees. The State may, at its sole discretion require evidence of compliance during the evaluation process. Should the State request evidence of compliance, the Offeror shall have five days from receipt of the request to supply adequate information. Failure to comply with this instruction or failure to supply requested information within the timeframe specified shall result in the Offer not being considered for contract award.

3.12 Offshore Performance of Work Prohibited. Any services that are described in the specifications or scope of work that directly serve the State or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers. Offerors shall declare all anticipated offshore services in the Offer.

4. Submission of Offer

4.1 Offer Submission, Due Date and Time. Offerors responding to a Solicitation must submit the Offer electronically through the State's eProcurement system. Offers shall be received before the due date and time stated in the solicitation. Offers submitted outside of the State's eProcurement system or those that are received after the due date and time shall be rejected.

4.2 Offer and Acceptance. Offers shall include a signed Offer and Acceptance form. The Offer and Acceptance form shall be signed with a signature by the person authorized to sign the Offer, and shall be submitted in the State's eProcurement system with the Offer no later than the Solicitation due date and time. Failure to return an Offer and Acceptance form may result in rejection of the Offer.

4.3 Solicitation Amendments. A Solicitation Amendment shall be acknowledged in the State's eProcurement system no later than the Offer due date and time. Failure to acknowledge a Solicitation Amendment may result in rejection of the Offer.

4.4 Offer Amendment or Withdrawal. An Offer may not be amended or withdrawn after the Offer due date and time except as otherwise provided under applicable law.



EXHIBIT B

Uniform Instructions to Offerors

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

- 4.5 Confidential Information. If an Offeror believes that any portion of an Offer, protest, or correspondence contains a trade secret or other proprietary information, the Offeror shall clearly designate the trade secret and other proprietary information, using the term "confidential." An Offeror shall provide a statement detailing the reasons why the information should not be disclosed including the specific harm or prejudice that may arise upon disclosure. The Procurement Officer shall review all requests for confidentiality and provide a written determination. Until a written determination is made, a Procurement Officer shall not disclose information designated as confidential except to those individuals deemed to have a legitimate State interest. In the event the Procurement Officer denies the request for confidentiality, the Offeror may appeal the determination to the State Procurement Administrator within the time specified in the written determination. Contract terms and conditions, pricing, and information generally available to the public are not considered confidential information.
- 4.6 Public Record. All Offers submitted and opened are public records and must be retained by the State for six years. Offers shall be open and available to public inspection through the State's eProcurement system after Contract award, except for such Offers deemed to be confidential by the State.
- 4.7 Non-collusion, Employment, and Services. By signing the Offer and Acceptance form or other official contract form, the Offeror certifies that:
- 4.7.1 The Offeror did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and
- 4.7.2 The Offeror does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and that it complies with an applicable federal, state and local laws and executive orders regarding employment.

5. Evaluation

- 5.1 Unit Price Prevails. In the case of discrepancy between the unit price or rate and the extension of that unit price or rate, the unit price or rate shall govern.
- 5.2 Taxes. If the products and/or services specified require transaction privilege or use taxes, they shall be described and itemized separately on the Offer. Arizona transaction privilege and use taxes shall not be considered for evaluation.
- 5.3 Prompt Payment Discount. Prompt payment discounts of thirty (30) days or more set forth in an Offer shall be deducted from the Offer for the purpose of evaluating that price.
- 5.4 Late Offers. An Offer submitted after the exact Offer due date and time shall be rejected.
- 5.5 Disqualifications. An Offeror (including each of its principals) who is currently debarred, suspended or otherwise lawfully prohibited from any public procurement activity shall have its Offer rejected.
- 5.6 Offer Acceptance Period. An Offeror submitting an Offer under the Solicitation shall hold its Offer open for the number of days from the Offer due date that is stated in the Solicitation. If the Solicitation does not specifically state a number of days for Offer acceptance, the number of days shall be one hundred twenty (120). If a Best and Final Offer is requested pursuant to a Request for Proposals, an Offeror shall hold its Offer open for one hundred twenty (120) days from the Best and Final Offer due date.
- 5.7 Waiver and Rejection Rights. Notwithstanding any other provision of the Solicitation, the State reserves the right to:
- 5.7.1 Waive any minor informality;
- 5.7.2 Reject any and all Offers or portions thereof; or
- 5.7.3 Cancel the Solicitation.

