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STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY
 27 Hazen Dr., Concord, NH 03301
 Fax: 603-271-1516 TDD Access: 1-800-735-2964
 www.nh.gov/doit

Denis Goulet
 Commissioner

February 26, 2016

Her Excellency, Governor Margaret Wood Hassan
 and the Honorable Council
 State House
 Concord, NH 03301

REQUESTED ACTION

Authorize the Department of Information Technology to enter into a finance agreement for a five (5) year payment plan with Software House International, of Somerset, NJ (Vendor #175141), to provide Enterprise Licenses for the VMware Virtual Server Environment, and finance the purchase of these licenses, along with services for software maintenance and support, in the amount not to exceed \$1,298,285.41, effective March 25, 2016 or the date of Governor and Executive Council approval, whichever is later through March 25, 2021.

Funds are available in the State Fiscal Year 2017 in the DoIT capital account, and are anticipated to be available in State Fiscal Years 2018, 2019, 2020 and 2021 upon the availability and continued appropriation of funds in the future operating budget, with authority to adjust encumbrances between State fiscal years through the Budget Office if needed and justified. **23% Capital Funds, 77% Transfer** from Other State Agencies.

FY	CAT#-DEPT#-AGENCY#-ACTIVITY#-ACCTG UNIT#- DEPT NAME- AGENCY NAME-ACCTG UNIT NAME	JOB #	AMOUNT	TOTALS
	CLASS CODE-ACCOUNT CODE -OBJ (ACCOUNT) DESC			
2017	03-03-03-030030-52770000- DoIT- Capital Fund 034-500099-Virtual Server	N/A	\$300,000.00	
			2017 Subtotal	\$300,000.00
2018	01-03-03-030010-77030000 - DoIT - Rent-Lease other than State 022-500257 - Lease	03030014	\$250,000.00	
			2018 Subtotal	\$250,000.00
2019	01-03-03-030010-77030000 - DoIT - Rent-Lease other than State 022-500257 - Lease	03030014	\$249,428.47	
			2019 Subtotal	\$249,428.47
2020	01-03-03-030010-77030000 - DoIT - Rent-Lease other than State 022-500257 - Lease	03030014	\$249,428.47	
			2020 Subtotal	\$249,428.47
2021	01-03-03-030010-77030000 - DoIT - Rent-Lease other than State 022-500257 - Lease	03030014	\$249,428.47	
			2021 Subtotal	\$249,428.47
			GRAND TOTAL	\$1,298,285.41

EXPLANATION

The purpose of this agreement is to finance the procurement of VMware Enterprise Licenses, along with support and maintenance, for a payment term of five (5) years. The agreement consolidates multiple existing State agency licenses into one Enterprise License Agreement (ELA), reducing the number of maintenance agreement contracts to manage, stabilizing future costs, and providing additional automation to core IT systems, thereby increasing agility and processing speeds.

Due to the efficiencies and cost savings of running agency applications in a virtual machine environment, the demand for these DoIT services continues to grow. To meet the demand, DoIT is expanding the virtual machine environment, and is purchasing the required software and associated services. The advanced features of Virtual Server Environment provide the utilization of server reports and visibility of agency usage. The feature of consumption reporting of agency application enables the IT leaders to make efficient analysis of future cost, and provides the ability of the cost transparency in a virtual machine environment. The Virtual Server Environment also has the option to provide dynamic disaster recovery, and additional management features provide the increase in technology integration across state agencies.

Currently there are 12 unique VMware licenses with maintenance contracts across the state with varying contract end dates and discount levels. With this agreement, DoIT will have one master perpetual license agreement for VMware software with support and maintenance for a five year period through consolidation under the ELA. The single Enterprise License Agreement will simplify contract management, but will also provide DoIT with significant discounts on the maintenance renewals without any interest incurred to the state. All new licenses purchased during the five-year period would be coterminous with the five-year agreement to maintain the one maintenance contract.

The Lease agreement was reviewed and approved by the Department of Treasury pursuant to RSA 6:35 State Leases and the Department of Administrative Services in accordance with Chapter 276:190, laws of 2015 (HB2).

