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 AUTHORITY: Act 431 of 1984
 COMPLETION: Required
 PENALTY: Contract change will not be executed unless form is filed

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
 PROCUREMENT

525 W. ALLEGAN STREET
 LANSING, MI 48933

P.O. BOX 30026
 LANSING, MI 48909

NOTICE OF CONTRACT NO. 071B6600080

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Switch, Ltd. 7135 S. Decatur Blvd Las Vegas, Nevada 89118	Jason Mendenhall	jason@supernap.com
	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
	702-333-6570	0225

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DTMB	Robert Weldon	517-241-8915	WeldonR@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Dave Hatch	517-284-7044	HatchD@Michigan.gov

CONTRACT SUMMARY

DESCRIPTION:

Lights-Out Co-Location Data Center

INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
Ten years	May 11, 2016	May 31, 2026	This Contract may be renewed at the discretion of the State, in one-year, three-year, or five-year periods
PAYMENT TERMS	F.O.B.	SHIPPED TO	
Net 45	N/A	N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			
MISCELLANEOUS INFORMATION			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION		\$24,552,887.80	



For the Contractor:

**R. Jason Mendenhall, EVP of Cloud
Switch, Ltd.**

Date

For the State:

**Jeff Brownlee, Chief Procurement Officer
State of Michigan**

Date



Table of Contents

LIGHTS OUT CO-LOCATION DATA CENTER CONTRACT4

SCHEDULE 1 - STATEMENT OF WORK (SOW).....36

1 STATEMENT OF WORK (SOW) OVERVIEW..... 36

1.1 PROJECT REQUEST AND BACKGROUND36

1.2 SCOPE OF SERVICES.....36

1.3 PURCHASE OF PRODUCTS.....37

1.4 CONTRACTOR RELATIONS AND GOVERNANCE37

1.5 DTMB POLICIES SCHEDULE37

2 IMPLEMENTATION PLAN AND DISENGAGEMENT ASSISTANCE 37

2.1 IMPLEMENTATION PLAN37

2.2 DISENGAGEMENT ASSISTANCE38

3 SOLUTION DOCUMENT 38

3.1 SOLUTION OVERVIEW.....38

3.2 DATA CENTER DISASTER RECOVERY ASSISTANCE.....39

3.3 RESERVED.....39

3.4 PROCESSES AND METHODOLOGIES39

3.5 SHARED MONITORING SERVICES AND SECURITY.....40

3.6 SERVICE LEVEL AGREEMENT41

4 GOVERNANCE AND RELATIONSHIP MANAGEMENT 41

4.1 ORGANIZATION STRUCTURE42

4.2 ACCOUNT SUPPORT.....42

4.3 ISSUE MANAGEMENT43

5 PRICING 44

EXHIBIT A – SCOPE OF SERVICES.....49

EXHIBIT B – PUBLIC FACILITIES AND ADDITIONAL FEATURES56

EXHIBIT C – CO-LOCATION DATA CENTER REQUIREMENTS.....57

SCHEDULE 2 – CARRIER SERVICES.....72

SCHEDULE 3 – PRODUCT AND SMART HANDS SERVICES74

SCHEDULE 4 – COLOCATION FACILITIES AGREEMENT.....79

EXHIBIT “A” – SERVICE LEVEL AGREEMENT.....84

EXHIBIT “B” – T-SCIF™ DESCRIPTION87



STATE OF MICHIGAN

LIGHTS OUT CO-LOCATION DATA CENTER CONTRACT

This Lights Out Co-Location Data Center Agreement (this “**Contract**”) is agreed to between the State of Michigan, Department of Technology, Management and Budget (the “**State**” or “**DTMB**”) and SWITCH, LTD. (“**Contractor**”), a Nevada, Limited Liability Company. This Contract is effective on May, 11, 2016 (“**Effective Date**”), and unless earlier terminated, will expire on May 31, 2026 (the “**Term**”). The State and Contractor may be collectively referred to herein as the “**Parties**” and each may be referred to individually as a “**Party**.”

This Contract may be renewed at the discretion of the State, in one-year, three-year, or five-year periods. Renewal must be by written notice from the State and will automatically extend the Term of this Contract.

1. Definitions.

“**Affiliate**” means with respect to any entity, any other entity controlling, controlled by or under common control with such entity. For purposes of this definition, the term “control” (including the terms “controlled by” and “under common control with”) means the direct or indirect power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract or otherwise.

“**ARC**” means an additional resource charge, which is a mechanism used to address increases in consumption of Services during the Term.

“**Business Day**” means a day other than a Saturday, Sunday or State Holiday.

“**BC Plan**” has the meaning set forth in **Section 14.1**.

“**Carrier Services**” means a collective reference to internet, transport and other services provided to DTMB by one or more Subcontractors (each a “**Carrier**”), which are set forth on **Schedule 2** to this Contract.

“**Carrier Services Schedule**” is attached as **Schedule 2** to this Contract, and sets forth the service level agreement for Carrier Services.

“**Change**” has the meaning set forth in **Section 3.1**.

“**Change Request**” has the meaning set forth in **Section 3.1**.

“**Change Proposal**” has the meaning set forth in **Section 3.2**.

“**Change Notice**” has the meaning set forth in **Section 3.3**.

“**Chronic Failure**” has the meaning set forth in the SLA.

“**Colocation Facilities Agreement**” or “**CFA**” is the Colocation Facilities Agreement attached as **Schedule 5** to this Contract.

“**Colocation Services**” means any services Contractor provides to the State for the Colocation Space (exclusive of Carrier Services and Smart Hands Services).



“**Colocation Space**” means a collective reference to the colocation space described on a Service Order (e.g. Work Order) together with associated power, cooling and other services to be provided by Contractor pursuant to a Service Order (exclusive of Carrier Services and Smart Hands Services).

“**Commencement Date**” has the meaning set forth in the CFA.

“**Confidential Information**” has the meaning set forth in **Section 15.1**.

“**Contract**” has the meaning set forth in the preamble.

“**Contract Administrator**” is the individual appointed by each party to (a) administer the terms of this Contract, and (B) approve and execute any Change Notices under this Contract. Each party’s Contract Administrator will be identified in the Statement of Work.

“**Contractor**” has the meaning set forth in the preamble.

“**Contractor Personnel**” means all employees and agents of Contractor involved in the performance of Colocation Services.

“**Corrective Action Plan**” has the meaning set forth in **Section 7.4(d)**.

“**Damages Cap**” has the meaning set forth in **Section 18.2**.

“**Disengagement Assistance**” has the meaning set forth in **Section 11.8**.

“**Disengagement Assistance Period**” has the meaning set forth in **Section 11.8**.

“**DTMB**” means the Michigan Department of Technology, Management and Budget.

“**DTMB Equipment**” means all associated equipment, software, systems, communications networks and connectivity, facilities, and other components owned, controlled, or operated by DTMB (or its third-party services providers on behalf of DTMB).

“**DTMB Operating Environment**” means, collectively, the dedicated Colocation Space within the Premises where DTMB’s IT infrastructure receives and/or uses the Services.

“**Effective Date**” has the meaning set forth in the preamble.

“**Financial Audit Period**” has the meaning set forth in **Section 13.1**.

“**Force Majeure Event**” has the meaning set forth in **Section 19.1**.

“**Gain-sharing Proposals**” has the meaning set forth in **Section 2.7**.

“**HIPAA**” means the Health Insurance Portability and Accountability Act and its related rules and regulations.

“**Including**” shall be read as “including without limitation.”

“**Intellectual Property Rights**” means any and all rights comprising or relating to: (a) patents, patent disclosures and inventions (whether patentable or not); (b) trademarks, service marks, trade dress, trade names, logos, corporate names and domain names, together with all of the goodwill associated therewith; (c) authorship rights, copyrights and copyrightable works (including computer programs) and rights in data and databases; (d) trade secrets, know-how and other confidential information; and (e) all other intellectual property rights, in each case whether registered or unregistered and including all applications for, and renewals or extensions of, such



rights, and all similar or equivalent rights or forms of protection provided by applicable Law in any jurisdiction throughout the world.

“**Key Personnel**” refers to an individual or their designees, as set forth in **Section 5.3**.

“**Law**” means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree or other requirement or rule of any federal, state, local or foreign government or political subdivision thereof, or any arbitrator, court or tribunal of competent jurisdiction.

“**Monthly Recurring Charges**” means the minimum Monthly Recurring Charges indicated on a Service Order agreed to be paid (collectively, the “**MRC**”).

“**Non-Recurring Charges**” means Non-Recurring Charges that are indicated on a Service Order (“**NRC**”) and are due and payable upon execution of the Service Order by Contractor.

“**Operational State**” means that the Service Delivery Environment is fully operational and ready to provide all required Services to the State under the terms of the Contract and the SLA, including but not limited to having the Service Delivery Environment’s air conditioning system, humidity and pressure controls, fire prevention system, alarm systems, uninterruptible power supply, networks, and access and control infrastructure operational and meeting or exceeding any required Service Levels.

“**Party**” or “**Parties**” has the meaning set forth in the preamble.

“**Permitted Users**” has the meaning set forth in **Section 2.4**.

“**Personal Health Information (PHI)**” means “Protected Health Information” as that term is defined under the HIPAA Privacy Regulations.

“**Personally Identifiable Information (PII)**” means information that can be used to distinguish or trace an individual’s identity, such as their name, Social Security Number, financial information, driver’s license number, biometric records, etc. alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, or mother’s maiden name.

“**Pricing Schedule**” means Section 5 of **Schedule 1**, which sets forth the firm fixed prices for the Services.

“**Products**” means all equipment that is purchased by the State from or through Contractor, which is used to outfit, operate or benefit the Service Delivery Environment and the DTMB Operating Environment, including but not limited to racks for data equipment and servers, racks for telecommunications equipment, access devices attached to racks, in-rack patch panels, in-rack power distribution units, in-rack KVM (virtual terminals), cabinets and cages, overhead or underfloor cable rack (tray) and fiber guide, and all Ethernet and fiber cabling.

“**Product and Smart Hands Services Schedule**” or “**PSHS Schedule**” is attached as **Schedule 3** to this Contract, and details the Smart Hands Services and products provided by Subcontractors, along with associated pricing for both.

“**RFP**” means the State’s request for proposal designed to solicit responses for Services under this Contract.

“**Service Credits**” has the meaning set forth in **SLA**.

“**Service Delivery Environment**” means, collectively, the equipment, software, systems, communications networks and connectivity, facilities, and other infrastructure components owned, controlled, or operated by Contractor (or its Subcontractors) and used by Contractor Personnel in providing Services under the Contract.

“**Service Level Agreement**” or “**SLA**” is attached as Exhibit A to the CFA.



“**Service Levels**” has the meaning set forth in **Section 7.1**.

“**Service Commitment Period**” has the meaning set forth on each Service Order.

“**Service Order**” has the meaning set forth in the CFA.

“**Service Recipient**” has the meaning set forth in **Section 2.4**.

“**Services**” has the meaning set forth in **Section 2.1**.

“**Smart Hands Services**” means Subcontractor’s receipt and staging of State of Michigan deliveries, ad hoc Product purchasing and staging, ad hoc Product installations, ad hoc access for State of Michigan approved vendors, and visual confirmations of error and failure conditions within the DTMB Operating Environment.

“**State**” means the State of Michigan.

“**State Data**” means any and all information, data, materials, works, expressions or other content, including any that are stored, uploaded, submitted, posted, transferred, or transmitted by or through the DTMB Equipment.

“**Statement of Work**” means the statement of work attached as the SOW Schedule, which more thoroughly describes the Services to be provided by Contractor.

“**Step In**” has the meaning set forth in **Section 7.4(e)(i)**.

“**Step In Costs**” has the meaning set forth in **Section 7.4(e)(iv)**.

“**Subcontractor**” means any entity that performs any Services (except Colocation Services) under this Contract and otherwise has the meaning set forth in **Section 5.4(a)**.

“**Term**” has the meaning set forth in the preamble.

“**Termination-Related Charges**” has the meaning set forth in **Section 11.10(a)**.

“**Unauthorized Removal**” has the meaning set forth in **Section 5.3(c)**.

“**Unauthorized Removal Credit**” has the meaning set forth in **Section 5.3(d)**.

2. The Services.

2.1 “**Services**” Definition. “**Services**” means and includes the functions, responsibilities and activities and sub-tasks for which Contractor is responsible pursuant to the Contract, including those set forth in any Schedules to the Contract or Service Orders for Colocation Services. For clarity, Contractor assumes no liability for damages (direct or indirect) with respect to the performance or non-performance of Carriers or Smart Hands Services. However, Contractor will (i) use its best efforts to ensure Carriers provide the Carrier Services as agreed upon, (ii) find replacements or additional Carriers as needed or requested by DTMB (iii) pass through any service credits offered by such Carriers, and (iv) use best efforts to obtain such service credits for the State. Contractor’s responsibility for Smart Hands Services will be set forth in the applicable Schedule to pass through any service credits offered by such Subcontractors, and Contractor will use best efforts to obtain such credits on behalf of the State. Contractor will also name DTMB as a third party beneficiary in the Carrier Services and Smart Hands Services Agreements or associated Addendums, and clearly identify that the Subcontractor and not Contractor is responsible for any breach of this Agreement arising from the Smart Hands Services.



2.2 Access. DTMB will have access to the Colocation Space 24-hours a day, 7-days a week. All access to the Colocation Space and the Premises shall be in accordance with Contractor's safety, security and access procedures. DTMB is responsible for any and all actions of DTMB representatives, agents and persons escorted by or on behalf of DTMB, including armed law enforcement officers (collectively, "**DTMB Representatives**"). Contractor may suspend access by any DTMB Representative or other person to the Premises including the Colocation Space for security violations or in the event of an emergency. Contractor shall promptly notify DTMB in the event any such suspension occurs.

2.3 Scope of Services, Generally. Starting on the applicable Commencement Date, Contractor hereby grants DTMB a limited, revocable license to install and operate, maintain and access, as well as transmit and receive to and from, the DTMB Equipment within the Colocation Space and for no other purpose. As a general matter, the scope of the Colocation Services will include the following:

(a) the provision and management of a co-location facility providing physically secure data center space, cages, racks, power, environmental controls, network and internet connections, and other related services, which must meet the requirements set forth in the Data Center Requirements Exhibit C, within the SOW Schedule;

(b) reasonable business continuity capability in relation to the foregoing;

(c) Contractor's interfacing and integration of (i) its Service Delivery Environment with DTMB's Operating Environment and (ii) its Colocation Space with interfacing functions retained by DTMB or performed by other DTMB contractors;

(d) performance of agreed responsibilities in relation to other DTMB contractors who perform functions related to the Colocation Space;

(e) Contractor's compliance with applicable Laws, and with DTMB policies disclosed to Contractor, as set forth in the DTMB Policies Schedule;

(f) performance of any services or functions that are not specifically described in the Contract but are nevertheless required for the proper performance and provision of the Colocation Space described herein, including the provision of all required equipment, personnel, communications facilities, tools, monitoring systems, storage and resources (except to the extent that, pursuant to this Contract, DTMB is expressly made responsible for such functions, responsibilities and activities); and

(g) Contractor's provision of the Service Delivery Environment and associated tools, including all facilities, personnel, and other resources necessary for Contractor's provision of the Services and performance of Contractor's other obligations under and in accordance with the Contract.

(h) For clarity, the Colocation Services are provided as a license and the parameters of DTMB's license to such services is subject to and set forth in the CFA attached hereto.

2.4 Permitted Users of the Services. Although the Services will be paid for by DTMB and deemed to be provided to DTMB, the Services may be received, accessed, and used not only by DTMB, but also by all other State of Michigan agencies, departments, divisions, sections, commissions, compact members, and other instrumentalities (including, but not limited to, the Michigan Economic Development Corporation), in addition to MiDEAL members and other states (each, a "**Service Recipient**") and by their respective authorized personnel and users ("**Permitted Users**"), subject to applicable safety, security and licensing protocols.

2.5 Flexible Service Volumes.

(a) Contractor will vary the volume of Services delivered as necessary to match changes in DTMB's and Service Recipients' demand while continuing to meet applicable Service Levels and other requirements of the Contract.



(b) DTMB does not commit to purchase any fixed or minimum volume or value of Services during any period, nor will Contractor be entitled to any adjustment of its rates or charges on the basis that Service volumes or quantities did not meet Contractor's expectations.

2.6 Services Not Exclusive. Contractor is a non-exclusive provider of the Services. Either Party may contract with other parties for the procurement or sale of similar or comparable products and services.

2.7 Future Improvements and Gain-Sharing Opportunities. Contractor will propose, on a periodic basis, for DTMB's review and approval, opportunities and recommendations that would enable DTMB to reduce its charges under this Contract without adversely affecting Service Levels or the quality of the Services ("**Gain-sharing Proposals**"). Gain-sharing Proposals will be designed to enable DTMB to take advantage of developments in the marketplace, improvements made available to other Contractor customers, and other relevant developments. Contractor will actively review marketplace trends and developments to identify opportunities for improvements. In the event that any Gain-sharing Proposals are implemented, the Parties will share as agreed in any net cost savings. DTMB or Contractor may recommend that the Parties jointly finance, up to an amount to be agreed, the research and development of proposals that may result in specific Gain-sharing Proposals.

3. Change Control Process.

3.1 The State may at any time request in writing (each, a "**Change Request**") changes to the Services (each, a "**Change**"). Upon the State's submission of a Change Request, the parties will evaluate and implement all Changes in accordance with this Section.

3.2 As soon as reasonably practicable, and in any case within twenty (20) Business Days following receipt of a Change Request, Contractor will provide the State with a written proposal for implementing the requested Change ("**Change Proposal**"), setting forth:

- (a) a written description of the proposed Changes to any Services;
- (b) a schedule for commencing and completing any additional or modified Services;
- (c) any additional state resources Contractor deems necessary to carry out such Changes; and
- (d) any increase or decrease in Contractor's fees resulting from the proposed Changes, which increase or decrease will reflect only the increase or decrease in time and expenses Contractor requires to carry out the Change.

3.3 Within thirty (30) Business Days following the State's receipt of a Change Proposal, the State will by written notice to Contractor, approve, reject, or propose modifications to such Change Proposal. If the State proposes modifications, Contractor must modify and re-deliver the Change Proposal reflecting such modifications, or notify the State of any disagreement, in which event the parties will negotiate in good faith to resolve their disagreement. Upon the State's approval of the Change Proposal or the parties' agreement on all proposed modifications, as the case may be, the parties will execute a written agreement to the Change Proposal ("**Change Notice**"), which Change Notice will be signed by the both Parties and will constitute an amendment to the Contract.

3.4 If the parties fail to enter into a Change Notice within fifteen (15) Business Days following the State's response to a Change Proposal, the State may, in its discretion:

- (a) require Contractor to perform the Services without the Change;
- (b) require Contractor to continue to negotiate a Change Notice;
- (c) initiate a dispute resolution procedure in accordance with the terms of the Contract; or



(d) terminate the affected Services for convenience.

3.5 No Change will be effective until the parties have executed a Change Notice. Except as the State may request in its Change Request or otherwise in writing, Contractor must continue to perform its obligations in accordance with the Contract pending negotiation and execution of a Change Notice. Contractor will use its best efforts to limit any delays or fee increases from any Change to those necessary to perform the Change in accordance with the applicable Change Notice. Each party is responsible for its own costs and expenses of preparing, evaluating, negotiating, and otherwise processing any Change Request, Change Proposal, and Change Notice.

3.6 The performance of any functions, activities, tasks, obligations, roles and responsibilities comprising the Services as described in this Contract are considered part of the Services and, thus, will not be considered a Change.

3.7 Contractor may, on its own initiative and at its own expense, prepare and submit its own Change Request to the State. However, the State will be under no obligation to approve or otherwise respond to a Change Request initiated by Contractor.

4. Performance.

4.1 Service Levels and Service Interruptions.

(a) Contractor will render the Colocation Space in accordance with prevailing industry best practices and the Service Level Agreement. In the event of unavailability or failure of the Colocation Space, DTMB will receive Service Credits as set forth in the Service Level Agreement (“SLA”) attached to the CFA as Exhibit A. Other than for termination rights due to default, including Relocation Costs, DTMB acknowledges and agrees that the sole and exclusive remedies regarding the failure of the Colocation Space are those provided in the SLA. The parties agree that the Service Credits constitute liquidated damages. Contractor will remediate any Service Errors in accordance with the Service Level Agreement. If there is otherwise an interruption in the provision of Colocation Space (other than any planned and agreed-to maintenance interruptions consistent with the Service Level Agreement), Contractor will as promptly as possible correct the failure or interruption, perform a root cause analysis and keep DTMB informed of the situation and Contractor’s progress.

(b) Contractor acknowledges that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor Personnel dedicated to providing Services under this Contract shall provide the State with priority service for repair and work around in the event of a natural or man-made disaster.

(c) If Contractor is or becomes required by Federal disaster response requirements to afford a higher response priority to any other customer, Contractor shall so notify DTMB in writing. In the event of a natural or man-made disaster, Contractor shall keep DTMB informed of status and the timing of Contractor’s assistance to DTMB based on any competing priorities.

4.2 Place of Performance. Contractor (and its Affiliates and other Subcontractors) will perform the Services only at DTMB-approved locations. Without DTMB’s prior written approval, which may be given or withheld in DTMB’s sole discretion, Contractor will not perform or allow any aspects of the Services to be performed outside the continental United States of America.

4.3 Relocation.

(a) Any change of Service performance locations will be subject to DTMB’s prior written approval and must be carried out in accordance with the Contract and a written relocation plan prepared by Contractor and approved by DTMB.



(b) Contractor will be responsible for bearing all additional costs, taxes and other expenses related to any Contractor-initiated change of Service performance location.

4.4 Time of Performance.

(a) Contractor will perform and complete the Services diligently and in a timely manner, in accordance with any specific time schedules set forth in (or pursuant to) the Contract. Contractor acknowledges that the requirements for the Illinois Michigan Program Alliance for Core Technology (IMPACT) project mandates Operational State by June 30, 2016, and that the State's failure to achieve Operational State by this date could result in a reduction in the State's federal matching funds for the project as well as other reductions in the State's federal match rate (which will be a 100% federal match for 2015-2018). If Contractor fails to achieve Operational State by June 30, 2016, Contractor hereby agrees that the State may assess damages against the Contractor for any and all fees, penalties, or reductions in federal matching funds that are a result of Contractor's failure to meet the June 30, 2016 deadline. Contractor further agrees that such damages may be set off against any fees payable to Contractor under this Contract, or the State may bill Contractor as a separate item and Contractor will promptly make payments on such bills. Notwithstanding anything to the contrary contained in this Contract, such damages will be deemed to be recoverable under the Contract, and will not be considered consequential, special, incidental, or indirect damages.

(b) Contractor will promptly notify DTMB of any expected or actual delays in the completion of Colocation Space and, where possible, will commit additional resources as needed to complete performance of the affected Colocation Space on time.

(c) This Section 4.4 and any associated penalties shall apply if DTMB meets its own material pre-published deadlines and provides all necessary documentation, statements of work, designs and installation documentation in the time frame mutually agreed upon between the parties.

4.5 Compliance with Laws.

(a) Contractor is responsible, at its own cost and expense, for obtaining and maintaining in force all necessary regulatory approvals, licenses, and permits applicable to its and its Affiliates' businesses or necessary for the provision of the Services.

(b) Contractor will comply (and cause its Affiliates, other Subcontractors and Contractor Personnel to comply) at all times with all Laws applicable to their respective businesses or otherwise relevant to performance of the Services or their other responsibilities under or in relation to the Contract, as such Laws may change from time to time.

(c) Each Party will bear the risk of and have financial responsibility for any change in Laws applicable to its (or its Affiliate's) business or the performance of its obligations under or in relation to the Contract.

(d) Additionally, in the case of Laws not covered under the preceding paragraphs, which DTMB has notified Contractor of and which apply to the conduct of DTMB's (or the State's) business, Contractor will provide the Services in a manner that does not cause DTMB (or any other Service Recipient) to be non-compliant with or in breach of any such Law.

4.6 Compliance with DTMB Policies In performing under the Contract, and provided DTMB's policies and actions are consistent with Contractor safety, security, service and confidentiality protocols, Contractor will also comply (and cause its Affiliates and other Subcontractors and Contractor Personnel to comply) at all times with any DTMB policies, standards, and procedures applicable to performance of the Services that are disclosed in advance to Contractor in writing; provided, however, that if any DTMB policies are first disclosed to Contractor, or revised, after the execution of the Contract, either Party may initiate a Change Request if Contractor's compliance with the newly disclosed or revised DTMB policies would require Contractor to make a change to the Services.



5. Contractor Personnel and Subcontracting.

5.1 Compliance.

(a) In providing Contractor Personnel to perform the Services, Contractor agrees to comply with all applicable Laws, including those pertaining to eligibility, non-discrimination and working conditions. Contractor (or its applicable Affiliate or other Subcontractor) will be responsible for validating the identity of each individual and for ensuring that Contractor Personnel have the proper working permits and immigration status, as applicable, at all times while assigned to perform Services under the Contract.

(b) Throughout the Term, Contractor will establish and maintain policies and procedures reasonably designed to assist Contractor Personnel in complying with applicable Laws and Contractor's other duties and obligations under the Contract, including by providing periodic training and requiring Contractor Personnel to agree in writing to comply with a suitable code of conduct and code of ethics. Contractor will not assign to DTMB's account any person who has been convicted of any criminal offense involving dishonesty, a breach of trust, money laundering, or who has been convicted of a felony.

5.2 Assignment and Onboarding.

(a) While complying with the personnel selection and assignment provisions of the Contract, Contractor will assign an adequate number of Contractor Personnel to perform the Services who are properly educated, trained, and familiar with and fully qualified for the duties they are assigned to perform. DTMB will have the right to review the qualifications of and approve Key Personnel and all Contractor Personnel assigned to perform Services charged to DTMB on a T&M basis.

(b) Subject to the other requirements of the Contract pertaining to Contractor Personnel, Contractor will use commercially reasonable efforts to assign to DTMB's account Contractor Personnel who have prior experience in dealing with public sector customers and reside in the local area in which they will be assigned as their primary work location.

(c) Except as restricted by applicable Law or where the nature of the Services do require the following checks, prior to any Contractor Personnel or Subcontractor beginning performance of Services, Contractor will take (or cause the applicable Contractor Personnel or Subcontractor to take) the following steps at Contractor's expense: (i) complete any DTMB-provided or required orientation and security procedures; (ii) screen and conduct background checks of the Contractor Personnel in accordance with DTMB's policies that have been provided to Contractor in writing, and are attached hereto as a schedule; (iii) verify that each individual has received and signed a copy of Contractor's code of conduct; and (iv) confirm with DTMB that these and any other 'on-boarding' steps described in the Contract or DTMB's written policies for contractors have been successfully completed.

5.3 Contractor's Key Personnel.

(a) "**Key Personnel**" means the Key Business Relationship Contact identified in the SOW Schedule.

(b) The State has the right to approve in writing the initial assignment, as well as any proposed reassignment or replacement, of the Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, introduce the individual to the State's Project Manager, and provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the disapproval.

