

EXCEPTION PAGE
RFP#07-012215
Refurbished Computers and Equipment

(**Page 4, under Proposal Instructions, bullet #3 states:**

"Deviations to any terms, Conditions, and/or Specifications shall be conspicuously noted in writing by the vendor and included with the proposal."

Due to the ambiguous and sometimes contrary nature of the language used to construct this bid, CXtec chooses caution in our bid response. The document represents CXtec's deviations, clarifications, and adjustments to the following Terms, Conditions, and/or Specifications:

Page 9, under General Information, paragraph 3 states:

"In the event of a conflict between the provisions set forth and those contained in any Attachment, the provisions set forth shall control."

CXtec amends that sentence to read:

"In the event of a conflict between the provisions set forth and those contained in any Attachment, the provisions of the attachment shall control."

Page 9, Under Terms and Conditions:

Freight

To clarify, CXtec includes GROUND freight, prepaid, FOB destination in all pricing offered through the TIPS/TAPS contract. However, we extend those terms only to orders **over** \$500 in revenue. All orders under \$500 will be assessed freight as a separate line item. Customers requiring advanced delivery services such as next-day or two-day delivery will be responsible for ALL freight charges associated with that order.

Further, orders for power supplies or battery backup units are **not** eligible for free freight.

Warranty Conditions

CXtec intends to supply Equal2new® branded performance guaranteed technology equipment under this Contract. Equal2new equipment is NOT new equipment. Equal2new equipment is refurbished technology equipment. All equal2new equipment comes with our Lifetime Hardware Replacement Warranty which includes complimentary advanced replacement for the first year. Details of our warranty can be found under section 6, "Warranty Information" in our bid response.

Further, CXtec is the sole dealer and distributor of Equal2new branded performance guaranteed technology Equipment. Equal2new can only be sourced through CXtec.

Equal2new branded technology equipment guarantees the end user that:

- All products undergo an ISO certified 10-step certification process in an electrostatic discharge (ESD) controlled environment.
- Testing includes live network and diagnostic testing to guarantee *reliability and optimal* performance.
- All equal2new products have a 99.5% out of the box reliability rating and are shipped with ESD bags and straps to ensure equipment arrives safely and in excellent working condition.
- All equal2new products are backed with an industry-leading hardware replacement warranty as standard business practice. Our warranty typically meets or exceeds the original equipment manufacturer's warranty.

Customer Support

CXtec is a reseller of network hardware, cabling, and telephony products. As such, we will not provide free training on the use of products and services that we sell. CXtec is happy to provide excellent technical and customer support during normal business hours to customers who use our products and services. Most requests are responded to within 24 hours, provided the request was made during normal business hours.

Page 10, under Terms and Conditions:

Tax Exempt Status

CXtec agrees to this term as long as said entity supplies proof of exemption in the form of a tax exempt certificate. Exemption will not be made to any entity that is unable to produce a tax exempt certificate.

Shipments

Equal2new products are sold based on availability. Typically, CXtec is able to process orders within 5 business days. Should a longer processing time be required, it will be written on the quote as well as communicated in writing upon receipt of a purchase order. CXtec is willing to work with a customer to make sure delivery timeframes are met. Further, CXtec requires a minimum of thirty (30) days to resolve outstanding order requests before a customer may cancel.

Invoices

CXtec takes exception to invoicing for partial shipments. CXtec will invoice TIPS/TAPS customers for products they ship. Manual invoices can be created, upon request, for those members requiring one invoice per purchase order. Orders can be shipped complete at the customer's request. However, if no request is made, CXtec has the right to invoice for partial shipments. It is the policy of CXtec to send all invoices by email to the "Bill To" contact stated on the purchase order. Invoices will not be mailed.

Page 11, under Terms and Conditions:

Pricing

CXtec intends to submit a catalog bid extending a 10% discount off CXtec Standard Price on all equal2new technology products. CXtec intends to sell goods and services through the TIPS/TAPS contract at this discount level using the "percent off list" method of pricing.