Respectfully submitted,



Denis Goulet

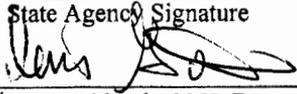
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Information Technology		1.2 State Agency Address 27 Hazen Drive Concord, NH 03301	
1.3 Contractor Name SHI International Corporation		1.4 Contractor Address 290 Davidson Avenue Somerset, NJ 08873	
1.5 Contractor Phone Number 603-573-6187	1.6 Account Number 030-003-5277-0300-034-0099 & 010-003-7703-0300-022-0257	1.7 Completion Date 3/25/2021	1.8 Price Limitation \$1,298,285.41
1.9 Contracting Officer for State Agency Denis Goulet, Commissioner		1.10 State Agency Telephone Number 603-223-5701	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Cassie Skelton Sr. Contracts Specialist	
1.13 Acknowledgement: State of <u>New Jersey</u> , County of <u>Somerset</u> On <u>2/22/16</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace MARC A. POOLE ID # 2408905  [Seal] NOTARY PUBLIC OF NEW JERSEY My Commission Expires 07/20/16			
1.13.2 Name and Title of Notary or Justice of the Peace Marc A. Poole, RFP Specialist			
1.14 State Agency Signature  Date: <u>2/19/2016</u>		1.15 Name and Title of State Agency Signatory Denis Goulet, Commissioner	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: <u>Jeanine M. Giguere</u> <u>Attorney</u> On: <u>3/7/2016</u>			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

STATE OF NEW HAMPSHIRE LEASE APPROVAL
DEPARTMENT OF ADMINISTRATIVE SERVICES

Purpose: In accordance with HB2 Section 276:190, the Department of Administrative Services (DAS) must approval all requests leases for goods and services. The purpose of this document is to provide DAS with explanation and background for the request to lease.

What goods and services are being leased or financed?

DoIT needs to purchase additional VMware perpetual licenses along with 5 years of support and maintenance to support the anticipated growth of the virtual machine environment in the DoIT Data Center. DoIT has negotiated a price with VMware for an Enterprise License Agreement (ELA) that will consolidate 12 unique VMware contracts throughout the State. Software House International (SHI), the State's software vendor will finance at 0% interest and fulfill this procurement. The contract is between the State and SHI.

What costs are associated with the purchase (cost of goods, support and maintenance, installation, training, etc.)?

The attached sheet provides a list of products and services included along with quoted pricing. The total value of the procurement is \$1,298,285.41.

Provide a business justification to lease or finance vs. outright purchase.

Due to the efficiencies and cost savings of running agency applications in a virtual machine environment, the demand for these DoIT services continues to grow. To meet the demand, DoIT is expanding the virtual machine environment, and is purchasing the required software and associated services with funds appropriated in the capital budget for this project. The cost of the licenses exceeds the funds available in a single fiscal year, so VMware, working with SHI, proposed a five (5) year 0% interest finance agreement to fund the VMware licenses and on-going support and maintenance.

What are the principle, interest rate, term, and monthly payments of the lease?

The amount financed is \$1,298,285.41 at an interest rate of 0% for 5 years. The annual payments are listed below:

ELA Option - Annual Installment Payments	Year 1	Year 2	Year 3	Year 4	Year 5	Total
ELA Installment Payments and Software Maintenance Outside of ELA Period	\$300,000	\$250,000	\$249,428.47	\$249,428.47	\$249,428.47	1,298,285.41

What is the cost difference over the life of the equipment to purchase vs lease?

Since there is no interest, the cost difference is virtually the same. The State will save \$4851.00 by purchasing the ELA and financing it through SHI.

Is funding available in Class 22? Explain the funding sources.

The first year FY17 is funded with the capital budget appropriated for this project. The latter four (4) years will be budgeted in the DoIT future operating budget.

Explain succinctly, how failure to procure this requested item or service will negatively affect your Agency. Make specific references to the mission of the requesting agency.

By consolidating twelve (12) separate VMware contracts across multiple agencies under one agreement, the State will be able to realize volume discounts on maintenance and additional license costs while reducing administrative overhead. In addition, this upgrade will enable DoIT to pilot a Disaster Recovery as a Service (DRaaS), as we are currently researching cost effective disaster recovery solutions in in line with the State's strategic IT plan.

