

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA REQUEST

TO: Board of Commissioners
Mark McCauley, County Administrator

FROM: Chris Goy, Central Services Director

DATE: April 10, 2023

RE: Information Technology Upgrade to County Email Services

STATEMENT OF ISSUE: We have recently learned that Microsoft will soon stop supporting the 2013 Microsoft Exchange email solution used by Jefferson County for the past decade. Seamless and reliable email communications are essential for daily County operations.

ANALYSIS: Recent bandwidth issues and the end of Microsoft's support for our existing email solution requires an immediate email system upgrade. Our Information Services team is recommending that we:

- migrate to Microsoft's cloud-based email solution, Microsoft Exchange Online.
- contract with professional consultants with extensive expertise in successful and efficient transitions from on-premises to cloud-based email solutions.
- purchase the first tranche of 500 annual licenses.

The attached proposed contract will implement the above recommendations of our Information Services team.

FISCAL IMPACT: Sixty-three thousand two dollars and zero cents (\$63,002.00) to be paid using General Fund funds.

RECOMMENDATION: That the Board approve the attached proposed contract. In addition, the Board is asked to commit to approving the associated 1st Quarter Supplemental request during the upcoming 1st Quarter Budget Supplemental Hearing.

REVIEWED BY:


Mark McCauley, County Administrator


Date

CONTRACT REVIEW FORM
(INSTRUCTIONS ARE ON THE NEXT PAGE)

Clear Form

CONTRACT WITH: CDW Government LLC

Contract No: MICROX 2023

Contract For: Microsoft Exchange Online Upgrade

Term: April 11, 2023 through completion.

COUNTY DEPARTMENT: Central Services Department
Contact Person: Chris Goy, Central Services Director
Contact Phone: 360-385-9362
Contact email: cgoy@co.jefferson.wa.us

AMOUNT: \$63,002.00

Revenue: _____
Expenditure: _____
Matching Funds Required: _____
Sources(s) of Matching Funds N/A
Fund # 001
Munis Org/Obj _____

PROCESS:

☐ Exempt from Bid Process
☐ Cooperative Purchase
☐ Competitive Sealed Bid
☒ Small Works Roster
☐ Vendor List Bid
☐ RFP or RFQ
☐ Other: _____

APPROVAL STEPS:

STEP 1: DEPARTMENT CERTIFIES COMPLIANCE WITH JCC 3.55.080 AND CHAPTER 42.23 RCW.

CERTIFIED: ☒ N/A: ☐

 4/4/23
Signature Date

STEP 2: DEPARTMENT CERTIFIES THE PERSON PROPOSED FOR CONTRACTING WITH THE COUNTY (CONTRACTOR) HAS NOT BEEN DEBARRED BY ANY FEDERAL, STATE, OR LOCAL AGENCY.

CERTIFIED: ☒ N/A: ☐

 4/4/23
Signature Date

STEP 3: RISK MANAGEMENT REVIEW (will be added electronically through Laserfiche):

Electronically approved by Risk Management on 4/4/2023.

STEP 4: PROSECUTING ATTORNEY REVIEW (will be added electronically through Laserfiche):

Electronically approved as to form by PAO on 4/5/2023.
Standard professional services agreement template. Approved as to form on 04/05/2023

STEP 5: DEPARTMENT MAKES REVISIONS & RESUBMITS TO RISK MANAGEMENT AND PROSECUTING ATTORNEY(IF REQUIRED).

STEP 6: CONTRACTOR SIGNS

STEP 7: SUBMIT TO BOCC FOR APPROVAL

PROFESSIONAL SERVICES AGREEMENT WITH

THIS PROFESSIONAL SERVICES AGREEMENT (Agreement) is entered into by and between Jefferson County (County) and CDW Government LLC (Consultant), upon the following terms and conditions.

1. Project Designation. The Consultant is retained by the County to assist the County with Information Technology Professional Services.
2. Scope of Services. Consultant agrees to perform the services identified on Exhibit "A" attached hereto including the provision of all labor.
3. Time for Performance. This Agreement shall commence April 11, 2023 and continue until work is complete. Work performed consistent with this Agreement during its term, put prior to the adoption of this Agreement, is hereby ratified. The Consultant shall perform all services pursuant to this Agreement as outlined on Exhibit "A". Time is of the essence in the performance of this Agreement.
4. Payment. The Consultant shall be paid by Jefferson County for completed work and for services rendered under this Agreement as follows:
 - a. Payment for the work provided by Consultant shall be made as provided on Exhibit "A" attached hereto, provided that the total amount of payment to Consultant shall not exceed \$63,002, in accordance with Section B. of Exhibit A, without express written modification of the Agreement signed by each Party.
 - b. Invoices must be submitted by the 15th of the month for the previous month's expenses. Such invoices will be checked by the County, and upon approval thereof, payment will be made within 30 days to the Consultant in the amount approved. Failure to submit timely invoices and reports pursuant to Exhibit B of the Agreement may result in a denial of reimbursement. Invoices not submitted within 60 days may be denied.
 - c. Final payment of any balance due the Consultant of the total contract price earned will be made promptly once the County verifies completion of the work and submittal of reports under this Agreement and acceptance by the County.
 - d. Consultant shall provide invoices and necessary backup documentation for all services including timesheets and statements (specifying the services provided). Any indirect charges require the submittal of an indirect cost methodology and rate using 2 C.F.R. Part 255 and 2 C.F.R. Part 230.
 - e. The Consultant's records and accounts pertaining to this Agreement are to be kept available for inspection by representatives of the County and state for a period of six (6) years after final payments. Copies shall be made available upon request.
5. Ownership and Use of Documents. All non-confidential or de-identified documents, drawings, specifications, and other materials produced by the Consultant in connection

with the services rendered under this Agreement shall be the property of the County whether the project for which they are made is executed or not. The Consultant shall be permitted to retain copies, including reproducible copies, of drawings and specifications for information, reference and use in connection with Consultant's endeavors. Consultant shall not be held liable for reuse of documents or modifications thereof, including electronic data, by the County or its representatives for any purpose other than the intent of this Agreement.