CXtec is unique in that we sell refurbished equipment through our equal2new program. Unlike manufacturers who control the production and cost of their products, CXtec relies on the secondary technology market as our main source of product. The supply of any given item is not unlimited. Price fluctuations occur. Because of this constant fluctuation, not only in price but in availability, our CXtec Standard Price fluctuates as well. CXtec strives to offer our best Standard Price at any given time. However, order history shall have no bearing on future sales opportunities.

In lieu of a separate competitive bidding procedure such as an invitation to bid or traditional RFP process, CXtec reserves the right to allow TIPS/TAPS members to request Awarded Vendor Voluntary Price Reduction or Spot Pricing from TIPS/TAPS agreement pricing. In the event a member chooses to make this request, the member must first contact CXtec and determine if the option is available based on the size and scope of the project. If special pricing is available, the TIPS/TAPS member would then request a written quote. The quote would be noted as a Voluntary Price Reduction by CXtec. Pricing will be granted at the discretion of CXtec and is limited to the single opportunity presented by the member. Because Voluntary Price Reduction or Spot Pricing discounts are beneficial to TIPS/TAPS members, those discounts supersede any guarantee of price.

Further, CXtec extends our discount of 10% off CXtec Standard Price to our entire product offering, regardless of whether or not it falls under the "refurbished" category.

Our Standard Price includes the 2% Participation Fee that will be remitted to TIPS/TAPS by CXtec. Since price reductions and price increases will be honored by TIPS/TAPS, CXtec agrees to provide TIPS/TAPS with a monthly recurring pricelist that will reflect any changes in CXtec Standard Pricing.

Participation Fees

To clarify, the Participation Fee of 2% is assessed on NET sales once any returns have been subtracted from the total gross revenue. Additionally, if awarded a contract, CXtec will continue to submit our Participation Fee and detailed report on a QUARTERLY basis. This report and payment will be delivered within thirty days after the end of each quarter.

Indemnity

CXtec takes exception to both the Personality and Performance contract clauses. We revise them as follows:

Indemnity for Personality Contracts. Vendor agrees to indemnify and hold harmless and defend TIPS/TAPS, its member(s), officers and employees, from and against all claims and suits for damages, injuries to persons (including death), property damages, losses, and expenses including court costs and attorney's fees, arising out of, or resulting from, Vendor's performance of this contract, including all such clauses of action based upon common, constitutional, or statutory law, in whole or in part, upon such allegations of negligent or intentional acts on the part of the Vendor, its officers, employees, agents, subcontractors, licensees, or invitees. In the event any negligence or fault is assigned or apportioned to indemnitee, Vendor's indemnification liability shall be limited to only that portion of the liability over and above the percentage attributed to the indemnitee.

Indemnity for Performance Contracts. The Vendor agrees to indemnify and hold harmless and defend TIPS/TAPS, its member(s), officers and employees, from and against all claims and suits for damages, injuries to persons (including death), property damages, losses, and expenses including court costs and attorney's fees, arising out of, or resulting from, Vendor's work under this contract, including all such causes of action based upon common, constitutional, or statutory law, or based in whole or in part, upon allegations of negligent or intentional acts on the part of the Vendor, its officers, employees, agents, subcontractors, licensees, or invitees. Vendor further agrees to indemnify and hold harmless and defend TIPS/TAPS, its member(s), officers, and employees, from and against all claims and suits for injuries (including death) to an officer, employee, agent, subcontractor, supplier, or equipment lessee of the Vendor, arising out of, or resulting from, Vendor's work under this contract. In the event any negligence or fault is assigned or apportioned to indemnitee, Vendor's indemnification liability shall be limited to only that portion of the liability over and above the percentage attributed to the indemnitee.

Page 12, under Terms and Conditions:

Miscellaneous

CXtec takes exception to this language. Either party may terminate this agreement at any time with or without cause after the initial 12 month contract term.

Purchase Order Pricing/Product Deviation

CXtec takes exception to the time for cure and amends as follows:

Upon receipt of a written deficiency, CXtec shall have (30) days during which to provide a satisfactory response to TIPS.

Page 14, under Terms and Conditions:

Audit Rights

CXtec specifies that only records **directly related to TIPS contract sales** may be audited.