(c) Contractor will not remove the Key Personnel from their assigned roles on this Contract without the written notice to the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("**Unauthorized Removal**"). An Unauthorized Removal does not include replacing Key



Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, or termination of the Key Personnel's employment. Any Unauthorized Removal may be considered by the State to give rise to termination for convenience.

(d) It is further acknowledged that an Unauthorized Removal may interfere with the timely and proper completion of this Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that any Unauthorized Removal gives rise to termination for convenience. (each, an **"Unauthorized Removal Credit"**):

- (i) For the Unauthorized Removal of any Key Personnel, the credit amount will be \$25,000 unless Contractor identifies a replacement approved by the State and assigns the replacement to shadow the Key Personnel who is leaving for a period of at least 30 calendar days before the Key Personnel's removal.
- (ii) If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 calendar days, in addition to the \$25,000 credit specified above, Contractor will credit the State \$1,000 per calendar day for each day of the 30 calendar-day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$30,000 maximum per individual. The total Unauthorized Removal Credits that may be assessed per Unauthorized Removal and failure to provide 30 calendar days of shadowing will not exceed \$55,000 per individual.

(e) Contractor acknowledges and agrees that each of the Unauthorized Removal Credits assessed under **Subsection (d)** above: (i) is a reasonable estimate of and compensation for the anticipated or actual harm to the State that may arise from the Unauthorized Removal, which would be impossible or very difficult to accurately estimate; and (ii) may, at the State's option, be credited or set off against any Fees or other charges payable to Contractor under this Contract.

(f) Any Unauthorized Removal Credits due under this Section 5.3 will be applied in accordance with Section 8.8.

5.4 **Subcontracting.** Contractor will not subcontract any Services, in whole or in part, without DTMB's prior written consent, which consent may be given or withheld in DTMB's sole discretion. Without limiting the foregoing:

- (a) Contractor must ensure each **Subcontractor** complies with all relevant terms of this Contract, including all provisions relating to State Data or other Confidential Information of the State and other Service Recipients;
- (b) the State's consent to any such Subcontractor does not relieve Contractor of its representations, warranties or obligations under this Contract;
- (c) although Contractor is not liable for damages (direct or indirect) with respect to Carriers and Smart Hand Services, Contractor will comply with Section 2.1 regarding Carrier Services and Smart Hands Services; and
- (d) any noncompliance by any Subcontractor or its employees or agents with the provisions of this Contract will constitute a breach by Contractor.

6. Smart Hands Services and Products

6.1 Contractor, through its Subcontractor, will provide the Products in accordance with the terms set forth in the Smart Hands Services Schedule.

6.2 In addition to any responsibilities set forth in the Smart Hands Services Schedule:



(a) Contractor will assign or otherwise transfer to DTMB or its designee, or otherwise secure and afford the State the benefits of, any manufacturer's warranty for the Product, with Contractor acting as DTMB's sole point of contact for warranty service.

(b) Contractor warrants that it is conveying good and marketable title in the Products and that they will be delivered free from any security interest, lien, or encumbrance of which DTMB, at the time of contracting, has no knowledge.

7. Service Level Agreement.

7.1 Service Levels Generally. Contractor and its Subcontractors will deliver the Colocation Services, Carrier Services and Smart Hands Services in the manner proscribed in the applicable SLA (collectively, the "**Service Levels**").

7.2 Availability Requirement. Contractor will make the Colocation Space available as set forth in the SLA.

7.3 SLA Reports. Within thirty (30) days after the end of each Service Period, Contractor will provide to DTMB access to a software portal where DTMB can access details regarding service availability of the Colocation Space, or a report describing the Availability and other performance of the Colocation Space during that calendar month as compared to the Availability Requirement. The report must be in electronic or such other form as DTMB may approve in writing and shall include, at a minimum: (a) the actual performance of the Colocation Space relative to the Availability Requirement; and (b) if Service performance has failed in any respect to meet or exceed the Availability Requirement during the reporting period, a description in sufficient detail to inform the State of the cause of such failure and the corrective actions the Contractor has taken and will take to ensure that the Availability Requirement is fully met.

7.4 Support Service Level Requirements.

(a) Service Monitoring and Management. Contractor will continuously monitor or give tools for DTMB to monitor and manage the Service Delivery Environment live to optimize Availability that meets or exceeds the SLA. Such monitoring and management includes:

- (i) proactively monitoring on a twenty-four (24) hour by seven (7) day basis the Service Delivery Environment;
- (ii) if such monitoring identifies, or Contractor otherwise becomes aware of, any circumstance that is reasonably likely to threaten the Availability of the Colocation Space, taking all necessary and reasonable remedial measures to promptly eliminate such threat and ensure full Availability; and
- (iii) if Contractor receives knowledge that the Colocation Space or any Service function or component is not Available (including by written notice from the State):
 - (A) confirming (or disconfirming) the outage by a direct check of the associated facility or facilities;
 - (B) if Contractor's facility check in accordance with clause (i) above confirms a Service outage in whole or in part: (A) notifying the State in writing that an outage has occurred, providing such details as may be available, including a Contractor trouble ticket number, if appropriate, and time of outage; and (B) working all problems causing and caused by the outage until they are resolved; and



- (C) notifying the State that Contractor has fully corrected the outage and any related problems, along with any pertinent findings or action taken to close the trouble ticket.

(b) Service Maintenance. To meet the guarantees in the SLA, Contractor will continuously maintain the Services Delivery Environment to optimize Availability that meets or exceeds the SLA. Such maintenance services include providing to DTMB all such services and repairs as are required to maintain the Services Delivery Environment or are ancillary, necessary or otherwise related to DTMB's or its Service Recipients' access to or use of the Colocation Space, so that the Colocation Space operate properly in accordance with this Contract and the requirements set forth in the Data Center Requirements Schedule.

(c) Support Service Level Requirements. Contractor will correct all Service Errors and respond to and Resolve all Support Requests in accordance with the response times set forth in the SLA.

(d) Corrective Action Plan. If Contractor fails to perform any material or important Service or obligation for which it is responsible in accordance with the requirements of the Contract (including in connection with a Force Majeure Event), or in case of Contractor's breach of its physical security obligations, or if a Chronic Failure event occurs, DTMB may request a Corrective Action Plan (the "**Corrective Action Plan**"). The Corrective Action Plan must include, at a minimum: (a) Contractor's commitment to the State to devote the appropriate time, skilled personnel, and equipment and other resources necessary to resolve and prevent any further occurrences of the incident; and (b) time frames for implementing the Corrective Action Plan. There will be no additional charge for Contractor's preparation or implementation of the Corrective Action Plan in the time frames and manner set forth therein.

(e) Exercise of Step In Rights.

- (i) In the event of a force majeure event, where Contractor's BC Plan fails and (i) Contractor fails to comply with Contractor's obligations regarding the creation or implementation of the Corrective Action Plan within twenty-four (24) hours following written notice of such failure by DTMB, or (ii) Contractor voluntarily relinquishes the Colocation Space with notice to DTMB, then DTMB may by giving written notice to Contractor take over the creation and/or implementation of the Corrective Action Plan for DTMB's Colocation Space only, (each a "**Step In**"), subject to Contractor's service, safety, security, and confidentiality protocols, and provided DTMB uses individuals to Step In who are certified or properly licensed in the particular work area in which they will operate and agree to keep Contractor's technology and processes confidential. The parties acknowledge that such step in rights may not be exercised for the benefit of other Contractor customers within the space without Contractor's express, written permission.
- (ii) If DTMB steps in, Contractor must cooperate fully with DTMB and its personnel and provide, at no additional charge to DTMB, all assistance reasonably required by DTMB, including:
 - (A) providing access to all relevant equipment and premises under Contractor's (or a Subcontractor's) control as required by DTMB (or its designee) in connection with the Step In; and
 - (B) ensuring that Contractor Personnel normally engaged in the provision of the Colocation Space are available to DTMB (or its designee) to provide any assistance DTMB may reasonably request.
- (iii) DTMB's right to Step In will end, and DTMB must hand back the responsibility to Contractor, when Contractor demonstrates to DTMB's reasonable satisfaction that Contractor is capable of resuming provision of the affected Service(s) in accordance with the requirements of the



Contract and that the occurrence giving rise to the Step In will not recur. Such affirmation of satisfaction will not be unreasonably withheld, conditioned, or delayed.

- (iv) Upon presentment, Contractor will reimburse DTMB for, or DTMB will offset from future payments to Contractor, the following costs incurred by DTMB in exercising its Step In rights (“**Step In Costs**”):
 - (A) any reasonable payments DTMB makes to a third party authorized by Contractor, in connection with the provision of services related to the Step In; and
 - (B) the reasonable and proven additional internal costs and expenses incurred by DTMB and its Affiliates as a result of DTMB exercising its right to Step In.
- (v) Subject to any offset, DTMB will be responsible for continuing to pay Contractor’s fees for the Colocation Space during the Step In Period.

8. Pricing and Payment.

8.1 All Fees to Be Stated in the Contract. All fees payable by DTMB for Contractor’s grant of the license and performance under the Contract will be set forth in the Pricing Schedule; no other fees will be payable for Contractor’s performance.

8.2 Responsibility for Costs. Contractor is responsible for all costs and expenses incurred in or incidental to the performance of Services, including all costs of any materials, equipment, facilities and third-party services used in performing and delivering the Services supplied by Contractor, and all fees, fines, licenses, bonds, or taxes required of or imposed against Contractor, and all other of Contractor’s costs of doing business.

8.3 Service-Related Taxes.

(a) The State is exempt from federal excise tax, state and local sales taxes, and use taxes with respect to the purchase and use by it of tangible personal property. No such taxes will be included in Contractor’s fees as long as the State maintains such exemptions. Contractor is not responsible for the failure of a subcontractor (e.g. carrier, or managed services providers) who fails to collect the tax.

(b) Unless exempt, the State is subject to service-related taxes in respect of the Services to be provided by Contractor, and DTMB will reimburse Contractor for such taxes.

8.4 Other Taxes. Each Party remains solely responsible for all other taxes imposed or assessed on such Party and its Affiliates (or their activities), including taxes assessed on such Party’s and its Affiliates’ net income or gross receipts, employer-related taxes with respect to such Party’s and its Affiliates’ personnel, franchise and privilege taxes on such Party’s and its Affiliates’ business, and taxes, assessments and other ad valorem levies on such Party’s and its Affiliates’ owned or leased property.

8.5 Payment Terms. DTMB will pay properly invoiced charges within 45 days after its receipt of a validly rendered and correct invoice submitted to the designated DTMB address and recipient, which invoice will be deemed delivered upon confirmation of electronic receipt. The State will only disburse payments under this Contract through Electronic Funds Transfer (EFT). Contractor must register with the State at <http://www.michigan.gov/cpexpress> to receive electronic fund transfer payments. If Contractor does not register, the State is not liable for failure to provide payment until Contractor registers.

8.6 Disputed Charges. If DTMB in good faith disputes any specific charges included on a Contractor invoice, DTMB will notify Contractor of the disputed charges in writing and may withhold payment of the disputed charges pending resolution of the dispute. DTMB will pay all undisputed charges on a validly rendered invoice. In



no event may DTMB contest charges later than 120 days of the date such charges could have been billed to DTMB according to the Contract.

8.7 Back-billing. In no event will DTMB be responsible for any Contractor charges that Contractor fails to invoice to DTMB within 120 days of the date that such Colocation Space charges should have been billed to DTMB according to the Contract.

8.8 Credits. Pursuant to the SLA, Contractor acknowledges and agrees that the Service Credits: (a) are a reasonable estimate of and compensation for the anticipated or actual harm to the State that may arise from the corresponding performance deficiency, which would be impossible or very difficult to accurately estimate; and (b) may, at the State’s option, be credited or set off against any charges payable to Contractor under this Contract or be payable to the State upon demand. No Service Credits for any monthly billing cycle Service Period may exceed the total amount of charges that would be payable for that monthly billing cycle, if the Services were fully provided for the applicable month in accordance with this Contract.

8.9 Administrative fee and reporting. The Service Provider shall pay an administrative fee of 1% on all payments made to Service Provider under the Contract including transactions with the State (including its departments, divisions, agencies, offices, and commissions), MiDEAL members, and other states (including governmental subdivisions and authorized entities). Administrative fee payments must be made by check payable to the State of Michigan and mailed to:

Department of Technology, Management and Budget
 Financial Services – Cashier Unit
 Lewis Cass Building
 320 South Walnut St.
 P.O. Box 30681
 Lansing, MI 48909

Contractor must submit an itemized purchasing activity report, which includes at a minimum, the name of the purchasing entity and the total dollar volume in sales. Reports should be mailed to DTMB-Procurement. The administrative fee and purchasing activity report are due within 30 calendar days from the last day of each calendar quarter.

8.10 Pricing Recalibration. In the event of a Contractor initiated change request for increases other than an increase in power costs or above that are identified in the Pricing Schedule, or at renewal of the Contract, DTMB may benchmark the services, and the parties will work in good faith to ensure that Contractor’s prices are market-competitive to the extent comparable to a representative sample of similar types of services, for the same scale, quality, tier, class, and level of resiliency offered or provided by other comparable reputable service providers.

8.11 Purchase Orders. Contractor shall not be obligated to commence any work to implement a Service Order until authorized via a State PO issued against this Contract. If Contractor does commence work prior to issuance of a PO, they run the risk of nonpayment for unapproved Service Orders.

8.12 Invoicing. Contractor will submit properly itemized invoices to

DTMB – Financial Services
 Accounts Payable
 P.O. Box 30026
 Lansing, MI 48909
 or
DTMB-Accounts-Payable@michigan.gov

Invoices must provide and itemize, as applicable:

- Contract number;



- Purchase Order number
- Contractor name, address, phone number, and Federal Tax Identification Number;
- Description of each item, including quantity ordered;
- Date(s) of delivery and/or date(s) of installation and set up;
- Price for each item and any applicable discounts;
- Net invoice price for each item;
- Shipping costs;
- Other applicable charges; and
- Total invoice price.

Incorrect or incomplete invoices will be returned to Contractor for correction and reissue.

9. Ownership and Use Rights.

9.1 Pre-existing Property. Each Party will have and retain all of its right, title, and interest in and to its pre-existing and developed intellectual, tangible, and real property used by it to perform under the Contract, subject to any use rights and licenses it expressly grants to the other Party under or pursuant to the Contract.

9.2 State Data. The State is and shall be the owner of all State Data. Contractor will not use State Data, nor will any part of the State Data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of Contractor. The parties acknowledge and agree that Contractor does not require access to any Confidential Information (including end customer information) which may be located on the DTMB Equipment, and Contractor does not access, transmit, receive, maintain, or manage State Data or any end user or customer data. Contractor covenants not to attempt to access any information on the DTMB Equipment without the prior written consent of DTMB and DTMB covenants not to provide Contractor with access to such information without the prior written consent of Contractor.

10. Representations, Warranties and Covenants of Contractor.

10.1 General. Contractor represents, warrants, and covenants as follows:

- (a) Contractor's Contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into the Contract on behalf of Contractor;
- (b) It is qualified and registered to transact business in all locations where required;
- (c) The prices for the Colocation Space proposed by Contractor for the Contract were arrived at independently, without consultation, communication, or agreement with any other bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition;
- (d) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of the Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by the financial statements, reports, or other information. Since the respective dates or periods covered by the financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor;
- (e) All written information furnished to the State by or for Contractor in connection with the Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading;



(f) Contractor is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments, commissions, boards, or agencies that was terminated by the State or such other State entity within the previous five years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract;

(g) If any of the certifications, representations, or disclosures made in Contractor's original bid response change after award of the Contract, Contractor will report those changes immediately to DTMB-Procurement;

(h) Contractor is capable in all respects of fulfilling and will fulfill all of its obligations under the Contract in a timely, professional, and workman-like manner in accordance with the performance and operational standards required under the Contract; and

10.2 Concerning Contractor's Colocation Space and the Service Delivery Environment. Contractor further represents, warrants, and covenants as follows in relation to the Colocation Space to be provided under the Contract:

(a) The Service Delivery Environment contains all facilities, equipment, software, network capabilities and other materials necessary for Contractor to provide the Colocation Space in compliance with the requirements set forth in the Data Center Requirements Schedule. If any additional equipment, software, network capabilities or other materials are required in order for Contractor to provide the Colocation Space, such additional equipment, software and/or other materials shall be provided to DTMB by Contractor at no additional charge (except where agreed upon and specified in an approved Change Notice);

(b) Contractor is the lawful owner or licensee of any property or equipment licensed or sold to the State by Contractor, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all property or equipment;

(c) To Contractor's knowledge, the State's use of the Colocation Space and the Service Delivery Environment will not infringe or constitute a misappropriation or violation of any Intellectual Property Rights of any third party;

(d) The Colocation Space will be provided as guaranteed in and subject to the SLA;

(e) To Contractor's knowledge, the Colocation Space will be fit for the business purposes and intended uses described in the Contract;

(f) Any documentation produced as part of the Colocation Space will be complete, accurate, understandable, and sufficiently instructive to enable a person of ordinary skills and experience to effectively use the Colocation Space to which the documentation relates for the purposes for which they were acquired by DTMB; and

(g) Any Colocation Space for which Contractor's fees are calculated on the basis of resources used by Contractor in providing the Colocation Space will be performed efficiently and in a cost-effective manner subject to the requirements of the Contract.

EXCEPT AS SET FORTH IN THIS SECTION AND THE SLA, CONTRACTOR SPECIFICALLY DISCLAIMS ANY AND ALL EXPRESS, IMPLIED OR STATUTORY WARRANTIES WITH RESPECT TO THE COLOCATION SPACE, SERVICES AND THE PREMISES, INCLUDING THE IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, OF MERCHANTABILITY. CONTRACTOR EXERCISES NO CONTROL WHATSOEVER OVER THE CONTENT OF THE INFORMATION PASSING THROUGH THE CONTRACTOR'S NETWORK OR OVER THE INTERNET. USE OF ANY INFORMATION OBTAINED OVER THE CONTRACTOR'S NETWORK OR THE INTERNET IS AT DTMB'S OWN RISK.



11. Termination.

11.1 Generally. The Contract or any Services (which includes Colocation Services, Carrier Services and Smart Hands Services) may only be terminated prior to its scheduled expiration as provided below.

11.2 DTMB Termination for Default. DTMB may terminate a Service (which includes Colocation Services, Carrier Services and Smart Hands Services) or the entire Contract as of a date specified in a written notice of termination given to Contractor in any of the following circumstances:

- (a) Operational State is not achieved within the timeframe set forth in the SOW Schedule;
- (b) Contractor fails to provide any critical Services as required by the Contract and does not cure such failure within 72 hours after the date Contractor receives written notice of the failure from DTMB;
- (c) Contractor commits a material breach of the Contract that is not curable, including a breach of Contractor's obligations regarding the State's Confidential Information, or a breach of applicable Laws or DTMB policies that does or can reasonably be expected to adversely affect DTMB's (and/or the State's) business, operations, or reputation;
- (d) Contractor commits a material breach of the Contract and fails to cure such material breach within a cure period of not less than 30 days set forth by DTMB in its written notice of the breach to Contractor;
- (e) Contractor (or any entity or person for which Contractor is responsible) commits or engages in intentional torts, willful misconduct (including intentional breach of contract), unlawful conduct or gross negligence in relation to the Contract or the Services;
- (f) Contractor (or any entity or person for which Contractor is responsible) causes DTMB (or any Service Recipient or other State entity) to be in breach of or non-compliant with any Law that applies to the conduct of DTMB's (or the State's) business and of which Contractor is aware or DTMB has notified Contractor;
- (g) Contractor has committed Chronic Failure as set forth in the SLA;
- (h) Contractor fails to fully indemnify the State as provided in the Contract;
- (i) Contractor files for protection under the bankruptcy laws; (ii) an involuntary petition is filed against Contractor and not removed within 30 days; (iii) the Contractor becomes insolvent or if a receiver is appointed due to Contractor's insolvency; (iv) Contractor makes a general assignment for the benefit of creditors; or (v) Contractor or its Affiliate is unable to provide reasonable assurances of its ability to perform and deliver the Services in accordance with the Contract; or

11.3 DTMB Termination for Convenience. DTMB may terminate the Services (which includes Colocation Services, Carrier Services and Smart Hands Services) for convenience (i.e., for any reason or no reason), in whole or in part, at any time by giving Contractor at least one month prior written notice specifying the terminated Service(s) and designating the termination date. In such event DTMB will be charged the applicable Termination-Related Charges, if any, set forth in the Pricing Schedule. If a termination under this paragraph is a termination in part, the Termination-Related Charges payable by DTMB in respect of the termination, as well as Contractor's fees for any Services not terminated, will be equitably adjusted. Payment of the applicable Termination-Related Charges (and any outstanding fees due and owing) will be DTMB's sole obligation and Contractor's exclusive remedy for termination for convenience of the Contract or any Service.

11.4 DTMB Termination for Non-Appropriation. Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of the Contract is subject to appropriation or availability of funds. If funds are not appropriated or otherwise made available, the State shall have the right to terminate this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of



termination to the Contractor. The State shall give Contractor written notice of such non-appropriation or unavailability within 30 calendar days after it receives notice of such non-appropriation or unavailability. The State will not be liable for any Termination-Related Charges if the contract is terminated for non-appropriation.

11.5 DTMB Termination Conversion Right. If DTMB seeks to terminate the Contract or any Service for default, DTMB may subsequently convert such termination into a termination for convenience (whether or not the termination has already taken effect) by giving Contractor written notice to that effect and paying the applicable Termination-Related Charges.

11.6 DTMB Termination in Other Circumstances. DTMB may terminate any Service (which includes Colocation Services, Carrier Services and Smart Hands Services), in whole or in part, or the entire Contract in the following circumstances, in which event DTMB will be charged the applicable reduced Termination-Related Charges (if any) set forth in the Contract and may take possession of all completed Deliverables and other works-in-progress and may complete or arrange for their completion in any manner DTMB may consider expedient:

(a) Operational State is not achieved within the timeframe set forth in the SOW Schedule, but the failure to achieve Operational State by that date is not due to the fault of Contractor or a person or entity for whom Contractor is responsible; or

(b) a Force Majeure Event prevents performance of any critical Service for more than 72 hours.

11.7 Termination by Contractor. If DTMB fails to pay Contractor when due undisputed charges totaling at least two months' of charges under the Contract and fails to make such payment within 30 days after receiving a notice of non-payment from Contractor referencing this Section and expressly stating Contractor's intent to terminate the Contract if the past due amount is not paid within such 30-day time period, Contractor may terminate the Contract and the Services provided under it effective as of a date specified in a separate written notice of termination given to DTMB; provided, however, that the termination shall nevertheless be subject to Contractor's Disengagement Assistance obligations. Contractor may also terminate the Agreement or related services if DTMB or any of its agents, affiliates, employees, representatives, or invitees, violates Contractor's then current Acceptable Use Policy (AUP), available at www.supernap.com, or fails to comply with Contractors or a related telecommunication Carrier's AUP and fails to cure a violation of either AUP within a cure period of not greater than twenty four (24) hours, to the extent curable, confidentiality, service, safety, or security protocols. Contractor will alert DTMB of any material changes to the AUP no later than 30 days prior to the effective date of the change and Contractor will provide DTMB with a reasonable period of time (in light of the nature of the change) to affect any changes required to be made as a result of any changes to the engineering standards contained within the AUP. Contractor will alert Customer of any material changes to the AUP no later than 30 days prior to the effective date of the change and Switch will provide Customer with a reasonable period of time (in light of the nature of the change) to affect any changes required to be made as a result of any changes to the engineering standards contained within the AUP. If DTMB determines, in good faith, that any change(s) to Contractor's AUP will have a material and adverse effect on DTMB's business operations, then the party's shall meet and confer to see if an accommodation can be made to address DTMB's concern. If the parties cannot achieve a good faith accommodation within forty-five (45) days, then DTMB may, at its option and within ten (10) days thereafter, terminate the Services that are being materially and adversely affected, without further obligations. Notwithstanding anything to the contrary herein or any schedule, AUP, or otherwise, Contractor acknowledges that DTMB has no obligation to indemnify Contractor, subcontractor or any third party and Contractor will give DTMB notice of any AUP violations and a reasonable cure period to cure AUP violations, provided AUP violations that threaten person, property or service will be promptly remedied by DTMB following such notice.

11.8 Disengagement Assistance. Contractor acknowledges that the Services are vital to the State's continued business operations and must continue without interruption (except as otherwise directed by DTMB). Upon termination or expiration of this Contract for any reason, except for DTMB's or the State's breach of Contractor's service, safety, security, or confidentiality protocols, Contractor must, for a period of time specified by the State (not to exceed 18 months; the "**Disengagement Assistance Period**"), provide all reasonable disengagement assistance requested by the State, at DTMB and the State's cost at the pre-established rates, to allow for the expired or terminated portion of the Contract to continue without interruption or adverse effect, and to



facilitate the orderly transfer of the Services to the State or its designees. Such disengagement assistance may include but is not limited to: (a) taking all reasonable and necessary measures to transition performance of the work, including all applicable Services to DTMB or DTMB’s designee; (b) taking all necessary and appropriate steps, or such other action as DTMB may direct, to preserve, maintain, protect, service so the State may protect the physical environment of the State Data while it resides in the Colocation Space; and (c) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, “**Disengagement Assistance**”). The Term of this Contract is automatically extended through the end of the Disengagement Assistance Period

11.9 Payment for Services at Termination.

(a) DTMB will pay Contractor all amounts due under the Contract for Services properly provided by Contractor through the effective date of termination, including during the Disengagement Assistance Period. Such amounts are not considered Termination-Related Charges.

(b) Unless otherwise agreed to by the Parties in writing, Disengagement Assistance will be provided at the then-current Contract rates

11.10 Termination-Related Charges.

(a) Termination-Related Charges are those fees set forth in the Pricing Schedule that account for verifiable Contractor costs associated with early termination by the State (“**Termination-Related Charges**”). The amount of the Terminated-Related Charges payable by DTMB in the case of early termination of the Contract or any Services will vary depending on (i) the nature of (i.e., grounds for) the termination; (ii) whether the termination is of all or only certain of the Services; and (iii) the date on which the termination is effective.

(b) Contractor’s Termination-Related Charges shall not include any amounts representing any of the following:

- (i) compensation for the then-unrecovered portion of the costs and expenses incurred by Contractor to prepare and submit a proposal for and to negotiate and otherwise prepare to and enter into the Contract;
- (ii) a fee for DTMB (or intended to dissuade DTMB from) exercising its right to terminate the Contract or any Service prior to its scheduled expiration;
- (iii) any other amount that would not be received by Contractor as normal fees during the Term in the absence of an early termination.

11.11 Effect of Termination. Upon termination of this Agreement subject to Section 11.8 regarding Disengagement Services: (i) Contractor may immediately cease providing services; and (ii) except in the event of a termination due to Chronic Failure, Contractor’s breach, or Non-Appropriation under Section 11.4, DTMB will pay all applicable Termination-Related Charges set forth in the Pricing Schedule. In the event DTMB has not removed the DTMB Equipment as of the termination date, Contractor may remove the DTMB Equipment from the Colocation Space and place the DTMB Equipment in storage at DTMB’s risk and expense and/or, after providing Customer with at least sixty (60) days’ notice, dispose of the DTMB Equipment. The Termination-Related Charges for DTMB terminating the the Carrier Services shall be set forth in the Pricing Schedule.