Approved By:



Name: Deputy Commissioner

3/8/16

Date

NH State Treasury Agency Lease Questionnaire

CHAPTER 6 STATE TREASURER AND STATE ACCOUNTS

State Leases

6:35 State Leases. – The 10-year limitation does not apply to leases for state facility energy cost reduction projects pursuant to RSA 21-I:19-a through RSA 21-I:19-e, which shall be subject to the term limitation applicable to energy performance contracts, as defined therein. The treasurer may establish financing criteria to be met by any state agency or department before entering into leases for equipment. ***In no instance shall the term of such lease exceed 10 years. For purposes of this section "leases" shall include lease-purchase, sale and lease back, installment sale, or other similar agreements entered into by various agencies or departments to acquire such equipment from time to time for the agencies or departments; provided that funding for such equipment leases was specifically approved by the legislature in a budget. Payment obligations under any lease entered into under this section shall be subject to annual appropriation and shall not be treated as debt obligations of the state.*** Nothing in this chapter shall prohibit the treasurer from entering into financing agreements or executing any related documents, including any document creating or confirming any security interest retained by the seller or lessor of the equipment. ***(emphasis added)***

Please review RSA 6:35 to familiarize yourself with the statutory requirements for State of New Hampshire lease transactions. In order to provide a brief overview of the asset and financing arrangement, please submit responses for the following items:

- Has funding for the lease payments under consideration been specifically approved by the state legislature? Please provide a copy of the relevant excerpt from the biennial operating budget containing the line item for the appropriate accounting unit.

Funds are available in the State Fiscal Year 2017 in Capital Account #03-03-03-030010-52770000-034-500099 and anticipated to be available in Account #01-03-03-030010-77030000 – 022-500257 in State Fiscal Year 2018, 2019, 2020, and 2021 upon the availability and continued appropriation of funds in the future operating budget.

FY	CAT#-DEPT#-AGENCY#-ACTIVITY#-ACCTG UNIT#- DEPT NAME-AGENCY NAME-ACCTG UNIT NAME	JOB #	AMOUNT	TOTALS
	CLASS CODE-ACCOUNT CODE –OBJ (ACCOUNT) DESC			
2017	03-03-03-030010-52770000- DoIT- Capital Fund 034-500099-Virtual Server	N/A	\$300,000	
			2017 Subtotal	\$300,000.00
2018	01-03-03-030010-77030000 – DoIT – Rent-Lease other than State 022-500257 - Lease	03030014	\$250,000	
			2018 Subtotal	\$250,000.00
2019	01-03-03-030010-77030000 – DoIT – Rent-Lease other than State 022-500257 - Lease	03030014	\$249,428.47	
			2019 Subtotal	\$249,428.47
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			2020 Subtotal	\$249,428.47
2021	01-03-03-030010-77030000 – DoIT – Rent-Lease other than State 022-500257 - Lease	03030014	\$249,428.47	
			2021 Subtotal	\$249,428.47
			GRAND TOTAL	\$1,298,285.41

- Has the financing schedule been submitted to the State Treasurer for analysis and approval? If so, confirm rate found to be reasonable and that there are sufficient appropriations available to cover the lease payments. If not, what is the time frame for submission?

This transaction entails an installment sale rather than a conventional lease financing contract. The interest rate for this agreement has been confirmed to be 0%. DoIT will make five (5) installment payments without interest for Enterprise License Agreement.

3. Have both the Department of Administrative Services (DAS) and the Attorney General's office (AGO) been notified so that they can conduct their reviews of the lease documentation? If so, please provide the contact information for those conducting the review at DAS and AGO. If not, what is the time frame for submission?

Department of Administrative Services Deputy Commissioner, Michael Connor, has reviewed a preliminary version of the agreement. Prior to G&C submission, the agreement will be reviewed and approved by DAS.

Department of Justice Attorney, Jeanine Girgenti, assisted with the negotiations of the agreement. DOJ will sign off during the normal DOJ of the agreement before submission to G&C.