6. Award

- 6.1 Number of Types of Awards. The State reserves the right to make multiple awards or to award a Contract by individual line items or alternatives, by group of line items or alternatives, or to make an aggregate award, or regional awards, whichever is most advantageous to the State.



EXHIBIT B

Uniform Instructions to Offerors

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

- 6.2 Contract Inception. An Offer does not constitute a Contract nor does it confer any rights on the Offeror to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the Procurement Officer's signature on the Offer and Acceptance form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.
- 6.3 Effective Date. The effective date of the Contract shall be the date that the Procurement Officer signs the Offer and Acceptance form or other official contract form, unless another date is specifically stated in the Contract.

7. **Protests**

A protest shall comply with and be resolved according to Arizona Revised Statutes Title 41, Chapter 23, Article 9 and rules adopted thereunder. Protests shall be in writing and be filed with both the Procurement Officer of the purchasing agency and with the State Procurement Administrator. A protest of the Solicitation shall be received by the Procurement Officer before the Offer due date. A protest of a proposed award or of an award shall be filed within ten (10) days after the Procurement Officer makes the procurement file available for public inspection. A protest shall include:

1. The name, address, email address and telephone number of the interested party;
2. The signature of the interested party or its representative;
3. Identification of the purchasing agency and the Solicitation or Contract number;
4. A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and
5. The form of relief requested.

8. **Comments Welcome**

The State Procurement Office periodically reviews the Uniform Instructions to Offerors and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 201, Phoenix, Arizona, 85007.



EXHIBIT B Attachment I, Offeror Questionnaire

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

OFFEROR QUESTIONNAIRE

1. Cost Proposal:

1.1 Scenarios. Offerors are required to select and describe, as requested, all of the following scenarios for which they have provided firm fixed pricing for services described within Attachment II, failure to do so may result in an Offeror being deemed non responsive. Each scenario has intentionally been left without a service address as well as a county, as to not hinder an Offeror from responding based on the areas in which they provide service. Offerors are to state within their response to each scenario which county they are going to provide the service for within the Scenario so that it can be cross referenced with Attachment II.

Each scenario response shall have the following data provided:

- County to provide the scenario service;
- Corresponding Arizona Service ID as identified within Attachment II;
- MRC, if applicable to the service requested within the scenarios chosen; and
- NRC, if applicable to the service requested within the scenarios chosen.

1.1.1 Scenario One: Analog Line

Service requested: One (1) analog voice line with three features (transfer, call forward, and caller ID). Include cost to extend past demarcation point to customer provided location.

1.1.2 Scenario Two: Metro Ethernet.

Service requested: Metro Ethernet for 20Mbps Access with minimum 2Mbps CoS/QoS.

1.1.3 Scenario Three: MPLS or equivalent

Service requested: MPLS or equivalent, Bandwidth 3Mbps. Include cost to extend past demarcation point.

1.1.4 Scenario Four: PBX ALI

Service requested: PBX ALI added to existing DID ranges (XXX)XXX-5780 thru 5999 And (XXX)XXX-7000 thru 9999. That is a total of 3,220 DID's.

1.1.5 Scenario Five: MPLS with Ethernet Port service or equivalent

Service requested: MPLS Transport w/ Ethernet Port service at minimum line rate of 150 Mbps

1.1.6 Scenario Six: Stand Alone Internet Access service

Service requested: Stand Alone Internet Access with bandwidth of 50 Mbps download and 10 Mbps upload (must be provided with bundled DSL modem or Cable modem)

1.1.7 Scenario Seven: High Speed Internet Access service

Service requested: High speed Internet Access service from Internet Point-of-Presence to customer location with bandwidth of 1Gbps. (Describe the transport and access service proposed)

1.1.8 Scenario Eight: Managed WiFi Access-Point service

Service requested: Managed WiFi Access-Point service with 100 Mbps Download and 10 Mbps upload "Best Efforts" Internet connection



EXHIBIT B

Attachment I, Offeror Questionnaire

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSPO14-00004241**
Description: **Telecommunications and Broadband Provider Services**

1.1.9 Scenario Nine: PRI

Service requested: Two (2) PRI that will terminate on existing DS3 with 20 DID, 2B Call Transfer, N1-2, and 10 digit dialing. Include cost to extend past demarcation point.