12. Privacy, Security, Audits and Controls.

12.1 Physical Security.

(a) Contractor shall (i) maintain ISO 27001 certification throughout the Term, or (ii) undergo annual SSAE 16 SOC 2 Type I and II audits. Contractor’s ISO 27001 certification or SSAE 16 documentation shall be



made available to DTMB upon request. Subject to Contractor's service, safety, security and confidentiality protocols, which will be made available for on-site inspection, Contractor's SSAE audit results and Contractor's plan to correct any negative findings shall be made available to DTMB upon request. If the auditing standards set forth above change during the Term, Contractor will maintain the new standard.

(b) Contractor shall ensure that the Service Delivery Environment is in a data center that resides in the continental United States, and minimally meets Uptime Institute Tier III standards (www.uptimeinstitute.com).

(c) Without limiting Contractor's obligation of confidentiality as further described, Contractor is responsible for establishing and maintaining a physical security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (a) ensure the physical security of the State Data; (b) protect against any anticipated threats or hazards to the physical security or physical integrity of the State Data; (c) protect against unauthorized physical disclosure, access to, or use of the State Data; and (e) ensure that all Contractor Personnel comply with all of the foregoing. In no case will the safeguards of Contractor's physical security program be less stringent than the safeguards used by DTMB, and Contractor must at all times comply with all applicable State IT policies and standards, which are available at http://www.michigan.gov/dtmb/0,4568,7-150-56355_56579_56755---,00.html. For clarity, Contractor does not access, transmit, receive, maintain, manage customer or third party data, and DTMB and the State agree not to provide Contractor with access to such data. Contractor covenants not to attempt to access any information on the Customer Equipment without the prior written consent of DTMB and DTMB covenants not to provide Contractor with access to such information without the prior written consent of Contractor.

(d) Contractor shall document its compliance and allow DTMB to review or inspect its compliance in accordance with the Contract.

(e) Contractor will not make (and will not permit any Subcontractor to make) any changes that materially weaken any technical, organizational or security measures in place to safeguard State Data, or result in Contractor's failure to meet any of the minimum standards set forth above without DTMB's prior written approval, nor will Contractor or Contractor Personnel attempt to access or allow access to State Data that is not required for the performance of Contractor's obligations or otherwise permitted under the Contract.

(f) Contractor shall use commercially reasonable efforts to secure and defend the Service Delivery Environment and the Colocation Space against physical threats and other individuals that may seek to breach the physical security of the data center. Contractor will permit and DTMB will implement digital and logical security protocols.

(g) Except in the event of an emergency, Access by Contractor Personnel to the DTMB Operating Environment shall be limited to purposes expressly authorized in the Contract or approved by DTMB in writing. Contractor shall be liable for unauthorized access to such DTMB Operating Environment, whether by Contractor Personnel or others.

(h) If Contractor assumes the role of data collection, and management in writing, Contractor shall prevent (i) the State and its Permitted Users from having access to the data of other customers or such other customer's users of the Colocation Space; (ii) State Data from being commingled with or contaminated by the data of other customers or their users of the Colocation Space; and (iii) unauthorized access to State Data.

12.2 Background Checks. On a case-by-case basis, the State may investigate and conduct up to seven (7) year background checks on Contractor Personnel before they may have access to DTMB Operating Environment. The State will keep confidential such Contractor Personnel information and if a Contractor Personnel fails the background check, DTMB will disclose details regarding such failure. For clarity, individuals will fail the background test only if they have been convicted of a criminal offense involving dishonesty, a breach of trust, money laundering, or who has been convicted of a felony.



12.3 Loss or Compromise of State Data. In the event of any act, error or omission, negligence, misconduct, or breach by Contractor that compromises the physical security, and thereby the confidentiality, or integrity of DTMB Operating Environment or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the physical security of DTMB Equipment, Contractor must, as applicable: (a) notify the State as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence and that such occurrence was caused by Contractor's failure to provide the physical security protocols and not DTMB's failure to adequately encrypt the State Data; (b) cooperate with the State in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable Law or as otherwise required by the State; (c) in the case of PII or PHI, at the State's sole election, (i) notify the affected individuals who comprise the PII or PHI as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within five (5) calendar days of the occurrence; or (ii) reimburse the State for any costs in notifying the affected individuals; (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable Law, or, in the absence of any legally required monitoring services, for no less than twenty-four (24) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable Law as a result of the occurrence; (f) pay for any costs associated with the occurrence, including but not limited to any costs incurred by the State in investigating and resolving the occurrence, including reasonable attorney's fees associated with such investigation and resolution (g) without limiting Contractor's obligations of indemnification as further described in the Contract, indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and incidental expenses, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the occurrence; (h) will assist the state recreating lost State Data in the manner and on the schedule set by the State without charge to the State; and (i) provide to the State a detailed plan within ten (10) calendar days of the occurrence describing the measures Contractor will undertake to prevent a future occurrence. Notification to affected individuals, as described above, must comply with applicable Law, be written in plain language, and contain, at a minimum: name and contact information of Contractor's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Contractor has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Contractor. The State will have the option to review and approve any notification sent to affected individuals prior to its delivery. This Section survives termination or expiration of the Contract. Any obligations in Section 12 are subject to DTMB's compliance with Contractor's service, safety, confidentiality and security protocols, that are provided (which includes onsite instruction) to State staff or their designated Contractors, and do not mitigate or limit DTMB's efforts to digitally or logically protect data, including through encryption. For clarity, DTMB must encrypt their data and Contractor must have negligently or intentionally failed to protect the physical security of the Colocation Space which resulted in a data breach for this Section 12.3 to apply to Contractor.

12.4 Discovery. Contractor shall immediately notify the State upon receipt of any requests which in any way might reasonably require access to State Data or the Service Delivery Environment. Contractor shall notify the State by the fastest means available and also in writing. In no event shall Contractor provide such notification more than twenty-four (24) hours after Contractor receives the request. Contractor shall not respond to subpoenas, service of process, FOIA requests, and other legal requests related to the State without first notifying the State and obtaining the State's prior approval of Contractor's proposed responses. Contractor agrees to provide its completed responses to the State with adequate time for State review, revision and approval.

12.5 PCI Data Security Standard.

(a) Contractors that process, transmit, store or affect the security of credit/debit cardholder data, must adhere to the Payment Card Industry Data Security Standard (PCI DSS). The Contractor is responsible for the security of cardholder data in its possession. The data may only be used to assist the State or for other uses specifically authorized by law. For clarity, Contractor does not process, transmit or store other's data. Any obligations in Section 12 are subject to DTMB's compliance with Contractor's service, safety, confidentiality and



security protocols, and do not mitigate or limit DTMB's efforts to digitally and logically protect any sensitive data, including through encryption.

(b) The Contractor must notify the State's Contract Administrator (within 24 hours of discovery) of any breaches in security where cardholder data has been compromised. In that event, the Contractor must provide full cooperation to the card associations (e.g. Visa, MasterCard, and Discover) and state acquirer representative(s), or a PCI approved third party, to conduct a thorough security review. The Contractor must provide, at the request of the State, the results of such third party security review. The review must validate compliance with the PCI Data Security Standard for protecting cardholder data. At the State's sole discretion, the State may perform its own security review, either by itself or through a PCI approved third party.

(c) The Contractor is responsible for the direct costs incurred as the result of a physical breach caused by Contractor's negligence or intentional misconduct. Costs may include, but are not limited to, fines/fees for non-compliance, card reissuance, credit monitoring, and any costs associated with a card association, PCI approved third party, or State initiated security review.

(d) Without limiting Contractor's obligations of indemnification as further described in this Contract, Contractor must indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and incidental expenses, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with a breach caused by the Contractor. Contractor is not responsible for indemnifying the State for third party claims caused by the acts or omissions of the State or DTMB.

(e) The Contractor must provide the State's Contract Administrator with an annual Attestation of Compliance (AOC) or a Report on Compliance (ROC) showing the contractor is in compliance with the PCI Data Security Standard. The Contractor must notify the State's Contract Administrator of all failures to comply with the PCI Data Security Standard.

12.6 HIPAA Compliance. The Contractor will assist DTMB in complying with DTMB's obligations under HIPAA and its accompanying regulations, including but not limited to entering into a business associate agreement, or a Data Access Addendum, if reasonably necessary to keep the State in compliance with HIPAA.

12.7 Right of Security Audit by the State. If Contractor accepts State Data as set forth in Section 9.2, without limiting any other audit rights of the State, the State has the right to inspect on site, subject to Contractor's service, safety, security and confidentiality protocols, Contractor's physical security program prior to the commencement of Colocation Space and on at least an annual basis during the term of this Contract. During the providing of Services, on an annual basis from time to time upon written notice, the State, and subject to Contractor's safety, security and confidentiality protocols, at its own expense, DTMB is entitled to perform, or to have performed, an on-site audit of Contractor's physical security program.

(a) Audit Findings. With respect to State Data, Contractor must implement any required safeguards as identified by DTMB or by any audit of Contractor's physical security program.

(b) State's Right to Termination for Deficiencies. The State reserves the right, at its sole election, to immediately terminate this Contract without limitation and without liability if the State determines that Contractor fails or has failed to meet its obligations under this Section 12.

13. Records Maintenance, Inspection, Examination, and Audit.

13.1 Right of Financial Audit. The State or its designee may audit Contractor to verify compliance with this Contract. Contractor must retain, and provide to the State or its designee and the auditor general upon request, all financial and accounting records related to this Contract through the Term of this Contract and for four (4) years after the latter of termination, expiration, or final payment under this Contract or any extension ("**Financial Audit Period**"). If an audit, litigation, or other action involving the records is initiated before the end of the Financial Audit Period, Contractor must retain the records until all issues are resolved.



13.2 Right of Inspection. Within ten (10) calendar days of providing notice, the State and its authorized representatives or designees have the right to enter and inspect Contractor’s premises or any other places where Services are being performed, and examine, copy, and audit all records related to this Contract. Contractor must cooperate and provide reasonable assistance. If financial errors are revealed, the amount in error must be reflected as a credit or debit on subsequent invoices until the amount is paid or refunded. Any remaining balance at the end of this Contract must be paid or refunded within forty-five (45) calendar days. For the avoidance of doubt this does not include information pertaining to Contractor’s cost of doing business, or third party (e.g. customer) data.

13.3 Application. This Section 13 applies to Contractor, any Affiliate, and any Subcontractor that performs Services in connection with this Contract.

14. Business Continuity.

14.1 Throughout the Term and at all times in connection with its actual or required performance of the Colocation Space hereunder, Contractor will maintain a Business Continuity Plan for the Service Delivery Environment (the “**BC Plan**”), and implement such BC Plan to maintain the Service Level Guarantees. Contractor’s current BC Plan, revision history, and any reports or summaries relating to past testing of or pursuant to the BC Plan can be discussed on site. Contractor will actively test, review and update the BC Plan on at least an annual basis using industry best practices as guidance. All updates to the BC Plan are subject to the requirements of this Section.

14.2 If Contractor fails to reinstate the Colocation Space within the periods of time set forth in the BC Plan, the State may, in addition to any other remedies available under this Contract, in its sole discretion, immediately terminate this Contract as a non-curable default. Contractor will provide DTMB with on-site access to review the BC Plan and every twelve (12) months, DTMB may request a meeting with Contractor’s relevant team leaders to review the BC plan.

15. Confidentiality.

15.1 Meaning of Confidential Information. The term “**Confidential Information**” means all information and documentation of a party that: (a) has been marked “confidential” or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked “confidential” or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked “confidential” or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. The term “Confidential Information” does not include any information or documentation that was or is: (a) in the possession of the State and subject to disclosure under the Michigan Freedom of Information Act (FOIA); (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party’s proprietary rights; (d) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). Notwithstanding the above, in all cases and for all matters, State Data (to the extent Contractor accepts State Data as set forth in Section 9.2) and Contractor’s safety, security, and confidentiality protocols, are deemed to be Confidential Information.

15.2 Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to the Contractor’s subcontractor is permissible where: (a) the subcontractor is a Permitted Subcontractor; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Permitted Subcontractor’s responsibilities; and (c) Contractor obligates the Permitted Subcontractor in a written contract to maintain the State’s Confidential



Information in confidence. At the State's request, any of the Contractor's Personnel may be required to execute a separate agreement to be bound by the provisions of this Section 15.2.

15.3 Cooperation to Prevent Disclosure of Confidential Information. Each party must use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party must advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Contract. Each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.

15.4 Remedies for Breach of Obligation of Confidentiality. Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of the State, at the sole election of the State, the immediate termination, without liability to the State, of this Contract.

15.5 Surrender of Confidential Information upon Termination. Upon termination or expiration of this Contract, in whole or in part, each party must, within five (5) Business Days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control. If Contractor or the State determine that the return of any Confidential Information is not feasible, such party must destroy the Confidential Information and certify the same in writing within five (5) Business Days from the date of termination to the other party.

16. Indemnification.

16.1 General Indemnification. Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to third party claims relating to: (a) any infringement, misappropriation, or other violation of any Intellectual Property Right; and (b) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

16.2 Indemnification Procedure. The State will notify Contractor in writing if indemnification is sought; however, failure to do so will not relieve Contractor, except to the extent that Contractor is materially prejudiced. Contractor must, to the satisfaction of the State, demonstrate its financial ability to carry out these obligations. The State is entitled to: (i) regular updates on proceeding status; (ii) participate in the defense of the proceeding; (iii) employ its own counsel; and to (iv) retain control of the defense, at its own expense, if the State deems necessary. Contractor will not, without the State's prior written consent (not to be unreasonably withheld), settle, compromise, or consent to the entry of any judgment in or otherwise seek to terminate any claim, action, or proceeding. Any litigation activity on behalf of the State or any of its subdivisions, under this Section, must be coordinated with the Department of Attorney General. An attorney designated to represent the State may not do so until approved by the Michigan Attorney General and appointed as a Special Assistant Attorney General.

17. Stop Work.

17.1 Stop Work Orders. The State may, at any time, by written Stop Work Order to Contractor, require that Contractor stop all, or any part, of the work called for by this Contract for a period of up to 90 calendar days after the Stop Work Order is delivered to Contractor, and for any further period to which the Parties may agree. The Stop Work Order must be identified as a Stop Work Order and must indicate that it is issued under this Section. Upon receipt of the Stop Work Order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the Stop Work Order during the period of work



stoppage. Within the period of the Stop Work Order, the State must either: (a) cancel the Stop Work Order; or (b) terminate the work covered by the Stop Work Order; and Contractor has no obligation to provide the Services subject to the Stop Work order during the Stop Work Order.

17.2 Cancellation or Expiration of Stop Work Order. Contractor shall resume work if the State cancels a Stop Work Order or if it expires. The Parties shall agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and this Contract shall be modified, in writing, accordingly, if: (a) the Stop Work Order results in an increase in the time required for, or Contractor's costs properly allocable to, the performance of any part of this Contract; and (b) Contractor asserts its right to an equitable adjustment within 30 calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under this Contract. Any adjustment will conform to the requirements of the Change Control Procedure.

17.3 Allowance of Contractor Costs. If the Stop Work Order is not canceled and the work covered by the Stop Work Order is terminated for reasons other than material breach by Contractor, the termination shall be deemed to be a termination for convenience, and the State shall pay reasonable costs resulting from the Stop Work Order in arriving at the termination settlement. For the avoidance of doubt, the State shall not be liable to Contractor for loss of profits because of a Stop Work Order issued under this Section.

18. Liability, Damages and Remedies.

18.1 Exclusion of Certain Types of Damages. Except as otherwise provided in Section 18.3, neither Party shall be liable to the other for any consequential, special, incidental, or indirect damages arising under or in connection with the Contract, even if it has been advised of the possibility of such damages, including lost revenue, lost profits, damage to DTMB Equipment, loss of technology, loss of data, non-deliveries, or in any way related to the Colocation Space, services or any aspect of customer's business, even if advised of the possibility of such damages, whether under theory of contract, tort (including negligence), strict liability or otherwise. For clarity, Contractor's insurance policies do not provide coverage for DTMB Equipment.

18.2 Damages Cap.

Subject to Section 18.3, each Party's liability in damages to the other under the Contract, whether in contract or in tort (including for breach of warranty, negligence and strict liability in tort), will be subject to a cap (the "**Damages Cap**") in an amount equal to whichever of the following is greater: (i) the total amount of Contractor's fees for proper performance of the Services under the Contract for the 12-month period preceding the month in which the most recent event giving rise to liability occurred; or (ii) up to four (4) million dollars for the direct and verifiable costs of relocation (i.e. the physical transportation, rewiring, and labor, but not DTMB Equipment refreshes or upgrades) (the "**Relocation Costs**"). Service Credits and Unauthorized Removal Credits will not be considered damages subject to the Damages Cap and will not count against or reduce the amount of damages payable under the Damages Cap. For clarity, the Damages Cap does not affect Customer's obligation to pay for Termination Related Charges.

18.3 Exceptions to Exclusions and Limitations of Liability. The exclusions and limitations of liability set forth in Sections 18.1 and 18.2 will not apply with respect to Claims or Losses that are the subject of any indemnification obligations under the Contract or to exclude or limit the recovery of any direct damages attributable to any of the following: (i) intentional torts, willful misconduct (including intentional breach of contract), unlawful conduct, or gross negligence of or by a Party (or an entity or person for whom a Party is responsible); (ii) a breach of a Party's material obligations under the Contract's confidentiality and data security and protection provisions; (iii) a Party's intentional misappropriation or intentional infringement of the other Party's Intellectual Property Rights; (iv) a Party's violation of applicable Law; or (v) Contractor's cessation or abandonment of any Services without providing Disengagement Assistance substantially in accordance with the Contract.

18.4 Stipulations as to Recoverable Direct Damages. Without limiting either Party's liability to the other for recoverable damages under the Contract, the Parties hereby agree and stipulate that, notwithstanding anything in



Section 18.1 or applicable legal precedent to the contrary, the following types of damages will be deemed to be recoverable under the Contract to the extent they result from the failure of a Party (or entities or persons for whom a Party is responsible) to fulfill its obligations under and in accordance with the Contract:

- (a) Step In Costs;
- (b) Service Credits and Unauthorized Removal Credits;
- (c) Damages assessed by the State under Section 4.4(a);
- (d) Relocation Costs as set forth in Section 18.2
- (e) Fines, assessments, penalties, interest and other amounts the State is required to pay by order of any court in connection with Contractor's failure to perform in accordance with the Contract or otherwise comply with the Contract; and
- (f) If Contractor accepts State Data as set forth in Section 9.2, and DTMB encrypts the data, the costs of identity protection services, including notification letters, credit monitoring services, identity theft insurance, reimbursement for credit freezes, fraud resolution services, identity restoration services, toll free information services for affected individuals and any similar service that corporate entities who maintain or store sensitive information make available to individuals who are affected by the unauthorized use or disclosure of their sensitive information as a result of Contractor's breach of the Contract or as a result of negligence or willful misconduct by Contractor (or an entity or person for whom Contractor is responsible).

19. Force Majeure.

19.1 Force Majeure Events. Subject to Section 19.2, neither party will be liable or responsible to the other party, or be deemed to have defaulted under or breached this Contract, for any failure or delay in fulfilling or performing any term hereof, when and to the extent such failure or delay is caused by: acts of God, flood, fire or explosion, war, terrorism, invasion, riot or other civil unrest, embargoes or blockades in effect on or after the date of this Contract, national or regional emergency, or any passage of law or governmental order, rule, regulation or direction, or any action taken by a governmental or public authority, including imposing an embargo, export or import restriction, quota or other restriction or prohibition (each of the foregoing, a "**Force Majeure Event**"), in each case provided that: (a) such event is outside the reasonable control of the affected party; (b) the affected party gives prompt written notice to the other party, stating the period of time the occurrence is expected to continue; (c) the affected party uses diligent efforts to end the failure or delay and minimize the effects of such Force Majeure Event.

19.2 State Performance; Termination. In the event of a Force Majeure Event affecting Contractor's performance under this Contract, the State may suspend its performance hereunder until such time as Contractor resumes performance. The State may terminate the affected Services by written notice to Contractor if a Force Majeure Event affecting Contractor's performance hereunder continues substantially uninterrupted for a period of 72 hours or more. Unless the State terminates this Contract pursuant to the preceding sentence, any date specifically designated for Contractor's performance under this Contract will automatically be extended for a period up to the duration of the Force Majeure Event.

19.3 Exclusions; Non-suspended Obligations. Notwithstanding the foregoing or any other provisions of this Contract:

- (a) in no event will any of the following be considered a Force Majeure Event:
 - (i) shutdowns, disruptions or malfunctions of the Service Delivery Environment or any of Contractor's power supplies or other critical Services other than as a result of a Force Majeure Event that renders Contractor's BC Plan inoperable; or



- (ii) the delay or failure of any Contractor Personnel to perform any obligation of Contractor hereunder unless such delay or failure to perform is itself by reason of a Force Majeure Event; and

20. Dispute Resolution.

20.1 Dispute Resolution Procedure. The parties will endeavor to resolve any Contract dispute in accordance with this Section. The initiating party will reduce its description of the dispute to writing (including all supporting documentation) and deliver it to the responding party’s Contract Administrator. The responding party’s Contract Administrator must respond in writing within five (5) Business Days. The initiating party has five (5) Business Days to review the response. If after such review resolution cannot be reached, both parties will have an additional ten (10) Business Days to negotiate in good faith to resolve the dispute.

20.2 Continued Performance. Subject to continued compliance with Contractor’s safety, security, confidentiality and service protocols, each Party is required to and will continue performing its obligations under the Contract while a dispute is being resolved unless and until such obligations are terminated by the termination or expiration of the Contract. For the avoidance of doubt, DTMB’s withholding of payment of disputed charges as permitted under the Contract will not be considered to prevent Contractor from performing the Services, nor will this Section be interpreted to limit either Party’s right to terminate the Contract as provided in the Contract.

20.3 Litigation. Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties’ Contract Administrators, and either Contract Administrator concludes that resolution is unlikely, or fails to respond within fifteen (15) Business Days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy.

21. Insurance Requirements

21.1 Contractor must maintain the insurances identified below and is responsible for all deductibles. All required insurance must: (a) protect the State from claims that may arise out of, are alleged to arise out of, or result from Contractor's or a Subcontractor's performance; (b) (excluding coverage for personal property (e.g. DTMB equipment and excluding State Data) be primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State; and (c) be provided by a company with an A.M. Best rating of "A" or better, and a financial size of VII or better. For clarity, Contractor's insurance policies do not provide coverage for non-Contractor personal property.

Required Limits	Additional Requirements
Commercial General Liability Insurance	
<u>Minimal Limits:</u> \$1,000,000 Each Occurrence Limit \$1,000,000 Personal & Advertising Injury Limit \$2,000,000 General Aggregate Limit \$2,000,000 Products/Completed Operations <u>Deductible Maximum:</u> \$50,000 Each Occurrence	Contractor must have their policy endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds using endorsement CG 20 10 11 85, or both CG 2010 07 04 and CG 2037 07 0, or provide waivers of subrogation.
Umbrella or Excess Liability Insurance	



Required Limits	Additional Requirements
<p><u>Minimal Limits:</u> \$5,000,000 General Aggregate</p>	<p>Contractor must have their policy endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds, or provide waivers of subrogation.</p>
Automobile Liability Insurance	
<p><u>Minimal Limits:</u> \$1,000,000 Per Occurrence</p>	<p>Contractor must have their policy: (1) endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds; and (2) include Hired and Non-Owned Automobile coverage.</p>
Workers' Compensation Insurance	
<p><u>Minimal Limits:</u> Coverage according to applicable laws governing work activities.</p>	<p>Waiver of subrogation, except where waiver is prohibited by law.</p>
Employers Liability Insurance	
<p><u>Minimal Limits:</u> \$500,000 Each Accident \$500,000 Each Employee by Disease \$500,000 Aggregate Disease.</p>	
Privacy and Security Liability (Cyber Liability) Insurance	
<p><u>Minimal Limits:</u> \$5,000,000 Each Claim \$5,000,000 Annual Aggregate</p>	<p>Contractor must have their policy: (1) endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds; and (2) cover information security and privacy liability, privacy notification costs, regulatory defense and penalties, and website media content liability.</p>
Crime (Fidelity) Insurance	
<p><u>Minimal Limits:</u> \$2,000,000 Employee Theft Per Loss</p>	<p>Contractor must have their policy: (1) cover forgery and alteration, theft of money and securities, robbery and safe burglary, computer fraud, funds transfer fraud, money order and counterfeit currency, and (2) endorsed to add “the State of Michigan, its departments,</p>



Required Limits	Additional Requirements
Professional Liability (Errors and Omissions) Insurance	
<u>Minimal Limits:</u> \$3,000,000 Each Occurrence \$3,000,000 Annual Aggregate <u>Deductible Maximum:</u> \$50,000 Per Loss	divisions, agencies, offices, commissions, officers, employees, and agents" as Loss Payees.

21.2 If any of the required policies provide claims-made coverage, the Contractor must: (a) provide coverage with a retroactive date before the effective date of the contract or the beginning of Contract Activities; (b) maintain coverage and provide evidence of coverage for at least three (3) years after completion of the Contract Activities; and (c) if coverage is canceled or not renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, Contractor must purchase extended reporting coverage for a minimum of three (3) years after completion of work.

21.3 Contractor must: (a) provide insurance certificates to the Contract Administrator, containing the agreement or purchase order number, at Contract formation and within 20 calendar days of the expiration date of the applicable policies; (b) require that subcontractors maintain the required insurances contained in this Section; (c) notify the Contract Administrator within 5 business days if any insurance is cancelled; and (d) waive all rights against the State for damages covered by insurance. Failure to maintain the required insurance does not limit this waiver.

21.4 This Section is not intended to and is not be construed in any manner as waiving, restricting or limiting the liability of either party for any obligations under this Contract (including any provisions hereof requiring Contractor to indemnify, defend and hold harmless the State).

22. General Provisions.

22.1 Extended Purchasing Program.

(a) Contractor's Services under the Contract will be available to MiDEAL members. MiDEAL members include local units of government, school districts, universities, community colleges, and nonprofit hospitals. A current list of MiDEAL members is available at www.michigan.gov/mideal. Upon mutual written agreement between the State and the Contractor, the Contract may be extended to other states (including governmental subdivisions and authorized entities).

(b) If extended, the Contractor must supply all goods and services at the established Contract prices and terms. The State reserves the right to negotiate additional discounts based on any increased volume generated by such extensions.

22.2 Further Assurances. Each party will, upon the reasonable request of the other party, execute such documents and perform such acts as may be necessary to give full effect to the terms of this Contract.

22.3 Relationship of the Parties. The relationship between the parties is that of independent contractors. Nothing contained in this Contract is to be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party has authority to contract for or bind the other party in any manner whatsoever.



22.4 Media Releases. News releases (including promotional literature and commercial advertisements) pertaining to this Contract, RFP or project to which it relates must not be made without the prior written approval of the State, and then only in accordance with the explicit mutually agreed upon written instructions including those of the State.