4. If an Escrow Agreement is involved, will it require a State bank account? Who will be the signatory(ies)? Please provide a brief summary of how the account will operate. Has Governor & Council approval to open the State bank account been obtained? (attach appropriate documentation for the escrow agreement, if needed).

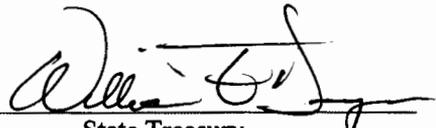
An escrow agreement is not required. The once approved by G&C, Software House International will provide the software licenses and will accept five (5) annual payments. The interest rate charged will be 0%.

5. Does the lease agreement require filing of an IRS form 8038-G or 8038-GC? If so, has the Department provided to the State Treasury all information necessary to complete the required IRS forms, particularly the lease financing contract? Please note that the State Treasury will work with bond counsel to ensure filing of required IRS forms and will provide a copy of the completed and filed form to the Department.

As an interest-free installment sale, bond counsel has determined that this transaction does not require an IRS filing.

Submitted by:  Commissioner of DoIT
Denis Goulet

Date: 2/29/2016

Reviewed/Approved: 
State Treasury

Date: 2-29-16

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY
VMWARE ENTERPRISE LICENSES
AGREEMENT 2016-060
EXHIBIT A STATEMENT OF WORK**

INTRODUCTION

This Agreement is between the New Hampshire Department of Information Technology (“DoIT” or “STATE”) and SHI International Corporation (“SHI” or “Payee”) having its place of business at 290 Davidson Avenue, Somerset, NJ 08873.

RECITALS

The STATE wishes to enter into a comprehensive five-year payment-plan agreement to procure enterprise licenses for VMware for DOITs Virtual Server Environment;

SHI International Corporation wishes to enter into a comprehensive five-year payment-plan agreement to provide enterprise licenses for VMware for DOITs Virtual Server Environment;

Therefore, in consideration of the foregoing recitals and the mutual covenants set forth below, New Hampshire and SHI now agree as follows:

1. Agreement Documents

This Agreement is comprised of the following documents:

- A. State Terms and Conditions contained in the Form P-37
- B. Exhibit A – Statement of Work
- C. Exhibit B – Payment Schedule
- D. Exhibit C – Special Provisions
- E. Exhibit D – Attachments
 - i. Schedule A – Enterprise License Agreement Order Form
 - ii. Schedule B – SHI Quote

2. Order of Precedence

In the event of conflict or ambiguity among any of the text of the Contract Documents, the following Order of Precedence shall govern:

- a. The State of New Hampshire Terms and Conditions, Form P-37-Contract Agreement Part 1.
- b. State of New Hampshire, Department of Information Technology Agreement 2016-060, including Exhibits A through D, and all attachments.

3. Agreement Term (End of maintenance term)

The Contract shall begin on the Effective Date and extend through March 25, 2021.

4. Products and Services

SHI shall provide the State VMware software, including but not limited to, software licenses, support, and maintenance under a five-year payment plan. The products and services are more fully described in Exhibits D Attachments; Schedule A – Enterprise License Agreement Order Form.

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY
VMWARE ENTERPRISE LICENSES
AGREEMENT 2016-060
EXHIBIT B PAYMENT**

1. DELIVERABLE PAYMENT SCHEDULE

This is a firm-Fixed Price Agreement totaling \$1,298,285.41 for the period between the Effective Date through March 25, 2021.

Table A – Product and Service Prices

	Product	Qty	Price
1	1 ELA for VMware - Year 1 VMware - Part#: ELA-HOLDER-C	1	\$300,000.00
2	1 ELA for VMware - Year 2 VMware - Part#: ELA-HOLDER-C	1	\$250,000.00
3	1 ELA for VMware - Year 3 VMware - Part#: ELA-HOLDER-C	1	\$249,428.47
4	1 ELA for VMware - Year 4 VMware - Part#: ELA-HOLDER-C	1	\$249,428.47
5	1 ELA for VMware - Year 5 VMware - Part#: ELA-HOLDER-C	1	\$249,428.47
	SOFTWARE AND SERVICES AMOUNT TOTAL		\$1,298,285.41

The State authorizes SHI to pay VMware, Inc. the Software and Services Amount, for the procurement of VMware Enterprise Licenses, support, and maintenance, all as described in Exhibit A. To the extent that Software is subject to a license agreement (a "License") between the State and VMware, the State acknowledges that the License is being provided solely because of the amounts funded by SHI and that the State's use of the Software is contingent upon: (i) no Event of Default having occurred and remaining uncured hereunder, (ii) SHI's receipt of all documentation deemed necessary by SHI and (iii) the State's compliance with the terms and conditions set forth in an applicable License.

