



Project title: Award and Authorize Approximately \$400,000 to be Spent Annually with SHI International Corp from Washington State Department of Enterprise Services Contract #006016/EVT#2018-082.

City Council Agenda Item Cover Sheet

Council Bill #

Washington State Department of Enterprise Services Contract
Consideration: #006016/EVT#2018-082

Agenda dates requested:

November 13, 2019

Project: Various

Partner/Supplier : SHI International Corp

Briefing

Proposed action

Consent X

Action

Ordinance

Public hearing

Yes No

Location: N/A

Preceding action: None

Fund: Varies

Budget amendment:

Yes No

Fiscal summary statement:

Funds used to purchase commercial off-the-shelf (COTS) software, licensing, and maintenance from SHI International Corp are from various departments and project budgets.

PowerPoint presentation:

Yes No

Consideration summary statement:

SHI International Corp is a reseller providing commercial off-the-shelf (COTS) software, licensing, and maintenance on Washington State Department of Enterprise Services contract #006016/EVT#2018-082, which is a participating addendum to a competitively awarded NASPO ValuePoint Data Communications Master Agreement.

Attachments:

cooperative contract

Information Technology estimates that approximately \$400,000 will be spent annually with SHI International Corp. City Purchasing policy requires Council authorization of awards greater than \$100,000.

Department(s) involved:

Purchasing/Information Technology

The City has an Interlocal Agreement with Washington State Department of Enterprise Services that allows for purchases from its competitively awarded contracts in lieu of soliciting bids on our own.

Contact person:

Theresa Bauccio-Teschlog

Phone number:

(425) 257-8901

Email:

tbauccio@everettwa.gov

Recommendation (exact action requested of Council):

Award and authorize approximately \$400,000 to be spent annually with SHI International Corp from Washington State Department of Enterprise Services Contract #006016/EVT#2018-082 for commercial off-the-shelf (COTS) software, licensing, and maintenance.

Initialed by:

Department head

Administration


Council President



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Council President

**PARTICIPATING ADDENDUM
NASPO ValuePoint**

SOFTWARE VALUE-ADDED RESELLER (SVAR) SERVICES

Administered by the State of Arizona (hereinafter "Lead State")

MASTER AGREEMENT

Master Agreement No: **ADSP016-130651**

SHI International Corp.
(hereinafter "Contractor")

And

State of Washington
(hereinafter "Participating State")

Washington Master Contract No.: **06016**

This Participating Addendum for the above referenced Master Agreement ("Participating Addendum") is made and entered into by and between the State of Washington acting by and through the Department of Enterprise Services, a Washington State governmental agency ("Enterprise Services") and SHI International Corp., a New Jersey corporation ("Contractor") and is dated and effective as of November 1, 2016.

1. **SCOPE:** This Participating Addendum covers the Software Value-Added Reseller (SVAR) Services led by the State of Arizona for use by state agencies and other entities located in the Participating State authorized by that state's statutes to utilize state contracts with the prior approval of the State's chief procurement official.
2. **EXCLUSIONS:** The following software publishers are excluded from this Participating Addendum:
 - ESRI
 - Microsoft EA
 - Autodesk
 - SAS
3. **PARTICIPATION:** Use of specific NASPO ValuePoint cooperative contracts by agencies, political subdivisions and other entities (including cooperatives) authorized by an individual state's statutes to use state contracts are subject to the prior approval of the respective State chief procurement official. Issues of interpretation and eligibility for participation are solely within the authority of the State chief procurement official. Pursuant to this Participating Addendum, the Master Agreement may be utilized by the following ("Purchasing Entities"):
 - (a) WASHINGTON STATE AGENCIES. Washington state agencies, departments, offices, divisions, boards, and commission; and any the following institutions of higher education in Washington: state universities, regional universities, state college, community colleges, and technical colleges.