6. Compliance with laws. Consultant shall, in performing the services contemplated by this Agreement, faithfully observe and comply with all federal, state, and local laws, ordinances and regulations, applicable to the services to be rendered under this Agreement.
7. Audit. Upon request, Consultant will submit their most recent financial information.
 - a. Upon request the County shall have the option of performing an onsite review of all records, statements, and documentation.
 - b. If the County finds indications of potential non-compliance during the monitoring process, the County shall notify Consultant within ten (10) days. The County and Consultant shall meet to discuss areas of contention in an attempt to resolve issues.
8. Indemnification. The Consultant shall defend, indemnify and hold the County, its officers, officials, employees, agents and volunteers (and their marital communities) harmless from any claims, injuries, damages, losses or suits, including attorney's fees, arising out of or resulting from the acts, errors or omissions of the Consultant in performance of this Agreement, except for injuries and damages caused by the sole negligence of the County. Should a court of competent jurisdiction determine this Agreement is subject to RCW 4.24.115 if liability for damages occurs arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the County, its officers, officials, employees, agents and volunteers (and their marital communities) the Consultant's liability, including the duty and cost to defend, shall be only for the Consultant's negligence. It is further specifically understood that the indemnification provided constitutes the Consultant's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. This section shall survive the expiration or termination of this Agreement.
9. Insurance. Prior to commencing work, the Consultant shall obtain at its own cost and expense the following insurance coverage specified below and shall keep such coverage in force during the terms of the Agreement.
 - a. Commercial Automobile Liability Insurance providing bodily injury and property damage liability coverage for all owned and non-owned vehicles assigned to or used in the performance of the work for a combined single limit of not less than \$500,000 each occurrence with the County named as an additional insured in

connection with the Consultant's performance of this Agreement. This insurance shall indicate on the certificate of insurance the following coverage: (a) Owned automobiles; (b) Hired automobiles; and, (3) Non-owned automobiles.

- b. Commercial General Liability Insurance in an amount not less than a single limit of one million dollars (\$1,000,000) per occurrence and an aggregate of not less than two (2) times the occurrence amount (\$2,000,000.00 minimum) for bodily injury, including death and property damage, unless a greater amount is specified in the contract specifications. The insurance coverage shall contain no limitations on the scope of the protection provided and include the following minimum coverage:
 - i. Broad Form Property Damage, with no employee exclusion;
 - ii. Personal Injury Liability, including extended bodily injury;
 - iii. Broad Form Contractual/Commercial Liability – including coverage for products and completed operations;
 - iv. Premises – Operations Liability (M&C);
 - v. Independent Consultants and subcontractors;
 - vi. Blanket Contractual Liability.
- c. The County shall be named as an “additional named insured” under all insurance policies required by this Agreement, except Professional Liability Insurance when not allowed by the insurer.
- d. Such insurance coverage shall be evidenced by one of the following methods: (a) Certificate of Insurance; or, (b) Self-insurance through an irrevocable Letter of Credit from a qualified financial institution.
- e. The Consultant shall furnish the County with properly executed certificates of insurance that, at a minimum, shall include: (a) The limits of overage; (b) The project name to which it applies; (c) The certificate holder as Jefferson County, Washington and their elected officials, officers, and employees; and, (d) A statement that the insurance policy shall not be canceled or allowed to expire except on thirty (30) days prior written notice to the County. If the proof of insurance or certificate indicating the County are “additional insureds” to a policy obtained by the Consultant refers to an endorsement (by number or name) but does not provide the full text of that endorsement, then it shall be the obligation of the Consultant to obtain the full text of that endorsement and forward that full text to the County. Certificates of coverage as required by this section shall be delivered to the County within fifteen (15) days of execution of this Agreement.
- f. Failure of the Consultant to take out or maintain any required insurance shall not relieve the Consultant from any liability under the Agreement, nor shall the

insurance requirements be construed to conflict with or otherwise limit the obligations concerning indemnification of the County.

- g. The Consultant's insurers shall have no right of recovery or subrogation against the County (including its employees and other agents and agencies), it being the intention of the parties that the insurance policies, with the exception of Professional Liability Insurance, so affected shall protect both parties and be primary coverage for all losses covered by the above described insurance.
- h. Insurance companies issuing the policy or policies shall have no recourse against the County (including its employees and other agents and agencies) for payment of any premiums or for assessments under any form of policy.
- i. All deductibles in the above described insurance policies shall be assumed by and be at the sole risk of the Consultant.
- j. Any deductibles or self-insured retention shall be declared to and approved by the County prior to the approval of this Agreement by the County. At the option of the County, the insurer shall reduce or eliminate deductibles or self-insured retention, or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- k. Insurance companies issuing the Consultant's insurance policy or policies shall have no recourse against the County (including its employees and other agents and agencies) for payment of any premiums or for assessments under any form of insurance policy.
- l. Any judgments for which the County may be liable, in excess of insured amounts required by this Agreement, or any portion thereof, may be withheld from payment due, or to become due, to the Consultant until the Consultant shall furnish additional security covering such judgment as may be determined by the County.
- m. Any coverage for third party liability claims provided to the County by a "Risk Pool" created pursuant to Ch. 48.62 RCW shall be non-contributory with respect to any policy of insurance the Consultant must provide in order to comply with this Agreement.
- n. The County may, upon the Consultant's failure to comply with all provisions of this Agreement relating to insurance, withhold payment or compensation that would otherwise be due to the Consultant.
- o. The Consultant's liability insurance provisions shall be primary and noncontributory with respect to any insurance or self-insurance programs covering the County, its elected and appointed officers, officials, employees, and agents.