Back Ordered Products

To clarify, Equal2new products are sold based on availability. Typically, CXtec is able to process orders within 5 business days. Should a longer processing time be required, it will be written on the quote as well as communicated in writing upon receipt of a purchase order. CXtec is always willing to work with a customer to make sure delivery timeframes are met. Further, CXtec requires a minimum of thirty (30) days to resolve outstanding order requests before a customer may cancel.

Page 17, under Vendor Profile

Item 1.4.1

CXtec takes exception to the language stated in 1.4.1. As stated previously, CXtec agrees to furnish all current and future products at prices that reflect 10% off CXtec Standard Price ONLY. No other pricing structure or discount request will be considered, unless TIPS/TAPS members request Awarded Vendor Voluntary Price Reduction or Spot Pricing as stated in our exception to **Pricing**.

We look forward to continuing to work with TIPS/TAPS as your vendor of choice for Refurbished Computers and Equipment. Please feel free to contact me if you have any questions or concerns Regarding our Exception Page.

Sincerely-



Barbara S. Ashkin
Vice President & Chief Financial Officer
CXtec
315.476.3000 x2250
bashkin@cxtec.com

Vendor Profile

1.1. Minority/Women Business Enterprise (Required by some participating governmental entities)

Vendor certifies that his firm is a HUB and/or M/WBE

(If yes, vendor must provide certificate in Section 7 (Certificates))

☐ Yes ☒ No

1.2. Certification of Residency (Required by the State of Texas)

Company submitting bid is a Texas resident bidder.

☐ Yes ☒ No

Vendor's principal place of business is in the city of _____ State of _____

1.3. Felony Conviction Notice (Required by the State of Texas)

My firm is, as outlined in the Instructions to Bidders:

☐ A publicly held corporation; therefore, this reporting requirement is not applicable.

☒ Is not owned or operated by anyone who has been convicted of a felony.

☐ Is owned or operated by the following individual(s) who has/have been convicted of a felony:

If the 3rd box is checked, a detailed explanation of the names and convictions must be attached.

1.4. Pricing Information

1.4.1. In addition to the typical unit pricing furnished herein, the Vendor agrees to furnish all current and future products at prices that are proportionate to Dealer Pricing.

☐ Yes ☒ No

If answer is no, attach a statement detailing how pricing for TIPS participants would be calculated.

1.4.2. Pricing submitted includes the 2% TIPS participation fee.

☒ Yes ☐ No

1.4.3. Vendor agrees to remit to TIPS the required 2% participation fee.

☒ Yes ☐ No

1.4.4. Additional discounts to TIPS members for bulk quantities?

☒ Yes ☐ No

1.5. Vendor Service

1.5.1. Average shipping time after receipt of customer order is 5-7 working days.

1.5.2. Which description best describes your company's position in the distribution channel?

☐ Manufacturer direct

☐ Certified education/government reseller

☐ Authorized distributor

☐ Manufacturer marketing thru reseller

☒ Value-added reseller

☐ Other _____

1.5.3. Company experience in this category. 30 Years

The Vendor can provide services and/or products to all 50 US States?

☒ Yes ☐ No

If answer is no, please list which states can be served _____

Prices are guaranteed for: (Standard Term is "Term of Contract") Term selected will affect scoring.

____ ☐ Month(s); or ____ ☐ Year(s); or ____ ☒ Term of Contract

Company and/or Product Description: (This information will appear on the TIPS website for your company, if awarded a TIPS contract.) Limit 750 characters.

To help our customers work within their budgets, CXtec created a completely new product category called equal2new®. Our equal2new products are up to 90% off manufacturer's list price, go through our rigorous certification process and come standard with a lifetime warranty with first year advanced replacement. It's how we help you keep your networks up and your costs down.

If applicable, vendor should list Reseller/Dealers here or provide listing as attachment to proposal.

Dealer Name _____ **Tel** _____

Address _____ **Fax** _____

Primary Contact _____ **Email** _____

Dealer Name _____ **Tel** _____

Address _____ **Fax** _____

Primary Contact _____ **Email** _____

Dealer Name _____ **Tel** _____

Address _____ **Fax** _____

Primary Contact _____ **Email** _____

Dealer Name _____ **Tel** _____

Address _____ **Fax** _____

Primary Contact _____ **Email** _____

RFP- Refurbished Computers and Equipment – Due December 11, 2014 at 3:00 p.m.