22.5 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder, other than routine communications having no legal effect, must be in writing and addressed to the parties as specified on the Contract cover page, which cover page may be updated from time to time.

Notices sent in accordance with this Section will be deemed effectively given: (a) when received, if delivered by hand (with written confirmation of receipt); (b) when received, if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by e-mail (with confirmation of transmission), if sent during normal business hours of the recipient, and on the next business day, if sent after normal business hours of the recipient; or (d) on the fifth (5th) day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid.

22.6 Headings. The headings in this Contract are for reference only and do not affect the interpretation of this Contract.

22.7 Assignment. Contractor may not assign or otherwise transfer any of its rights, or delegate or otherwise transfer any of its obligations or performance, under this Contract, in each case whether voluntarily, involuntarily, by operation of law or otherwise, without the State's prior written consent, except in the event of a merger, acquisition or financing. The State has the right to terminate this Contract for default, in its entirety or any Services hereunder, if Contractor delegates or otherwise transfers any of its obligations or performance hereunder, whether voluntarily, involuntarily, by operation of law or otherwise, and no such delegation or other transfer will relieve Contractor of any of such obligations or performance. For purposes of the preceding sentence, and without limiting its generality, any merger, consolidation or reorganization involving Contractor (regardless of whether Contractor is a surviving or disappearing entity) will be deemed to be a transfer of rights, obligations, or performance under this Contract for which the State's prior written consent is required. Any purported assignment, delegation, or transfer in violation of this Section is void.

22.8 No Third-party Beneficiaries. This Contract is for the sole benefit of the parties and nothing herein, express or implied, is intended to or will confer on any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Contract.

22.9 Amendment and Modification; Waiver. This Contract may only be amended, modified or supplemented by an agreement in writing signed by each party's Contract Administrator. No waiver by any party of any of the provisions hereof is effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in this Contract, no failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Contract will operate or be construed as a waiver thereof; nor will any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

22.10 Severability. If any term or provision of this Contract is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other term or provision of this Contract or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto will negotiate in good faith to modify this Contract so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

22.11 Governing Law. This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in the



Michigan Court of Claims. Complaints against the State must be initiated in Ingham County, Michigan. Contractor waives any objections, such as lack of personal jurisdiction or forum non conveniens. Contractor must appoint agents in Michigan to receive service of process

22.12 Equitable Relief. Each party to this Contract acknowledges and agrees that (a) a breach or threatened breach by such party of any of its obligations under this Contract would give rise to irreparable harm to the other party for which monetary damages would not be an adequate remedy and (b) in the event of a breach or a threatened breach by such party of any such obligations, the other party hereto is, in addition to any and all other rights and remedies that may be available to such party at law, at equity or otherwise in respect of such breach, entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction, without any requirement to post a bond or other security, and without any requirement to prove actual damages or that monetary damages will not afford an adequate remedy. Each party to this Contract agrees that such party will not oppose or otherwise challenge the appropriateness of equitable relief or the entry by a court of competent jurisdiction of an order granting equitable relief, in either case, consistent with the terms of this Section.

22.13 Nondiscrimination. Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, or mental or physical disability. Breach of this covenant is a material breach of this Contract.

22.14 Unfair Labor Practice. Under 1980 PA 278, MCL 423.321, *et seq.*, the State must not award a contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under MCL 423.322. This information is compiled by the United States National Labor Relations Board. A contractor of the State, in relation to the contract, must not enter into a contract with a subcontractor, manufacturer, or supplier whose name appears in this register. Under MCL 423.324, the State may void any contract if, after award of the contract, the contractor as an employer or the name of the subcontractor, manufacturer or supplier of the contractor appears in the register.

22.15 Prevailing Wage This Contract and any subcontract is subject to the Prevailing Wage Act, 1965 PA 166. Contractor must comply with the state prevailing wage law and its requirements.

22.16 Schedules All Schedules that are referenced in this Contract and attached hereto are incorporated by reference. The following Schedules are attached and incorporated herein:

Schedule 1 – SOW Schedule

- Exhibit A, Scope of Services
- Exhibit B, Public Facilities and Additional Features
- Exhibit C, Co-Location Requirements

Schedule 2 – Carrier Services

Schedule 3 – Product and Smart Hands Services Schedule (the “PSHS Schedule”)

Schedule 4 – Colocation Facilities Agreement (the “CFA”) and associated Service Level Agreement

- Exhibit A, Service Level Agreement
- Exhibit B, T-SCIF™ Description

22.17 Entire Agreement. This Contract, including all Schedules and Exhibits, constitutes the sole and entire agreement of the parties to this Contract with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any conflict between the terms of this Contract and those of any Schedule, Exhibit or other document, the following order of precedence governs: (a) first, this Contract, excluding its Exhibits and Schedules; and (b) second, the Exhibits and Schedules to this Contract as of the Effective Date. Except for the AUP, which is universally applicable, and the modification of which is discussed in Section 11.7 of this Agreement and 4.3 of the



CFA, NO TERMS ON CONTRACTORS WEBSITE, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE SERVICES, OR DOCUMENTATION HEREUNDER WILL CONSTITUTE A PART OR AMENDMENT OF THIS CONTRACT OR IS BINDING ON THE STATE OR ANY AUTHORIZED USER FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS HAVE NO FORCE AND EFFECT AND ARE DEEMED REJECTED BY THE STATE AND THE PERMITTED USERS, EVEN IF ACCESS TO OR USE OF SUCH SERVICE OR DOCUMENTATION REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS.

22.18 Survival. The provisions of Sections 8.6, 10, 11, 15, 18, 19, 22.11 of this Agreement and Sections 3.5, 3.6, and 7 of the CFA, shall survive the expiration or termination of this Agreement for any reason.

22.19 Counterparts. This Contract may be executed in counterparts, each of which will be deemed an original, but all of which together are deemed to be one and the same agreement and will become effective and binding upon the parties as of the Effective Date at such time as all the signatories hereto have signed a counterpart of this Contract. A signed copy of this Contract delivered by facsimile, e-mail or other means of electronic transmission (to which a signed copy is attached) is deemed to have the same legal effect as delivery of an original signed copy of this Contract.



STATE OF MICHIGAN

Contract No. 071B6600080
Lights-Out Co-Location Data Center
Michigan Department of Technology, Management & Budget

SCHEDULE 1 - STATEMENT OF WORK (SOW)

1 STATEMENT OF WORK (SOW) OVERVIEW

1.1 PROJECT REQUEST AND BACKGROUND

The State of Michigan (SOM or State) through the Michigan Department of Technology, Management & Budget (DTMB), have issued this Contract for Lights-Out Co-Location Data Center space and services. This Contract is also available to MiDEAL Members.

At the time of this engagement, SOM DTMB has two State owned Data Centers within the greater Lansing, Michigan area. These Data Centers are the Lake Superior Hosting Center used for production and Traverse Bay Hosting Center used for disaster recovery. Both are self-assessed Tier III Data Centers as classified by the Uptime Institute. The Traverse Bay Hosting Center is nearing full capacity and cannot be expanded.

The primary components of this request include:

- Segregated (caged) physical data center space to accommodate a minimum of 72 cabinets of standard Contractor provided cabinet space as defined in the RFP
- Implementation and Disengagement Services (to deploy State assets into the DTMB colocation operating environment)
 - For clarity, Implementation is the initial setup of the DTMB Operating Environment, i.e. for the first 72 Switch provided rack/open spaces, and Disengagement Services is only for an abnormal termination of the Contract.
- Smart Hands
- Disaster Recovery Services

All new computer, network, and storage equipment will be installed in the initial DTMB Operating Environment. This non-DTMB Operating Environment equipment will be installed by DTMB Data Center Operations staff or approved State of Michigan Contractors. SOM DTMB intends to begin storing the new non-DTMB Operating Environment equipment in the designated Storage Area required in this Contract as soon as it is made available, prior to its installation in the DTMB Operating Environment. The Contractor's task of setting up the initial DTMB Operating environment must be in an Operational State by June 30th, 2016. As part of the continuing Contract, the Service Provider will provide Smart Hands support as described in Schedule 1, Exhibit C, Requirement #74.

De-installation and assets transportation services are not required in the Contract.

The State will maintain responsibility of remote management of inventory, application hosting, non-DTMB Operating Environment hardware installations (which may be done through State approved Contractors), database support, networking services, and other roles as outlined in this Contract.

1.2 SCOPE OF SERVICES

The Contractor will provide space, power, cooling, Products and physical security for State provided servers, storage, and networking equipment and connect them to telecommunication and network service providers. Additionally the Service Provider will provide basic data center Smart Hands during local business hours for the State as part of its Services, initial setup of the DTMB Operating Environment and additional experts or specialists in the event of an emergency declaration.



Pricing includes 20 hours per month, of Contractor's Smart Hands support hours. Additional monthly hours may be increased at the State's discretion.

The scope of services is described in more detail in Section 3 below, and in the exhibits, and schedules, as related to the Service Delivery Environment, and the DTMB Operational Environment.

- **Exhibit A, Scope of Services**, identifies the roles and responsibilities for the State and Contractor for Lights-Out Co-Location Data Center Services. This Exhibit is not all inclusive.
- **Exhibit B, Public Facilities and Additional Features**, includes Contractor's response to a series of questions pertaining to their facilities and features.
- **Exhibit C, Co-Location Requirements**, identifies the requirements for the Contractor's Lights-Out Co-Location Data Center and Services.

1.3 PURCHASE OF PRODUCTS

The State requires ownership of the rack patch panels, rack console units, rack power distribution units, etc., so it could safely remove its equipment in place, by rack, if necessary. Therefore the State intends to outright purchase all required Products to setup the DTMB Operating Environment directly or indirectly through the Contractor or Subcontractor, which is a subset of the Service Delivery Environment.

The Contractor's Subcontractor shall deliver and install all Products in accordance with Schedule 3, PSHS Schedule.

1.4 CONTRACTOR RELATIONS AND GOVERNANCE

The State desires to build a collaborative, partnering relationship with the Contractor through the implementation of a robust governance structure. Section 4 below provides the State's governance requirements.

1.5 DTMB POLICIES SCHEDULE

As discussed in the Contract, the State has methods, policies, standards and procedures that have been developed over the years that the Contractor shall conform to State IT policies and standards. All services and products provided through this Contract must comply with all applicable State IT policies and standards. Contractor is required to comply with all applicable links provided below. Given Contractor's extensive security detail, and to ensure the utmost security is provided to the State environment, all such policies and procedures will be in harmony with and subject to Contractor's applicable safety, security and confidentiality protocols.

Enterprise IT Policies, Standards and Procedures:

http://michigan.gov/dtmb/0,4568,7-150-56355_56579_56755---,00.html

2 IMPLEMENTATION PLAN AND DISENGAGEMENT ASSISTANCE

2.1 IMPLEMENTATION PLAN

The Lights-Out Co-Location Data Center solution must achieve an Operational State by **June 30, 2016**, subject to limitations and requirements as discussed in the Contract and the associated Schedules.

The State is willing to accept going operational on one of the two dark fiber legs by the required Operation State deadline. However, the second dark fiber leg still must be documented as feasible and its eventual operational state must be provided for within the Contract and pricing included accordingly. This is not to extend beyond December 1, 2016.

The State of Michigan acknowledges the final ONS configuration will require customization to properly interface with the Contractor's dark fiber network.

The Contractor shall meet the following deadlines:

- 1) First Leg Completion Commitment Date: June 30th, 2016
- 2) Second Leg Completion Date: November 30th, 2016



The Contractor shall complete an Implementation Plan within fifteen (15) calendar days of Contract execution. The Implementation Plan shall provide a complete implementation schedule that meets the Services and Products Data Center Requirements.

The Contractor will follow a standard implementation methodology for the SOM footprint. The Contractor PMOs will assign a project managers who will lead the SOM team through the process. The most critical customer inputs to the process include: providing engineering specifications, confirming PDU selection, providing contact information for critical roles and confirming connectivity requirements. The project manager is responsible for confirming all the requirements, scheduling and leading all calls and working with the Switch Data Center Services team to ensure the customer space is built to the requirements. Once all requirements are received and completed the build will be complete in no more than 25 business days.

The build process includes: installing Switch provided cabinets, delivering primary and failover power circuits to the top of each cabinet, installing thermal heat shields, installing the cage and required security, connectivity installation, and customer security orientation.

The Contractor will work with the SOM technical team as needed to ensure the layout and power specifications for the cabinets will provide the highest probability of success.

Installation Timeframe - Installation process will commence a minimum of twenty-five (25) business days after the Contractor approves all applicable cabinet layout design documents.

The Contractor installation includes the following:

- Cabinets installed in a thermal-scif™ configuration
- Power circuits and receptacles delivered to the tops of the cabinets
- Thermal heat shield above hot aisle complete with doors
- Cage walls and door with standard lock
- Biometric and badge reader on cage door for additional, auditable security

The Subcontractor will provide the following as described in the Service Order:

- Equipment installation
- Structured cabling up to the cabinet level

Badge access to the cage is included. Biometric will be provided by Contractor. Initial cage equipment installation, and structured cabling up to the cabinet level, will be provided through the Subcontractor. Computer and networking equipment installation, migration, patch cabling and other tasks beyond the colocation services will be provided by SOM resources or its subcontractors.

2.2 DISENGAGEMENT ASSISTANCE

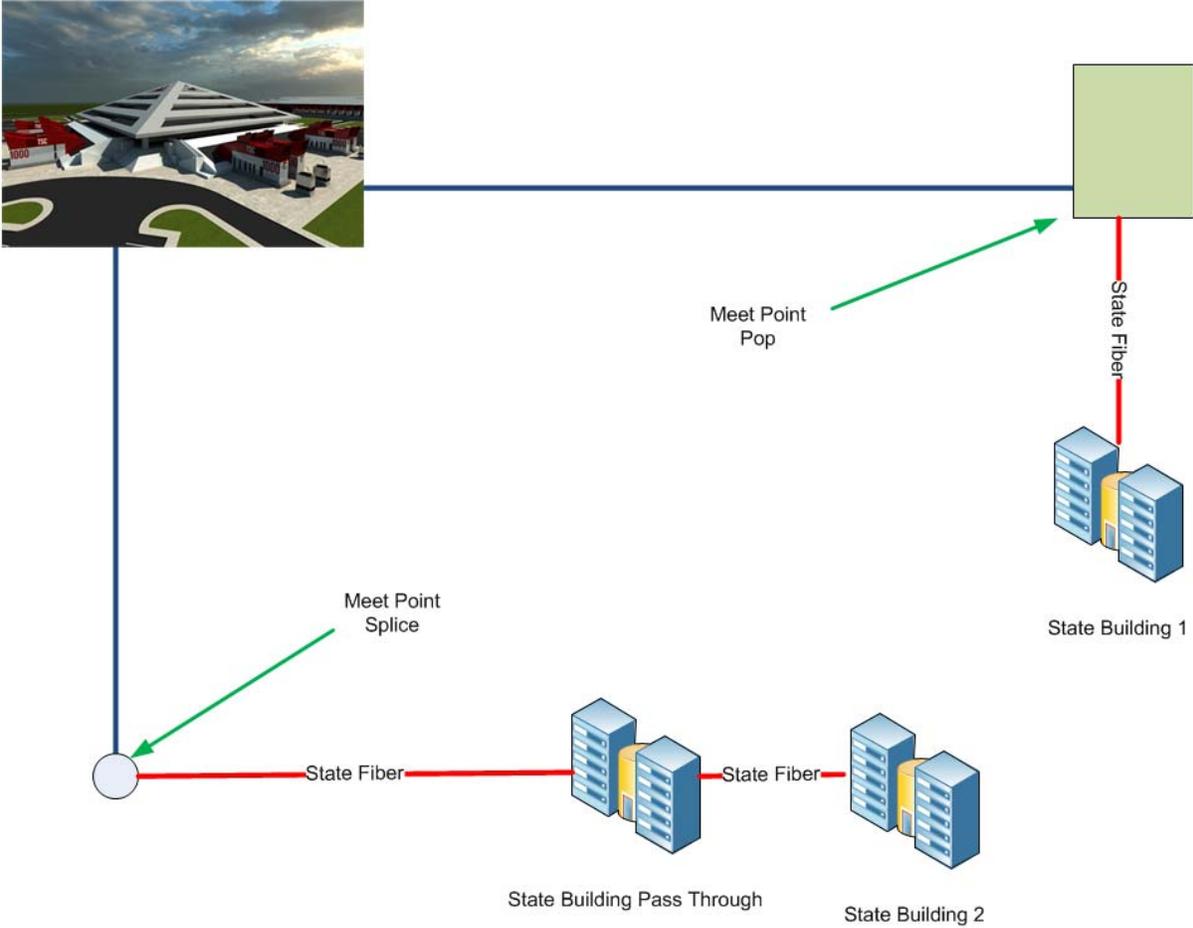
The Contractor shall provide Disengagement Assistance in accordance with Section 11.8 of the Contract.

3 SOLUTION DOCUMENT

3.1 SOLUTION OVERVIEW

The Solution Overview includes specific detail regarding the solution and operational approach. Additionally, the Solution Overview summarizes the Contractor's offering, its proposed changes to the organization and/or environment and the approach and the value provided by the Contractor.

The Contractor will provide a dark fiber solution to connect Switch Pyramid to two State buildings. Both paths will be single paths between the Switch Pyramid and State building, and diverse from each other. Pricing for this solution is included in the Pricing Schedule. Below is a graphic representation of the fiber solution.



3.2 DATA CENTER DISASTER RECOVERY ASSISTANCE

1. The Co-Location Data Center will be located at 6100 E Paris Ave., Grand Rapids, MI 49316
2. The campus containing the Contractor’s Co-Location Data Center will include up to a 10MVA Data Center with 650 + cabinets. The build out for Carriers will be ongoing and similar to the carriers that are currently on net at SUPERNAP campus in Las Vegas, NV.
3. The Contractor will ensure continuous operations and communications during a State declared disaster.

3.3 RESERVED

3.4 PROCESSES AND METHODOLOGIES

The major processes and methodologies that the Contractor will employ in delivering the Services are described below.

Switch Network Operations Center (NOC) Support Services

The Switch NOC staff is highly skilled and can provide complete staff augmentation for a customer. Locations: Switch has one NOC in Michigan and is manned 24 x 7 x 365.

Staff:

- NOC Techs
- Network Techs M-F, and on-call 24/7



- Network Engineers M-F, and on-call 24/7

Shift handoff process: the NOC is required to keep notes regarding current events during their shift. At the conclusion of their shift, this information must be relayed verbally and in writing through our own back office management software. The information that will be relayed, but is not limited is the following:

- Any active trouble tickets being worked
- Network Events
- Environmental Events
- Facility Events
- Pending smart hands tickets
- Standing orders from Management

Switch Engagement process:

Request initiation: The State can initiate requests in 3 different ways

- A phone call into the NOC (State will be authenticated through a security password)
- An email into the NOC (State must supply their security password in the body of the email and email must come from main domain of the customers company. No yahoo, gmail, aol, or hotmail domains will be accepted.)
- Opening a trouble ticket through the customer web portal

Escalation: The State can request ticket escalation at any time

Juniper, Brocade, HP, EMC skills: through Contractor's Smarthands services.

Switch can provide all types of expertise required.

Vendor Return Material Authorization (RMA) assistance, which includes the process for returning defective equipment - Routinely performed at our all facilities

Transition and Implementation Services

Upon contract signature, Switch will assign a direct liaison to the State's account. There is no extra charge for this service. This person will be responsible for all facets of project management related to your installation, including but not limited to:

- Gathering all required engineering documentation
- Assistance with PDU selection and ordering if necessary
- Coordination of shipping and receiving
- Scheduling and leading all Switch/Customer conference calls and meetings
- Contract management and future orders
- Scheduling security orientations
- Providing any requested technical and engineering support

3.5 SHARED MONITORING SERVICES AND SECURITY

The State will require additional and may implement security measures within their own cage in order to satisfy their own requirements. The State (or a designated third party) will be responsible for providing the video surveillance solution within the DTMB Operating Environment. The Contractor and Subcontractor will provide the additional security measures and will assist and consult with any audit required by the State.

State Camera Requirements

The DTMB Operating Environment (cage) and the building housing the Environment have extensive camera requirements to meet the multiple security standards mentioned in Exhibit C, requirements 137-143, with further details being provided in Exhibit C, requirements 83 and 93.

SOM DTMB has 24x7x365 Data Center Operation (DCO) Staff to monitor camera feeds necessary to meet the multiple security standards mentioned in Exhibit C, requirements 137-143.

To meet the multiple security standards in Exhibit C, requirements 137-143, SOM DTMB must have real time access to view entry and all activity within the DTMB Operating Environment. For clarity, SOM DTMB does not require real-time access to Contractor's security cameras or systems. Instead, and in a manner that does not compromise



Contractor's safety and security protocols, DTMB may install their own security camera system to provide real-time monitoring of the DTMB Operating Environment only ("SOM Cameras"). SOM Cameras will be independent and separate from Contract's security camera system.

Retrieval of archived of video outside the DTMB Operating Environment, involving SOM DTMB employees and its authorized Contractors, shall be through the documented processes in Exhibit C, requirement 3, which shall be timely enough to meet multiple security standards mentioned in Exhibit C, requirements 137-143.

Retrieval of archived of video outside the DTMB Operating Environment, involving non-SOM DTMB employees and other Contractors, shall be through the standard legal process, which shall be timely as directed by Michigan law.

Switch Security

SwitchFORCE is a calculated deployment of protocol, personnel and systems designed to provide a complex security presence. It utilizes security measures for surveillance and detection systems on a serial and parallel layer which exceed assessed risks and standard compliances for the physical and logical protection of Information Security facilities.

SwitchFORCE is a full-duty, 24/7/365, Security Command with robust communication, surveillance and detection systems at the ready.

SwitchFORCE policies and procedures meet or exceed the most stringent compliance requirements set forth by government, utility and industry regardless of station, duty or name. The State must abide by the Contractors security procedures.

The Contractor's access process will be continual with periodic access audits. Contractor's access control system will allow their team to generate reports based on several parameters.

3.6 SERVICE LEVEL AGREEMENT

The Contractor shall comply with Uptime Institute Tier III (UIT) standards via self-assessment, or an equivalent, which includes specific Co-Location Data Center Service Levels. See Section 4.1 of the Contract.

4 GOVERNANCE AND RELATIONSHIP MANAGEMENT

SOM DTMB considers the relationship between its business and the Contractor for Co-Location Data Center services to be critical to the performance of the organization. The governance and oversight operating model will be critical to success of this initiative. As such, the following represents the key aspects around governance and relationship management between SOM DTMB and the Contractor.

The relationship between the State and Contractor encompasses not only the daily delivery of support services, but equally important is the identification and deployment of strategies and innovations that can continually improve the levels of service and reduce the unit cost of Co-Location Data Center operations.

The activities of the relationship team will be focused on:

- Contract management, Service Level Agreement monitoring and financial management
- Performance monitoring, major problem resolution and guidance
- Strategic input related to future information technology requirements
- Program management of major projects and transition

To achieve a working partnership it is imperative that a structure and relationship be established that is:

- Collaborative and open in the identification and resolution of problems.
- Creative and forward thinking in developing innovative solutions for improving processes, enhancing stability of operations and reducing the cost of Services.
- Flexible in the modification of agreements as changes are identified and warranted.
- Dedicated to developing processes for improving Co-Location Data Center to the SOM DTMB enterprise following an industry approved methodology such as, Six Sigma, ITIL, etc.



- Dedicated to working with SOM DTMB and State Agencies to effectively support the transition from its current environment, the continued consolidation of servers, and support of its on-going operation.

4.1 ORGANIZATION STRUCTURE

The following describes the Contractor’s Organization and approach:

1. The management structure and key management personnel and functions that will be in place during the transition and subsequent phases of operations are as follows:

Contractor Implementation Team – Names will be established in the final implementation plan, project statement of work.

Facility Operations	General Manager
Orders & Installations	EVP of Data Center Services
Data Center Services Coordinator	Coordinator of Facility Services
Network Engineering	Manager of Network Engineering Operations
Operations	NOC Director
Security	SVP of Security

2. Key management personnel will interact with the relationship and governance team through both phone and e-mail support.
3. Open communication will occur between the State and Contractor through the Contractor Client Collaboration Channel
4. The Contractor’s policies for approval of subcontractors will not limit who the State can engage in for services. The State can engage their own contractors to do work on behalf of the State, including cabling and installation work. The State and its contractors will follow the standard security onboarding process.
 - o The Contractor will not place any restrictions on State contractors (which could include competitors) required to fulfil existing or future State Contracts in State of Michigan defined spaces and will allow the State to hire contractors to access and perform work within the customer space subject to the then current, acceptable use policy (“AUP”), available online at www.supernap.com. There are no restrictions on State Employees performing work in the SOM defined space as long as employees pass background checks and comply with Switch safety, security protocols and all policies and procedures.
5. The following position is designated as “Key Personnel”. The “Key Personnel” list includes:
 - i. Contractor Program Manager for the SOM DTMB Account
6. Detailed monthly status reports will be provided available to the State.
7. Agendas will be prepared prior to meeting based on State and Contractor input. Executive review meetings will be conducted annually unless otherwise requested.

4.2 ACCOUNT SUPPORT

The Contractor shall provide SOM DTMB technical staff with a telephone number, answering service or help desk for support 24x7x365 as set forth in Section 4.1 of the Contract.

The Contractor shall provide a communications plan for maintaining effective problem management review discussions with help desk managers' communications with SOM DTMB. The Contractor shall participate in the following types of meetings and/or agenda items:

1. Status and change control discussions with SOM DTMB on activities defined as a major service interruption.
2. Technical planning discussions to ensure that adequate communication and planning is in place for upcoming major service interruptions. These discussions will review capacity, performance, configuration, and other technical planning topics.
3. Account management discussions. The focus of these meetings is to review issues with service delivery and/or process management for the contracted Services.
4. Problem management review discussions with help desk managers and service delivery managers.
5. Contractor agrees to participate in regular meetings to address the needs described above.



The Contractor will:

1. Make their Switch Network Operation Center available 24/7/365, with standard account reviews being completed annually unless greater frequency is requested.
2. Commit to management and employee awareness of quality and continuous improvement

4.3 ISSUE MANAGEMENT

An issue is an identified event that if not addressed may affect schedule, scope, quality, or budget.

The Contractor shall maintain an issue log for issues relating to the provision of Services under this contract. The issue management log shall be communicated to the State's Project Manager on an agreed upon schedule, with e-mail notifications and updates. The issue log shall be updated and shall contain the following minimum elements:

- Description of issue
- Issue identification date
- Responsibility for resolving issue.
- Priority for issue resolution (to be mutually agreed upon by the State and the Contractor, examples may be submitted)
- Resources assigned responsibility for resolution
- Resolution date
- Resolution description



5 PRICING

See Attached Section 8.9 of the Contract for details on administrative fees and Contract usage reporting requirements.