- p. Any failure to comply with reporting provisions of the insurance policies shall not affect coverage provided to the County, its officers, officials, employees, or agents.
- q. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- r. The Consultant shall include all subcontractors as insured under its insurance policies or shall furnish separate certificates and endorsements for each subcontractor. All insurance provisions for subcontractors shall be subject to all the requirements stated herein.
- s. The insurance limits mandated for any insurance coverage required by this Agreement are not intended to be an indication of exposure nor are they limitations on indemnification.
- t. The Consultant shall maintain all required insurance policies in force from the time services commence until services are completed. Certificates, insurance policies, and endorsements expiring before completion of services shall be promptly replaced. All the insurance policies required by this Agreement shall provide that thirty (30) days prior to cancellation, suspension, reduction or material change in the policy, notice of same shall be given to the County.
- u. The Consultant shall place insurance with insurers licensed to do business in the State of Washington and having A.M. Best Company ratings of no less than A-, with the exception that excess and umbrella coverage used to meet the requirements for limits of liability or gaps in coverage need not be placed with insurers or re-insurers licensed in the State of Washington.
- v. The County reserve the right to request additional insurance on an individual basis for extra hazardous contracts and specific service agreements.

10. Worker's Compensation (Industrial Insurance).

- a. If and only if the Consultant employs any person(s) in the status of employee or employees separate from or in addition to any equity owners, sole proprietor, partners, owners or shareholders of the Consultant, the Consultant shall maintain workers' compensation insurance at its own expense, as required by Title 51 RCW, for the term of this Agreement and shall provide evidence of coverage to the County, upon request.
- b. Worker's compensation insurance covering all employees with limits meeting all applicable state and federal laws. This coverage shall include Employer's Liability with limits meeting all applicable state and federal laws.
- c. This coverage shall extend to any subcontractor that does not have their own worker's compensation and employer's liability insurance.

- d. The Consultant expressly waives by mutual negotiation all immunity and limitations on liability, with respect to the County, under any industrial insurance act, disability benefit act, or other employee benefit act of any jurisdiction which would otherwise be applicable in the case of such claim.
 - e. If the County incurs any costs to enforce the provisions of this subsection, all cost and fees shall be recoverable from the Consultant.
11. Independent Consultant. The Consultant and the County agree that the Consultant is an independent contractor with respect to the services provided pursuant to this Agreement. The Consultant specifically has the right to direct and control Consultant's own activities, and the activities of its subcontractors, employees, agents, and representatives, in providing the agreed services in accordance with the specifications set out in this Agreement. Nothing in this Agreement shall be considered to create the relationship of employer and employee between the parties. Neither Consultant nor any employee of Consultant shall be entitled to any benefits accorded County employees by virtue of the services provided under this Agreement, including, but not limited to: retirement, vacation pay; holiday pay; sick leave pay; medical, dental, or other insurance benefits; fringe benefits; or any other rights or privileges afforded to County employees. The County shall not be responsible for withholding or otherwise deducting federal income tax or social security or for contributing to the state industrial insurance program, otherwise assuming the duties of an employer with respect to Consultant, or any employee of Consultant.
12. Subcontracting Requirements.
- a. The Consultant is responsible for meeting all terms and conditions of this Agreement including standards of service, quality of materials and workmanship, costs, and schedules. Failure of a subcontractor to perform is no defense to a breach of this Agreement. The Consultant assumes responsibility for and all liability for the actions and quality of services performed by any subcontractor.
 - b. Every subcontractor must agree in writing to follow every term of this Agreement. The Consultant must provide every subcontractor's written agreement to follow every term of this Agreement before the subcontractor can perform any services under this Agreement. The County must approve any proposed subcontractors in writing.
 - c. Any dispute arising between the Consultant and any subcontractors or between subcontractors must be resolved without involvement of any kind on the part of the County and without detrimental impact on the Consultant's performance required by this Agreement.
13. Covenant Against Contingent Fees. The Consultant warrants that he has not employed or retained any company or person, other than a bona fide employee working solely for the Consultant, to solicit or secure this Agreement, and that he has not paid or agreed to pay any company or person, other than a bona fide employee working solely for the Consultant, any fee, commission, percentage, brokerage fee, gifts, or any other

consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, the County shall have the right to annul this Agreement without liability or, in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

14. Discrimination Prohibited. The Consultant, with regard to the work performed by it under this Agreement, will not discriminate on the grounds of race, color, national origin, religion, creed, age, gender, sexual orientation, material status, sex, or the presence of any physical or sensory handicap in the selection and retention of employees or procurement of materials or supplies.
15. No Assignment. The Consultant shall not sublet or assign any of the services covered by this Agreement without the express written consent of the County. Assignment does not include printing or other customary reimbursable expenses that may be provided in an agreement.
16. Non-Waiver. Waiver by the County of any provision of this Agreement or any time limitation provided for in this Agreement shall not constitute a waiver of any other provision.
17. Termination.
 - a. The County reserves the right to terminate this Agreement at any time without cause by giving ten (10) days written notice to the Consultant. Consultant may terminate this Agreement at any time without cause by giving (10) days written notice to the County.
 - b. The County shall give the Consultant written notice and a reasonable opportunity to cure before this Agreement is terminated for cause.
 - c. In the event of the death of a member, partner, or officer of the Consultant, or any of its supervisory personnel assigned to the project, the surviving members of the Consultant hereby agree to complete the work under the terms of this Agreement, if requested to do so by the County. This section shall not be a bar to renegotiations of this Agreement between surviving members of the Consultant and the County, if the County so chooses.
 - d. The County reserves the right to terminate this contract in whole or in part, with 10 days' notice, in the event that expected or actual funding from any funding source is withdrawn, reduced, or limited in any way after the effective date of this agreement. In the event of termination under this clause, the County shall be liable for only payment for services rendered prior to the effective date of termination.
18. Notices. All notices or other communications which any party desires or is required to give shall be given in writing and shall be deemed to have been given if hand-delivered, sent by facsimile, email, or mailed by depositing in the United States mail, prepaid to the party at the address listed below or such other address as a party may designate in writing from time to time. Notices to the Parties shall be sent to the following addresses:

Jefferson County Risk Manager
P.O. Box 1220
Port Townsend, WA 98368

Notices to Consultant shall be sent to the following address:

Name: CDW Government LLC
Address: 200 N. Milwaukee Avenue, Vernon Hills, IL 60061