1.1.10 Scenario Ten: Fiber Lease service:

Service requested: Lease of one dedicated pair of dark fiber, configured as a ring comprised a set of point-to-point routes. This ring will consist of 5 locations; the provider's point-of-presence (PoP) [location, A] and four customer locations (B,C,D,E). Locations A to B are connected by two 1-mile physically diverse routes of existing fiber. Location B to C, C to D, D to E, and E to B are each 5 mile point-to-point routes. Assume that all routes except A to B will require new fiber construction. Provide estimated conceptual Lease NRC and Lease and Maintenance MRCs and desired contract terms to be negotiated. Conceptual pricing shall include any provider assumptions with regard to demand aggregation Note fiber services are assumed by the state to be offered under Infrastructure expansion terms.

1.1.11 Scenario Eleven: Regional transport network. Provide estimated conceptual Lease NRC and Lease and Maintenance MRCs and desired contract terms to be negotiated. Conceptual pricing shall include any provider assumptions with regard to demand aggregation.

Service requested: Three Node Off-Net MPLS Ethernet Port Network Bundled with VPN Access, Managed Router and MPLS Transport Service at Minimum Line Rate of 10 Gbps between each node. Each Node and its managed router is located at a customer location in a separate community. Each community is separated from the nearest other community by an average distance of 30 miles.

2. Method of Approach: The Offeror shall provide a narrative response to each question that demonstrates the understanding of the Scope of Work and describes your company's overall method of approach for providing the services stated in this solicitation. Within the Offeror's response, the narrative shall include:

2.1 **E-Rate.** Offeror shall provide the following information in response to this Request for Proposal to be considered for future business with E-Rate Eligible Entities. If Offeror is choosing not to do business with E-Rate Eligible Entities for the duration on a resultant contract, please state that in lieu of providing the number requested below.

Service Provider Identification Number (SPIN): _____

2.2 **Categories to be offered by County.** Offeror shall confirm in writing, utilizing the table provided below, which of the five (5) categories they want to be considered for award. Within each cell please state one of the following responses:

2.2.1 **Yes.** Meaning that the Offeror will provide this selected category to the entire county.

2.2.2 **Yes w/exception.** Meaning that the Offeror will only provide this selected category to certain cities. If this is a chosen response by the Offeror shall complete the table in section 2.3.

2.2.3 **No Bid.** Meaning that the Offeror will not provide this selected category within the specific county.

| County | Category 1 Circuits & Networks | Category 2 Voice Services | Category 3 WiFi | Category 4 Internet Services | Category 5 Fiber Services |
|----------------|-----------------------------------|------------------------------|--------------------|---------------------------------|------------------------------|
| Apache County | | | | | |
| Cochise County | | | | | |



EXHIBIT B Attachment I, Offeror Questionnaire

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

| | | | | |
|-------------------|--|--|--|--|
| Coconino County | | | | |
| Gila County | | | | |
| Graham County | | | | |
| Greenlee County | | | | |
| La Paz County | | | | |
| Maricopa County | | | | |
| Mohave County | | | | |
| Navajo County | | | | |
| Pima County | | | | |
| Pinal County | | | | |
| Santa Cruz County | | | | |
| Yavapai County | | | | |
| Yuma County | | | | |

2.3 Excluded Cities Serviced by County. Offeror shall confirm in writing, utilizing the table provided below, which jurisdictions cannot be services within a specific county in which they have selected to be considered for award in the above table.

| County | Specific jurisdiction excluded |
|-------------------|--------------------------------|
| Apache County | |
| Cochise County | |
| Coconino County | |
| Gila County | |
| Graham County | |
| Greenlee County | |
| La Paz County | |
| Maricopa County | |
| Mohave County | |
| Navajo County | |
| Pima County | |
| Pinal County | |
| Santa Cruz County | |
| Yavapai County | |
| Yuma County | |

2.4 Compliance to Requested Services by Category: Any exceptions taken but not documented as instructed below will be deemed invalid and will not be considered.