Table B – Periodic Payment Schedule

Payment Number	Amount	Payment Due Date
1	\$300,000.00	7/1/2016
2	\$250,000.00	7/1/2017
3	\$249,428.47	7/1/2018
4	\$249,428.47	7/1/2019
5	\$249,428.47	7/1/2020

Whenever any Payment is not made by the State when due hereunder and such failure continues for thirty (30) days thereafter, the State agrees to pay to Payee an amount equal to 2% of such delayed Payment, but only upon approval of the Governor and Executive Council.

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY
VMWARE ENTERPRISE LICENSES
AGREEMENT 2016-060
EXHIBIT C SPECIAL PROVISIONS**

There are no special provisions.

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY
VMWARE ENTERPRISE LICENSES
AGREEMENT 2016-060
EXHIBIT D ATTACHMENTS**

ATTACHMENTS:

- i.** Schedule A – Enterprise License Agreement Order Form
- ii.** Schedule B – SHI Quote

SCHEDULE A

ENTERPRISE LICENSE AGREEMENT (ELA)

This Enterprise License Agreement (ELA) sets forth the terms and conditions for purchasing the Offerings specified below. This ELA is for the Customer identified below and is made and entered into as of the Effective Date.

Customer Name: State of New Hampshire	Customer Address: 27 Hazen Street,, Concord, NH 03301, UNITED STATES
Entitlement Account (EA)#: 114997474	Customer is issuing PO related to this ELA to a VMware channel partner
Effective Date: (if blank, then the Effective Date is the last indicated date of execution)	ELA Period Commencement Date: Effective Date
Territory: United States	ELA Period Expiration Date: 5 years following the Effective Date
	SPP Period Expiration Date: 1 years following the Effective Date

ORDER INFORMATION

Customer is ordering the VMware offerings listed on the ELA Schedule on Exhibit A (the "Offerings"). The Offerings may include VMware software, various services, and purchasing tokens or credits. Customer's use of the Offerings is limited to the Territory listed on this ELA.

1. **Software and Support Services Terms.** Customer's use of the Software is subject to the End User License Agreement accompanying or embedded in the Software, a copy of which can be found at <http://www.vmware.com/download/eula>. Customer's use of the Support Services is subject to the support services terms at <http://www.vmware.com/support/policies>.

- a) **Deployment Rights.** Customer may deploy the Software listed on Exhibit A during the ELA Period. A license to the Software shall be deemed "deployed" if the Software has been installed and Customer has entered a license key, if necessary, to run the Software prior to the expiration of the ELA Period. Upon expiration of the ELA Period, Customer may continue to use the Software Customer has already deployed, but Customer may not deploy additional copies of the Software. This section does not apply to Software licensed on a subscription basis. For subscription Software, Customer may continue to use Customer's subscription license only if Customer continues to pay the applicable renewal fees.
- b) **Software Delivery.** VMware shall deliver the Software to Customer by, at VMware's discretion, either: (a) making the Software available for download and emailing the corresponding license key(s); (b) making the Software available for download in a fashion that does not require a license key; or (c) shipping the Software on physical media and emailing the corresponding license key(s). All Software shall be deemed delivered and accepted upon VMware (i) making the Software available for download without the requirement of a license key or (ii) emailing the corresponding license key(s) to Customer. If the Software will be delivered on physical media, shipping and delivery terms are Ex Works VMware's regional fulfillment facility (INCOTERMS 2010).
- c) **Reporting.** Within thirty (30) days following expiration of the ELA Period, Customer shall report to VMware the total number of Software licenses Customer deployed as of the ELA Period Expiration Date. Customer shall also provide VMware with any other information reasonably requested by VMware to confirm Customer's compliance with the terms of this ELA. Such report shall be provided via e-mail to LicenseAdvisory@vmware.com, or as otherwise specified by VMware in writing. If Customer fails to meet the reporting requirements in this Section, VMware may audit Customer's compliance with the terms of this ELA.