(b) **MCUA PARTIES.** The Master Agreement also may be utilized by any of the following types of entities that have executed a Master Contract Usage Agreement (MCUA) with Enterprise Services:

- Political subdivisions (e.g., counties, cities, school districts, public utility districts);
- Federal governmental agencies or entities;
- Public-benefit nonprofit corporations (i.e., § 501(c) (3) nonprofit corporations that receive federal, state, or local funding); and
- Federally-recognized Indian Tribes located in the State of Washington.
- Oregon Cooperative Purchasing Program (ORCPP)

4. PARTICIPATING STATE MODIFICATIONS OR ADDITIONS TO MASTER AGREEMENT:

- 4.1. **PRICING.** Although Contractor may offer lower prices to Purchasing Entities, Contractor guarantees to provide the Products at no greater than the prices set forth in the Master Agreement, whereas 'Reseller Cost' is defined as the price that Contractor pays the Publisher or Distributor to purchase software on behalf of the Participating State. If Purchasing Entities use a credit card as a method of payment for an order over ten thousand dollars (\$10,000), prices may be subject to payment processing fees, as agreed to in the applicable Purchase Order. Unless otherwise specified herein, Contractor shall not include or impose any additional charges including, but not limited to, charges for shipping, handling, or payment processing.
- 4.2. **WASHINGTON'S ELECTRONIC BUSINESS SOLUTIONS (WEBS) SYSTEM.** Within seven (7) days of execution of this Participating Addendum, Contractor shall register in the Washington State Department of Enterprise Services' Electronic Business Solutions (WEBS) System at <https://fortress.wa.gov/ga/webcust/home.html>. Contractor shall ensure that all of its information therein is current and accurate and that, throughout the term of the Master Agreement, Contractor shall maintain an accurate profile in WEBS.
- 4.3. **WASHINGTON'S STATEWIDE PAYEE DESK.** To be paid for contract sales, Contractors must register with Washington's Statewide Payee Desk. Washington state agencies cannot make payments to a contractor until it is registered. Registration materials are available here: Receiving Payment from the State.
- 4.4. **CONTRACT SALES REPORTING.** Contractor shall report total contract sales quarterly to Enterprise Services, as set forth below.
- (a) **REPORTING.** Contractor shall report quarterly Contract sales in Enterprise Services' Contract Sales Reporting System. Enterprise Services will provide Contractor with a login password and a vendor number.
 - (b) **DATA.** Each sales report must identify every authorized Purchasing Entity by name as it is known to Enterprise Services and its total combined sales amount invoiced during the reporting period (i.e., sales of an entire agency or political subdivision, not its individual subsections). The "Miscellaneous" option may be used only with prior approval by Enterprise Services. Upon request, Contractor shall provide contact information for all authorized Purchasing Entities specified herein during the term of

this Participating Addendum. Refer sales reporting questions to the Primary Contact set forth below. If there are no contract sales during the reporting period, Contractor must report zero sales.

- (c) **DUE DATES FOR CONTRACT SALES REPORTING.** Quarterly Contract Sales Reports must be submitted electronically by the following deadlines for all sales invoiced during the applicable calendar quarter:

For Calendar Quarter Ending	Contract Sales Report Due
March 31	April 30
June 30	July 31
September 30	October 31
December 31	January 31

- 4.5. **VENDOR MANAGEMENT FEE.** Contractor shall pay to Enterprise Services a vendor management fee (“VMF”) of 0.74% on the purchase price for all contract sales (the purchase price is the total invoice price less applicable sales tax).

- (d) The sum owed by Contractor to Enterprise Services as a result of the VMF is calculated as follows:

Amount owed to Enterprise Services = Total contract sales invoiced (not including sales tax) x .0074.

- (e) The VMF must be rolled into Contractor’s current pricing. The VMF must not be shown as a separate line item on any invoice unless specifically requested and approved by Enterprise Services.
- (f) Enterprise Services will invoice Contractor quarterly based on contract sales reported by Contractor. Contractor shall not remit payment until an electronic invoice from Enterprise Services becomes available in Contract Sales Reporting System. Contractor’s VMF payment to Enterprise Services must reference the following:
- This Washington Master Contract No.: 06016
 - The NASPO Master Agreement No.: ADSP016-130651
 - The year and quarter for which the VMF is being remitted, and
 - Contractor’s name as set forth in this Contract, if not already included on the face of the check.
- (g) Contractor’s failure accurately and timely to report total net sales, to submit usage reports, or remit payment of the VMF to Enterprise Services, may be cause for suspension or termination of this Participating Addendum or the exercise of any other remedies as provided by law.
- (h) Enterprise Services reserves the right, upon thirty (30) days advance written notice, to increase, reduce, or eliminate the VMF for subsequent purchases.
- (i) For purposes of the VMF, the parties agree that the initial management fee is included in the pricing. Therefore, any increase or reduction of the management fee must be reflected in contract pricing commensurate with the adjustment.