Summary Pricing Notes:

- 1) The Contractor will not request compensation for Surcharges or Penalties
- 2) Service Orders will specify the actual cost based on the volumes ordered by the State. The unit pricing included below, will be the basis used to determine actual cost.
- 3) Travel Expenses: All necessary travel to support the transition activities and service delivery has been included in the fixed price. The Contractor views travel as a normal cost of doing business.

Special Pricing Elements:

1. In the event of early termination of Colocation services as discussed in the Contract, and except in the event of termination due to Contractor's breach or for non-appropriation, DTMB agrees it is responsible for (i) all MRC for the remaining Service Commitment Period if terminated in the first twelve (12) months of the Term; (ii) 75% of all MRC for the remaining Service Commitment Period if canceled in the second twelve (12) months of the Term and; (iii) 50% of all MRC for the remaining Service Commitment Period if canceled between the third anniversary of the Effective Date and the fourth anniversary of the Effective Date (which, collectively, will be considered Termination Related Charges under the Contract). No Termination Related Charges will apply after the fourth anniversary of the Effective Date.
2. In the event of early termination of Carrier Services as discussed in the Contract, and except in the event of termination due to Contractor's breach or for non-appropriation, DTMB agrees it is responsible for the greater of (i) the Carrier's special construction costs or (ii) 100% of all MRC for the remaining Service Commitment Period if canceled in the first twelve (12) months of the Term; (iii) 75% of all MRC for the remaining Service Commitment Period if canceled in the second twelve (12) months of the Term and; (iv) 50% of all MRC for the remaining Service Commitment Period if canceled between the third anniversary of the Effective Date and the fourth anniversary of the Effective Date (which, collectively, will be considered Termination Related Charges under the Contract). No Termination Related Charges will apply after the fourth anniversary of the Effective Date. Additionally, all special construction costs will be considered Termination Related Charges, provided such charges will not exceed \$100,000.
3. Additionally, Contractor will use best efforts to meet the June 30, 2016 Operational State deadline identified in the Contract, provided (i) any delay caused by Contractor will result in a prorata credit for each day of delay and (ii) Consistent with Section 4.4 of the Contract, no penalties will apply or credit will be given to the extent DTMB is not ready to receive the Services.
4. Effective January 1st of each year commencing January 1, 2018, costs for Colocation Services will automatically increase one and seventenths percent (1.7%) annually, for the remainder of the Service Commitment Period.
5. The pricing provided in this Schedule is available for purchase by MiDeal members who are ordering like services, of similar scope, nature, and scale. For like services that are not similar in scope, nature, and scale MiDeal members will receive a minimum 15% discount off of Contractor's then current pricing. For custom services that extend beyond scope, nature and scale custom pricing will be developed by Contractor.
6. This Contract allows for all Contractor (or Subcontractor) products and services related to current and future Co-Location hosting environments to be added to this Contract through the issuance of a formal change notice, issued by DTMB Procurement with approval of the Contractor. Pricing on new products and services will be equivalent or better than current pricing with similar or deeper pricing discounts for similar services, scope, nature, and scale.



1A FLOOR SPACE AND POWER AND CROSS-CONNECTS
 (Monthly Recurring Costs - MRC) – with 1.7% inflation included

Description of Services	MRC through 12/31/17	1/1/18 through 12/31/18	1/1/19 through 12/31/19	1/1/20 through 12/31/20	1/1/21 through 12/31/21	1/1/22 through 12/31/22	1/1/23 through 12/31/23	1/1/24 Through 12/31/24	1/1/25 Through 12/31/25	1/1/26 Through 12/31/26
Cabinet in a thermal-scif Configuration (24")	\$ 599.25	\$609.44	\$619.80	\$630.33	\$641.05	\$651.95	\$663.03	\$674.30	\$685.77	\$697.42
Cabinet in a thermal-scif Configuration (36")	\$ 898.88	\$914.16	\$929.70	\$945.51	\$961.58	\$977.93	\$994.55	\$1,011.46	\$1,028.65	\$1,046.14
Cabinet in a thermal-scif Configuration (40")	\$ 1,000.82	\$1,017.83	\$1,035.14	\$1,052.73	\$1,070.63	\$1,088.83	\$1,107.34	\$1,126.17	\$1,145.31	\$1,164.78
120V 20Amp AC Power 'Primary'	\$ 244.00	\$248.15	\$252.37	\$256.66	\$261.02	\$265.46	\$269.97	\$274.56	\$279.23	\$283.97
120V 20Amp AC Power 'Failover'	\$ 130.00	\$132.21	\$134.46	\$136.74	\$139.07	\$141.43	\$143.84	\$146.28	\$148.77	\$151.30
120V 30Amp AC Power 'Primary'	\$ 366.00	\$372.22	\$378.55	\$384.99	\$391.53	\$398.19	\$404.96	\$411.84	\$418.84	\$425.96
120V 30Amp AC Power 'Failover'	\$ 195.00	\$198.32	\$201.69	\$205.12	\$208.60	\$212.15	\$215.75	\$219.42	\$223.15	\$226.95
208v 20 Amp AC Power 'Primary'	\$ 488.00	\$496.30	\$504.73	\$513.31	\$522.04	\$530.91	\$539.94	\$549.12	\$558.45	\$567.95
208v 20 Amp AC Power 'Failover'	\$ 244.00	\$248.15	\$252.37	\$256.66	\$261.02	\$265.46	\$269.97	\$274.56	\$279.23	\$283.97
208v 30Amp AC Power 'Primary'	\$ 549.00	\$558.33	\$567.82	\$577.48	\$587.29	\$597.28	\$607.43	\$617.76	\$628.26	\$638.94
208v 30Amp AC Power 'Failover'	\$ 274.50	\$279.17	\$283.91	\$288.74	\$293.65	\$298.64	\$303.72	\$308.88	\$314.13	\$319.47
208v 50Amp AC Power 'Primary'	\$ 1,110.00	\$1,128.87	\$1,148.06	\$1,167.58	\$1,187.43	\$1,207.61	\$1,228.14	\$1,249.02	\$1,270.25	\$1,291.85
208v 50Amp AC Power 'Failover'	\$ 555.00	\$564.44	\$574.03	\$583.79	\$593.71	\$603.81	\$614.07	\$624.51	\$635.13	\$645.92
208v 60Amp AC Power 'Primary'	\$ 1,320.00	\$1,342.44	\$1,365.26	\$1,388.47	\$1,412.07	\$1,436.08	\$1,460.49	\$1,485.32	\$1,510.57	\$1,536.25
208v 60Amp AC Power 'Failover'	\$ 658.80	\$670.00	\$681.39	\$692.97	\$704.75	\$716.73	\$728.92	\$741.31	\$753.91	\$766.73
208v 20Amp 3Phase AC Power 'Primary'	\$ 630.00	\$640.71	\$651.60	\$662.68	\$673.94	\$685.40	\$697.05	\$708.90	\$720.96	\$733.21



208v 20Amp 3Phase AC Power 'Failover'	\$ 315.00	\$320.36	\$325.80	\$331.34	\$336.97	\$342.70	\$348.53	\$354.45	\$360.48	\$366.61
208v 30Amp 3Phase AC Power 'Primary'	\$ 823.50	\$837.50	\$851.74	\$866.22	\$880.94	\$895.92	\$911.15	\$926.64	\$942.39	\$958.41
208v 30Amp 3Phase AC Power 'Failover'	\$ 420.75	\$427.90	\$435.18	\$442.58	\$450.10	\$457.75	\$465.53	\$473.45	\$481.49	\$489.68
208v 50Amp 3Phase AC Power 'Primary'	\$ 1,373.25	\$1,396.60	\$1,420.34	\$1,444.48	\$1,469.04	\$1,494.01	\$1,519.41	\$1,545.24	\$1,571.51	\$1,598.23
208v 50Amp 3Phase AC Power 'Failover'	\$ 702.00	\$713.93	\$726.07	\$738.41	\$750.97	\$763.73	\$776.72	\$789.92	\$803.35	\$817.01
208v 60Amp 3Phase AC Power 'Primary'	\$ 1,647.75	\$1,675.76	\$1,704.25	\$1,733.22	\$1,762.69	\$1,792.65	\$1,823.13	\$1,854.12	\$1,885.64	\$1,917.70
208v 60Amp 3Phase AC Power 'Failover'	\$ 842.25	\$856.57	\$871.13	\$885.94	\$901.00	\$916.32	\$931.89	\$947.74	\$963.85	\$980.23
Cross-Connect: POTS	\$ 15.00	\$15.26	\$15.51	\$15.78	\$16.05	\$16.32	\$16.60	\$16.88	\$17.17	\$17.46
Cross-Connect: T1/DS1 (2 Pair)	\$ 61.00	\$62.04	\$63.09	\$64.16	\$65.25	\$66.36	\$67.49	\$68.64	\$69.81	\$70.99
Cross-Connect: Fiber Ethernet (10/100 Meg or 1Gig)	\$ 153.00	\$155.60	\$158.25	\$160.94	\$163.67	\$166.45	\$169.28	\$172.16	\$175.09	\$178.07
Cross-Connect: Copper Ethernet (10/100Meg or 1Gig)	\$ 229.00	\$232.89	\$236.85	\$240.88	\$244.97	\$249.14	\$253.37	\$257.68	\$262.06	\$266.52
Cross-Connect: DS-3	\$ 203.00	\$206.45	\$209.96	\$213.53	\$217.16	\$220.85	\$224.61	\$228.42	\$232.31	\$236.26
Cross-Connect: OC-3	\$ 203.00	\$206.45	\$209.96	\$213.53	\$217.16	\$220.85	\$224.61	\$228.42	\$232.31	\$236.26
Cross-Connect: OC-12	\$ 305.00	\$310.19	\$315.46	\$320.82	\$326.27	\$331.82	\$337.46	\$343.20	\$349.03	\$354.97
Cross-Connect: 10GigE or Customer	Custom	Custom								

1B FLOOR SPACE AND POWER AND CROSS-CONNECTS (Non-Reoccurring Costs - NRC)

Description of Services	Unit NRC Cost
Cabinet in a thermal-scif Configuration (24")	\$ 797.23
Cabinet in a thermal-scif Configuration (36")	\$ 1,060.32
Cabinet in a thermal-scif Configuration (40")	\$ 1,195.85



'Primary' Power Circuit	\$ 453.67
'Secondary' Power Circuit	\$ 453.67
Security Package, including biometric reader Includes labor and integration into the Switch Security system	\$ 7,973.87
Fully enclosed space floor to ceiling (no opening greater than 6" x 12") – Custom build	\$ 30,655.00
In space storage shelves/bins	\$ 487.00
10 Badges included, additional first time security badges	\$ 25.00
Lost/replacement security badges	\$ 100.00
Side Air Distribution Unit (SADU)	\$ 507.36
Additional Cabinet combination locks	\$ 175.11
In-cabinet Air Sleeves	\$ 150.00
Secure on cabinet badged access control	\$ 2,200.00
Shipping and receiving outside of the normal business hours window (Monday-Friday 7AM -6PM Eastern Standard Time) per pallet price	\$ 250.00
Expedite Fees (per business day per service)	\$ 200.00
Cross-Connect: POTS	\$ 51.00
Cross-Connect: T1/DS1 (2 Pair)	\$ 102.00
Cross-Connect: Fiber Ethernet (10/100 Meg or 1Gig)	\$ 203.00
Cross-Connect: Copper Ethernet (10/100Meg or 1Gig)	\$ 305.00
Cross-Connect: DS-3	\$ 203.00
Cross-Connect: OC-3	\$ 387.00
Cross-Connect: OC-12	\$ 387.00
Cross-Connect: 10GigE or Customer	Custom

Auxiliary Office Space and Storage Space:

- 1) Auxiliary DR office space will be provided at no additional cost as it is included in the MRC's for floor space and power. This will include DR/Business Continuity workspaces that would be needed in the event of an emergency or DR test.
- 2) There will be no Setup/Startup Costs for Auxiliary Office Space for 25 employees unless specialized technical needs not specified are needed by the State
- 3) The Contractor will provide temporary (not to exceed 90 days) shipping/receiving Storage Space 15'x15' approximately 225 Square Feet at no charge. The accommodations such as shelving will be billable items.

2 SITE CONNECTIVITY COSTS



Description of Services	Unit NRC Cost	Unit MRC Cost
Point of Presence Fiber Connectivity (from SOM listed site(s) to Data Center) and related services	\$ 0	\$ 38,125.00
If any, LAN connectivity for all offsite locations	None / NA	None / NA
Setup/Startup Costs for Point of Presence Fiber Connectivity (one time costs) and related services	\$ 387,500.00	\$ 0
If any, Startup/Setup Cost for LAN connectivity for all offsite locations (one time costs)	None / NA	None / NA

Site Connectivity Pricing Notes:

- Annual increase: Beginning in 2018, the Contractor may request an annual 1.7% increase through the formal procurement process and the State is obligated to review and consider.

3 CONTRACTOR PROVIDED SMART HANDS
Hourly Rate (with 1.7% inflation included)

Contractor will provide 20 hours/month minimum of Smart Hands Support at the hourly rates in the table below. These will be paid for as monthly as pre-paid credits and any hours that exceed 20 in a given month will be billed for in arrears.

Description of Services	Hourly Rate Through 12/31/17	1/1/18 through 12/31/18	1/1/19 through 12/31/19	1/1/20 through 12/31/20	1/1/21 through 12/31/21	1/1/22 through 12/31/22	1/1/23 through 12/31/23	1/1/24 Through 12/31/24	1/1/25 Through 12/31/25	1/1/26 Through 12/31/26
Cabinet in a thermal-scif Configuration (24")	\$ 90.00	\$91.53	\$93.09	\$94.67	\$96.28	\$97.91	\$99.58	\$101.27	\$102.99	\$104.74

Other Costs Pricing Notes:

- Annual increase: Beginning in 2018, the Contractor may provide an annual 1.7% increase.

4 SUBCONTRACTOR PROVIDED SERVICES AND PRODUCTS

Subcontractor Provided Services and Products
See Schedule 3 – Product and Smart Hands Services Schedule.



STATE OF MICHIGAN

Contract No. 071B6600080
Lights-Out Co-Location Data Center
Michigan Department of Technology, Management & Budget

EXHIBIT A – SCOPE OF SERVICES

(Roles and Responsibilities Matrix)

*The Contractor will meet **ALL** requirements in this Exhibit and will comply with all aspects of the requirement as written.*



Ref. #	Requirements	Responsible Party	
		Contractor	State
1	DATA CENTER FACILITY MANAGEMENT		
1.1	Environmental		
	Contractor's responsibilities include:		
1.1.1	Provide hardened and physical secure Data Center that is sufficient to accommodate SOM DTMB's requirements, meeting SOC 2 Type I & Type II Audit or ISO 27001 certification. The Contractor will hold a current SSAE-16 certification (SOC1, SOC2 and SOC3) on the herein named facility, or its future equivalent.	P	
1.1.2	Provide environmental control (air conditioning, humidity and pressure, fire prevention, alarm systems, uninterruptible power supply, access and control infrastructure) at the Data Center which includes redundant infrastructure to support 99.982 availability. As it relates to power, the Contractor guarantees and will deliver 100% power uptime, subject to the Service Credit arrangement outlined in this Contract.	P	
1.1.3	Properly manage, coordinate and oversee (and inform SOM DTMB of the results) all maintenance, testing and monitoring of Data Center infrastructure systems, air handlers, water and uninterruptible power supply. The Contractor will leverage their proprietary automatic building adjustment management system, which uses real-time vision to monitor and all aspects their facilities. The Contractor will follow rigorous testing and maintenance schedules for every aspect of their facilities.	P	
1.1.4	As related to the Service Delivery Environment, and the DTMB Operational Environment, the Contractor shall manage engineering, purchasing, professional services, coordination, and execution for all infrastructure activities during equipment installations, routine maintenance (according to manufacture specifications), incident and crisis management including interfacing with facilities and technology groups, third party vendors and other relevant groups. The Contractor is responsible for all aspects of the data center infrastructure up to the power outlets above each State cabinet. The Subcontractor will provide additional services within the cage as described in this Contract.	P	S



Ref. #	Requirements	Responsible Party	
		Contractor	State
1.1.5	Ensure that all facility monitoring systems within Contractor-managed facilities are tested end-to-end and as a cohesive system, not just as individual components. This testing shall be done in SOM DTMB approved maintenance windows as defined in the SLA as negotiated in the final contract	P	
1.1.6	At the Data Center(s), initiate and track SOM DTMB requests for space, power and other data center modifications in support of SOM DTMB Equipment installations, using Contractor's Network Operations Center (NOC) and Data Center Operations organizations (depending on the nature of the request).	P	
1.1.7	Implement and maintain Data Center policies, procedures and controls that are at least sufficient to meet the requirements of SOM DTMB's Standards and policies. Contractor's policies and procedures are available for onsite review at the herein named facility. Switch provides certified Tier IV facilities in Nevada and will replicate with similar capabilities in Michigan.	P	
1.1.8	Maintain the Data Center such that it is sufficiently scalable to accommodate SOM DTMB's changing requirements, including as provided in anticipated future growth as provided by SOM DTMB. The Contractor will assist the State through best efforts to ensure they understand the short and long term needs of the State and incorporates feedback into their facility planning process.	P	S
1.2	Physical Security		
	Contractor's responsibilities include:		
1.2.1	Implement, maintain and administer physical access, monitoring and other security measures and standards with respect to the Data Center that comply with SOM DTMB Standards and SOM DTMB Policies.	P	
1.2.2	Review and approve access, monitoring and other security measures and standards. SOM DTMB will identify Security Point of Contacts who will approve who will have access to their space in the data center (including Shipping and Receiving). Each person approved for access will be required to attend Security orientation in which they are photographed, finger printed and provided an access badge.	P	S
1.2.3	Building perimeter security, including locks, alarms, and other access controls (including card key), including as required to limit access from windows, lobbies, and loading docks. The Contractor will utilize positive access with a multi-step process to access the facility. Each individual is only granted access to areas of the data center in which they require and the State will determine and approve who has access to SOM DTMB space.	P	



Ref. #	Requirements	Responsible Party	
		Contractor	State
1.2.4	The State may select from several different various control programs including multifactor options, and including key, card or biometrics. Associated services may be provided through the subcontractor.	P	
1.2.5	All entrances will be monitored 24x7x365 by the Contractor. All exterior doors at the facilities were designed and installed for additional protection, to include detection devices, access control and independent viewing by fixed cameras. Exterior access points are kept to a minimum by the Contractor.	P	
1.2.6	Closed circuit TV monitoring (with at least days' worth of video) at all critical areas, shall be kept and able to be viewed in accordance with PCI certification.	P	
1.2.7	Stringent requirements on badge issuance and usage, including computer controlled card access system, monthly reconciliation of badge database to verify that only valid individuals have access, and archived transactions for investigative purposes.	P	S
1.2.8	Provide access to the Data Center to SOM DTMB personnel and to SOM DTMB Third Party Service Providers, each as authorized by SOM DTMB and in accordance with the applicable provisions of the individual Agreement.	P	
1.2.9	Contractor shall conduct semiannual testing of the electromechanical infrastructures and associated failover mechanisms, as part of maintenance and disaster recovery, and provide SOM DTMB with the results of those tests. The Contractor will have employees on staff in all facilities that manage, maintain and test their systems (mechanical, cooling, power, network, facilities).	P	
1.3	Security Protocols		
	<i>In the event of a breach of any security control, Contractor shall promptly notify SOM DTMB following containment, and complete a Root Cause Analysis and related report within 24 hours</i>		
1.4	Data Center Procurement		
	Contractor's responsibilities include:		
1.4.1	When goods from a procurement order are received, the Contractor shall process paperwork and document from the entity responsible for receipt, delivery and verification of the procurement order. The State shall notify the Contractor of all inbound deliveries. The Contractor will notify the State when each shipment arrives and provide documentation included with shipments.	P	



Ref. #	Requirements	Responsible Party	
		Contractor	State
1.4.2	Contact the SOM DTMB points of contact with the procurement status when any deliveries (new equipment, etc.) arrives at the Contractor's location.	P	
2	DATA CENTER ACTIVITIES		
2.1	Infrastructure Activities		
	Contractor's responsibilities include:		
2.1.1	Maintain a secure, clean, well-lit, clutter-free cabling environment in all telecom closets, Data Center and cable plant areas including an annual cleaning to include before and after particle counts (IE under floor cleaning, cabinet cleaning). The Contractor will have full time employees onsite 7x24x365 in each facility that are responsible for continuous cleaning and will proactively identify issues that need to be addressed. The Contractor will provide cleaning of the customer's space on a scheduled or on request basis as agreed to by the State with proper and prior notice.	P	
2.1.2	Interface with SOM DTMB's physical wiring, switching devices, security devices, and other devices, through SOM DTMB or designated third party Service Providers, per their current agreements with SOM DTMB.	P	S
2.2	Asset Redeployment / Disposal		
2.2.1	Within the guidelines of the AUP, the Contractor shall coordinate with the State's salvage/ disposal vendor.		P
3	IMPLEMENTATION PLAN AND DISENGAGEMENT ASSISTANCE		
3.1	Implementation Plan		
3.1.1	The Contractor shall complete the Implementation Plan after Contract execution. The Implementation Plan shall provide a complete implementation schedule that meets the minimum requirements and the negotiated Services and Products Data Center Requirements. The Contractor will provide the State a Welcome Packet with detailed information on the colocation build out plan and kickoff meeting within no more than 15 calendar days of Contract execution.	P	S
3.1.2	State shall approve the Implementation Plan.		P



Ref. #	Requirements	Responsible Party	
		Contractor	State
3.2	Disengagement Assistance		
3.2.1	The Contractor shall provide Disengagement Assistance in accordance with Section 11.8, of the Contract.	P	
4	INCIDENT MONITORING, MANAGEMENT AND RESOLUTION		
4.1	Incident Monitoring		
	Contractor's responsibilities include:		
4.1.1	Monitor the Data Center environment and Data Center assets for physical indications of incidents or problems. This includes monitoring all aspects of the Data Center environment up to the power receptacles above each of the customer's racks. The State will be responsible for monitoring and Managing SOM DTMB's computer infrastructure, including network.	P	
4.2	Incident Management and Resolution		
	Contractor's responsibilities include:	P	
4.2.1	Participate in the SOM DTMB Incident Management Process by contacting the SOM DTMB when incidents or events which affect the Datacenter or SOM DTMB space. This includes and proactive maintenance as well as incidents.	P	
5	DISASTER RECOVERY		
5.1	DR Planning / Testing		
	Contractor's responsibilities include:		
5.1.1	Provide recommendations and participate in the development of on-going maintenance of the Disaster Recovery Plan as developed by SOM DTMB. Utilizing best efforts, the Contractor will assist the SOM DTMB with the colocation and facility services portion of the Disaster Recovery Plan. The Contractor offers SOM DTMB further services beyond the colocation and facility portion of the DR plan, through its Subcontractor Presidio. Additional services will be offered on a Time and Materials defined project basis with the development of a project statement of work.	S	P
5.1.2	Support testing of the Disaster Recovery Plan at a minimum, bi-annually by performing the responsibilities assigned to Contractor personnel in the Disaster Recovery Plan.	S	P



		Responsible Party P – Primary Responsibility S – Support Responsibility	
Ref. #	Requirements	Contractor	State
5.1.3	Remediate any disaster recovery failures attributable to Data Center equipment assets and/or personnel in accordance with the SOM DTMB Service approved remediation plan.	P	S
5.2	Disaster Recovery Services		
5.2.1	Contractor’s responsibilities include:		
5.2.2	In the event of a disaster affecting the Data Center, immediately report the event to SOM DTMB points of contact. The Contractor will notify the State of any event, incident or issue (including declaration of a disaster) that impacts the SOM DTMB.	P	
5.2.3	Perform the responsibilities assigned to Contractor personnel in the Disaster Recovery Plan or as directed by the SOM DTMB Incident Manager.	P	S



STATE OF MICHIGAN

Contract No. 071B6600080
 Lights-Out Co-Location Data Center
 Michigan Department of Technology, Management & Budget

EXHIBIT B – PUBLIC FACILITIES AND ADDITIONAL FEATURES

Item #	Information / Requirements Related to Site Safety
1.	Kentwood Police 4742 Walma Ave SE Kentwood 49512 is the closest police station and is 1.6 miles from the Data Center.
2.	<p>The closest manned Michigan State Police Post is Rockford 6th District Michigan State Police 345 Northland Drive NE Rockford 49341, which is 21.1 miles from the Data Center.</p> <p>Kent County Sherriff office, 8555 Kalamazoo Ave SE, Caledonia Township, MI 49316, is located 6 miles from the Data Center. Contractor Security will provide full security services onsite 24/7/365</p>
3.	Dutton Fire Department, located at 3471 68th Street SE Gaines TWP MI 49316, is located 1.5 miles from Data Center and is the closet fire station.
4.	The two closest hospital emergency rooms are located at Metro Health Hospital Byron Center Ave SW Wyoming MI 49519 7.9 miles from the Data Center and Spectrum Health Urgent Care South Pavilion 80 68th Street SE #201 Grand Rapids 5.3 miles from the Data Center.
5.	The Contractor shall provide in all State of Michigan accessible areas, access to portable emergency oxygen kits, which are approved by either the American Red Cross Scientific Advisory Council, Professional Association of Diving Instructors (PADI), or Divers Alert Network (DAN). Note: The United States Food and Drug Administration (FDA) exempts, and does not formally approve, non-medical (non-prescription), emergency oxygen kits for oxygen deficiency and resuscitation.
6.	Grand Rapids International 550 44th Street SE Grand Rapids 49512 5.5 Miles from the Data Center is the closest airport with regular commercial passenger air service.
7.	Grand Rapids International 550 44th Street SE Grand Rapids 49512 5.5 Miles from the Data Center is the closest airport with U.S. customs service for air freight.
8.	Grand Rapids International 550 44th Street SE Grand Rapids 49512 5.5 Miles from the Data Center is the closest airport with U.S. Customs Service for passengers.
9.	The Data Center shall have a fence or other barrier to protect against people and vehicles, when required under SOC or ISO audit. Note: Both parties acknowledge that both audit bodies are considering this as a formal future requirement.
10.	The auxiliary office shall have a fence or other barrier to protect against people and vehicles, when required under SOC or ISO audit. Note: Both parties acknowledge that both audit bodies are considering this as a formal future requirement.
11.	Entry into the Data Center, auxiliary office space, storage area and staging area shall be protected by an ADA-compliant man trap, with an internally located 24x7x365 panic or communication system with camera, to prevent an intruder who “piggybacks” or “tailgates” legitimate personnel into the secure building?



STATE OF MICHIGAN

Contract No. 071B6600080
Lights-Out Co-Location Data Center
Michigan Department of Technology, Management & Budget

EXHIBIT C – CO-LOCATION DATA CENTER REQUIREMENTS

The Contractor will meet ALL requirements in this Exhibit and will comply with all aspects of the requirement as written.

Note: The Staging Requirements provided in Exhibit C, have not been implemented in the initial phase. These staging requirements remain available to the State as an option to be exercised at a future time.