19. Integrated Agreement. This Agreement together with attachments or addenda represents the entire and integrated Agreement between the County and the Consultant and supersedes all prior negotiations, representations, or agreements written or oral. No representation or promise not expressly contained in this Agreement has been made. This Agreement supersedes all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral, by the County within the scope of this Agreement. The Consultant ratifies and adopts all statements, representations, warranties, covenants, and agreements contained in its proposal, and the supporting material submitted by the Consultant, accepts this Agreement and agrees to all of the terms and conditions of this Agreement.
20. Modification of this Agreement. This Agreement may be amended only by written instrument signed by both County and Consultant.
21. Disputes. The Parties agree to use their best efforts to prevent and resolve disputes before they escalate into claims or legal actions. Any disputed issue not resolved pursuant to the terms of this Agreement shall be submitted in writing within 10 days to the County representative listed in Section 18., whose joint decision in the matter shall be final, but shall be subject to judicial review. If either party deems it necessary to institute legal action or proceeding to enforce any right or obligation under this Agreement, each party in such action shall bear the cost of its own attorney's fees and court costs. Any legal action shall be initiated in the Superior Court of the State of Washington for Jefferson County. The Parties agree that all questions shall be resolved by application of Washington law and that the parties have the right of appeal from such decisions of the respective Superior Courts in accordance with the laws of the State of Washington. The Consultant hereby consents to the personal jurisdiction of the Superior Court of the State of Washington for Jefferson County.
22. Section Headings. The headings of the sections of this Agreement are for convenience of reference only and are not intended to restrict, affect, or be of any weight in the interpretation or construction of the provisions of the sections or this Agreement.
23. Limits of Any Waiver of Default. No consent by either party to, or waiver of, a breach by either party, whether express or implied, shall constitute a consent to, waiver of, or excuse of any other, different, or subsequent breach by either party.

24. No Oral Waiver. No term or provision of this Agreement will be considered waived by either party, and no breach excused by either party, unless such waiver or consent is in writing signed on behalf of the party against whom the waiver is asserted. Failure of a party to declare any breach or default immediately upon the occurrence thereof, or delay in taking any action in connection with, shall not waive such breach or default.
25. Severability. Provided it does not result in a material change in the terms of this Agreement, if any provision of this Agreement or the application of this Agreement to any person or circumstance shall be invalid, illegal, or unenforceable to any extent, the remainder of this Agreement and the application this Agreement shall not be affected and shall be enforceable to the fullest extent permitted by law.
26. Binding on Successors, Heirs and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties' successors in interest, heirs, and assigns.
27. No Assignment. The Consultant shall not sell, assign, or transfer any of rights obtained by this Agreement without the express written consent of the County.
28. No Third-party Beneficiaries. The parties do not intend, and nothing in this Agreement shall be construed to mean, that any provision in this Agreement is for the benefit of any person or entity who is not a party.
29. Signature in Counterparts. The parties agree that separate copies of this Agreement may be signed by each of the parties and this Agreement shall have the same force and effect as if all the parties had signed the original.
30. Facsimile and Electronic Signatures. The parties agree that facsimile and electronic signatures shall have the same force and effect as original signatures.
31. Arms-Length Negotiations. The parties agree that this Agreement has been negotiated at arms-length, with the assistance and advice of competent, independent legal counsel.
32. Public Records Act. Notwithstanding any provisions of this Agreement to the contrary, to the extent any record, including any electronic, audio, paper or other media, is required to be kept or indexed as a public record in accordance with the Washington Public Records Act, Chapter 42.56 RCW (as may be amended), the Consultant agrees to maintain all records constituting public records and to produce or assist the County in producing such records, within the time frames and parameters set forth in state law. The Consultant further agrees that upon receipt of any written public record request, Consultant shall, within two business days, notify the County by providing a copy of the request per the notice provisions of this Agreement.

(SIGNATURES FOLLOW ON THE NEXT PAGE)

JEFFERSON COUNTY WASHINGTON

CDW Government LLC

Board of County Commissioners
Jefferson County, Washington

By: _____
Greg Brotherton, Chair Date

By: _____
CDW Government LLC

By: _____
Kate Dean, Commissioner Date

Date: _____

By: _____
Heidi Eisenhour, Commissioner Date

SEAL:

ATTEST:

Carolyn Gallaway Date
Clerk of the Board

Approved as to form only:

Barbara D. Ehrlichman April 5, 2023
Philip C. Hunsucker Date
Chief Civil Deputy Prosecuting Attorney

EXHIBIT A

The following has been copied from a response submitted to the County on March 8, 2023 as an application for this work.

This statement of work ("Statement of Work" or "SOW") is made and entered into on the last date that this SOW is fully executed as set forth below ("SOW Effective Date") by and between the undersigned, CDW Government LLC ("Provider," and "Seller,") and Jefferson County Information Services ("Customer," and "Client,").

This SOW shall be governed by that certain City of Mesa Agreement Number 2018011 Information Technology Solutions & Services between CDW Government LLC and City of Mesa, Arizona, administered by National IPA, effective March 1, 2018 (the "Agreement"). If there is a conflict between this SOW and the Agreement, then the Agreement will control, except as expressly amended in this SOW by specific reference to the Agreement.

PROJECT SCOPE

The Customer is a county government with an on prem 2013 environment and is initiating a project to migrate their current Exchange On-prem environment to Exchange Online to transition take advantage of the Exchange Online features and reduce their dependency in their on-prem system. The Customer is expecting to move all of their mailboxes to Exchange Online and switch incoming email to Exchange Online. As part of this project, the Customer has reached out to CDW for assistance in developing a design and plan as well as fully understanding the required steps and best practices for this transition. They have some PSTs and a few Public Folders with less than 1 GB of data.

During the engagement, Seller will utilize our experience with Microsoft Exchange Online to make recommendations on how to best utilize the technology to meet your objectives. In addition, Seller will leverage the knowledge gained through previous deployments to avoid potential issues.