2. **Training and Consulting Credits.** Customer's use of the training and consulting credits is subject to the terms posted at <http://www.vmware.com/files/pdf/services/consserv-pso-credits-datasheet.pdf>.

3. **SPP Credits.** Customer may redeem the number of SPP Credits listed on Exhibit A during the SPP Period. The "SPP Period" begins on the Effective Date and expires on the SPP Period Expiration Date. Customer can redeem SPP Credits by accessing the VMware SPP portal via My VMware located at <https://my.vmware.com/web/vmware/login>. All SPP Credits will be deemed delivered and accepted when VMware makes the SPP Credits available to Customer in the SPP Portal. Any SPP Credits that are not redeemed prior to the termination of the SPP Period will expire, and Customer will not be entitled to a refund for any unused SPP Credits. Customer's use of SPP Credits is subject to the terms of the VMware SPP Guide posted at www.vmware.com/go/spp. If there is a conflict between this ELA and the SPP Guide, the terms of this ELA shall govern. Any service that Customer redeems in the SPP Portal will be referred to as "Redeemed Service" for the purposes of this ELA. Customer's use of the Redeemed Service is subject to the Terms of Service accompanying or presented in the Service, a copy of which can be found at www.vmware.com/download/eula.

4. **Customer and Customer Reorganization.** Customer shall not, and shall not allow or permit any third party to, deploy, use or provide access to the Offerings for the benefit of the operations of any other group, entity, department or agency which (a) is in a controlling, parallel, or subordinate position; or (b) becomes part of or takes over part of the operations of Customer as a result of a government or academic Reorganization. "Reorganization" means any consolidation, division, change of control, or other similar action involving Customer and any third party.

The following shall not be included in the definition of Customer: any federal, state, or local entities, public/private educational entities, healthcare groups, or any other affiliated cooperatives, agencies, alumni, or other entities outside of State of New Hampshire except as otherwise specifically set forth herein.

5. **Customer Reference.** Customer agrees that VMware may reference Customer as a customer of VMware, subject to trademark and logo usage guidelines provided by Customer.

6. **Third Party Beneficiary.** VMware is a direct and intended third party beneficiary of the provisions of this ELA and entitled to enforce the terms of this ELA directly against Customer.

7. **Order of Precedence.** The terms and conditions of this ELA shall prevail over any additional or conflicting terms in any purchasing documentation Customer provides to VMware or a VMware authorized reseller or any other terms for the Offerings. Unless otherwise modified in this ELA, any terms accompanying the Offerings shall remain in full force.

8. **Assignment.** Customer may not assign, subcontract or transfer this ELA and any of Customer's rights or obligations hereunder, in whole or in part, whether voluntarily, by operation of contract, law or otherwise, including by way of change of control, sale of assets, merger or consolidation without VMware's prior written consent, and any attempt by Customer to assign this ELA without such consent shall be null and void and of no force and effect.

ELA Schedule

1. OFFERINGS

9. ON-PREMISE SOFTWARE (Perpetual Licenses)

Customer is purchasing the following VMware software ("Software") as it exists as of the Effective Date.

DESCRIPTION OF SOFTWARE	MAXIMUM AUTHORIZED DEPLOYMENT DURING THE ELA PERIOD
VMware Site Recovery Manager Standard (25 VM Pack)	1 Pack(s) (25 Pack)
Upgrade: VMware vSphere Enterprise Plus to vCloud Suite Advanced	96 License(s)
Upgrade: VMware vSphere Enterprise Plus to vSphere with Operations Management Enterprise Plus for 1 Processor	24 License(s)
VMware vSphere with Operations Management Enterprise Plus for 1 processor	50 License(s)

A. PURCHASING PROGRAMS.

a. SPP Credits.