EXHIBIT B

Attachment I, Offeror Questionnaire

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

The Offeror has read, understands and shall comply with all Services requested within Section 4 of the Scope of Work within this Request for Proposal. Offerors that accept the States requests shall check YES to clearly indicate their acceptance. Offerors who take exceptions shall check NO, and clearly indicate the exception according to the instructions below.

- YES**, I acknowledge that I have read and understand the requested services to be provided within each category in which my firm is bidding, my Firm shall comply by providing all with in any resultant contract.
- NO**, I acknowledge that I have read and understand the requested services to be provided within each category in which my firm is bidding, my Firm shall comply with the exceptions listed below.

Exceptions (If checked NO)

- 2.4.1 Offerors that take exception to any requested services shall justify their exception as well as propose alternate language for the State's consideration. Exceptions shall be within a separate document appropriately titled "Service Exceptions" and contain the paragraph number from the Scope of Work, rationale for exception and the proposed alternate language. Additional pages may be added as long as all exceptions are submitted as one document. Any exceptions not contained and submitted on this form or attached document shall not be reviewed or contained in any resultant contract.
- 2.4.2 Please note that exceptions taken to the Requirements described in the Scope of Work, the Instructions, or the Terms and Conditions of this solicitation may negatively affect the final evaluation score of the Offer. Both the number of exceptions and the severity of the exceptions can affect your score and may result in your Offer deemed non-responsive for this solicitation.
- 2.5 Expanding Geographic Availability for Tariffed and Non-Tariffed carrier telecommunication Services. Offerors who are registered CLEC's shall identify their strategy for establishing agreements with ILEC's in areas open to competition as defined by the Arizona Corporation Commission necessary to provide end-to-end service in these area. *Agreements shall be in effect at Contract award, if not already in place.* If Offeror is not a CLEC, please state so as your Firm's response to this question.
- 2.6 Broadband Expansion. If your Firm is not wishing to participate in the Broadband expansion portion of a resultant contract, please state that as your response to this question. If your Firm wants to be considered for award within this provision please respond to the following questions accordingly.
- 2.6.1 Offeror shall provide their five (5) year plan for building new broadband infrastructure to and within regions or communities in which the Provider currently has no or insufficient broadband infrastructure and for which they intend to provide services under this contract.
- 2.6.1.1 At a minimum the plan shall include the following information:
- 2.6.1.1.1 Scope of Work.
 - 2.6.1.1.2 Key Personnel, with contact information.
 - 2.6.1.1.3 Responsibilities of Contractor and Customer.
 - 2.6.1.1.4 Time Line.
 - 2.6.1.1.5 Installation Cost, broken down by time and material.
 - 2.6.1.1.6 Final Acceptance, service switched on date.
- 2.6.2 Offeror shall provide detailed maps of their current and planned broadband infrastructure in KMZ or an equivalent digital format for counties in which they intend to offer services under this contract, such maps need not include served buildings or any direct or indirect information with regard to served customers.



EXHIBIT B
Attachment I, Offeror Questionnaire

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

2.6.3 Submit to semi-annual meetings. Offeror shall state their compliance to having semi-annual meetings with the State Procurement Office and the ASET-Broadband department to provide assurance that commercially reasonable progress has been accomplished against their submitted infrastructure plans.

3. **Capacity of Offeror:** The Offeror shall provide a narrative response that describes their ability to provide all services stated in this solicitation. Within the Offeror's response, the narrative shall include at a minimum:

3.1 Overall Company Information. Provide the following as requested:

3.1.1 Brief overview of business operations, including the Company's Mission and Philosophy Statement;

3.1.2 Date Company was established;

3.1.3 Ownership (public, partnership, subsidiary, etc.);

3.1.4 Location in where the Offeror is incorporated;

3.1.5 Office location(s) responsible for performance of contract;

3.1.6 Offeror's organizational chart relevant to this RFP, including contact information for the individual who is responsible for any clarifications or discussions regarding the submitted response;

3.1.7 Offeror shall document the number of the firm's technical staff members dedicated to new development verses those assigned to support of existing applications.