This engagement will:

- Develop a clear vision of the high-level solution goals and constraints.
- Unify the project team behind a common vision.
- Identify business and technical requirements for the Exchange Online implementation.
- Determine the appropriate end-state Exchange Online implementation.
- Define sequence of tasks required for successful implementation.
- Implement and pilot the solution in the production environment.
- Deploy the solution to the remainder of the organization.
- Provide one or more detailed documents created specifically for Customer.

APPROACH

Seller will utilize a phased approach to achieving the goals outlined above.

PROJECT KICK-OFF MEETING

Prior to the kick-off, Seller may provide Customer with a pre-engagement questionnaire. This document will be used to establish a working understanding of your current environment. Areas of focus include:

- Directory services infrastructure
- Network topology
- Overview of current environment
- User population and distribution
- Administrative practices and procedures (including change control)

If this documentation currently exists and Customer is willing to provide it to the Seller, this can be submitted instead of the questionnaire.

Seller will begin with a project kick-off meeting with your core project team. The kick-off meeting will last approximately one hour and will include:

- Introductions of Customer and Seller team members
- Establishment of roles and the project schedule
- Knowledge transfer and review of your company and vision
- Review of this SOW
- Review of the pre-engagement questionnaire or equivalent and clarification of questions
- Review of design session goals
- Requirement's definition
- Claiming Partner of Record (CPOR) process review

ESTABLISH CLAIMING PARTNER OF RECORD (CPOR)

For eligible workloads, Seller will provide Customer a CPOR Customer Guide that provides direction on where the Domain Name & Directory ID can be located. Domain Name & Directory ID will be provided back to Seller to associate Claiming Partner of Record (CPOR). CPOR enables Seller to help Customer optimize the use of Microsoft Online Services for desired business outcomes by providing Seller with access to usage and consumption data.

PLANNING AND DESIGN SESSIONS

Seller will work with the appropriate project team members and stakeholders from your company in a series of discussions regarding the current and end-state design of your infrastructure. Active participation and presence from key members of your staff is imperative during this time to ensure requirements are clearly defined and validated, and that the design is based upon those requirements.

PLANNING SESSIONS

The Planning Sessions are interactive meetings with key members of your organization including business and technical stakeholders as well as the project team. These discussions will focus on identification of business and technical requirements and assumptions. Seller will also provide a mapping of how those requirements can be met with Exchange Online. Any requirements which cannot be met will also be called out. Knowledge transfer during planning is a valuable Customer benefit and provides a foundation for successful operation of the solution after the project is closed. At the conclusion of this session the project team will have a clear understanding of how Exchange Online will be able to assist in meeting your business objectives.

- Current Environment review:
 - Active Directory
 - Messaging Environment
 - Network
- Requirements Gathering and validation:
 - Business requirements
 - Technical requirements
- Map requirements to Office 365 Service Descriptions:
 - Office 365 Platform Service Description
 - Exchange Online Service Description
 - Exchange Online Archiving Service Description
 - Exchange Online Protection Service Description
- Identify requirements not met by Exchange Online and recommend potential alternatives

DESIGN SESSIONS

Based on the requirements identified in the Planning session, Seller will work with the project team to determine the end- state Exchange design. During the design sessions, priority will be placed on quickly identifying the resources and system changes necessary for the production implementation. In some circumstances the items listed below may have been identified prior to the design session. Potential resources include:

- Server (physical or virtual) acquisition, installation, and configuration
- Data storage
- Network devices such as load balancers or reverse proxies
- Additional required licenses
- Security (including Certificates, DNS, etc.)

Potential changes include:

- Storage configuration
- Active Directory remediation
- Active Directory schema changes
- Implementation of firewall and web proxy rules

- Software updates to current environment to support compatibility with the new version

Seller will make every effort to identify these resources and changes as early in the design process as feasible. In some cases, the Customer may need several days or weeks to meet with responsible stakeholders, acquire the identified resources, or implement the necessary changes. This may affect the timeline for the production implementation.

- Core System Design:
 - Directory Integration and Authentication:
 - Active Directory and Namespace Integration
 - Directory Synchronization
 - Supported authentication methods
 - External client support
 - Public Key Infrastructure (PKI)
 - Firewall requirements
 - Server Requirements
 - Transport Design:
 - DNS and Namespace design
 - Routing
 - Accepted/Remote domains
 - Address Policies
 - Encryption:
 - TLS Encryption with external domains
 - Server Requirements
- Compliance and Archiving:
 - Transport Rules, Disclaimers and Signatures
 - Data Loss Prevention (DLP)
 - Message Journaling
 - Online Personal Archives
 - Retention Tags and Policies
 - Transitioning from managed folders
 - Message Hygiene
 - Message Encryption
- Hybrid Coexistence:
 - Organization Configuration
 - Object Change Procedures
 - Gaps
- Outlook GAL Interactions:
 - End Users changes/impact
 - Distribution Lists
- Modern Groups (aka Office 365 Groups)
- DNS
 - Autodiscover SCP
 - Outlook on the Web (OWA)

- MAPI over HTTPS
- Public Folders:
 - Naming Review & Remediation
 - Disbursement
 - Replica Layout
 - Coexistence:
 - Exchange Roles
 - Design
 - Migration to EXO
- Mail Routing:
 - Mail forwarding/OOF
 - Accepted/Remote Domains
 - DNS Records
 - Security:
 - DKIM
 - DMARC
 - SPF
- Security:
 - Shared Responsibilities/Cloud Principles
 - Organization Configuration
 - DLP Rules
 - Secure Score
 - MFA:
 - Admin
 - User
 - Least-Privilege model (RBAC)
 - Mail Forwarding lockdown
 - Mobility
 - Auditing & Mailbox Logging
- Governance:
 - Modern Groups
 - Public Folders
 - Active vs. Inactive users
 - Retention
- Network:
 - Bandwidth Estimating
 - DNS response
 - URL and IP Whitelisting
 - Connectivity
 - Cloud Best Practices
- Hardware Requirements consolidation and review:
 - Role colocation
 - Virtualization

- Network, Ports, Addresses & Bandwidth
- Licensing Requirements:
 - Microsoft Licensing Requirements
 - Third- party Software Requirements
- Gap analysis

DEPLOYMENT PLANNING

During the Design sessions, the hardware, software, and services required to implement the solution will have been identified. During this phase, cost will be assigned to these resources. Hardware and software quotes will be compiled. Tasks will be defined; resources will be assigned, and timelines will be created for the deployment of the solution.