Elements	Scope	Category	Requirements
1	General	1) Site Scope Requirements	The facility shall be able to provide 24x7x365 on-site staffed operations personnel during State of Michigan declared emergencies within four (4) hours or less. SOM understands these services will require an hourly charge.
2	General	1) Site Scope Requirements	The facility shall have personnel on call for physical access to SOM equipment in case of emergency with a required response time of 30 minutes or less.
3	General	1) Site Scope Requirements	The Contractor shall have documented processes and procedures for tracking issues and requests from SOM.
4	General	1) Site Scope Requirements	The Contractor shall have documented processes and procedures addressing the management of Incidents.
5	General	1) Site Scope Requirements	The Contractor shall have documented processes and procedures addressing the management of Changes.
6	General	1) Site Scope Requirements	The Contractor shall have documented processes and procedures addressing Business Continuity and Disaster Recovery.
7	General	1) Site Scope Requirements	The Contractor shall include or make available for review the facilities' Standard Operating Procedures (SOP) and Maintenance Operating Procedures (MOP), commonly referenced as a "Run Book".
8	General	1) Site Scope Requirements	<p>All scheduled maintenance periods shall be pre-notified by at least 15 days, and for major service interruption at least 4 weeks' notice is required.</p> <p>If contractually required processes and procedures are followed. The Contractor is required to accept and implement SOM DTMB polices, as needed, to support the Services and Communications provided to SOM DTMB. SOM DTMB has policies and procedures to deal with properly identified and categorized emergency maintenances (less than 15 days' notice).</p> <ul style="list-style-type: none"> o See Section 1.5, DTMB Polices Schedule, from the SOW Schedule. o See Section 4, Performance, from the Contract o See Section 7, Service Level Agreement, from the Contract
9	General	1) Site Scope Requirements	Detailed SLA reports shall be produced on a monthly basis and made available to SOM within 5 days. SLA reports shall contain detailed information for the target period and include historical data.
10	General	1) Site Scope Requirements	The Contractor shall maintain sufficient original-equipment-manufacturer (OEM), value-added-reseller (VAR), system integrator (SI), and distributor relationships to meet the build-out and ongoing maintenance, including ad hoc purchases. Regardless of these entities' existing relationship with SOM, they shall be treated as subcontractors for this contract.
11	General	2) Site Attributes Requirements	<p>All State of Michigan accessible areas shall have access to First-Aid Kits meeting the Type II (indoor portable), American National Standards Institute (ANSI) Z308.1-1978 (updated by ANSI in 1998 and 2003).</p> <p>Note: The United States Occupational Safety and Health Administration (OSHA) does not formally approve First-Aid Kits, and their 29 CFR Part 1910-151 regulation mirrors the ANSI standard.</p>
12	General	2) Site Attributes Requirements	<p>All State of Michigan accessible areas shall have access to Automated External Defibrillators (AED), which are approved by the American Red Cross Scientific Advisory Council, Professional Association of Diving Instructors (PADI), or Divers Alert Network (DAN).</p> <p>Note: The United States Food and Drug Administration (FDA) reviews AEDs under 501(k), but AEDs are not given a Class III designation (formal approvals) as of June 2015.</p>
13	General	2) Site Attributes Requirements	<p>All flooring within the DTMB Operational Environment shall have drains or equipment onsite to remove water.</p> <p>Contractor shall approximate the number of inches from the floor level of the DTMB Operating Environment where water could accumulate to the height of the first non-water tight electrical socket, circuit breaker, or device.</p>



Elements	Scope	Category	Requirements
14	General	2) Site Attributes Requirements	<p>The Contractor shall supply all dedicated cages for SOM equipment to be from concrete subfloor to structural ceiling.</p> <p>The State will also accept other fully segregated areas (rooms, building wings, etc.) that are not shared spaces like cages.</p>
15	General	2) Site Attributes Requirements	<p>Copper Ethernet cabling used by the Contractor within the SOM Data Center cage racks and staging area racks shall be at least Category 6A, 10 Gigabit Ethernet (10GbE) Capable. Only Category 6A patch cables can be used for SOM equipment.</p> <p>Contractor may also use Category 7 cabling, but shall provide a justification for doing so.</p>
16	General	2) Site Attributes Requirements	<p>Copper Ethernet cabling used by the Contractor within switch rooms, connecting the SOM Data Center cage and staging area shall be at least Category 6A, 10 Gigabit Ethernet (10GbE). Only Category 6A patch cables can be used for SOM equipment.</p> <p>Contractor may also use Category 7 cabling, but shall provide a justification for doing so.</p> <p>The Contractor shall provide all of the cross-connect options that are made available to other customers within the herein named facility.</p>
17	General	2) Site Attributes Requirements	<p>The Serviced Provider shall permit the use of Cisco networking equipment within SOM Data Center and Staging cages and within the switch rooms when pertaining to SOM DTMB connections.</p> <p>State of Michigan currently uses Cisco networking equipment.</p>
18	RESERVED	RESERVED	RESERVED
19	General	2) Site Attributes Requirements	<p>The Contractor shall provide rollaway crash carts in place of KVM consoles with available 110-115 Volt house power.</p>
20	General	2) Site Attributes Requirements	<p>Fiber cabling used by the Contractor within the SOM Data Center cage racks and staging area shall be at OM3 or better. Only Category OM3 patch cables or better can be used for SOM equipment.</p> <p>Contractor shall use OM4 cabling when distance or application requires it.</p> <p>Single and Multi- Mode Fiber shall be available options for SOM.</p>
21	General	2) Site Attributes Requirements	<p>Fiber cabling used by the Contractor within switch rooms, connecting the SOM Data Center cage and staging area shall be at OM3 or better. Only Category OM3 patch cables or better can be used for SOM equipment.</p> <p>Contractor shall use OM4 cabling when distance or application requires it.</p>
22	General	2) Site Attributes Requirements	<p>All caged power and data cabling shall be in separate trays, conduits, and cableways.</p>
23	General	2) Site Attributes Requirements	<p>All electrical connections shall be lockable (twist-lock or other UL approved), where required.</p>
24	General	2) Site Attributes Requirements	<p>For all structures, a fire detection system shall be in place. (VESDA, smoke and/or heat detectors)</p>
25	General	2) Site Attributes Requirements	<p>All buildings shall meet the Michigan Fire Code and the NFPA 13 standard, requiring automated sprinklers, alarms, lights, etc., unless the space is specified within these requirements to use a gaseous clean agent fire suppression system.</p>
26	General	2) Site Attributes Requirements	<p>If any raised flooring is to be used inside of data center cages, it shall be antistatic.</p>



Elements	Scope	Category	Requirements
27	General	2) Site Attributes Requirements	The hosting Contractor shall meet all published guidelines and manufacturers' recommendations for provided Data Center equipment system equipment / components during the term of the Agreement.
28	General	2) Site Attributes Requirements	The hosting Contractor shall meet all published guidelines and manufacturers' recommendations for all facilities components (roofs, walkways, windows, doors, etc.) during the term of the Agreement.
29	General	2) Site Attributes Requirements	Americans with Disabilities Act (ADA) compliant and accessible men's and women's bathrooms and sinks shall be provided in any building used for office space whether the office space is onsite or offsite. This may be shared if hosted with other Data Center elements.
30	General	2) Site Attributes Requirements	ADA-compliant and accessible bathroom and sink shall be provided in any building used for the Data Center, storage area, and staging area; whether each area is onsite or offsite. The three areas may share the ADA-compliant bathroom and sink if hosted together and each area, if separated, shall meet the requirement.
31	General	2) Site Attributes Requirements	Regardless of subdivision space, all SOM accessible spaces shall have access to a designated (marked) FEMA 431 tornado shelter area.
32	General	3) Site Connectivity Requirements	Cellular coverage (including via Wifi) supporting the SOM's cellular provider, at time of the Contract execution (Verizon currently), 2G and 3G service shall be in all areas (i.e., facilities and parking lots) accessible by SOM (minimum -79 dBm). On-site cellular signal boosters may be utilized to achieve the cellular signal strength value.
33	General	3) Site Connectivity Requirements	Any cellular signal boosters utilized at the Data Center and auxiliary office space facilities shall be included in the electrical failover plan.
34	General	3) Site Connectivity Requirements	<p>The Contractor shall provide and install guest wireless access points as part of its network segments or the sites shall provide SOM guest wireless access with the following minimum speeds (regardless of recorded dBm):</p> <ul style="list-style-type: none"> • IEEE 802.11b – 2 Mbps downstream • IEEE 802.11g – 18 Mbps downstream <p>This is required for all sites with parking lots being optional. On-site wireless boosters are permitted to achieve these downstream values.</p> <p>SOM acknowledges that guest wireless is untrusted and should only be used with hardened computer images and certified VPN clients and that the Contractor has no access to State end user data. Failure to use encryption on the guest network is not the responsibility of the Contractor.</p>
35	General	3) Site Connectivity Requirements	Any wireless boosters onsite at Data Center and auxiliary office space shall be included in the electrical failover plan.
36			RESERVED
37	General	4) Site Location Requirements	<p>For all buildings, they shall NOT be:</p> <ul style="list-style-type: none"> • The Runway Protection Zone (RPZ) of any airport. • Structures within the RPZ can be quickly identified because they require an air navigation easement.
38	General	4) Site Location Requirements	<p>For all buildings, they shall NOT be:</p> <ul style="list-style-type: none"> • Located in a 100 year flood plain or federally restricted wetland.
39	General	4) Site Location Requirements	<p>For all buildings, they shall NOT be:</p> <ul style="list-style-type: none"> • Directly adjacent to or within 500 yards of a facility handling or manufacturing hazardous or explosive materials such as chemicals, petroleum, etc.
40	General	4) Site Location Requirements	<p>For all buildings, they shall NOT be:</p> <ul style="list-style-type: none"> • Directly adjacent to or within 500 yards of an active railroad line.



Elements	Scope	Category	Requirements
41	General	4) Site Location Requirements	Access points such as delivery and loading areas and other points where unauthorized persons may enter the premises shall be controlled and isolated from information processing facilities (isolated from SOM equipment and data).
42	General	7) Site Physical Security Requirements	At least one exterior door for every building shall have a 24x7x365 panic or communication system with camera.
43	General	7) Site Physical Security Requirements	All racks including those located in the enclosed cage, shall have multifactor lockable doors at the front and back unless otherwise specified.
44	General	7) Site Physical Security Requirements	Any building used for offsite office space, storage, and staging shall meet the SOC 2 Type I & Type II Audit or ISO 27001 certification.
45	General	7) Site Physical Security Requirements	All facilities shall have on-call availability of security staff. All Contractor facilities shall have 24/7/365, proprietary Security teams.
46	General	7) Site Physical Security Requirements	The hosting Contractor shall restrict access to the Contractor Facilities to authorized personnel.
47	General	7) Site Physical Security Requirements	The hosting Contractor shall protect hardware at Contractor Facilities from unauthorized physical access.
48	General	7) Site Physical Security Requirements	The Contractor shall monitor, review, and respond to access violations and log security alerts and notification activity. The Contractor shall provide this information for onsite review upon request.
49	General	7) Site Physical Security Requirements	The Contractor shall delete, or de-activate, the logon credentials of Contractor and State personnel after 30 days as notified by SOM. SOM badges will be deactivated at the request of a Security Point of Contact for the client account.
50	General	7) Site Physical Security Requirements	For any physical security breaches, like break-in at the Data Center, un-authorized access, or vandalism to SOM equipment etc., SOM shall be notified within 30 minutes of knowledge of occurrence according to the escalation list provided by SOM. Affected clients shall be notified.
51	General	7) Site Physical Security Requirements	Physical security breaches incident reports for all reported incidents shall be available within 24 hours from the report of incident and initiated by the Contractor to SOM. Affected clients shall be notified.
52	General	7) Site Physical Security Requirements	All non-caged breaker boxes shall be protected by multifactor lock, with security monitoring. Contractor shall have on-call staff available 24x7x365 to service the breaker boxes.
53	General	8) Site Cyber Security Requirements	The Contractor's network shall be protected using commercially available means from unauthorized access (i.e., hacking) by firewalls, intrusion detection and intrusion prevention systems (ID-IP), as well as by monitoring of all traffic. Logs of monitoring activities shall be preserved for 91 days. Note: These are the elements supporting the Data Center infrastructure, and the Contractor does not have and will not accept access to State of Michigan end user data.



Elements	Scope	Category	Requirements
54	General	8) Site Cyber Security Requirements	The Contractor's operating systems, tablets, and phones shall be protected by enterprise anti-virus, enterprise software automatically updated with the latest virus definitions as they are released by the software publisher. Anti-virus software shall be current, actively running, and capable of generating audit logs. Logs of virus updates shall be preserved for 91 days. Shall comply with PCI requirements. Note: These are the elements supporting the Data Center infrastructure, and the Contractor does not have and will not accept access to State of Michigan end user data.
55	General	8) Site Cyber Security Requirements	Contractor's software, software appliances, operating systems, tablets, and phones shall have the latest vendor supplied security patches installed to protect against exploitation and compromise of SOM assets by malicious individuals and malicious software. Install critical security patches within one month of release. Note: These are the elements supporting the Data Center infrastructure, and the Contractor does not have and will not accept access to State of Michigan end user data.
56	General	8) Site Cyber Security Requirements	All workstations, tablets, and phones connected to the Contractor's network shall be protected with software to prevent malware & viruses from being introduced from within the network. Note: These are the elements supporting the Data Center infrastructure, and the Contractor does not have and will not accept access to State of Michigan end user data.
57	General	8) Site Cyber Security Requirements	The Contractor shall surrender and purge all State of Michigan confidential information upon official notification by the SOM. Proof of secure deletion shall be provided by the Contractor in response. The Contractor will not accept access to SOM's logical data, and this only covers Confidential Information accepted by Contractor.
58	General	8) Site Cyber Security Requirements	The Contractor shall retain confidential information, as directed by SOM in accordance with SOM data retention policies. The Contractor will not accept access to SOM's logical data and this only covers Confidential Information accepted by Contractor.
59	General	8) Site Cyber Security Requirements	The Contractor shall assure complete destruction of confidential information, as directed by SOM once retention period expires. The Contractor will not accept access to SOM's logical data and this only covers Confidential Information accepted by Contractor.
60	General	8) Site Cyber Security Requirements	The Contractor shall not provide SOM confidential information to third parties without prior written authorization. The Contractor will not accept access to SOM's logical data and this only covers Confidential Information accepted by Contractor.
61	General	8) Site Cyber Security Requirements	The Contractor shall direct all third-party inquiries, including law enforcement, regarding operations or audits to SOM. The Contractor will not accept access to SOM's logical data and this only covers Confidential Information accepted by Contractor.
62	General	8) Site Cyber Security Requirements	The Contractor shall review, test, and evaluate products that are being introduced into the hosting environment, to verify that such products are set up to prevent compromise of SOM data, network access, security resources, or other information. Note: These are the elements supporting the Data Center infrastructure, and the Contractor does not have and will not accept access to State of Michigan end user data. The Contractor does not review or test SOM equipment. All Contractor infrastructure will be tested before being deployed into production.
63	General	9) Audit Requirements	An independent third party must perform the SOC 2 Type I & Type II Audit or ISO 27001 certification, who has been authorized or approved by the respective accreditation body.
64	General	9) Audit Requirements	The SOC 2 Type I & Type II Audit or ISO 27001 certification shall be performed no less than annually.
65	General	9) Audit Requirements	A copy of each of the resulting audit reports shall be delivered to the State no less than 45 days following the conclusion of the SOC 2 Type I & Type II Audit or ISO 27001 certification. Audit report results are available upon State request, subject to Contractor's confidentiality protocols.
66	General	9) Audit Requirements	The Data Center facility shall have underground/buried wiring for both incoming power and telecommunications.



Elements	Scope	Category	Requirements
67	General	9) Audit Requirements	It is the sole obligation of the Contractor to remedy any written issues, material weaknesses, or other items arising from the SOC 2 Type I & Type II Audit or ISO 27001 certification, after mutual agreement on the underlying cause, as they pertain to services or capabilities provided by the Contractor to the SOM in conjunction with the Statement(s) of Work in effect at the time of the Audit. For items that arise as a result of State policies, procedures and activities, after mutual agreement on the underlying cause, remedial activity requirements and plan, SOM agrees to work, and under agreed terms, to remediate issues discovered.
68	General	9) Audit Requirements	The Contractor shall provide documentation that they have met the minimum standards for the installation of all onsite fuel tanks and have proper insurance. Audit report results are available upon State request, subject to Contractor's confidentiality protocols.
69	General	7) Site Physical Security Requirements	All physical access to the SOM's physical hosting area shall be logged, records shall be reviewable by SOM and its auditors, and records shall be maintained for reporting purposes for a minimum of 36 months. The log shall comply with IRS, PCI, and HIPAA requirements.
70	General	7) Site Physical Security Requirements	<p>All physical access to the SOM areas shall be approved by SOM. SOM DTMB does not require authorization/permission for each entry into the DTMB Operating Environment (cage). However, every employee with badged access to the designated SOM Areas must have prior background authorization and security awareness training.</p> <p>SOM DTMB has policies and procedures in place, for un-badged, escorted, access. The Contractor is required to accept and implement SOM DTMB polices, as needed, to support the Services provided to SOM DTMB.</p>
71	General	7) Site Physical Security Requirements	All equipment delivery and removal from the Data Center, Storage area, and Staging area shall be logged. For the privacy of other customers, log entries not pertaining to SOM would only be accessed through a legal request.
72	General	Statement of Work Requirement	<p>The Contractor shall preform the initial setup, including but not limited to the design, purchasing, and construction of the Colocation Space to support the DTMB Operating Environment as described in the negotiated Implementation Plan to reach Operational State.</p> <p>The Subcontractor will design, build and construct the data center colocation environment for the DTMB Operating Environment – which includes all necessary requirements (power, cooling, floor space, etc) up to an including the power outlet above the cabinet. Additionally, the Contractor will build and install Switch provided cabinets and place vendor provided cabinets in the DTMB Operating Environment. The State of Michigan or its contractors will provide the initial install of in-rack equipment and low voltage cabling. The Contractor has Included in the cost proposal, 20 hours/month of post operational state remote hands to provide any necessary add/move/changes of the infrastructure including, but not limited to: receiving of State of Michigan infrastructure, ad hoc installation, ad hoc access for State of Michigan approved vendors and visual confirmation of errors and failures.</p> <p>The Contractor will provide professional services for migration and installation of in-rack infrastructure, that are offered on a Time and Materials defined project basis with the development of a project statement of work. These services will be made available through Presidio.</p>
73	General	Statement of Work Requirement	The Contractor shall be able to perform the expansion of the DTMB Operating Environment, including, but not limited to its design, purchasing, and construction within the first five years of the Contract.
74	General	Statement of Work Requirement	<p>The Contractor shall provide post Operational State Smart Hands to perform tasks which include, but may not be limited to the following: receiving and staging of State of Michigan deliveries, ad hoc Product purchasing and staging, ad hoc Product installations, ad hoc access for State of Michigan approved vendors, and visual confirmations of error and failure conditions within the DTMB Operating Environment. Note: The State of Michigan will only consider post Operational State ad hoc Product installations as a fee for service, all other Smart Hands tasks must be covered in the base rate.</p> <p>These services can be provided via Switch Smart Hands or its partnering service provider, Presidio.</p>



Elements	Scope	Category	Requirements
75	Data Center Staging Area Storage Area	2) Site Attributes Requirements	Loading docks shall be placed in such a manner as to ensure that servers, cabinets, networking devices, or backup storage units are not exposed to damage (due to collisions or prevailing weather conditions) during transport to and within the Data Center, Staging Area and Storage Area.
76	Data Center Staging Area Storage Area	2) Site Attributes Requirements	Should a freight elevator be required within the Site to access the computing facility, the freight elevator shall have an entry door at least 8 feet high and at least 6 feet wide so as to accommodate everything from tall server cabinets to wide pallets of equipment.
77	Data Center Staging Area Storage Area	2) Site Attributes Requirements	Any freight elevator shall have a weight-bearing capability of 3,500 pounds or more.
78	Data Center	1) Site Scope Requirements	The Contractor shall conduct semiannual testing of the electromechanical infrastructures and associated failover mechanisms. The Contractor will conduct daily, weekly, monthly, semi-annual, and annual maintenance of all infrastructure.
79	Data Center	2) Site Attributes Requirements	Facility infrastructure items, such as pipes for water, drainage, and sewer, shall be separate and isolated from the Data Center facilities occupied by the cage area allocated to the SOM.
80	Data Center	2) Site Attributes Requirements	Data Center facilities shall provide low impedance electrical grounding point(s) to the cage.
81	Data Center	2) Site Attributes Requirements	Data Center facilities occupied by the cage area allocated to the SOM shall be void of unrelated underground structures, rooms, utilities access, and/or tunnels.
82	Data Center	2) Site Attributes Requirements	All Data Center flooring shall be raised floors meeting Michigan Code. The Switch Pyramid will be a hybrid DC where portions of the DC may be raised floor or foundational slab.
83	Data Center	2) Site Attributes Requirements	The Data Center cage shall have circuit breakers for each PDU, with a multi-factor lock, in the line of sight of at least one (1) camera.
84	Data Center	2) Site Attributes Requirements	The racks shall have front and rear vertical cable managers and support cable entry from the top, bottom, or both as appropriate without modifications to the rack (cutting or welding). The Contractor initially will provide racks based off of the APC3300 model. 600mm W x 1200mm D - 42u. Static Load 3000 lbs.
85	Data Center	2) Site Attributes Requirements	The design has minimum spacing from the front or back of racks or open spaces as required by Michigan Code.
86	RESERVED	RESERVED	RESERVED
87	Data Center	2) Site Attributes Requirements	The location raised floor shall include support floor jacks if needed to support heavier equipment.



Elements	Scope	Category	Requirements
88	Data Center	2) Site Attributes Requirements	<p>SOM shall be allowed to install its own Stratum 1 Network Time Protocol time keeping device within the cage at the Data Center site. Contractor shall make provisions to route this device's cabling to their shared antenna from the SOM cage to the Data Center roof and it shall be free of any reception limiting obstructions. The Contractor will provide an amplified splitter or permit SOM to install one to use the common antenna provided by the Contractor.</p> <p>All cabling used will be standard shielded BNC. SOM will provide a set of Microsemi S650 NTP Servers and sufficient cabling to reach the Contractor's splitter access point.</p> <p>The Contractor's provided common antenna must meet the following standards using BNC connectivity:</p> <ul style="list-style-type: none"> • high-gain (40dB) GNSS antenna covering the GPS L1, GLONASS L1, SBAS (WAAS, EGNOS and MSAS) frequency band (1575 to 1606 MHz) • Internal low-noise amplifier, and • A pre-filter to protect against saturation by high level sub-harmonics and L-Band signals
89	Data Center	2) Site Attributes Requirements	As specified in the Contract.
90	Data Center	2) Site Attributes Requirements	As specified in the Contract.
91	Data Center	2) Site Attributes Requirements	As specified in the Contract.
92	Data Center	2) Site Attributes Requirements	As specified in the Contract.
93	Data Center	2) Site Attributes Requirements	Each PDU in the Data Center cage shall have one (1) tamper resistant, within the line of sight of at least one (1) camera, emergency power off station (EPO). It shall be located next to the breaker box. The EPO shall be wired to racks, but not the cage lighting, security cameras, and entryways. A false short wall or metal plate may be used to protect the EPO station from tampering external to the cage.
94	Data Center	2) Site Attributes Requirements	The section of the building containing the Data Center cage shall not use foam, wood pulp, or other flammable drop ceiling tiles.
95	Data Center	2) Site Attributes Requirements	For the Data Center caged area, water leakage detection system shall be in place to detect possible water flooding to floor or leakage to roof.
96	Data Center	2) Site Attributes Requirements	<p>For the Data Center caged area gaseous clean agent fire suppression shall be installed, which meets the NFPA Standard for Clean Agent Fire Extinguishing Systems (NFPA 2001) and the NFPA Standard for the Protection of Information Technology Equipment (NFPA 75).</p> <p>The Contract shall maintain its qualifying Inergen Fire Suppression System.</p>
97	Data Center	2) Site Attributes Requirements	Any use of a clean agent fire extinguishing system shall have the NFPA recommended posted warning signs, warning lights, and warning sirens to prevent suffocation.
98	Data Center	2) Site Attributes Requirements	With any use of a clean agent fire extinguishing system, each building is designed to prevent barotrauma of the structure and people.
99	Data Center	2) Site Attributes Requirements	Data Center re-entry shall be allowed a maximum of four (4) hours following the gaseous clean agent dissipation from a clean agent fire extinguishing system.
100	Data Center	2) Site Attributes Requirements	As specified in the Contract.
101	Data Center	2) Site Attributes Requirements	Clearances, inclines ramps, double doors and similar capabilities shall facilitate the ease of moving equipment and devices to the building and within the building (while not sacrificing security, fire, power and cooling distribution considerations)



Elements	Scope	Category	Requirements
102	Data Center	3) Site Connectivity Requirements	<p>The location shall provide a carrier-neutral facility with multiple ISPs and Telecommunications carriers, and the Contractor shall provide Dark Fiber (also called unlit fiber). This is not to be confused with Managed Dark Fiber, Virtual Dark Fiber or Shared Circuits.</p> <p>The Contractor must assist the State through best efforts in maintaining not more than a 5 millisecond round trip latency for fiber connections to State identified buildings as long as the Primary Data Center is Operational. The Contractor must assist the State through best efforts in maintaining not more than a 5 millisecond round trip latency for fiber connections from the Service Provider's Data Center to State of Michigan designated facilities.</p> <p>The round trip latency must be demonstrated through one of the following:</p> <ul style="list-style-type: none"> • The actual round trip time from the Service Provider's Data Center to the Service Provider's preferred Point of Presence (PoP) closest to the State's Primary Data Center. • A calculation, based on market standards, for the round trip time from the Service Provider's Data Center to the Service Provider's preferred Point of Presence (PoP) closest to the State's Primary Data Center.
103	Data Center	3) Site Connectivity Requirements	<p>The redundant fiber connectivity between Contractor's Data Center and required SOM site as listed in this Contract, for high availability must include at least two physical paths.</p>
104	Data Center	3) Site Connectivity Requirements	<p>The redundant fiber connectivity between Service Provider's Data Center and required SOM site as listed in this Contract, shall use geographically separate paths.</p>
105	Data Center	4) Site Location Requirements	<p>The vendor Contractor Data Center site is not to be subject to reoccurring transportation infrastructure interruptions, preventing a direct route to U.S. or Interstate highway access, due to parade routes, designated routes and staging areas for public demonstration and advocacy, festivals and block parties, sporting or music venues, road races, and marathons or walkathons.</p>
106	Data Center	4) Site Location Requirements	<p>Lighted and maintained parking, with a minimum of 10 spaces dedicated to Data Center customers, shall be provided for the Data Center, storage area, and staging area whether each is onsite or offsite. The three areas may share the lighted parking spaces if hosted together and each area if separated shall meet the requirement. All provided spaces shall be free to use or be provided in the cost.</p>
107	Data Center	5) Site Power Requirements	<p>The hosting Contractor shall provide UPS protection and back-up power generation for the entire SOM operations area including but not limited to climate control system, lighting, consoles, LAN, WAN, and phone system, and meets all manufacturers' requirements.</p>
108	Data Center	5) Site Power Requirements	<p>The Contractor shall provide 3-phase power feeds to racks as required by SOM.</p>
109	Data Center	5) Site Power Requirements	<p>Each rack shall have dual power feeds from separate floor PDUs or panel.</p>
110	Data Center	5) Site Power Requirements	<p>Standard rack shall be fed from an independent breaker of at least 30 AMP with ZeroU PDU with c13 and c19 sockets.</p> <p>In cabinet PDUs are considered customer gear. The Contractor can procure as directed/needed. Upon final design, final PDU selection will be made. A price range for PDUs has been provided in Schedule 3.</p>
111	Data Center	5) Site Power Requirements	<p>All ZeroU PDUs shall have a power switch (rocker or toggle) which is lit or has an indicator light to show it is energized, containing at least one (1) internal fuse or breaker, or as specified by the SOM</p> <p>In cabinet PDUs are considered customer gear. The Contractor can procure as directed/needed. Upon final design, final PDU selection will be made. A price range for PDUs has been provided in Schedule 3.</p>
112	Data Center	5) Site Power Requirements	<p>All ZeroU PDUs shall have some form of connectivity for centralized fault monitoring and alerting, or as specified by the SOM.</p> <p>In cabinet PDUs are considered customer gear. The Contractor can procure as directed/needed. Upon final design, final PDU selection will be made. A price range for PDUs has been provided in Schedule 3.</p>



