

STATE OF TEXAS
DEPARTMENT OF INFORMATION RESOURCES

CONTRACT FOR
MANAGED SERVICES FOR INFORMATION TECHNOLOGY

COMPUCOM SYSTEMS, INC.

1. Introduction

A. Parties

This Contract for services is entered into between the State of Texas, acting by and through the Department of Information Resources (hereinafter “DIR”) with its principal place of business at 300 West 15th Street, Suite 1300, Austin, Texas 78701, and CompuCom Systems, Inc. (hereinafter “Vendor”), with its principal place of business at 7171 Forest Lane, Dallas, Texas 75230.

B. Compliance with Procurement Laws

This Contract is the result of compliance with applicable procurement laws of the State of Texas. DIR issued a solicitation on the Texas Building and Procurement Commission’s Electronic State Business Daily, Request for Offer (RFO) DIR-SDD-TMP-091, on December 8, 2006, for Managed Services for Information Technology. Upon execution of this Contract, a notice of award for RFO DIR-SDD-TMP-091 shall be posted by DIR on the Electronic State Business Daily.

C. Order of Precedence

This Contract; Appendix A, Standard Terms and Conditions For Services Contracts; Appendix B, Vendor’s Historically Underutilized Businesses Subcontracting Plan; Appendix C, Services and Pricing Addendum; and Appendix D, Customer Agreement; are incorporated by reference and constitute the entire agreement between DIR and Vendor. In the event of a conflict between the documents listed in this paragraph, the controlling document shall be this Contract, then Appendix A, then Appendix C, then Appendix D, then the applicable Statement of Work (“SOW”), then Appendix B. In the event and to the extent any provisions contained in multiple documents address the same or substantially the same subject matter but do not actually conflict, the more recent provisions shall be deemed to have superseded earlier provisions.

2. Term of Contract

The term of this Contract shall be three (3) years commencing on the last date of approval by DIR and Vendor. Prior to expiration of the original term, DIR and Vendor may extend this Contract, upon mutual agreement, for up to two (2) optional one-year terms.

3. Service Offerings

Services available under this Contract are limited to those Services described in Appendix C, Services and Pricing Index. Per Seat Pricing listed in Appendix C, Services and Pricing Index, is based upon current Standard Configurations for computers promulgated by DIR. Vendor may price alternate configurations and Customers may order alternate configurations based upon their business needs. The specific Services being ordered shall be described in a mutually agreed SOW between the parties. Basic-level services for Asset Tracking, Break/Fix of Vendor owned Equipment and Unwind will be included in the per seat price.

4. Pricing**A. Customer Price**

1) Pricing for services available under this Contract is detailed in Appendix C, Services and Pricing Index. Pricing included in Appendix C, Services and Pricing Index includes the DIR Administrative Fee. Pricing in Appendix C is not-to-exceed pricing.

2) Customers purchasing services under this Contract may negotiate more advantageous pricing or participate in special promotional offers. In such event, a copy of such better offerings shall be furnished to DIR upon request.

3) If pricing for services available under this Contract are provided at a lower price to: (i) an eligible Customer who is not purchasing those services under this Contract or (ii) any other entity or consortia authorized by Texas law to sell said services to eligible Customers, then the pricing in this Contract shall be adjusted to that lower price. This Contract shall be amended within ten (10) business days to reflect the lower price.

B. DIR Administrative Fee

The administrative fee specified in Section 5 below shall not be broken out as a separate line item when pricing or invoice is provided to Customer.

C. Tax-Exempt

As per Section 151.309, Texas Tax Code, Customers under this Contract are exempt from the assessment of State sales, use and excise taxes. Further, Customers under this Contract are exempt from Federal Excise Taxes, 26 United States Code Sections 4253(i) and (j).

D. Travel Expense Reimbursement

Pricing for services provided under this Contract are exclusive of any travel expenses that may be incurred in the performance of those services. Travel expense reimbursement may include personal vehicle mileage or commercial coach transportation, hotel accommodations, parking and meals; provided, however, the amount of reimbursement by Customers shall not exceed the amounts authorized by

the current State Travel Regulations. Travel time may not be included as part of the amounts payable by Customer for any services rendered under this Contract. The DIR administrative fee specified in Section 5 below is not applicable to travel expense reimbursement. Anticipated travel expenses must be pre-approved in writing by Customer.

E. Changes to Prices

Price decreases shall take effect automatically during the term of this Contract and shall be passed onto the Customer immediately.

5. DIR Administrative Fee

A. The administrative fee to be paid by the Vendor to DIR based on the dollar value of all sales to Customers pursuant to this Contract is three-quarters of one percent (0.75%). Payment will be calculated for all sales, net of returns and credits. For example, the administrative fee for sales totaling \$100,000 shall be \$750.00.

B. All prices quoted to Customers shall include the administrative fee. DIR reserves the right to change this fee upwards or downwards during the term of this Contract, upon written notice to Vendor. Any change in the administrative fee shall be incorporated in the price to the Customer.

