



**State of West Virginia
Request for Quotation
Mainframe Tape Replacement Project**

Earl Palmer
145 Summers St, Suite 200
Charleston, WV 25301-2134
304-347-7241
epalmer@us.ibm.com

December 17, 2009

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PROCUREMENT DIVISION
STATE OF WV



145 Summers Street
Suite 200
Charleston, WV 25301

December 17, 2009

Ms. Krista Ferrell
State of West Virginia
Department of Administration
Purchasing Division
2019 Washington Street East
Charleston, WV, 25305

Ref: RFQ ISCK0060

Dear Ms. Ferrell:

Thank you for the opportunity to respond to State of WV's RFQ for Mainframe Server and Virtual Tape Storage Solution. This response represents a proposal for the items in Section A & B of RFQ ISCK0060; "IBM System Z10 Business Class Mainframe Server (or equal)" and "IBM Virtual Tape Servers / Tape Solution (or equal)."

IBM is pleased to provide the accompanying response based on our industry leading Z10 Business Class Enterprise Server and our TS7700 Virtual Tape Library product family, along with the award winning TS1100 Tape Drive family. We believe that the IBM solution proposed here offers State of WV the most flexibility in terms of deployment options, Industry Leading and FIPS Certified security, and the lowest risk technology deployment and vendor support structure of any of our competitors.

Our proposal is offering State of WV a very flexible deployment delivering the best of breed mix of disk-based solutions for performance and space efficiency, and tape-based solutions for portability.

We look forward to reviewing our proposal with your team and answering any questions you may have.

Sincerely,

A handwritten signature in black ink that reads "Earl Palmer". The signature is written in a cursive style with a large, prominent "E" and "P".

Earl Palmer
Client Executive



Addendum Acknowledgement



Addendum_Acknowledgement.pdf



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TITLE PAGE

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The data in the pages of this proposal where so annotated contain trade secrets and commercial or financial information voluntarily submitted by IBM that are either specifically exempted from disclosure by statute or privileged or confidential within the meaning of the exemptions set forth in Section 552(b)(3) and (4), respectively, of the Freedom of Information Act, 5 U.S.C. 552, the disclosure of which could invoke the criminal sanctions of 18 U.S.C. 1905.



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER:
 ISCK0060

PAGE:
 2

ADDRESS CORRESPONDENCE TO ATTENTION OF:
 KRISTA FERRELL
 304-558-2596

RFQ COPY
 TYPE NAME/ADDRESS HERE

DEPARTMENT OF ADMINISTRATION
 IS&C - NETWORKING
 BUILDING 6, ROOM B110
 1900 KANAWHA BOULEVARD, EAST
 CHARLESTON, WV
 25305-0135 304-558-5914

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B	FREIGHT TERMS
11/19/2009				

BID OPENING DATE: 12/17/2009 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>SUBMITTED AT ANY TIME PRIOR TO THE BID OPENING AND IN ANY FORMAT.</p> <p>EXHIBIT 10</p> <p>REQUISITION NO.:</p> <p>ADDENDUM ACKNOWLEDGEMENT</p> <p>I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING CHECKED ADDENDUM(S) AND HAVE MADE THE NECESSARY REVISIONS TO MY PROPOSAL, PLANS AND/OR SPECIFICATION, ETC.</p> <p>ADDENDUM NO.'S:</p> <p>NO. 1 <input checked="" type="checkbox"/> <i>Wade</i></p> <p>NO. 2</p> <p>NO. 3</p> <p>NO. 4</p> <p>NO. 5</p> <p>I UNDERSTAND THAT FAILURE TO CONFIRM THE RECEIPT OF THE ADDENDUM(S) MAY BE CAUSE FOR REJECTION OF BIDS.</p> <p>VENDOR MUST CLEARLY UNDERSTAND THAT ANY VERBAL REPRESENTATION MADE OR ASSUMED TO BE MADE DURING ANY ORAL DISCUSSION HELD BETWEEN VENDOR'S REPRESENTATIVES AND ANY STATE PERSONNEL IS NOT BINDING. ONLY THE INFORMATION ISSUED IN WRITING AND ADDED TO THE SPECIFICATIONS BY AN OFFICIAL ADDENDUM IS BINDING.</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia
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LINE	QUANTITY	UOP	GAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>WARRANTY AND MAINTENANCE WILL TAKE EFFECT UPON THE SUCCESSFUL INSTALLATION AND ACCEPTANCE OF THE SYSTEM BY THE AGENCY. WARRANTY AND MAINTENANCE DATES WILL BE ADDED TO THE CONTRACT BY FORMAL CHANGE ORDER UPON ACCEPTANCE.</p> <p>FINANCING: (SEE ATTACHED STATE OF WEST VIRGINIA LEASE PURCHASE AGREEMENT.)</p> <p>BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THE STATE MAY DEEM THE CONTRACT NULL AND VOID, AND TERMINATE SUCH CONTRACT WITHOUT FURTHER ORDER.</p> <p>NOTICE</p> <p>A SIGNED BID MUST BE SUBMITTED TO: DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION BUILDING 15 2019 WASHINGTON STREET, EAST CHARLESTON, WV 25305-0130</p> <p>THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF</p>						