It will be the responsibility of Customer to provide quotes or pricing for any of the identified resources if those resources are to be provided by a party other than Seller.

At the conclusion of this phase the Customer will have a clear understanding of the costs that will be incurred to implement the solution as well as a timeline for the complete deployment.

- Project Plan
- High-level Work Items
- Milestones & timeline
- Resource Allocation Effort and Duration Estimates
- Dependencies

Seller has the right to amend the Pilot and Deployment estimates based on the results of the Design session and Deployment Planning.

BUILD & PILOT

Seller will assist with the implementation and configuration of the Exchange Online transition infrastructure as specified in the sessions. Any testing requirements identified during the design or planning phases will be conducted at this time, prior to the production implementation.

Various tools will be used to gather validate and remediate the environment prior to deployment. These tools include, but are not limited to

- Office 365 Health, Readiness and Connectivity Checks
- Remote Connectivity Analyzer (RCA)
- IDFix ADSync Remediation tool

During the course of this project a new Office 365 tenant will be established and the appropriate, Customer provided, licenses will be assigned to that tenant.

Azure Active Directory Connect with password synchronization will be installed and configured. This will require:

- A single server running the 64-bit version of Windows Server 2012 SP1 or later version

A single Exchange Server will be deployed into the existing Exchange infrastructure. The Exchange Server will be leveraged to support long term coexistence between Exchange server on premises and Exchange Online. The Exchange Hybrid Deployment wizard will be used to configure the hybrid environment.

Windows Server OS version and AD forest/domain functional levels must meet minimum requirements of the version of Exchange Server selected during Planning & Design.

There are a multitude of factors which can impact the total number of servers that must be deployed. These factors will be discussed in detail during the Planning and Design sessions. If the outcome of the design stipulates a different number of servers than specified above will be required, then the hours associated with this component will need to be updated via a project change request.

Seller will implement the Exchange configurations based on the previously established Design. Seller will provide guidance and recommendations for configuration changes to the existing environment, but the implementation of these configuration changes will be the responsibility of Customer.

Due to the changes in how public folders are stored, legacy Exchange mailbox(es) are unable to access the public folder hierarchy on Exchange Online. However, user mailbox(es) on Exchange Online can connect to legacy on-premises public. Public folders will not be moved to Exchange Online as part of the pilot. Validation that Mailbox(es) on Exchange Online can access legacy on-premises public folders will be included within this pilot.

A pilot group of (25) user(s) will be migrated to the new environment. This pilot period will be used to refine and validate the transition process and gather feedback on the impact to end user(s).

PST files associated with the pilot mailbox(es) will be imported into the mailbox or Exchange archive prior to moving the pilot mailbox to Exchange Online. Seller will only perform the PST import to the mailbox(es). PST discovery, mailbox mapping and client reconfiguration is the responsibility of the Customer.

Applications which depend on the legacy systems will not be migrated.

Seller has the right to amend the Deployment estimates based on the results of the Pilot.

DEPLOYMENT

Seller will assist Customer with the migration of the following resources to the new Exchange infrastructure following the migration processes defined during the course of this project:

- Mailbox transition to Exchange Online for up to (500) mailbox(es).
- PST files associated with the migrating mailbox(es) will be imported into the mailbox or Exchange archive prior to moving the mailbox to Exchange Online. Seller will only perform the PST import to the mailbox(es). PST discovery, mailbox mapping and client reconfiguration is the responsibility of the Customer.

- Seller will configure cloud voicemail integration for up to (1) mailbox(es).
- Mailbox moves to Exchange Online.
- Only basic support post-move will be provided. Seller will verify that data is accessible via Outlook Web App.
- Client configuration (Outlook and mobile device configuration), delegation and automation support will be Customer's responsibility.

Over the course of the deployment, application dependences on the legacy system will be identified. Seller will provide guidance and recommendations for the reconfiguration of these systems. Migration, reconfiguration and testing of these applications are not the responsibility of the Seller.

At the conclusion of the deployment, when all mailbox(es) have been moved, up to (1) Public Folder database(s) and (1) GB of data will be converted to the "Modern Public Folders" Architecture in Exchange Online.

At the conclusion of the deployment, the legacy system will remain in place to provide the necessary infrastructure for those application dependencies which have not been transitioned to the Exchange Online infrastructure. In some instances, it may also be necessary for legacy client applications to remain installed to provide user access to the legacy system.

PROJECT EXECUTION

The project completion date will be no more than (17) week(s) from the Customer Kick-off Meeting with the Seller team billing a minimum of (8) hour(s) per week per active engineer and (4) hour(s) per active architect (if one is engaged) until the project is completed. If the work week includes holidays or the Seller resource is otherwise unavailable, project minimums for the week will be reduced for each day the team is unavailable.

The Customer may request a project be put on hold for up to (10) contiguous business day(s) with written notification to the Seller team at least (5) business day(s) prior to the start of the project hold. If the project hold exceeds the day limit, the project can be suspended which will release the assigned engineer from the engagement and pause the engagement until it is reactivated.

Timelines to reactivate a suspended project will be subject to Seller's resource availability to re-engage. Seller will attempt to reengage the same resource(s) based on availability, but there is no guarantee that the same resource(s) will be assigned to the engagement. Suspended projects may also require a change order to reactivate to add additional hours to the engagement based on the discretion of the project team.

The Seller may request a project be put on hold with written notification to the Customer team at least (5) business days prior to the start of the project hold.

PROJECT CLOSURE AND NEXT STEPS

At the project's conclusion, a closure meeting will be held with Customer and Seller (Delivery and Pre-Sales resources) to verify that all business and technical requirements of this

engagement have been satisfied. If, during the engagement, next steps or recommendations have been discovered by Seller those options will be presented to Customer for future action.

