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A PROPOSAL FOR

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**CITY OF SEATTLE**  
700 5th Ave  
SEATTLE, WA 98104

TO PROVIDE

**Hardware Hourly Services**

SUBMITTED BY:



7100 Highlands PKWY  
Smyrna, GA 30082

*Public Central*

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Date: 04/15/2009

Siebel Number: 2-149QUAB

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## Statement of Work for Services

### Custom Services

This document is a Statement of Work to either the IBM Customer Agreement or the IBM Agreement for Services. If used with the IBM Agreement for Services no machines or licensed program products may be acquired under this Statement of Work. Such items are available only under the terms of 1) the IBM Customer Agreement (or any equivalent agreement signed by both of us) or 2) the applicable third-party agreement.

**Scope of Services, Completion Criteria, Charges, and other applicable terms:**

This Statement of Work includes the following sections in the attached pages:

- Scope of Services
- Customer Responsibilities
- Estimated Schedule
- Completion Criteria
- Charges
- Business Contact Information
- Project Change Control Procedure
- Other Terms and Conditions
- Warranty

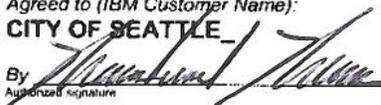
This Statement of Work will be withdrawn if IBM is not authorized by **08/30/2009** to perform these Services.

**Total Estimated Charges: \$97,500.00 plus applicable taxes.**

Each of us agrees that the complete agreement between us about this transaction consists of 1) this Statement of Work and 2) the IBM Customer Agreement or any equivalent agreement in effect between us identified below.

Agreed to (IBM Customer Name):

**CITY OF SEATTLE**

By   
Authorized signature

Name (type or print): **MICHAEL MEARS**

Date: **7-24-09**

Customer number: 8012732

Customer address:  
700 5th Ave  
SEATTLE, WA 98104

Customer "Bill To" address, if different:

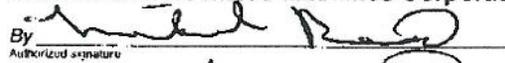
Project name or identifier:

Estimated start date: 07/14/2009

Estimated end date: 06/30/2010

Agreed to:

**International Business Machines Corporation**

By   
Authorized signature

Name (type or print): **Mike Ross**

Date: **7-24-09**

Reference Agreement number: HW19136

Siebel Reference Number: 2-149QUAB

Service department: V09

IBM address:

IBM Corporation  
Public Central

IBM Services group address:

Crawford, Alwyn  
Global Services Inside Sales  
Atlanta, GA  
FAX: 1-800-242-6329

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## Hourly Multi-Service

IBM will provide you with the following services under this contract:

- Hourly Hardware Services

The details of the Services to be provided are described in this section. These Services will be provided at the following site (Location):

700 5th Ave  
SEATTLE, WA 98104

You are responsible for managing the project and any results achieved.

### **Relocation Services**

IBM will provide the following Relocation Services for the Machines identified in your letter of request at the Location specified above and agreed to by IBM.

IBM will disassemble and reassemble your Machines in accordance with IBM's standard practice for movement of a Machine within the same building. Such a move does not include complete discontinuance and reinstallation services and the Machine must qualify for this service. IBM will provide assistance to you in identifying the items which are normally moved with the Machine. IBM will test the Machines to conform to their Specifications after reinstallation, including active IBM features.

**Physical Planning Services:** IBM will provide physical planning assistance which includes recommendations and advice on floor planning, cable requirements and layout, air conditioning requirements, electrical requirements and safety requirements. This does not include the design or testing of communications or instrumentation facilities.

**Recabling Services (Bus and Tag and/or Fiber):** IBM will install or retrieve interconnecting bus and tag and/or fiber cables between Machines being relocated. This service includes laying/removing channel interface cables and inter-frame cables. Each cable will be labeled to ensure connection to the proper Machines. Retrieved cables may be packaged with discontinued Machines for shipment under the terms of the Discontinued Services option.

**Rearrangement Services:** IBM will disassemble and reassemble your Machines in accordance with IBM's standard practice for rearrangement of Machines within the same room. Cables, terminators, and other items will be repositioned as required. Such a move does not include complete discontinuance and reinstallation services and the Machine must qualify for this service. IBM will provide assistance to you in identifying the items which are normally moved with the Machine. IBM will test the Machines after reinstallation, including active IBM features.

**Discontinuance Services:** IBM will prepare your Machines, and identify the items normally shipped with the Machines, for shipment in accordance with IBM's standard practices. IBM will identify and place appropriate service manuals, diagnostics, licensed internal code, and other items in shipping containers that you provide.