Elements	Scope	Category	Requirements
113	Data Center	5) Site Power Requirements	SOM safety standards require the option of feeding L6-30 plugs from their own whip with separate circuit breaker, with 30 AMP and 50 AMP options.
114	Data Center	5) Site Power Requirements	Contractor shall provide the option for individual pin and sleeve whips, with separate circuit breakers, run with 30 AMP and 50 AMP options. The pin and sleeve whips shall be IP67 water tight.
115	Data Center	5) Site Power Requirements	All power feeds shall be protected from short-term power failures by UPS systems, with capacity to supply stable power and transition to standby generator power after any power failure event without service interruption. The Contractor guarantees 100% uptime, subject to the Service Credit Agreement provided in the Service Level Agreement.
116	Data Center	5) Site Power Requirements	UPS systems shall maintain at least system + system N+1 configuration for the duration of the agreement.
117	Data Center	5) Site Power Requirements	UPS input switchboards shall include Transient Voltage Surge Suppression (TVSS) for the duration of the agreement.
118	Data Center	5) Site Power Requirements	The Data Center power and cooling shall be protected from long-term power failures by standby generators. The generators and batteries shall be tested at least monthly with results provided to SOM.
119	Data Center	5) Site Power Requirements	Standby generators supporting the Data Center shall be at least N+1 redundant for the duration of the agreement.
120	Data Center	5) Site Power Requirements	Standby generators supporting the Data Center shall include a minimum of 12 hours of onsite fuel storage for the duration of the agreement.
121	Data Center	5) Site Power Requirements	Contractor shall have existing priority fuel delivery agreements to supply standby generators supporting the Data Center with more fuel as required to insure uninterrupted power.
122	Data Center	5) Site Power Requirements	Cooling systems shall be a minimum of N+1 redundant to ensure uninterrupted service in case of break down or preventative maintenance for the duration of the agreement.
123	Data Center	5) Site Power Requirements	The nominal voltage at all racks shall be maintained within +5/-10%. Frequency for 60 Hz nominal +/- 5Hz.
124	Data Center	5) Site Power Requirements	It shall be a Service Level failure if the electrical power feeds to both PDU's A cluster and B cluster fail, concurrently, resulting in power loss to any individual dual-corded asset or across the entire Data Center space.
125			RESERVED
126	Data Center	6) Site HVAC Requirements	For the Data Center caged area, automated, centralized humidity, temperature, and static controls and alerting shall be in place.
127	Data Center	6) Site HVAC Requirements	For the Data Center caged area, at all times, the Contractor shall maintain relative humidity for the Data Center cage at 40% to 60% RH.
128	Data Center	6) Site HVAC Requirements	For the Data Center caged area, at all times, the Contractor shall maintain air temperature as measured at the equipment rack in the recommendable range of 65 degrees to 80 degrees F.
129	Data Center	6) Site HVAC Requirements	Air handling system shall provide with N+1 redundancy to ensure uninterrupted service in case of break down or preventative maintenance for the duration of the agreement. The Contractor guarantees 100% uptime, subject to the Service Credit Agreement provided in the Contract.
130	Data Center	6) Site HVAC Requirements	Heat rejection, such as chillers and cooling towers, shall be at least N+1 redundant to ensure uninterrupted service in case of break down or preventative maintenance for the duration of the agreement. Note: Not all data centers will use all of these design elements.



Elements	Scope	Category	Requirements
131	Data Center	6) Site HVAC Requirements	<p>Where N is six or more for Computer Room Air Conditioning (CRAC) units, air handlers, chillers or cooling towers, a minimum of N+2 redundancies is required.</p> <p>Note: Not all data centers will use this all of these design elements.</p>
132	Data Center	6) Site HVAC Requirements	<p>Any supplemental cooling fans or units such as in-row or overhead units required for high density shall be redundant N+1.</p> <p>Note: Not all data centers will use this all of these design elements.</p>
133	Data Center	7) Site Physical Security Requirements	<p>Entry into the Data Center areas containing all SOM cages shall be protected by an ADA-compliant man trap, with an internally located 24x7x365 panic or communication system with camera, to prevent an intruder who “piggybacks” or “tailgates” legitimate personnel into the secure area.</p>
134	Data Center	7) Site Physical Security Requirements	<p>All SOM initial assets shall be located within one contiguous space, next to each other and shall be enclosed in a secure environment, accessible only to authorized SOM or Contractor personnel.</p>
135	Data Center	7) Site Physical Security Requirements	<p>The Contractor shall provide secured, audited, and logged carrier (telecommunications) rooms.</p> <p>The State acknowledges that carriers will have their own space in the environments and can be engaged for audits, logging, etc.</p>
136	Data Center	7) Site Physical Security Requirements	<p>24x7x365 Security monitoring shall be in place. Video monitoring and recording on common access area and entrances and high security zones where sensitive data is stored shall be provided. Video recordings should be available for review for a minimum of 91 days for PCI.</p>
137	Data Center	8) Site Cyber Security Requirements	<p>Contractor will assist DTMB with certifying all practices and components prior to reaching Operational State for Payment Card Industry - Data Security Standard D (PCI-DSS SAQ D).</p> <p>As it pertains to Exhibit C, Site Cyber Security Requirements, multiple security standards mentioned in Exhibit C (Requirements 137-143) require pre-approved security orientation training for information technology. The Contractor shall include this training for their employees in the proposal at their expense. The Contractor will present the method of training to the State for approval.</p>
138	Data Center	8) Site Cyber Security Requirements	<p>The Service Provider hosting facility shall be compliant with HIPAA of 1996 as amended prior to reaching Operational State. http://www.hhs.gov/ocr/privacy/hipaa/administrative/privacyrule/index.html and SP 800-66-Revision1 An Introductory Resource Guide for Implementing the Health Insurance Portability and Accountability Act (HIPAA) Security Rule.</p>



Elements	Scope	Category	Requirements
139	Data Center	8) Site Cyber Security Requirements	<p>The Contractor hosting facility shall be compliant with FedRAMP or documented progress toward certification. As of July 2014, formal acknowledgment of the FedRAMP requirement in the Contractor (Vendor) response is the minimum to show documented progress. https://www.fedramp.gov/</p> <p>Note: Pricing for FedRAMP certification may be required by the State at the time the requirement is formalized by the US Federal Government and the Service Provider will be required to validate their cost at that time.</p> <p>As of October 2015, FedRAMP only provides provisional certifications for Cloud Service Providers, for managed services. Currently, the FedRAMP Data Center Standard is only a draft. The State of Michigan houses information and processes on behalf of the US Federal Government, which may eventually require FedRAMP Data Center certification. The Contractor shall be willing to participate in the certification process with the State of Michigan. Pricing for FedRAMP certification may be required by the State of Michigan at the time the requirement is formalized by the US Federal Government and the Contractor will be required to validate their cost at that time.</p>
140	Data Center	8) Site Cyber Security Requirements	<p>The Contractor hosting facility shall assist the State of Michigan in meeting CJIS compliance requirements applicable to the use of the Data Center. https://www.fbi.gov/about-us/cjis</p> <p>To meet the CJIS Requirement, the Contractor shall present certifications evidencing background checks satisfactory to Michigan State Police standards for all staff assigned any time to the DTMB Operating Environment, Staging Area, Storage Area, or the Auxiliary Office Space during its activation or upon request submit employees to MSP for background checks. In addition, Contractor's personnel will be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC) Finger Prints upon request or evidence of prior completion found to be satisfactory to Michigan State Police standards. Contractor will pay for all costs associated with ensuring their staff meets all security requirements.</p>
141	Data Center	8) Site Cyber Security Requirements	<p>The Contractor hosting facility shall assist the State of Michigan in meeting the Federal Information Security Management Act (FISMA) of 2002 compliance requirements applicable to the use of the Data Center.</p>
142	Data Center	8) Site Cyber Security Requirements	<p>The Contractor hosting facility shall assist the State of Michigan in meeting the Internal Revenue Service (IRS) Safeguards requirements (Publication 1075) applicable to the use of the Data Center. https://www.irs.gov/uac/Safeguards-Program</p>
143	Data Center	8) Site Cyber Security Requirements	<p>The Contractor hosting facility shall assist the State of Michigan in meeting the State's Centralized Electronic Payment Authorization System (CEPAS) standard for processing credit/debit card or electronic check transactions on behalf of the State of Michigan as applicable to the use of the Data Center.</p>
144	Staging Area	2) Site Attributes Requirements	<p>Facility infrastructure items, such as pipes for water, drainage, and sewer, shall be separate and isolated from the staging facilities occupied by the cage area allocated to the SOM.</p>
145	Staging Area	2) Site Attributes Requirements	<p>Facility staging areas allocated to the SOM shall be void of unrelated underground structures, rooms, utilities access, and/or tunnels.</p>
146			RESERVED
147	Staging Area	4) Site Location Requirements	<p>Staging space site(s) is/are not to be subject to reoccurring transportation infrastructure interruptions, preventing a direct route to U.S. or Interstate highway access, due to parade routes, designated routes and staging areas for public demonstration and advocacy, festivals and block parties, sporting or music venues, road races, and marathons or walkathons.</p>
148	Staging Area	5) Site Power Requirements	<p>It shall be a Service Level failure if the electrical power feeds to both PDU's "A" and "B" fail, concurrently, resulting in power loss to any individual dual-corded asset or across the entire Staging Area space.</p>
149			RESERVED
150	Storage Area	2) Site Attributes Requirements	<p>Facility infrastructure items, such as pipes for water, drainage, and sewer, shall be separate and isolated from the storage facilities occupied by the cage area allocated to the SOM.</p>



Elements	Scope	Category	Requirements
151	Storage Area	2) Site Attributes Requirements	Facility storage area allocated to the SOM shall be void of unrelated underground structures, rooms, utilities access, and/or tunnels.
152	Storage Area	4) Site Location Requirements	Storage space site(s) is/are not to be subject to reoccurring transportation infrastructure interruptions, preventing a direct route to U.S. or Interstate highway access, due to parade routes, designated routes and staging areas for public demonstration and advocacy, festivals and block parties, sporting or music venues, road races, and marathons or walkathons.
153	Storage Area	6) Site HVAC Requirements	The facility shall provide a secured, temperature controlled 55 to 84 F degrees storage area 15' X 15' dedicated to the State, for receiving and storing equipment (approximately 225 sq. ft.) within or outside Co-Location. Humidity 25 to 60 % RH. This set of requirements is (less strict) only when the element is at a separate location from the Data Center cage.
154	Auxiliary Office Space	2) Site Attributes Requirements	Copper Ethernet cabling (drops) used by the Contractor within the auxiliary office space shall be at least Category 5e. Category 5 patch cables can be used from ports to workstations.
155	Auxiliary Office Space	2) Site Attributes Requirements	Regardless of subdivision space, the auxiliary office space and space within cages, shall have a minimum of two equidistantly spaced tamper resistant fire alarm centers (pulls, buttons, etc.) and one at the designated entry point for State of Michigan employees.
156	General	2) Site Attributes Requirements	Regardless of subdivision space, the auxiliary office space and space within cages, shall have a minimum of two equidistantly spaced 15 pound or larger, UL listed, dry chemical hand held fire extinguishers, commonly known as ABC fire extinguishers. The Contractor may use different fire extinguisher compounds, which better fit their operational practice for a particular location.
157	Auxiliary Office Space	2) Site Attributes Requirements	Facility infrastructure items, such as pipes for water, drainage, and sewer, shall be separate and isolated from the auxiliary office space occupied by the cage area allocated to the SOM.
158	Auxiliary Office Space	2) Site Attributes Requirements	All auxiliary office space shall be ADA-compliant and accessible.
159	Auxiliary Office Space	2) Site Attributes Requirements	Auxiliary office space, which shall be within locked space in the building, shall include a minimum of 20 hoteling cubical spaces at 6' x 6' each and may be in any grouping. Each space shall include 1 Gigabit Ethernet (1GbE) wired copper Ethernet and telephone access. The Contractor has a DR/BC suite of offices that includes desks, connectivity, access to conference room, office supplies and general office needs that can be made available to the State at no charge during times of activation.
160	Auxiliary Office Space	2) Site Attributes Requirements	Auxiliary office space shall include a minimum of one break area with sink, which may be communal, in the building.
161	Auxiliary Office Space	2) Site Attributes Requirements	Auxiliary office space shall include at least one large conference room with capacity for a minimum of 15 people. The conference room shall include 1 Gigabit Ethernet (1GbE) wired copper Ethernet and telephone access and be secured behind a locked door in the building.
162	Auxiliary Office Space	2) Site Attributes Requirements	Auxiliary office space shall include at least one small conference room with capacity for a minimum of 5 people. The conference room shall include 1 Gigabit Ethernet (1GbE) wired copper Ethernet and telephone access and be secured behind a locked door in the building.
163	Auxiliary Office Space	4) Site Location Requirements	Lighted and maintained parking, with a minimum of 25 reservable spaces, shall be provided for the office space whether it is onsite or offsite. This requirement shall be independently met, even if the building is shared with any other Data Center element. All provided spaces shall be free to use or be provided in the cost.
164	Auxiliary Office Space	4) Site Location Requirements	All office space and auxiliary office space site(s) is/are not to be subject to reoccurring transportation infrastructure interruptions, preventing a direct route to U.S. or Interstate highway access, due to parade routes, designated routes and staging areas for public demonstration and advocacy, festivals and block parties, sporting or music venues, road races, and marathons or walkathons.



Elements	Scope	Category	Requirements
165	Auxiliary Office Space	5) Site Power Requirements	The hosting Contractor shall provide any type of back-up power generation to support all office space and auxiliary office space with full loads for a minimum of 6 hours.
166	Auxiliary Office Space	5) Site Power Requirements	Contractor shall have existing fuel delivery agreements to supply standby generators with more fuel as required to insure uninterrupted power for the auxiliary office space.
167	Auxiliary Office Space	6) Site HVAC Requirements	The auxiliary office space shall have heating and air conditioning sufficient to maintain a consistent 65-74 degrees F during normal operations and 55-84 degrees F during emergency operations on the generator.
168			RESERVED
169	General	2) Site Attributes Requirements	Any flooring used within the DTMB Operating Environment and Staging Area shall not be carpeted.
170	General	2) Site Attributes Requirements	All SOM DTMB usable exits including man traps shall have one 15 pound or larger, UL listed, dry chemical hand held fire extinguisher, commonly known as ABC fire extinguishers. The Contractor may use different fire extinguisher compounds, which better fit their operational practice for a particular location.
171	General	2) Site Attributes Requirements	Contractor shall have in place, an official written policy, which shall be posted at entrance doorways, not allowing food or drink into a Data Center or switch room area housing computer equipment.
172	General	2) Site Attributes Requirements	<p>Contractor shall have in place a proof of inspections and inspection schedule for all safety equipment, including but not limited to:</p> <ul style="list-style-type: none"> • Fire extinguishers, • AEDs, • First aid kits, • Emergency lighting, • Fire alarms, • Smoke detectors, • Fire control system
173	General	2) Site Attributes Requirements	<p>Contractor shall replace all safety equipment prior to expiration, which includes but is not limited to:</p> <ul style="list-style-type: none"> • AEDs, • First aid kits, • Smoke detectors
174	General	2) Site Attributes Requirements	All Contractor facilities shall have emergency lighting sufficient to allow the egress of SOM DTMB employees.
175	General	2) Site Attributes Requirements	The SOM DTMB Environment shall not be located below a wash room, restroom, food preparation facility, or other liquid storage facility.



STATE OF MICHIGAN

Contract No. 071B6600080
Lights-Out Co-Location Data Center
Michigan Department of Technology, Management & Budget

SCHEDULE 2 – CARRIER SERVICES

Carrier Services SLA:

This Service Level Agreement (“SLA”), which is subject to the Contract and CFA, sets forth the provisions and commitments relating to response time for Carrier Services provided by Windstream, the third party Carrier Service provider (herein referred to as “Carrier”).

FIBER CABLE SPLICING AND TESTING

The following sets forth the Carrier response SLAs.

1. Carrier will perform OTDR traces and splice loss measurements. Carrier will store OTDR traces on modern, mainstream media in universal or generic data formats. Copies will be available to Contractor and DTMB. OTDR Testing will be documented in SOR 2.0 (Bellcore/Telcordia SR-5731) format or in a mutually agreed upon format if the SOR 2.0 format is not possible and on trace analysis sheets reflecting bi-directional losses by fiber and installed span loss by fiber. All testing will be performed at 1550 nm and shall use a 1.5 km launch reel.
3. During bi-directional OTDR testing, a general indicator of the quality of each splice will be an objective loss of 0.15 dB or less, with a splice reflectance of < -60 dB at 1550nm. If, after three attempts, Carrier is not able to produce a loss value of less than 0.15 dB, then 0.25 dB will become the objective.
4. At any single building or hut locations, the total of all Fiber Distribution Panels (“FDP”) should have a patch loss of < 0.5 dB and a patch reflectance of < -40 dB at 1550 nm. If these specifications cannot be met, the patch must be spliced through.
5. A span loss guideline (span shall be FTP “Fiber Termination Panel” to FTP) shall be a bi-directional average of 0.25 dB/km or less, as measured using an industry-accepted light source and power meter at 1550 nm. The span loss includes the inherent attenuation of the glass, the backbone splice losses, the pigtail splice losses, the inherent loss in the pigtails, and the connector losses.
6. Optical Return Loss (ORL) will be recorded on the testing documentation, for informational purposes.

MAINTENANCE PROVISIONS

DEFINITIONS

The words and terms used in these Maintenance Provisions having well-known technical or trade meanings shall be so construed, except that any word or term expressly defined in this Schedule shall be construed as expressly defined.

ARTICLE III MAINTENANCE DUTIES AND OBLIGATIONS



3.1 Routine Maintenance. Carrier shall provide, either directly or through a third party vendor, routine route surveillance, cable locates, "Call Before You Dig" service, encroachment monitoring, easement and permit administration, patrol of the System, maintenance of sign posts, assignment of fiber maintenance technicians to locations along the route of the Carrier's fiber system route and general preventive maintenance of the Carrier's fiber system route ("Routine Maintenance"). Carrier will pass along to Contractor or and DTMB any notification that is received by Carrier regarding road moves, utility work, and the like that could affect the Cable.

3.2 Demand Maintenance. In the event that DTMB requests maintenance and/or engineering services, other than Routine Maintenance or Emergency Response Maintenance, as defined below ("Demand Maintenance"), on the DTMB Fibers, Carrier, either directly or through a third party vendor, shall perform the Demand Maintenance and/or engineering services within a time period, which is mutually agreed upon by the parties, after receiving the request and shall restore the Carrier Fibers to the specifications in this Schedule.

3.3 Emergency Response Maintenance. Carrier, either directly or through a third party vendor, shall cause its maintenance personnel to be available for dispatch for emergency maintenance 24 hours a day, 7 days a week, 365 days a year. In the event Carrier is required to immediately perform emergency maintenance on the DTMB Fibers in response to any actual or threatened failure, interruption or impairment in the operation of the DTMB Fibers ("Emergency Response Maintenance"), Carrier shall use commercially reasonable efforts to cause its maintenance personnel to be at the site requiring such Emergency Response Maintenance no more than **six (6) hours** after the request is made by DTMB. Carrier shall repair traffic-affecting discontinuity within a commercially reasonable time period after Carrier's representatives' arrival at the problem site.

3.5 In connection with the performance of maintenance in accordance with these Maintenance Provisions, Carrier shall exercise a reasonable degree of care and skill. In connection with performing Demand Maintenance or Emergency Response Maintenance activities in accordance with these Maintenance Provisions, Carrier will use its best efforts to correct any degradations, failures or interruptions in service as soon as possible after learning of their occurrence.

3.6 Routine Maintenance or Demand Maintenance that is reasonably expected to produce any signal discontinuity must be coordinated between the Parties. Generally, this work should be scheduled after midnight and before 6:00 a.m. local time. Carrier shall notify DTMB or Contractor in writing at least ten (10) days prior to the date in connection with any planned service work period of any Routine Maintenance and as soon as possible after becoming aware of the need for Emergency Response Maintenance.



STATE OF MICHIGAN

Contract No. 071B6600080
 Lights-Out Co-Location Data Center
 Michigan Department of Technology, Management & Budget

SCHEDULE 3 – PRODUCT AND SMART HANDS SERVICES

PRESIDIO SMART HANDS SERVICES PRICING

Professional Services Billing Role	Hourly Rate
Data Center – Data Migration and Related Services	\$185
Security Assessment	\$185
Presidio Managed Services – Infrastructure Monitoring	\$75/ element/ month
SmartHands - Rack/Cabling	\$125
SmartEngineer – Infrastructure Troubleshooting	\$185
Network Architecture Consulting	\$185
Engineering Services Hourly Rates	
Storage Engineer	\$185
Network Engineer	\$185
Security Engineer	\$185
Unified Communications Engineer	\$185
Virtualization Engineer	\$185

The **MINIMUM** product pricing guarantees are as listed below. PRESIDIO may provide additional, incremental discounts at their sole discretion.



Manufacturer	Product Description	Product Discount (Off List)
APC	Power Distribution	20%
APC	Racks and Accessories	15%
Liebert	Power Distribution	33%
Liebert	Pre-configured Racks and Accessories	33%
Panduit	Bulk Cable List	5%
Panduit	Connectivity Solutions (Termination inserts, faceplates, and etc.)	10%
Panduit	Patch Panels List	10%
Panduit	Patch Cords List	10%
Comscope	Bulk Cable List	10%
Comscope	Connectivity Solutions (Termination inserts, faceplates, and etc.)	15%
Comscope	Patch Panels List	15%
Comscope	Patch Cords List	15%
Cisco	Hardware/Software	40%
Cisco	SMARTnet	15%
EMC	Hardware/Software	40%
EMC	Hardware and Software Support	10%
Nimble	Hardware/Software	35%
Nimble	Hardware and Software Support	10%
Pure	Hardware/Software	35%
Pure	Hardware and Software Support	15%
NetApp	Hardware/Software	25%
NetApp	Hardware and Software Support	10%
Vmware	Virtualization, Automation, and Management Software	15%
Vmware	Support and Subscription Services	5%

Structured Cabling Estimate	
48 port Category 6 Panel Terminated (both ends, fully patched)	\$5,636—\$6,636
24 port Category 6 Panel Terminated (both ends, fully patched)	\$2,968—\$3,968
48 ports OM4 fiber Terminated LC (both ends, fully patched)	\$10,140—\$11,140
24 ports OM4 fiber Terminated LC (both ends, fully patched)	\$5,420—\$6,420
Equipment Installation and patching (per cabinet)	\$2000—\$3000

Guidelines:

- Rates provided are for services at the Switch SUPERNAP, Caledonia Co-location facility only.
- All services may be provided on an hourly basis, or via a specific project statement of work.



- o Unless otherwise agreed by the parties, each statement of work, which will be executed with the State through the issuance of Contractor Service Order, will include all required items listed below and may include optional items at the discretion of the State:
 1. Background (*optional*)
 2. Project Objective (*optional*)
 3. Scope of Work (*required*)
 4. Deliverables (*required*)
 5. Acceptance Criteria (*required*)
 6. Project Control and Reports (*optional*)
 7. Specific Department Standards (*optional*)
 8. Payment Schedule based on Contract Pricing (*required*)
 10. Project Contacts (*required*)
 11. Agency Responsibilities and Assumptions (*required*)
 12. Location of Where the Work is to be performed (*required*)
 13. Expected Contractor Work Hours and Conditions (*required*)
- o Requested and approved work scheduled outside the business hours of Monday-Friday 7AM-6PM Eastern Standard Time will be billed at 150% of the normal hourly rate if noted in the Service Order.
- Presidio Managed Services - Infrastructure Monitoring is a monthly cost for each managed element (hypervisor (operating system), router, switch, firewall, etc.)
- Structured Cabling and cabinet population services are estimated, budgetary ranges only.
 - o Structured cabling includes terminated horizontal cabling for cabinet to cabinet connections.
 - o Jumpers or patch cords are included 1 per patch panel port.
 - o Structured cabling is terminated on both ends of the cabinet runs.
 - o Racking and patching cabinet hardware assumes that the cabinet will be installed to completion in one services dispatch. Multiple dispatches may incur additional charges at the T&M rate.
- Netech (Contractor’s original proposed Subcontractor) is expected to be fully integrated into Presidio’s processes, tools, systems, and etc. by the end of 2016 calendar year. Once this has been completed the State of Michigan will have the ability to utilize Presidio’s Portal/Service Catalog for items mentioned as part of this agreement. In addition, the State of Michigan will have access to all products and services available as part of the Presidio Catalog.

Smart Hands

Service Level Agreements:

This Service Level Agreement (“SLA”) sets forth the provisions and commitments relating to response time for Smart Hands Services provided by Presidio, the third party Smart Hands service provider (herein referred to as “Smart Hands Provider”).

Smart Hands Service Provider agrees to measure and report on SLA’s utilizing the following target measurements for products and services supported by Smart Hands Service Provider Infrastructure Solutions help desk.

Priorities:

Priority 1 - Defined as critical service impact or degraded service which is not part of the standard operation of a service and which causes, or may cause, an interruption to, or a reduction in, the quality of that service. Coverage is 24x7x365.

Priority 2 – Business services impacted or degraded however a workaround is identified and in place. Utilized when a priority 1 is no longer critical or a priority 3 needs more attention. Coverage is 24x7x365.

Priority 3 – Service is operational and low impact to business. Coverage is normal business hours of Monday-Friday 8am to 6pm eastern standard time.