3.1.8 A Statement of whether, in the last ten (10) years, the Offeror has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors, and if so, an explanation providing relevant details;

3.1.9 A Statement of whether there are any pending Securities Exchange Commission investigations involving the Offeror, and if such are pending or in progress, an explanation providing relevant details and an attached opinion of counsel as to whether the pending investigation(s) may impair the Offeror's performance in a Contract under this RFP;

3.1.10 A Statement documenting all open or pending litigation initiated by the Offeror or where the Offeror is a defendant or party in an litigation that may have a material impact on Offeror's ability to deliver the contracted services;

3.1.11 A Statement documenting all open or pending litigation initiated by the Offeror or where the Offeror is a defendant or party in an litigation with a public sector client; and

3.1.12 Full disclosure of any public sector contracts terminated for cause or convenience in the past five (5) years.

3.2 Audited Financials. Offeror shall provide the last two years of audited or reviewed financial Statements either has hard copy uploaded PDF documents within ProcureAZ at time of submittal or Offeror shall provide the web address where the audited financials can be located.

3.3 Subcontracting. If any part of the Offeror's business is subcontracted please identify as requested below:

3.3.1 Offeror shall list each subcontractor's name, location, type of service to be provided, and the certifications they possess.



EXHIBIT B
Attachment I, Offeror Questionnaire

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

- 3.3.2 A description of how the Offeror will monitor and evaluate subcontractor performance; and
- 3.3.3 The length of the contractual relationship with each proposed subcontractor and provide details of future term dates of such contracts.

| Subcontractor Name | Location | Service to Perform | Certifications |
|--------------------|----------|--------------------|----------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

3.4 Current Customer Base. The State intends to conduct reference checks for client references provided by Offerors. It may, at its sole discretion, contact additional clients not presented as references. Offers shall provide at least three (3) client references that replicate or mirror the requirements of this RFP. All references shall be for engagements received and completed within the last five (5) years. The following information shall be provided for references using the table structure:

| Reference Information | Client One | Client Two | Client Three |
|--|------------|------------|--------------|
| Organization Name | | | |
| Type of Contract Product and Services Delivered | | | |
| Contact Name Mailing Address Phone Number and E-mail Address | | | |
| Contract State and End Date | | | |
| Contract Value | | | |



EXHIBIT B
Attachment II, Pricing Structure

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

Please note: This Attachment, "Attachment II, Pricing Structure", is a separate document found within ProcureAZ as an .xls document.



EXHIBIT B
Exhibit A, Backhaul Bandwidth for Census Designated Places

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSP014-00004241**
Description: **Telecommunications and Broadband Provider Services**

Please note: This Exhibit, "Exhibit A, Backhaul Bandwidth for Census Designated Places", is a separate document found within ProcureAZ as a PDF document.



EXHIBIT B
Exhibit B, State of Arizona WAN Strategy Diagram

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Solicitation No: **ADSPO14-00004241**
Description: **Telecommunications and Broadband Provider Services**

Please note: This Exhibit, "Exhibit B, State of Arizona WAN Strategy Diagram", is a separate document found within ProcureAZ as a PDF document

**LINKING AGREEMENT
BETWEEN
THE CITY OF GLENDALE, ARIZONA
AND
COX ARIZONA TELCOM L.L.C.**

EXHIBIT C

METHOD AND AMOUNT OF COMPENSATION

A service order document provided by Cox Arizona Telcom, L.L.C. must be provided with each order.

NOT TO EXCEED AMOUNT

The total amount of compensation paid to Contractor for full completion of all work required by the Project must not exceed \$137,500 annually or \$550,000 for the entire term of the Agreement.

DETAILED PROJECT COMPENSATION

For details on pricing, please contact the City of Glendale Material Management Department.