The Interlocal Purchasing System (TIPS)

Lead Agency – Region VIII Education Service Center

ALL SALES CALLS WILL BE DIRECTED TO THE TWO INDIVIDUAL VENDOR CONTACTS LISTED BELOW. THESE TWO CONTACTS WILL BE RESPONSIBLE FOR KNOWING THE TIPS CONTRACT AND CONTRACT PRICING. THESE NAMES WILL BE LISTED ON THE TIPS WEBSITE AS PRIMARY AND SECONDARY CONTACTS FOR THE AWARDED CONTRACT.

Primary Contact:

Name: Michelle M. Bull
 Title: Vertical Champion
 Email: mbull@cxtec.com
 Phone: 315-883-3781
 Fax: 315-455-1800
 Mobile: ✓

Secondary Contact:

Name: Amber Clark
 Title: Account Executive
 Email: aclark@cxtec.com
 Phone: 315-883-3766
 Fax: 315-455-1800
 Mobile: ✓

Administrative Fee REPORTING TO TIPS – You will receive a Monthly Report by Email to submit with a check for 2% on all sales that go through this contract. Please list below who will be responsible for collecting and reporting these sales to TIPS:

Contact person: Michelle M. Bull
 Email: mbull@cxtec.com
 Telephone: 315-883-3781

WORDS FOR “SEARCH ENGINE” - Please list words to be posted on your company’s page on the TIPS website (if you receive an award from this proposal). Words may be product names, manufacturers, or other words that are associated with the category of award. YOU MAY NOT LIST NON-CATEGORY ITEMS. Words to be included in the Search Engine for my Company (Limit 500 words):

Cisco, HP, Nortel, Juniper, Extreme, Araya, ShoreTel, 3Com, Axis,
Refurbished, Switch, router, phone, VoIP, wireless, Aruba, Meru,
Access point, controller, transceiver, Sfp, GBIC, fiber, patch
Cable, CAT6, Great Lakes, CABLExpress, fiber jumper, APC,
batteries, pre-owned, equal2new, Brocade, core, edge, blade,
chassis, WLAN, LAN, connectivity, patch panel, media converter,
Cable management, Mitel, copper trunk, thinking, headsets, KVM
power backup, audio/visual cables, asset recovery, trade-in,
Rapidcare, Plantronics, Polycom, NEC, Astra, lifetime warranty,

CONTRACT Signature Form

The undersigned hereby proposes and agrees to furnish goods and/or services in strict compliance with the terms, specifications and conditions at the prices quoted unless noted in writing. The undersigned further certifies that he or she is an authorized agent of the company and has authority to negotiate and contract for the company named below.

Note: The information in BOLD will be the PRIMARY COMPANY INFORMATION listed on the Vendor Page.

Company name

CABLExpress Corporation, dba CXtec

Mailing Address

5404 South Bay Rd, PO Box 4799

City/State/Zip

Syracuse, NY - 13221-4799

Telephone No.

315-476-3000

Fax No.

315-455-1800

E-mail address

bashkin@cxtec.com

Authorized signature

Barbara S. Ashkin

Printed name

Barbara S. Ashkin

Position with company

VP/CFO

EMAIL FOR ALL PO's WILL BE SENT

Email

mbull@cxtec.com

Person Responsible for PROCESSING PO's

Name

Michelle M. Bull

Telephone to Contact the PO Person

Phone

315-883-3781

Company Website

www.cxtec.com

It is very important that if the PO person changes that TIPS is notified immediately.

This contract is for a total TERM of three years, but is reviewed and renewed every 12 months. Vendors shall honor the participation fee for any sales made based on the TIPS contract. Failure to pay the fee will be grounds for termination of contract and will affect the award of future contracts.

Blenda McMatt

TIPS Authorized Signature

David Wayne Fitts

Approved by Region VIII ESC

1-22-15

Date

1-22-15

Date

CXtec References...People who love what we do!