- 4.6. **CONTRACT REVIEWS.** Enterprise Services reserves the right to conduct quarterly reviews of Contractor’s sales and prices, and request Contractor to provide copies of Publisher invoices for up to ten percent (10%) of sales in order to validate Reseller Costs.

- 4.7. **COMPLIANCE WITH LAW; TAXES, LICENSES, & REGISTRATION.** Contractor shall comply with all applicable law. Contractor shall register to conduct business in the State of Washington and promptly acquire and maintain all necessary licenses and registrations and pay all applicable taxes and fees. In addition, for all sales to purchasers in the State of Washington, Contractor shall calculate, collect, and remit, as appropriate, the applicable state and local sales tax on all invoices.
- 4.8. **RECORDS ADMINISTRATION AND AUDIT.** Participating State's right as specified in Section 25 of the Master Agreement shall survive for a period of six (6) years following termination of this Participating Addendum or final payment for any order placed by a Purchasing Entity against this Participating Addendum, whichever is later, to assure compliance with the terms hereof or to evaluate performance hereunder.
- 4.9. **WAIVER OF SUBROGATION.** Contractor waives all rights of subrogation against the Participating State and any Purchasing Entity for the recovery of damages to the extent such damages are or would be covered by the insurance specified herein.
- 4.10. **PURCHASE ORDERS.** To utilize the NASPO ValuePoint Master Agreement, each order must include the following information and be submitted to SHI International Corp.:
- (j) Order is subject to NASPO ValuePoint Master Agreement No. ADSPO16-130651 and Washington Master Contract No. 06016;
 - (k) Purchase Order amount; and
 - (l) Purchaser's contact information (i.e., name, address, telephone number, email).

5. **LEASE AGREEMENTS:** Leasing or renting equipment is not allowed throughout the term of the Master Agreement.

6. **PRIMARY CONTACTS:** The primary contact individuals for this Participating Addendum are as follows (or their named successors):

Contractor	Participating State
SHI International Corp. 290 Davidson Ave. Somerset, NJ 08873	State of Washington Department of Enterprise Services Contracts, Procurement and Risk Mgmt. P.O. Box 41411 Olympia, WA 98504-1411
Attn: Alison Turner Tel: (425) 974-5997 Email: alison_turner@shi.com	Attn: Mike Dombrowsky Tel: (360) 407-8717 Email: mike.dombrowsky@des.wa.gov

7. **ORDERS:** Unless the parties to the Order agree in writing that another contract or agreement applies to such order, any Order placed by a Participating Entity or Purchasing Entity for a Product and/or Service available from this Master Agreement shall be deemed to be a sale under (and governed by the prices and other terms and conditions of) the Master Agreement as conditioned by this Participating Addendum.

8. GENERAL:

- (a) INTEGRATED AGREEMENT; MODIFICATION. This Participating Addendum and Master Agreement, together with its exhibits, set forth the entire agreement and understanding of the Parties with respect to the subject matter and supersedes all prior negotiations and representations. This Participating Addendum may not be modified except in writing signed by the Parties.
- (b) AUTHORITY. Each party to this Participating Addendum, and each individual signing on behalf of each party, hereby represents and warrants to the other that it has full power and authority to enter into this Participating Addendum and that its execution, delivery, and performance of this Participating Addendum has been fully authorized and approved, and that no further approvals or consents are required to bind such party.
- (c) SURVIVAL. All representations, warranties, covenants, agreements, and indemnities set forth in or otherwise made pursuant to this Participating Addendum shall survive and remain in effect following the expiration or termination of this Participating Addendum, *Provided*, however, that nothing herein is intended to extend the survival beyond any applicable statute of limitations periods.
- (d) ELECTRONIC SIGNATURES. A signed copy of this Participating Addendum or any other ancillary agreement transmitted by facsimile, email, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Participating Addendum or such other ancillary agreement for all purposes.
- (e) COUNTERPARTS. This Participating Addendum may be executed in one or more counterparts, each of which shall be deemed an original, and all of which counterparts together shall constitute the same instrument which may be sufficiently evidenced by one counterpart. Execution of this Participating Addendum at different times and places by the parties shall not affect the validity thereof so long as all the parties hereto execute a counterpart of this Participating Addendum.

EXECUTED as of the date and year first above written.

STATE OF WASHINGTON
DEPARTMENT OF ENTERPRISE SERVICES

By: 

Its: Washington State IT Contract MGR

SHI INTERNATIONAL CORP.
A NEW JERSEY CORPORATION

By: 
Cassie Skelton

Its: Sr. Contracts Specialist