PROJECT ASSUMPTIONS

1. The internal/corporate network utilizes a single, continuous, fully routable private address space. Internal clients have direct access to internal servers. Internal systems are not directly accessible from public networks. External clients must establish connections to secure intermediary device which will proxy or route connections to internal resources on the clients' behalf (VPN, terminal server, reverse proxy, etc.).
2. The configuration and management of all systems which will be involved in the project are under the control of your organization, either directly or through a third-party. The Seller may request configuration changes to these devices and Customer will implement these changes pending established change control procedures.
3. All hardware and software that will be implemented as part of this project or that will be configured during the course of this project is covered under a vendor approved support contract.
4. Customer is running Microsoft supported version of on-prem services.
5. For hybrid deployments, all on-premises Exchange data to be migrated to Exchange Online conforms to the current limits as specified here: <https://docs.microsoft.com/en-us/office365/servicedescriptions/exchange-online-service-description/exchange-online-limits>.
6. Customer acknowledges that Seller may earn a Microsoft incentive payment if Customer purchases Microsoft products from Seller. Furthermore, Customer hereby consents to Seller receiving any such payment from Microsoft and has no objections in relation thereto.
7. Group Management for groups synchronized using AADConnect will be managed in the on-premises AD environment.

CUSTOMER RESPONSIBILITIES

1. For eligible workloads surrounding Claiming Partner of Record (CPOR), Customer will provide Tenant Domain name and Directory ID to Seller prior to work beginning.
2. Communicate all material project matters to Seller's contact person.
3. Third-party application compatibility and support.
4. Provide at least one qualified technical person with system administration responsibilities.
5. Provide qualified personnel at your location (or any other location designated by you where services are to be provided) to support your existing equipment.
6. Provide other full-time, qualified, knowledgeable personnel who will perform your obligations under this SOW; make timely decisions necessary to move performance of the services forward;

participate in this project to the extent reasonably requested by Seller; and reasonably assist Seller with its performance of the services.

7. Provide Seller's personnel with appropriate levels of access and privilege to systems and information necessary for Seller's performance of the services.

8. All servers (physical or virtual), server hosts and network devices (including but not limited to gateways, load balancers, reverse proxies, session border controllers) to be utilized in the deployment will be procured, assembled, installed, and configured with the base operating system and network configuration prior to Seller consultants beginning work on those systems.

9. All software media and corresponding licenses and/or product keys will be provided to Seller consultants prior to implementation.

10. All required certificates will be procured prior to implementation and will be provided to the Seller consultant(s) or will be installed by your staff under the supervision of the Seller consultant(s).

11. If the solution drives configuration changes and/or upgrades to other systems in the environment, including but not limited to backup software, VDI, anti-spam/antivirus, archiving/journaling, security/firewall, PBXs, and/or other gateway products, these changes and the associated costs are not the responsibility of Seller.

12. Seller consultants will provide guidance on client (Outlook, mobile devices, multi-function printers, etc.) configuration, but will not be responsible for the installation of software or configuration of client devices.

13. If needed, third-party migration tool costs.

OUT OF SCOPE

Specific tasks outside this SOW include, but are not limited to:

1. Formal IT-Administration training. However, knowledge transfer is integral to our approach throughout execution of our methodology.
2. Network assessment or remediation.
3. Migration of applications from the legacy system.
4. Migration of archive data and any data outside the legacy system.
5. Recovery of a tenant environment after expiration of trial periods and/or licenses.
6. Active Directory Federation Services Design or Implementation.
7. Multi-factor authentication.
8. Workloads of Office 365 or Azure other than Exchange Online, including but not limited to:
 - Office
 - Skype for Business
 - Microsoft Teams
 - SharePoint

- Yammer
 - OneDrive
 - Enterprise Mobility and Security
 - Azure
9. Third party applications, e.g., fax server or voicemail system integration.
 10. Level/Tier 1 end-user support during deployment.
 11. Setup, management, or support of 3rd party products.
 12. Migration of on-prem groups to Office 365 cloud only groups.

Services not specified in this SOW are considered out of scope and will be addressed with a separate SOW or Change Order.

ITEM(S) PROVIDED TO CUSTOMER

ITEM	DESCRIPTION	FORMAT
Exchange Online Planning and Design	Document that defines the business and technical requirements and how the new solution will meet these requirements. It will also provide a detailed list of the resources that will be required to implement the new solution.	PDF with Architecture Diagram
Implementation Plan	Project plan detailing tasks, milestones, and timelines for implementation of and migration to the new solution.	Microsoft Project or Excel

GENERAL RESPONSIBILITIES AND ASSUMPTIONS

- Customer is responsible for providing all access that is reasonably necessary to assist and accommodate Seller's performance of the Services.
- Customer will provide in advance and in writing, and Seller will follow, all applicable Customer's facility's safety and security rules and procedures.
- Customer is responsible for security at all Customer-Designated Locations; Seller is not responsible for lost or stolen equipment, other than solely as a result of Seller's gross negligence and willful misconduct.
- This SOW can be terminated by either party without cause upon at least fourteen (14) days' advance written notice.

PROJECT MANAGEMENT

Seller will assign a project management resource to perform the following activities during the project:

1. KICKOFF MEETING:

- Coordinate and facilitate kickoff meeting
- Review SOW including project objectives, schedule, and logistics
- Identify and confirm project participants
- Discuss project prerequisites
- Create and distribute escalation and contact lists

2. PROJECT SCHEDULE OR PLAN:

- Create a project plan that details the schedule and resources assigned to the project. The schedule should align with the estimated project duration as established in the Project Scheduling section.
- Monitor project scope and expectations
- Identify and manage project risks
- Monitor the status and progress of the project and the quality of items provided
- Communicate at regular intervals as agreed upon
- Ensure project timelines, dependencies, budgets, and closure are met within the project lifecycle

3. STATUS MEETINGS AND REPORTS:

- Status meetings will be conducted on a regular cadence schedule to proactively identify any issues that may arise in order to mitigate risk
- Scheduling will be based on agreement with stakeholders, the estimated project duration, and budget available
- Seller and Customer will discuss action items, tasks completed, tasks outstanding, risks, issues, key decisions, and conduct a budget review
- The project management resource will document and distribute meeting notes and/or action items for all meetings, and will act as the main POC to Customer, if requested

4. CHANGE MANAGEMENT:

- When a change to a project occurs, the Seller's project change control process will be utilized
- The project management resource will facilitate any necessary change order(s) and administrative task(s) as necessary

5. PROJECT CLOSURE:

- Once verbal scope completion is confirmed, a written Project Closure Acceptance will be provided for client to formally acknowledge
- If desired, the project team will meet to recap, answer any questions, and address project transition activities and next steps

CONTACT PERSONS

Each Party will appoint a person to act as that Party's point of contact ("Contact Person") as the time for performance nears and will communicate that person's name and information to the other Party's Contact Person.