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Executive Summary

International Business Machines Corporation (IBM) is a worldwide organization with corporate headquarters located at New Orchard Road, Armonk, New York 10504. Sam J. Palmisano is Chairman and Chief Executive Officer. IBM was first incorporated in 1911 as the Computing-Tabulating-Recording Company (C-T-R), although the company's origins can be traced back to the 1890s with the development of the first electrically-powered recording and tabulating machine. Since that time, IBM has led the way to discoveries in computer technology and systems. Today we are one of the most recognized names in business; IBM is the world's largest information technology services company, and the world's largest consulting services organization. That gives our company a maturity and a long-term perspective about the role a company can and should play in the world today.

Today, IBM has a clear direction — to speed innovation and deliver services at a pace that exceeds market demand. We strive to lead in the creation, development and manufacture of the industry's most advanced information technologies, including computer systems, software, networking systems, storage devices and microelectronics. In fact, IBM has been awarded the most U.S. patents for the last 15 years. In 2007, IBM earned 3,125 US Patents representing the work of more than 5,200 inventors worldwide. We translate these advanced technologies into value for our clients through our professional solutions and services businesses worldwide. With nearly a century of leadership developing integrated business solutions, IBM has built a legacy of customer service and support that is virtually unmatched. The expertise, innovation, and individual client focus have defined IBM's history. These qualities enable IBM to continue delivering the groundbreaking technologies and business solutions that underscore IBM's commitment to our clients.

IBM Solution Overview

To address State of WV's requirements for lowering costs and improving security while improving service levels, IBM is proposing a solution based on our industry leading Z10 Business Class Enterprise Server and TS7700 family of Virtual Tape Libraries. A Secure Tape solution is offered, where offsite tapes would be transported on secure, encrypted tape media. Ultimately, deployment of a remote library in Flatwoods (or some other location) for in-house DR can be accommodated.

IBM's solutions are industry proven and provide the lowest risk alternative for State of WV in terms of technology, business resiliency, flexibility of deployment scenarios and data security. Our proposals are centered around the TS7700 Generation 4 Virtual Tape Library Family. With over 6,500 System z installations worldwide, and over 1,000 installations of the present generation, IBM is

delivering a solution that has proven itself in many diverse environments - for single datacenters, replicated datacenters to hosted DR sites such as SunGard and IBM BCRS, and replicated solutions to insourced DR facilities. Our unique volume level consistency enables IBM to deliver the shortest RTO and RPO solutions in the industry. Our industry leading and award winning TS1100 tape drive product family enables IBM to deliver a secure data transport medium. Twelve of the top fifteen banks in the U.S. use TS1100 technology to secure sensitive information, and many of the nation's leading regional banks do so as well.

IBM is uniquely positioned to address State of WV's requirements due to our ability to deploy solutions based on a combination of different technologies. As a fully vertically integrated company, developing server, (disk) storage, tape, virtual tape and automation solutions, as well as servicing the same, we are not a "one trick pony" with a single answer to every problem. We bring a very flexible and dynamic set of skills and tools to the table to help solve backup, recovery and data protection problems such as this.

IBM Solution for State of WV's General Purpose Tape Environment

IBM is proposing two solutions for State of WV's General Purpose tape environment. The two General Purpose tape alternatives are both based on our TS7740 Grid Virtual Tape Server. This solution offers State of WV many benefits such as full automation, dramatically smaller footprint, a complete technology and media refresh which State of WV can expect to ride for the next decade, and a simplified storage environment with all Virtual tape I/O. Among the most significant benefits to State of WV are:

- Continuously Available Access to Data via GRID Replication
- Significantly lower Environmental Costs via hybrid Disk-Tape Architecture
- FIPS 140-2 Compliant Data Security for all Tape Data (Offsite and optionally onsite) via Device Level Encryption
- Simple reconfiguration to an in-house Business Continuance Solution via GRID
- More than a 10-fold improvement in single job run times via 4GB FICON Exploitation (World's leading implementation)
- Minimized operational interaction (where tapes are transported for DR)
- Significant Infrastructure Savings via standard Gigabit Ethernet replication for inter-Site DR, eliminating the need for expensive FICON or FC port extension, and elimination of ESCON Directors, and reduction in FICON ports required



We are proposing a 2-Way GRID Deployment with full redundancy of virtual engines, libraries, drives and media, delivering 5-Nines (99.999%) access to data against planned and unplanned outages. We are proposing that State of WV utilize the Copy-Export feature of the TS7740 to write all tape volumes currently backed up and removed for DR or long term archive to the TS7740 GRID, and eject the stacked cartridges for recovery at a subscriber (BCRS or SunGard) location. These stacked cartridges would be encrypted, meeting State of WV's Security requirements for secure transportation of media offsite. This option also provides for a significant reduction in the number of offsite cartridges generated per day to just a few cartridges per day.