Brytheville School District

Brytheville, AR

Kris Williams, Network Manager

kwilliams@bps.k12.ar.us

Direct: 870-762-2053 x234

Pasadena Independent School District

Pasadena, TX

Mark Miller, Network Manager

mmiller@pasadenaisd.org

Direct: 713.740.5501 x78501

Conway School District

Conway, AR

Joel Dean, IT Director

deanj@conwayschools.net

Direct: 501-450-6687

University of Texas –Pan American

Edinburg, TX

Mr. Kelly Smith, Sr. Network Engineer

kellys@utpa.edu

Direct: 956.638.4761

Hamilton County School District

Chattanooga, TN

David McNish, Purchasing Manager

mcnish_david@hcde.org

Direct: 423-209-8400

Jonesboro Public Schools

Jonesboro, AR

Michael Summers, IT Director

michael.summers@jonesboroschools.net

Direct: 870-933-5800 x2245

University of Arkansas Fort Smith

Fort Smith, AR

Mark Mahar, Systems Engineer

mark.mahar@uafs.edu

Direct: 479-788-7422

Panola College

Carthage, TX

Allen West, Director of Information Technology

awest@panola.edu

Direct: 903-963-1171



LIMITED LIFETIME WARRANTY

Subject to the terms and conditions set forth below, CXtec® equal2new® products, with the exception of equal2new APC products, carry a limited lifetime warranty on parts and labor. CXtec warrants to the original End User purchaser that its equal2new products will be materially free from defects under normal use and service for as long as the original End User owns the product, or for three (3) years after the manufacturer discontinues such product, whichever is sooner. If the product has been manufacturer discontinued prior to the original End User's purchase from CXtec, the warranty term will be three (3) years from the date of purchase.

This warranty does not cover defects or damages due to ordinary maintenance, normal wear and tear, cords, plastic casings, improper use, accidental damage, neglect, misuse, abuse, incorrect installation, unauthorized repair, alterations, or modifications, failure of or surges in electric power, conditions caused by abnormal temperature and/or humidity control, vandalism, negligence in transit or handling, acts of nature, or any other acts or causes beyond CXtec's reasonable control.

The warranty period for equal2new products commences on the day of shipment. If products under warranty are claimed to be defective, please notify CXtec's equal2new Warranty Entitlement Group at (800) 767-3282 x2400 or 2400@cxtec.com, and request a return material authorization (RMA) to return the products. Pursuant to the instructions on the RMA form, all products should be returned to the CXtec Distribution Center at 621 E. Brighton Avenue, Syracuse, NY 13210. Upon receipt of the products, CXtec, at its sole discretion, will either choose to repair the products, supply a replacement, or credit the customer's account. CXtec will use its best efforts to provide an advanced replacement, subject to availability, for all eligible claims that are made with one (1) year from the date of shipment. Any replaced or repaired product will continue to be warranted under the original warranty period. All products returned to CXtec must be packaged in packing materials that afford the same degree of protection from damage and electrical discharge as the original packaging materials. Removal of equal2new identification seals will VOID this warranty. Returned product must be received within ten (10) days of receipt of an advance replacement, otherwise the list price of the product will be charged. Returned product must match exactly with regard to the quantity, type, serial numbers and/or bar codes of the products being replaced. This warranty is valid in the United States, all U.S. Territories, and Canada. For international warranty details, please contact your account representative.

THE FOREGOING WARRANTY AND END USER'S REMEDIES WITH RESPECT THERETO, ARE EXCLUSIVE AND EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, LIABILITIES, REMEDIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL CXTEC BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING BUT NOT LIMITED TO LOSS OF DATA, PROFITS, OR REVENUE) ARISING FROM ANY CAUSE WHATSOEVER, WHETHER CLAIMED BY REASON OF BREACH OF WARRANTY OR OTHERWISE, EVEN IF CXTEC HAS BEEN INFORMED OF THE POSSIBILITY THEREOF.

Some states do not allow the exclusion or limitation of implied warranties or incidental or consequential damages, so the above limitation or exclusion may not apply to you.