**Discontinuance MSQ (Maintenance Service Qualification):** IBM can perform any of the following services for you. However, in order for the Machine to have MSQ status, we must perform the following in an unbroken sequence:

For Machines not in MSQ status:

- we will perform such tests and inspections as we deem necessary to establish IBM (MSQ) status;
- if necessary, in order to establish MSQ status, we will replace failed and/or non IBM components with IBM components which you supply;
  - optionally, and subject to availability, we will provide replacement IBM parts at IBM's then current prices and terms.
- if MSQ inspections are performed, there will be an additional charge for which IBM will invoice you separately at the applicable IBM hourly rate.

For Machines in MSQ status (including a continuation of the sequence as begun above in this subsection):

- we will disconnect all internal and external cables and hoses;
- we will inventory the shipping group items;
- we will pack the Machines as stated in the discontinuance services section of this SOW;
- we will seal the Machine frames, and shipping group crates and cartons with transit security materials which we supply; and
- we will prepare the IBM transit security documentation which we supply.

**Reinstallation Services:** IBM will reassemble your Machines, including the removal of any internal packing materials and the interconnection of required IBM cables to support the reinstallation activities. Interconnection is defined as the attachment of cables that are in place and labeled to the Machine(s) being reinstalled. Cabling also includes the connection of all inter-frame cables. IBM will test the Machines, including active IBM features, and install or reconfigure the Machine diagnostics.

**Reinstallation MSQ:** IBM can perform any of the following services for you. However, in order for IBM to make the Invisible Transit Damage (ITD) accommodation available to you, a Machine must be received by you in Maintenance Service Qualified (MSQ) status and we must perform the following services in an unbroken sequence:

- inspect the shipment for visible damage and tampering;
- inventory the shipment and compare to the shipping group list to be sure all items shipped were actually received;
- break and remove IBM transit security seals which we dispose of, and remove packaging material from the Machine. You dispose of packaging material;
- inventory shipping group items, Machine and component serial numbers, and compare to IBM Relocation Services Inventory documentation;
- connect internal hoses and cables, and otherwise perform such installation activity necessary to enable us to safely test and inspect the Machine;
- perform such IBM defined tests and inspections as we deem necessary to establish that the Machine is in correct working order;
- replace failed IBM components at no additional charge to you if the Machine qualifies for the ITD accommodation; and,
- if MSQ inspections are performed, there will be an additional charge for which IBM will invoice you separately at the applicable IBM hourly rate.

#### **Equipment Modification**

IBM will provide the following Services to modify your IBM Machines for which IBM offers maintenance services, or Machines that you are the authorized agent for, or selected non IBM machines (OEM), at Locations designated by you and agreed to by IBM.

For IBM machines, IBM will:

- provide the IBM CE with the modification instructions required to install the requested feature(s);
- order, upon your written request, the configuration tapes and/or diskettes required for each modification, and bill you separately for these items;
- check that IBM parts provided by you are at a proper EC level compatible with the Machine(s) being modified. If such parts provided by you are not at a compatible EC level, the requested modification will not be performed until the you obtain compatible parts;
- install the requested modification(s) upon notification that parts are onsite;
- update the equipment documentation with logic pages that have been supplied by you;
- place the removed parts into IBM approved packing material that is supplied by you; and
- establish that the Machine is working correctly upon completion of the requested services. IBM parts provided by you, determined to be defective at the time of the Modification, will be your responsibility to replace.

For OEM Machines, IBM will:

- not perform Modification, unless you provide the following items for any OEM Machine you own:
  - letter requesting Modification of OEM Machine (type/serial number),
  - OEM parts provided by you,
  - all OEM parts at compatible EC levels to Machine,
  - installation instructions and other material needed for Modifications are on site prior to start date,
  - parts determined to be defective and/or parts not at compatible EC levels are your responsibility,
- submit the required IBM documents to the manufacturing plant and local IBM office administration to update the Machine Level Control history, if on IBM maintenance; and,
- notify you upon completion of these Services.