6. Notification

All notices under this Contract shall be sent to a party at the respective address indicated below.

If sent to the State:
Sherri Parks, Service Delivery Division
Department of Information Resources
300 W. 15th St., Suite 1300
Austin, Texas 78701
Phone: (512) 475-4700
Facsimile: (512) 475-4759
Email: sherri.parks@dir.state.tx.us

If sent to the Vendor:
Mr. Lary Barton
CompuCom Systems, Inc.
2731 Essex Terrace
Houston, Texas 77027
Phone: (713) 212-0075
Facsimile: (972) 856-0100
Email: lbarton@compucom.com

With a copy to:
CompuCom Systems, Inc.
Attn: Legal Services
7171 Forest Lane
Dallas, Texas 75230
Phone: 972-856-3600
Facsimile: 972-856-7438

7. Sample Customer Agreement

Services provided under this Contract shall be based upon the Sample Customer Agreement as set forth in Appendix D of this Contract. Customers may negotiate the

terms and conditions of a Customer Agreement to suit their business needs so long as the Customer Agreement terms and conditions do not conflict with this Contract.

8. Authorized Exceptions to Appendix A, Standard Terms and Conditions for Services Contracts.

- A. Appendix A, Section 7, Vendor Responsibilities, Subsection A. Indemnifications, 1) Acts or Omissions, is hereby restated in its entirety as follows:

Vendor shall defend, indemnify and hold harmless the State of Texas and Customers, their officers, agents, and employees from and against all third party claims arising because of (i) Vendor's negligence or (ii) willful misconduct for actions, suits, demands, proceedings, costs, damages and liabilities, including attorneys fees, arising out of or resulting from any acts or omissions of the Vendor or its agents, employees, subcontractors, or suppliers or subcontractors in the execution or performance of the Contract and any Purchase Orders issued under the Contract. Vendor agrees to coordinate defense with the Texas Office of Attorney General, as may be requested by DIR.

- B. Appendix A, Section 7, Vendor Responsibilities, Subsection J., Limitation of Liabilities, is hereby restated in its entirety as follows:

For any claim or cause of action arising under or related to the Contract or any Customer Agreement: i) none of the parties shall be liable to the other for punitive, special, or consequential damages, even if it is advised of the possibility of such damages; and ii) Vendor's liability for damages of any kind to the Customer shall be limited to the total amount paid to Vendor under the applicable Customer Agreement or Statement of Work ("SOW") during the twelve months immediately preceding the accrual of the claim or cause of action.

- C. Appendix A, Section 7, Vendor Responsibilities, New Section N., Employment Solicitation, is hereby added as follows:

Each party will not, during the term of any SOW and for six (6) months thereafter, directly or indirectly solicit for employment or employ any person who is an employee of the other party or its subcontractors and assignees who has been involved in activities related to the Services under the applicable Customer Agreement, SOW or Purchase Order. This requirement will not apply for employees who respond to a general advertisement of employment.

- D. Appendix A, Section 7, Vendor Responsibilities, New Section O., Intellectual Property Rights, is hereby added as follows:

Each party shall retain ownership of all its previously existing intellectual property rights. All intellectual property rights and other proprietary rights in and to the services and deliverables, information, know-how, and processes developed by

Vendor Contract No. _____

Vendor, or anyone acting on Vendor’s behalf, arising from the Services performed hereunder shall be the sole and exclusive property of Vendor and shall not be claimed to be a work-for-hire. Vendor grants DIR or DIR Customer, a non-exclusive worldwide right to use, reproduce, copy and display any deliverables as necessary in the conduct of DIR’s or DIR Customer's own business. This license is perpetual, provided DIR or DIR Customer is not otherwise in breach of this Contract or the applicable Customer Agreement or SOW.

- E. Appendix A, Section 7, Vendor Responsibilities, New Section P., OEM Warranty Pass-Through is hereby added as follows:

As a reseller of Products, to the extent permitted by the manufacturer and applicable law, Vendor assigns and passes through to DIR or DIR Customer any and all (a) end-user warranties provided by the manufacturer, (b) intellectual property indemnities and (c) other liabilities of the manufacturer. Vendor does not provide any independent warranties, intellectual property indemnities or other product liability with respect to Products. Certain parts/components identified by manufacturers as easily replaced by end users (e.g. keyboards and mice) are classified by manufacturers as “Customer Replaceable Units”, “CRUs”, or an equivalent classification. In the case of warranties for such items, the parts/components are shipped to DIR or DIR Customer to be installed by DIR or DIR Client. Installation services may be available from Vendor at charges to be agreed upon by the parties.

This Contract is executed to be effective as of the date of last signature.

CompuCom Systems, Inc.

The State of Texas, acting by and through the Department of Information Resources

Authorized By: *signature on file*

Authorized By: *signature on file*

Name: Richard A. McDonough

Name: Cindy Reed

Title: General Counsel

Title: Interim Director of Service Delivery

Date: June 6, 2007

Date: 6/12/07

Legal: signature on file 6/12/07