**Response:**Priority 1

- Monitoring Alert notification or DTMB contacts Smart Hands Service Provider (immediately)
- Smart Hands Service Provider engineer engaged and acknowledges notification or service ticket (< 15 minutes)
- Critical Contact Notified of issue (< 15 minutes)
- Smart Hands Service Provider engineer triages and resolves or escalates based on priority (< 30 minutes)

Priority 2

- Ticket priority is updated. (Immediately)
- Smart Hands Service Provider engineer is assigned and working on problem resolution. (< 30 minutes)
- Updates provided every 2 hours

Priority 3

- Alert notification sent to Smart Hands Service Provider. (Immediately)
- Smart Hands Service Provider engineer engaged and acknowledges notification (<4 hours)
- Smart Hands Service Provider engineer triages and makes appropriate recommendations to avoid incident

Restore:

All hardware will be on an active service contract with manufacturer support. According to the service level purchased for each component, a part will be received in the agreed upon service level time frame. Full restoration of the service will be scheduled between Smart Hands Service Provider and DTMB to account for the change needed in the system.

DELIVERY STIPULATIONS

1. After receipt and acceptance by Smart Hands Service Provider of DTMB's Order(s), Smart Hands Service Provider will use commercially reasonable efforts to ship all direct orders designated for shipment to the Switch SUPERNAP Caledonia, MI facility within thirty (30) days for all products. Please note that the following circumstances may affect lead times: (i) new products purchased within the first three (3) months of release of the product which are subject to manufacturer then current published lead-times, (ii) third-party stand-alone products which are not component of equipment resold by Smart Hands Service Provider, (iii) end-of-life products where the termination of the product has been announced by manufacturer, (iv) products which have been lined-stopped due to software discrepancies, reconfiguration, industry-wide product shortages, or alleged infringement claims, or (vi) situations where government rated orders create delays in lead-times.
2. Notwithstanding the foregoing, at any time when DTMB states 'expedite' on an order or otherwise communicates to Smart Hands Service Provider that an order is to be expedited, Smart Hands Service Provider shall use all commercially reasonable efforts to ensure the earliest possible delivery of such products. Expedite requests may incur priority shipping fees which will be communicated in advance to the State of Michigan.
3. Smart Hands Service Provider will communicate scheduled shipping dates in the order acknowledgement within three (3) business days after receipt of an electronic order, provided, however, that in the event such notification is not received in this time period. DTMB shall notify Smart Hands Service Provider of the non-receipt, and Smart Hands Service Provider's sole obligation with respect to such non-receipt shall be to promptly provide the information to Contractor after such notification.
4. Shipping terms are FOB destination, shipping and handling prepaid by Smart Hands Service Provider. The method of the shipment shall be consistent with the nature of the products and hazard of transportation. Title and risk of loss shall pass to DTMB upon inspection and acceptance at the delivery site.



5. Smart Hands Service Provider is not liable for damage or penalty for delay in delivery or for failure to give notice of delay. Smart Hands Service Provider shall not have any liability in connection with product shipment other than as set forth in this section.

Presidio requires the following minimum lead times from an accepted Statement of Work (or Service Order). Presidio will not be responsible for any timelines that are not part of an agreed upon Statement of Work:

1. Pre-terminated Fiber Cabling for up to 30 Racks – 12 weeks (6 weeks for ordering and delivery. 6 weeks for installation, testing, and completion)
2. Pre-terminated Copper Cabling for up to 30 Racks – 12 weeks (6 weeks for ordering and 6 weeks for installation, testing, and completion)
3. PDU's and Power Cords for up to 30 Racks - 6 weeks (3 weeks for ordering and 3 weeks for installation, testing, and completion)
4. Rack-and-Stack services (equipment the State of Michigan is providing needs to be in Presidio possession 2 weeks prior to delivery of the co-lo environment to SOM)
5. In the event of a delays caused by circumstances out of Presidio's control, unless DTMB has required specific, limited-availability, or premium products or services, Presidio, at its discretion and upon notice to the State, retains the right to utilize comparable manufactures, services providers, delivery channels, or any legal means necessary to comply with stated DTMB timelines. DTMB accepts when specific, limited-availability, or premium products and services have been required of Presidio, DTMB may incur higher costs and could invalidate DTMB's deadlines with no penalty to Presidio.



STATE OF MICHIGAN

Contract No. 071B6600080
Lights-Out Co-Location Data Center
Michigan Department of Technology, Management & Budget

SCHEDULE 4 – COLOCATION FACILITIES AGREEMENT

1.1 This Colocation Facilities Agreement is made by and between Switch and DTMB (herein, “Customer”). This Colocation Facilities Agreement is effective as of the date of Switch’s signature below (the “Effective Date”); provided that neither party shall be bound until both parties have signed.

2. COLOCATION FACILITIES.

2.1 **Definitions.** “Agreement” means a collective reference to this Colocation Facilities Agreement and Exhibits hereto. Capitalized terms (e.g. the term “Premises”) not defined herein have the meaning provided in the SLA or the applicable Service Order.

2.2 **Service Orders.** From time to time, the parties may execute Service Orders that reference the Contract and this Agreement and this Agreement and the Contract are hereby incorporated into such Service Orders (each a “Service Order”). The Contract and this Agreement shall govern over any inconsistent terms and conditions contained in a Service Order. For clarity, each Service Order is a separate and distinct agreement between Switch and Customer.

2.3 **Commencement of License.** The Colocation Space commencement date (the “Commencement Date”) shall be the earlier of: (i) the date Switch makes the Colocation Space available to Customer (which shall not be prior to the Target Service Commencement Date) or (ii) the date Customer places any Customer Equipment in the Colocation Space. The Commencement Date for Carrier Services shall be the date on which the applicable Carrier makes the Carrier Services available to Customer.

2.4 **Installation Documentation.** Within sixty (60) days after the execution of each Service Order, Customer will provide Switch with all required installation documentation. If Customer fails to provide such documentation within the 60-day period, Switch may commence charging MRC (defined in Section 3) as a reservation fee.

3. COLOCATION SPACE.

3.1 **Installation and Management.** Customer will be solely responsible for the immediate removal from the Premises of all packaging materials (especially flammable materials) associated with the Customer Equipment and will maintain the Colocation Space in a clean, safe and orderly fashion. Customer must adhere to industry standards for cable management. Cables must be properly installed and either enclosed in cable management trays or in clean bundles for proper presentation and identification.

3.2 **Location and Configuration.** The Colocation Space is located within a t-scif™ as described on Exhibit B, and Customer agrees to abide by the engineering standards inherent in such a structure,



including minimizing Customer's carbon footprint by working with Switch to maintain a hot aisle temperature between 100° and 110°. The standard cabinet height for the t-scif is 79 inches (42U). The standard cabinet width for the t-scif is 24 inches wide (600mm). All non-standard height cabinets may require a customization fee for installation within a thermal-scif. All non-standard width cabinets may require an increase in MRC due to the increased space allocation. No cabinets above 90 inches will be allowed. Modifications to the Customer Equipment configuration within the Colocation Space require Switch's prior written consent.

3.3 Customer Equipment. All Customer Equipment must be UL60950 compliant. The Colocation Space is not intended to provide the Special Requirements for an Information Technology Equipment Room as contemplated by ANSI/NFPA 70, Article 645 and NFPA 75. The Customer Equipment shall be listed and labeled under UL Standard 60950 or other standard reasonably acceptable to Switch. The Customer Equipment and its installation shall conform to the requirements contemplated by ANSI / NFPA 70, National Electric Code, Chapters 1 through 4. Customer shall not install Customer Equipment that requires the additional safeguards contemplated by ANSI / NFPA 70, Article 645 and NFPA 75.

3.4 Switch Smarthands Services. At Customer's request, in addition to the Smart Hands services provided by a third party vendor, Switch may assist Customer in performing light duties or correcting minor problems with respect to the Customer Equipment. Customer agrees to pay Switch's fees for such services.

3.5 Removal of Customer Equipment. Customer will provide Switch with notice at least two (2) days before Customer desires to remove a significant piece of Customer Equipment from the Colocation Space so logistics may be arranged within the Premises. Before authorizing the removal of any significant Customer Equipment, Switch's accounting department will verify that Customer's account is in good standing. For the purpose of this section "significant" means at least one (1) cabinet.

3.6 Vacating the Colocation Space. In the event Customer continues its presence in the Colocation Space after the termination of the applicable Service Order or this Agreement, Customer agrees to be subject to all the terms and provisions of this Agreement during such occupancy period and to pay for such space an amount equal to twice the MRC due for the period immediately preceding termination of the Service Order or this Agreement. No occupancy of the Colocation Space or payments of money by Customer after termination shall prevent Switch's immediate recovery of the Colocation Space. Upon termination of the Agreement or any Service Order, Customer agrees to promptly release any Internet Protocol (IP) numbers, addresses or address blocks assigned to Customer by Switch in connection with the Service (but not any URL or top-level domain or domain name) and will assist Switch with any steps necessary to change or remove any such IP addresses. Upon notice delivered at least sixty (60) days prior to the end of the Service Commitment Period, Customer may extend the termination date in a Service Order for Colocation Space, in accordance with the terms of the Contract or the Service Order.

3.7 Relocation of Customer Equipment. Switch shall not arbitrarily require Customer to relocate the Customer Equipment. However, to the extent mutually agreeable, or in the event of an emergency, Switch may require Customer to relocate the Customer Equipment; provided that the relocation site shall afford comparable environmental conditions for and accessibility to the Customer Equipment. The



reasonable direct costs of the relocation shall be borne by Switch unless the relocation is required to accommodate Customer's requests or the physical requirements of the Premises. The Premises were designed to meet Uptime Institute's Tier 4 standards for power throughputs. If Customer requires power in excess of these thresholds, then Customer shall comply with Switch's request to move Customer to Switch's higher density power data center at no cost to Switch.

3.8 Cross-Connections/Carrier Services. Upon request, Switch will provide Customer with a list of approved Carriers. Customer shall order all cross-connections from Switch. Such cross-connections are subject to Switch's processes and procedures. All cross-connections shall be installed by Switch. Customer acknowledges and agrees that the Carrier Services will be provided by one or more third-party Carriers that are not under the control of Switch. Customer understands that Switch does not own or control any of the Carrier Services or Smart Hands Services and agrees that Switch is not responsible or liable for performance or non-performance of the Carriers or Smart Hands Providers even when resold by Switch except that Switch will name Customer as a third party beneficiary and shall pass through any service credits provided to Switch by a Carrier pursuant to the applicable Carrier service level agreement. Customer will have termination rights with respect to non-performance of the Carriers and Smart Hands Services providers, as to that particular service. Switch will work in good faith with Customer to ensure that any cross connect limitations do not violate state law, regulation or rule. Cross-connections will not be unreasonably withheld, conditioned or delayed.

3.9 Service Credits. In the event of unavailability or failure of the Colocation Space, Customer will receive Service Credits as set forth in the Service Level Agreement ("SLA") attached hereto as Exhibit A. Customer acknowledges and agrees that other than for termination due to Chronic Failure and the Relocation Costs discussed in Section 18.2 of the Contract, Customer's sole and exclusive remedies regarding the failure of Colocation Space are those provided in the SLA.

4. ADDITIONAL RESPONSIBILITIES.

4.1 Customer Equipment. Customer has sole control and responsibility for installation, testing and operation of the Customer Equipment (including services not provided by Switch). In no event will the untimely installation or non-operation of Customer Equipment (including Off-Net Local Access when procured by Customer) relieve Customer of its obligation to pay MRC.

4.2 Customer's End Users. Customer is solely responsible for providing its end users with customer service.

4.3 Compliance with Law/AUP. Both Switch and Customer shall at all times fully comply with and faithfully carry out all laws, statutes, ordinances, regulations, promulgations and mandates of all duly constituted authorities applicable to the operations of their respective businesses, and any failure to do so shall constitute a default under this Agreement if not cured within the cure period set forth in the Contract in which event the affected portion of this Agreement may be immediately terminated by either party by written notice delivered prior to the effect of a cure. Both Switch and Customer shall at all times maintain in good standing and effect all necessary and proper business licenses and other licenses and permits relating to its business operations. Customer acknowledges that Switch exercises no control over the content of the information passing through the Customer's telecommunications network and that it is Customer's sole responsibility to ensure that the information Customer transmits



and receives complies with all applicable laws and regulations. Customer shall cooperate with any investigation by any governmental authority or Switch, and shall immediately rectify illegal use; failure to do so will be a material breach of this Agreement. Customer's use of the Colocation Space and operations therein shall comply with Switch's and each applicable Carrier's then current Acceptable Use Policy (each an "AUP"). Switch's AUP is available at www.supernap.com.

5. LICENSE CONDITIONS/COMMITMENTS.

5.1 **Service Orders.** The Service Commitment Period for a Service Order starts on the Commencement Date. Service Orders shall remain in effect for the Service Commitment Period, unless terminated earlier as set forth in the Contract.

5.2 **Service Commitment Period.** Subject to the termination provisions set forth in the Contract, Service Orders are non-cancellable during the Service Commitment Period. .

5.3 **Network Protection.** In the event of an emergency (to protect service, person or property) and to the extent necessary to protect the Switch Network or to remedy AUP violations, subject to the State's right to cure under Section 11.7 of the Contract, if curable, and pending cure Switch may temporarily restrict or suspend Customer's rights under this Agreement, including access to the Colocation Space, related services and Carrier Services, without liability to Customer. Switch will use reasonable efforts to notify Customer prior to any such restriction or suspension and will notify Customer promptly when such restriction or suspension is no longer necessary. Suspension of Colocation Space and/or Carrier Services pursuant to this Section **Error! Reference source not found.** shall not be a violation of this Agreement or contribute towards Service Credits.

6. **HAZARDOUS MATERIALS.** "HAZARDOUS MATERIALS" MEANS ANY SUBSTANCE REFERRED TO, OR DEFINED IN ANY LAW, AS A HAZARDOUS MATERIAL OR HAZARDOUS SUBSTANCE (OR OTHER SIMILAR TERM) NOT CUSTOMARY FOR USE IN A COLOCATION SPACE (I.E. BATTERIES). CUSTOMER WILL NOT CAUSE OR PERMIT ANY HAZARDOUS MATERIALS TO BE BROUGHT UPON, KEPT, STORED, DISCHARGED, RELEASED OR USED IN, UNDER OR ABOUT ANY PORTION OF THE PREMISES. CUSTOMER WILL CAUSE ALL HAZARDOUS MATERIALS BROUGHT TO THE PREMISES BY OR ON BEHALF OF CUSTOMER TO BE REMOVED FROM THE PREMISES IN COMPLIANCE WITH ALL APPLICABLE LAWS. IF CUSTOMER OR ITS AGENTS PERFORM ANY ACT OR OMISSION THAT CONTAMINATES OR EXPANDS THE SCOPE OF CONTAMINATION OF THE PREMISES, THEN CUSTOMER WILL PROMPTLY, AT CUSTOMER'S EXPENSE, TAKE ALL INVESTIGATORY AND REMEDIAL ACTIONS NECESSARY TO FULLY REMOVE AND DISPOSE OF SUCH HAZARDOUS MATERIALS AND ANY CONTAMINATION SO CAUSED IN COMPLIANCE WITH ALL APPLICABLE LAWS. CUSTOMER WILL ALSO REPAIR ALL DAMAGE TO THE PREMISES CAUSED BY SUCH CONTAMINATION AND REMEDIATION.

7. MISCELLANEOUS PROVISIONS.

7.1 **No Lease.** Customer acknowledges and agrees that Customer has not been granted any real property interest in the Colocation Space or the Premises, and Customer has no rights as a tenant or otherwise under any real property or landlord/tenant laws or regulations. Customer shall not record any notice of this Agreement. Customer shall not permit any liens to be placed on the Premises or portion thereof and shall have any such liens immediately removed.

7.2 **Confirmation.** Periodically, an entity with whom Switch has a financial relationship (such as a lender) may request confirmation from Customer that this Agreement is in existence, that it is



then in force, that Switch is not in breach of this Agreement and similar information (a “Confirmation”). Contractor will be able to obtain confirmation through accessing the State of Michigan public website, that will include a link to this Contract.



EXHIBIT “A” – SERVICE LEVEL AGREEMENT

This Service Level Agreement is a part of the Colocation Facilities Agreement (the “Agreement”) between Customer and Switch. Capitalized terms not defined herein have the meaning provided in the Agreement.

1. SERVICE CREDITS

Switch is pleased to offer Customer the following service levels regarding the following items:

Service Level Name	Service Level -- Switch Network	Service Level – Colocation Space
Network Availability	99.99%	N/A
Network Latency	< 10ms	N/A
Network Packet Delivery	<. 01% loss	N/A
Power Service Availability	N/A	100% uptime
Environmental Availability	N/A	100% within Environmental Thresholds

If Switch fails to meet any of these service levels, Switch will provide Customer with a service credit (a “Service Credit”), equal to the result of dividing (i) the MRC paid by Customer for the affected service during the calendar month in which the Service Credit was earned by (ii) 30 (the average number of days in a calendar month). “Network Access Fees” are the fees charged to Customer for access to and use of the Switch Network. “Switch Network” means the telecommunications/data communications network and network components owned, operated and controlled by Switch within the Premises. The Switch Network does not include any Customer Equipment or any networks or network equipment not operated and controlled by Switch.

2. SWITCH NETWORK AVAILABILITY

Switch provides 99.99% availability of the Switch Network in any calendar month, as calculated from the ingress to and egress from the Switch Network. For each cumulative hour or fraction thereof that Customer experiences Switch Network unavailability, Customer may request Service Credits. A Network Service Credit will be given only for those outages that were reported to Switch at the time of the outage. An outage is measured from the time it is reported to the time it is resolved. For example, if, in any month, the Switch Network fails to meet the Minimum Service Level and is unavailable for an additional 121 minutes, then two Service Level Credits shall become payable by Switch for such month (one tenth of a Service Level Credit for each of the twenty (20), six minute periods of the Service Level Failure).

3. SWITCH NETWORK LATENCY

The Switch Network carries packets with an average Network Latency per month of less than 10 milliseconds. Switch monitors aggregate latency within the Switch Network by monitoring round trip times between a sample of backbone hubs on an ongoing basis. “Network Latency” (or “round trip time”) means the average time taken for an IP packet to make a round trip between specified backbone hubs on the Switch Network. For example if average Network Latency is in excess of the Minimum Service Level in any twenty four (24) hour period following notification, Switch shall provide one Service Credit for each twenty four (24) hour period of average Network Latency exceeding the Minimum Service Level. For example, in any month, if the applicable Network Latency fails to meet the Minimum Service Level for a period of twenty-four (24) hours, then a Service Level Credit shall become payable by Switch for such month.



4. SWITCH NETWORK PACKET DELIVERY

The Switch Network has an average monthly Packet Loss of 0.1% (or successful delivery of 99.9% of packets). Switch monitors aggregate Packet Loss within the Switch Network on an ongoing basis and compiles the collected data into a monthly average Packet Loss measurement for the Switch Network. “Packet Loss” means the percentage of packets that are dropped within the Switch Network.

After being notified by Customer of Packet Loss in excess of 0.1% in a given calendar month (“Excess Packet Loss”), Switch will use commercially reasonable efforts to determine the source of such Excess Packet Loss and to correct such problem to the extent that the source of the problem is on the Switch Network. If Switch fails to remedy such Excess Packet Loss within 24 hours of being notified of any Excess Packet Loss on the Switch Network and average Packet Loss for the preceding month exceeds 0.1%, Switch will issue Service Credits to Customer’s account for the period commencing at the time of receipt notification from Customer until the Packet Loss is less than 0.1%. For example, if Network Packet Delivery loss exceeds the Minimum Service Level for any twenty four (24) hour period, then Switch shall provide one Service Credit for each twenty four (24) hour period of average Network Packet Delivery exceeding the Minimum Service Level. An outage measured from the time it is reported to the time it is resolved. The “Network Packet Delivery” Service Level is defined as the percentage of IP packets that are lost, or not delivered by the Switch Network, in any twenty four (24) hour period. For example, in any month, if the applicable Service fails to meet the Minimum Service Level for a period of twenty-four (24) hours following notification, then a Service Level Credit shall become payable by Switch for such month.

5. POWER SERVICE AVAILABILITY

Switch is committed to providing 100% power availability if, and only if, Customer elects to properly deploy dual feed (A&B) power. Switch strongly recommends dual power and monitor-ready ATS and PDU’s be correctly deployed in every rack and cabinet to ensure 100% uptime. Customer Equipment not properly utilizing A&B power will not receive Service Credits for power loss (“Power Service Credits”). Customer UPS’s are not allowed to be used down-line from the Switch mission critical power system. Switch Operations must approve all power distribution systems deployed within the Customer’s Colocation Space. All equipment must first be tested on house power prior to plugging into the Switch UPS receptacles. For each hour or fraction thereof that Customer experiences both A&B power unavailability, Customer may request Service Credits for the cabinets experiencing the power loss from Switch. For example, Switch shall provide one tenth of a Service Credit for each full six (6) minute period during which power is not available to any Customer cabinet properly utilizing both A&B power (“Eligible Cabinet”). For clarity, this means both A&B power is unavailable. For example, in any month, if an Eligible Cabinet does not receive Power for 132 minutes then 2.2 Service Credits Level Credits shall become payable by Switch for such month (one tenth of a Service Credits for each of twenty two (22), 6 minute periods beginning during which any Eligible Cabinet did not receive power).

A Power Service Credit will be given only for those interruptions that were reported to Switch at the time of the interruption. If Customer only has single-sided power, Customer will not receive Power Service Credits. Customer must perform fail-over testing procedures at least twice each year to ensure all Customer Equipment will function properly in the unlikely event of a single sided power interruption. This is for the Customer’s protection. Failure to perform this testing could result in forfeiture of Power Service Credits.

6. ENVIRONMENTAL GUARANTEE.

Switch guarantees availability of the Colocation Space will be maintained within ASHRAE thresholds, as measured by Switch, excluding events caused by Customer (the “Environmental Thresholds”). Customer may request a Colocation Space Service Credit for each 15 minutes in which these environmental thresholds are exceeded. For example, in any month, if the Environmental Thresholds are not met for a total time period of 32 minutes, then two Service Credits shall become payable by Switch for such month (one Service Level Credit for each of two full 15 minute periods during which Environmental Thresholds were not met).

7. MEASURED BANDWIDTH SERVICE BILLING METHODOLOGY.

The concept behind offering a usage based Internet product is simple: charge the customer for what they actually use. This product is ideal for those customers that either experience substantial swings in monthly usage or are anticipating growth. When traffic patterns will be unpredictable, the customer can have the security of having enough bandwidth to handle heavy use months, but also retain the flexibility to pay less when traffic declines.

Customer’s monthly burstable usage is determined by calculating the 95th percentile of data usage that is used over and above Customer’s contracted floor amount. As is with most data, Internet traffic has peak times throughout the day. Actually, it has peak times within any measurement interval whether it be a day, an hour, or five minutes. Billing on the 95th percentile eliminates the top 5% of measurement peaks, and bills on the Mb level at the remaining highest measurement. The purpose for billing at the 95th percentile versus actual peak utilization is to eliminate any abnormal peaks throughout the month.

Within the router, a counter that keeps track of all bytes passed through each interface, a PERL script using SNMP will poll each applicable Customer interface every five minutes. At every five minute pass, the code will read the counter and compare the result against the previous reading. The difference between the two will be converted from byte counts to a data rate. Polling this data every



five minutes results in 8640 data records per month. These records are then sorted from high to low usage and the top 5% are discarded. The remaining data rate is then used to determine the billing level for the month. For example, out of 100 data points the top ten are:

10034.2 Mb	9734.08 Mb	94..... 33.91 Mb	91..... 33.66 Mb
9934.18 Mb	9634.02 Mb	93..... 33.84 Mb	
9834.11 Mb	9533.98 Mb	92..... 33.70 Mb	

Eliminating the top 5% leaves the data rate of 33.98Mb. This is the rate at which Switch will bill Customer for the month.

8. CONDITIONS.

Except for Customer’s termination rights and rights to recover Relocation Costs discussed in Section 18.2 of the Contract, this SLA provides Customer’s sole and exclusive remedies for any service interruptions, deficiencies or failures of any kind. The parties agree that the Service Credits constitute liquidated damages. No Service Credits shall be issued for Exempted Occurrences. “Exempted Occurrence” means any occurrence which impacts a service that is caused by: (i) any suspension of service pursuant to the Agreement; (ii) scheduled or emergency maintenance, alteration or implementation; (iii) force majeure events; (iv) the unavailability of necessary Customer Representatives, including as a result of failure to provide Switch with accurate, current contact information; (v) the acts or omissions of Customer or any Customer Representative; or (vi) failure or malfunction of equipment, applications or systems not owned or controlled by Switch. All performance measurements for the determination of Service Credits are based upon Switch’s records.

The parties acknowledge and agree that Switch manages traffic on the Switch Network on the basis of its customers’ utilization of the Switch Network and that changes in such utilization impact Switch’s ability to manage network traffic. Therefore, notwithstanding any provision to the contrary herein or in the Agreement, if Customer significantly changes its utilization of the Switch Network and such change creates a material and adverse effect on the traffic balance of the Switch Network, Switch may either modify the Service Credits that may have otherwise accrued or modify Switch’s provision of the affected services, provided Switch will give Customer notice of such modifications. This clause will be interpreted consistent with Section 5.3 of the CFA.

Customer must request any credit due hereunder within 60 days after the date on which the credit accrues. Customer waives any right to credits not requested within this 60 day period. Customer will not be eligible to accrue any otherwise applicable Service Credits while Customer is: (i) past due on MRC or other amounts owed under the Agreement or (ii) in violation of an AUP. In no event shall Service Credits exceed 100% of the MRC for the affected service(s) during the calendar month in which the Service Credits accrue.

9. SLA EVENT DISCOVERY AND NOTIFICATION.

In addition to the party’s respective obligations herein, if: (i) an alleged SLA failure is discovered by Customer and reported to Switch or discovered by Switch; (ii) Customer fully and timely cooperates with the diagnosis and correction of the SLA failure; and (iii) such SLA failure is confirmed by Switch to be Customer affecting and solely caused by Switch; then Switch will notify Customer of such Switch confirmed failure and Customer will have an additional thirty (30) days after such credit accrual to request any applicable Service Credit from Switch.

10. SMARTHANDS

Smarthands staff shall be available 24x7x365 with (i) a 30 minute maximum response time to begin to address the Customer requests during traditional business hours; and (ii) a 60 minute maximum response time to begin to address the Customer requests outside of traditional business hours. Should response be delayed beyond this time, one hour of labor charges shall be credited to Customer.

11. CHRONIC FAILURE.

Failure by Switch to meet any one of its SLA obligations (i) for over four (4) hours three (3) unrelated times during any consecutive 30-day period, or (ii) for more than twenty-four (24) consecutive hours will be considered a “Chronic Failure” of the Colocation Space. Within thirty (30) days after the occurrence of a Chronic Failure, Customer may send notice of termination of the affected Colocation Space and without the obligation to pay additional MRC under the Agreement for such Services or any further liability from and after the effective date of termination. The notice of termination for Chronic Failure sent by Customer shall specify the effective date of the termination.



EXHIBIT “B” – T-SCIF™ DESCRIPTION



All computerized equipment generates heat. The Switch t-scif™ is designed to protect all of the customers in the facility from heat outputs. All equipment placed into the t-scif must vent the heat directly into the enclosed center aisle, where it is then contained and prevented from mixing back into the cold room.