## **CUSTOMER RESPONSIBILITIES**

Your responsibilities listed in this Statement of Work are in addition to those responsibilities specified in the Agreement and are to be provided at no charge to us. Our performance is predicated upon the following

responsibilities being fulfilled by you. Prior to the Start Date, you will designate a person who will be your Project Manager to work with IBM for this project and be responsible to perform the following activities:

- inform each of your Location(s) of the work to be done and the estimated schedule for such Location;
- permit posting of any notifications required by applicable law for Services provided at your Location(s).
- provide our Project Manager with a letter of request for each required service at the Location(s) you identify allowing IBM adequate time to schedule service personnel before work can begin. This request must be in writing stating the specific service to be performed by IBM and the preferred date and time of Service;
- ensure that the Machines are working correctly prior to the commencement of requested Services;
- make back-up copies of any relevant programs and data;
- provide the support documentation for the requested Services;
- provide, for OEM Machines requiring modification, all parts at compatible EC levels, and instructions to complete the modification; The requested modification will not be performed when parts provided by you are determined defective or not at compatible EC levels;
- ensure that each of your Location(s) has adequate power and cooling to support the requested Services;
- provide appropriate security clearances for our personnel;
- advise building landlords at your Location(s) of the work to take place and obtain any necessary approvals;
- provide IBM with an action plan to follow when Machine(s) affected by the requested Services are determined to be defective;
- manage any required construction at your Location for which you have selected and retained contractors; and
- accept responsibility for the actual content of any data file, selection and implementation of controls on its access and use, and security of the stored data.

You acknowledge that it is your responsibility to identify and make the interpretation of any applicable federal, state and local laws, regulations and statutes and insure that products of the system meet those requirements.

## ESTIMATED SCHEDULE

The Services will be performed consistent with the estimated schedule mutually agreed to by both of us. We both agree to make reasonable efforts to carry out our respective responsibilities according to such schedule. The following is provided for planning purposes:

Estimated Start Date: 07/14/2009 Estimated End Date: 06/30/2010

## COMPLETION CRITERIA

IBM shall have fulfilled its obligations under this Statement of Work when any one of the following first occurs:

- IBM expends the number of hours performing the Services specified in the "Charges" section or in any subsequent Change Authorization; or
- the estimated end date specified herein or in any subsequent Change Authorization has expired; or
- you terminate the SOW in accordance with the provisions of the Agreement.

## CHARGES

IBM will provide up to 500 hours at the following hourly rates:

- pSeries Services – 200 hours at \$205.00
- xSeries Services – 100 hours at \$175.00
- General Services – 150 hours at \$190.00

The total estimated charge is \$97,500.00, plus applicable taxes. IBM will bill you monthly for hours provided. Invoices are payable upon receipt.

**Note: Mover Services cannot be included in this contract.**

This Service Charge does not include charges for configuration tapes, diskettes, packing material, missing, incorrect or defective parts that may be required for the requested Services. You will be billed separately for these items. You will be billed separately for all travel expenses of service personnel, except those housed at your work Location(s).

You will also be invoiced separately on an Hourly Service (time and material) basis for the following services if requested of IBM:

- over-time work authorized by you to accelerate the schedule either as to the final completion date or any interim date;
- work required of IBM to correct Machine malfunctions, unless such repairs are covered by an existing IBM agreement;
- work required of IBM to correct the results of repair or reconfiguration work done by others;
- work required of IBM to test and perform problem determination on OEM cables as they affect IBM Machine performance;
- work incurred by IBM to replace missing parts, defective parts or parts not furnished by IBM that require replacement; and,
- additional time incurred by IBM caused by delays waiting for parts, equipment arrival, or access to your Location(s).

## **BUSINESS CONTACT INFORMATION**

You agree to allow International Business Machines Corporation and its subsidiaries to store and use your business contact information, including names, business phone numbers, and business e-mail addresses, anywhere they do business. Such information will be processed and used in connection with our business relationship, and may be provided to contractors acting on IBM's behalf, IBM Business Partners who promote, market, and support certain IBM products and services, and assignees of International Business Machines Corporation and its subsidiaries for uses consistent with the business relationship between you and IBM.

## **PROJECT CHANGE CONTROL PROCEDURE**

If a change to this SOW is required, both of us agree to use a Project Change Request (called "PCR") as the vehicle for communicating change. The PCR must describe the change, the rationale for the change and the effect the change will have on the project.

The designated lead of the requesting party, either our Project Manager or your Point of Contact, will review the proposed change and determine whether to submit the request to the other party.

Our Project Manager and your Point of Contact will review the proposed change and approve it for further investigation or reject it. We will specify any charges for such investigation. If the investigation is authorized, our Project Manager and your Point of Contact will sign the PCR which will constitute approval for the investigation charges. We will invoice you for any such charges. The investigation will determine the effect that the implementation of the PCR will have on price, schedule and other terms and conditions of the Agreement.

A written Change Authorization and/or PCR must be signed by both of us to authorize implementation of the investigated changes.

## **WARRANTY**

For each IBM Service, we warrant that we perform it:

- in a workmanlike manner, and
- according to its current description (including any Completion Criteria) contained in this Statement of Work, an Attachment, or a Transaction Document.