Customer is purchasing the following SPP Credits ("Maximum SPP Credits Allowance") to obtain Redeemed Services during the SPP Period. Customer may redeem SPP Credits for subscription offerings on VMware's price list made eligible for SPP Credit redemption in the SPP Portal as of and after the Effective Date.

MAXIMUM SPP CREDITS ALLOWANCE
500

10. SUPPORT AND SUBSCRIPTION SERVICES ("Support Services")

Customer is purchasing the following Support Services to be provided during the ELA Period:

a. On-Premise Software (perpetual licenses): During the ELA Period, VMware shall provide Customer with Production Level Support Services for the Software licensed on a perpetual basis.

b. Pre-ELA Installed Software: During the ELA Period, VMware shall provide Customer with Production Level Support Services for the following list of software previously licensed by Customer (Pre-ELA Installed Software), which are coterminous with the ELA Period. The Pre-ELA Installed Software is not subject to any license fees in this ELA. If the Pre-ELA Installed Software includes any licenses granted to Customer's affiliated entities, the purchase of Support Services for such Pre-ELA Installed Software under this ELA does not automatically transfer such software licenses to Customer.

SKU	Description of Pre-ELA Installed Software	Total	Notes
VCS6-STD	VMware vCenter Server Standard for vSphere (Per Instance)	6	-
VC-SRM6-25S	VMware Site Recovery Manager Standard (25 VM Pack)	1	-
VS4-ENT-PL-AK	VMware vSphere Enterprise	3	-

	Plus Acceleration Kit		
VS6-EPL	VMware vSphere Enterprise Plus for 1 processor	120	-

B. TECHNICAL AND CONSULTING SERVICES. Customer is purchasing the following technical and consulting services:

c. **Training & Consulting Credits.** Customer is purchasing the following training and consulting credits with no time limit on usage.

Description	Quantity
Consulting & Learning Credits - Prepaid Services PSO Credit 151-600	200



SCHEDULE B

Pricing Proposal
Quotation #: 10841656
Created On: 1/6/2016
Valid Until: 3/31/2016

NH DEPT OF INFO TECHNOLOGY

SHI International Corp.

Sally Gallerani
27 HAZEN DRIVE
CONCORD, NH 03301
United States
Phone: (603) 223-5740
Fax:
Email: Sally.Gallerani@doit.nh.gov

Nicholas Repp Account
Executive ME/NH/VT State &
Local Gov Phone: 603-573-
6187
Fax: 732-868-5809
Email: Nick_Repp@shi.com

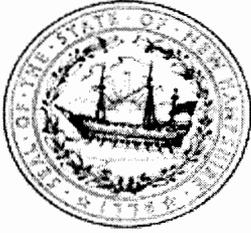
All Prices are in US Dollar (USD)

Product	Qty	Your Price	Total
1 ELA for VMware - Year 1 VMware - Part#: ELA-HOLDER-C	1	\$300,000.00	\$300,000.00
2 ELA for VMware - Year 2 VMware - Part#: ELA-HOLDER-C	1	\$250,000.00	\$250,000.00
3 ELA for VMware - Year 3 VMware - Part#: ELA-HOLDER-C	1	\$249,428.47	\$249,428.47
4 ELA for VMware - Year 4 VMware - Part#: ELA-HOLDER-C	1	\$249,428.47	\$249,428.47
5 ELA for VMware - Year 5 VMware - Part#: ELA-HOLDER-C	1	\$249,428.47	\$249,428.47
		Shipping	\$0.00
		Total	\$1,298,285.41

Additional Comments

VMware 5 Year ELA

The Products offered under this proposal are subject to the SHI Return Policy posted at www.shi.com/returnpolicy, unless there is an existing agreement between SHI and the Customer.



State of New Hampshire

Department of State



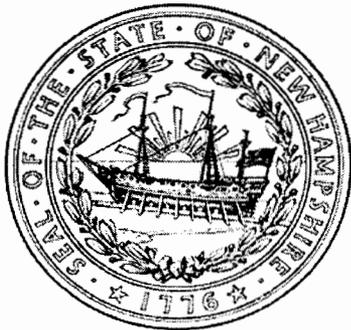
CERTIFICATE OF AUTHORITY OF

SHI INTERNATIONAL CORP.