Customer Contact Person is authorized to approve materials and Services provided by Seller, and Seller may rely on the decisions and approvals made by the Customer Contact Person (except that Seller understands that Customer may require a different person to sign any Change Orders amending this SOW). The Customer Contact Person will manage all communications with Seller, and when Services are performed at a Customer-Designated Location, the Customer Contact Person will be present or available. The Parties' Contact Persons shall be authorized to approve changes in personnel and associated rates for Services under this SOW.

CHANGE MANAGEMENT

This SOW may be modified or amended only in a writing signed by both Customer and Seller, generally in the form provided by Seller ("Change Order"). Services not specified in this SOW are considered out of scope and will be addressed with a separate SOW or Change Order.

In the event of a conflict between the terms and conditions set forth in a fully executed Change Order and those set forth in this SOW or a prior fully executed Change Order, the terms and conditions of the most recent fully executed Change Order shall prevail.

PROJECT SCHEDULING

Customer and Seller, who will jointly manage this project, will together develop timelines for an anticipated schedule

("Anticipated Schedule") based on Seller's project management methodology. Any dates, deadlines, timelines or schedules contained in the Anticipated Schedule, in this SOW or otherwise, are estimates only, and the Parties will not rely on them for purposes other than initial planning.

The following scheduling scenarios that trigger delays and durations to extend beyond what's been planned may require a Change Order:

- Site preparation, such as power, cabling, physical access, system access, hardware/software issues, etc. must be completed in a timely manner.
- Project tasks delegated to Customer PMs/Engineers/Techs/Management/Resources must be completed in a timely manner. For example, in the event a project's prioritization is demoted, and Customer resources are reallocated causing the project's schedule to extend

on account of experiencing interruptions to its momentum requiring complete stop(s) and start(s).

- External projects/dependencies that may have significant impact on the timeline, schedule and deliverables. It is Seller's assumption that every reasonable attempt will be made to mitigate such situations.

TOTAL FEES

The total fees due and payable under this SOW ("Total Fees") include both fees for Seller's performance of work ("Services Fees") and any other related costs and fees specified in the Expenses section ("Expenses").

Seller will invoice for Total Fees. Customer will pay invoices containing amounts authorized by this SOW in accordance with the terms of the Agreement. Unless otherwise specified, taxes will be invoiced but are not included in any numbers or calculations provided herein. The pricing included in this SOW expires and will be of no force or effect unless it is signed by Customer and Seller within thirty (30) days from the Date list on the SOW, except as otherwise agreed by Seller. Any objections to an invoice must be communicated to the Seller Contact Person within fifteen (15) days after receipt of the invoice.

SERVICES FEES

Services Fees will be calculated on a TIME AND MATERIALS basis.

The invoiced amount of Services Fees will equal the rate applicable for a unit of a service or resource ("Unit Rate")

multiplied by the number of units being provided ("Billable Units") for each unit type provided by Seller (see Table below).

Services Fees of \$39,000.00 is merely an estimate and does not represent a fixed fee. Neither the Billable Units of 156 nor the Services Fees are intended to limit the bounds of what may be requested or required for performance of the Services.

Customer will be invoiced for actual time used on a monthly basis.

The rates presented in the table below apply to scheduled Services that are performed during Standard Business Hours (meaning 8:00 a.m. to 5:00 p.m. local time, Monday through Friday, excluding holidays). When Seller invoices for scheduled Services that are not performed during Standard Business Hours, Services Fees will be calculated at 150% of the Unit Rates. For any unscheduled (i.e., emergency) Services performed at any time of the day, Services Fees will be calculated at 200% of the Unit Rates.

Any non-Hourly Units will be measured in one (1) unit increments when Services are performed remotely or at any Customer-Designated Location(s) (as defined below).

Any Hourly Units will be measured in one (1) hour increments with a minimum of one (1) hour billed each day Services are performed remotely and four (4) hours billed each day Services are performed at any Customer-Designated Location(s).

When Hourly Seller personnel must travel more than two (2) hours a day to work at any Customer-Designated Location(s), there will be a minimum of eight (8) hours billed for each day (less travel time that is invoiced pursuant to the "Expenses" section below).

Upon notice, Seller may adjust the rates below, provided that the rates will remain fixed for at least six (6) months after the SOW Effective Date and then again for at least six (6) months after any subsequent adjustment.

The rates below only apply to Services specified in this SOW as it may be amended by one or more Change Order(s).

PROFESSIONAL SERVICE COSTS

Unit Type	Unit Rate	Billable Units	Subtotal
Senior Engineer – Per Hour	\$255.00	130	\$33,150.00
Project Manager – Per Hour	\$225.00	26	\$5,850.00
Estimated Totals		156	\$39,000.00

LICENSE COSTS

Item	Qty	Unit Price
Microsoft Exchange Online Plan 1G - subscription license / 1 user	500	\$44.00/year
Subtotal		\$22,000.00
Sales Tax		\$2,002.00
Grand Total		\$24,002.00

EXPENSES

All services under this SOW will be performed remotely; therefore, neither travel time nor direct expenses will be billed for this project.

TRAVEL NOTICE

The parties agree that there will be no travel required for this project.

CUSTOMER-DESIGNATED LOCATIONS

Seller will provide Services benefiting the locations specified on the attached Exhibit ("Customer-Designated Locations").