The undersigned, as Secretary of State of the State of New Hampshire, hereby certifies that an Application of SHI INTERNATIONAL CORP. for a Certificate of Authority to transact business in this State, duly signed pursuant to the provisions of the New Hampshire Business Corporation Act, has been received in this office.

ACCORDINGLY the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Authority to SHI INTERNATIONAL CORP. to transact business in this State under the name of SHI INTERNATIONAL CORP. and attaches hereto a copy of the Application for such Certificate.

Business ID: 739104



IN TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 17th day of February, 2016 A.D.

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

Mailing Address - Corporation Division, NH Department of State, 107 North Main Street, Room 204, Concord, NH 03301-4989

Physical Location - State House Annex, 3rdFloor, Room 317, 25 Capitol Street, Concord, NH

Phone: (603)271-3246 | **Fax:** (603)271-3247 | **Email:** corporate@sos.nh.gov | **Website:** sos.nh.gov

Search

- ◆ By Business Name
- ◆ By Business ID
- ◆ By Registered Agent
Annual Report
- ◆ File Online
Guidelines
- ◆ Name Availability
- ◆ Name Appeal Process

Date: 2/18/2016

Filed Documents

(Annual Report History, View Images, etc.)

For a blank Annual Registration Report, click here.

Business Name History

Name	Name Type
SHI INTERNATIONAL CORP.	Legal
SHI INTERNATIONAL CORP.	Home State

Corporation - Foreign - Information

Business ID:	739104
Status:	Good Standing
Entity Creation Date:	2/17/2016
State of Business.:	NJ
Principal Office Address:	290 Davidson Somerset NJ 08873
Principal Mailing Address:	290 Davidson Somerset NJ 08873
Last Annual Report Filed Date:	
Last Annual Report Filed:	0

Registered Agent

Agent Name:	C T Corporation System
Office Address:	9 Capitol Street Concord NH 03301
Mailing Address:	



Signature Authorization

Effective immediately, the following individuals are authorized to negotiate and sign customer/vendor contracts, US Customers & Border Protection Power of Attorney forms, customer/vendor forms, credit reference requests, Non-Disclosure Agreements, and trade reference requests for SHI International Corp. and its affiliates, and their signature shall bind SHI International Corp. or the named affiliate, as the case may be, to such signed document.

- **Thomas Nestor (Director of Contracts)**
- **Natalie Slowik (Contract Manager)**
- **Cassie Skelton (Contract Specialist)**

Effective immediately, the following individual is authorized to sign vendor contracts, customer/vendor forms, credit reference requests, Non-Disclosure Agreements, and trade reference requests for SHI International Corp. and its affiliates, and his signature shall bind SHI International Corp. or the named affiliate, as the case may be, to such signed document.

- **Rajeev Jalan (Contract Specialist)**

This authorization shall be in effect until rescinded. All previous signature authorizations are hereby rescinded.

SHI International Corp.

Signature
Thai Lee

Name
President & CEO

Title
4/11/15

Date

MARC A. POOLE
ID # 2490065
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 02/25/2019

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
2/08/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Marsh & McLennan Agency LLC One Executive Drive Somerset, NJ 08873	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS: somersetclsupport@mma-ne.com
	INSURER(S) AFFORDING COVERAGE INSURER A : Charter Oak Fire Insurance Comp NAIC # 25615 INSURER B : Travelers Property Casualty Ins 36161 INSURER C : Travelers Indemnity Company of 25682 INSURER D : INSURER E : INSURER F :
INSURED SHI International Corp. 290 Davidson Avenue Somerset, NJ 08873	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		HOGLSA162D57	09/30/2015	09/30/2016	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
C	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		HECAP158D615	09/30/2015	09/30/2016	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$10000		HSMJCUP158D6	09/30/2015	09/30/2016	EACH OCCURRENCE \$15,000,000 AGGREGATE \$15,000,000 \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N N/A	HC2JUB8375R57715	09/30/2015	09/30/2016	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Evidence of Insurance

CERTIFICATE HOLDER State of NH, Department of Information Technology ATTN: Chief Information Officer 27 Hazen Drive Concord, NH 03301	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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