Team IBM

Finally, Team IBM offers unparalleled service and support and a direct field team supporting State of WV with over 100 years combined industry experience, ranging from customer to development, to CE, SE and services team. Our team will be working with State of WV side by side to ensure successful implementation and conversion, all the way through to the deployment in Solon, and beyond. We have experience working with many governments and major financial institutions that have similar service level requirements to State of WV and we are able to bring that knowledge and experience to your environment.

In conclusion, we believe we offer the lowest risk solution for State of WV and the broadest set of tools to work with. We offer the brightest minds and the greatest degree of flexibility in our deployment scenarios. In the end, when it's all about cost, IBM continues to have the lowest Total Cost of Ownership Tape / Backup solutions available in the marketplace, and our results speak to the market's view of this value proposition.

Given the wide success of the IBM TS7700 Virtual Tape Products and the other components of the solution, it is not anticipated that lab certification or a proof of concept will be required. If it should be, we would be happy to perform the POC on Key's premises or in one of the IBM Test labs around the country (there are several).

To date IBM has shipped:

- Over 6,500 Mainframe Virtual Tape Libraries; approximately 1,000 TS7700s
- Approximately 1/3 of those are in GRID or Peer to Peer Configurations
- Over 13,000 TS3500 Tape Libraries (not frames; individual libraries)
- Over 70,000 TS1100 Family Drives (nearly ½ Encryption Capable)
- Nearly 6,000,000 TS1100 IBM Logo Tape Cartridges

We believe that the proven success in the marketplace and our references will address any risk concerns that State of WV may have.

III. Equipment Specifications

A. IBM System z10 Business Class Mainframe Server (or equal)

The IBM Proposal is compliant.

The IBM Proposed configuration is as documented in Appendix A. The details of the proposed configuration are also included in the “Configuration” section at the end of this document for clarification.

1. **The Vendor shall furnish the equipment listed on Appendix A, or equivalent equipment.**

The IBM Proposal is compliant.

2. **The equipment shall be new. Remanufactured or warranted-as-new equipment is unacceptable.**

The IBM Proposal is compliant.

All machines are new factory built for US deployment

3. **The Vendor shall provide on-site engineering support. The support shall commence with installation and continue until all applications have been migrated from the old server to the new server.**

The IBM Proposal is compliant.

4. **At a minimum, the equipment must be capable of supporting the following software:**

- **IBM Z/OS Operating System:**
 - **5694-A01z/OSVIBase**
 - **5694-A01 z/OS VI C/C++ without Debug**
 - **5694-A01z/OSVIRMF**
 - **5694-A01 z/OS VI DFSMS DSS+HSM**
 - **5694-A01 z/OS VI DFSORT**
 - **5694-A01z/OSVIRMF**
 - **5694-A01z/OSVISDSF**
 - **5694-A01 z/OS VI Security Server**



- 5655-G53 Enterprise COBOL
- 5655-M32PSFV4 for Z/OS
- 5655-103 DITTO/ESA
- 5665-366 SDF II
- 5668-910 OS PL/I Compiler & Library V2
- 5625-DB2 DB2 UDB for Z/OS
- 5688-190 PPFA/370
- 5688-191 OGL/370
- 5655-M15 CICS TS for Z/OS V3
- 5698-S45 TSM Ext. Edition for Z/OS
- 5608-S70 Tivoli AF/Operator for Z/OS V3 IBM Z/VM Operating System:
- 5741-SNSZ/VMV5
- 874-005051-SILV Novell SuSE Linux Enterprise Server for IBM zSeries

The IBM Proposal is compliant.

1. The Vendor shall furnish the equipment listed on Appendix B, or equivalent equipment.

The IBM Proposal is compliant.

The IBM Proposed configuration is as documented in Appendix B. The details of the proposed configuration are also included in the “Configuration” section at the end of this document for clarification.

2. The equipment shall be new. Remanufactured or warranted-as-new equipment is unacceptable.

The IBM Proposal is compliant.

All machines are new factory built for US deployment.

3. **The solution shall support full data replication between the primary virtual tape server at the customer's data center and the secondary tape server at a remote facility located no further than 100 miles from the data center.**

The IBM Proposal is compliant.

The IBM Solution consists of a TS7720 "tapeless" VTL at IS&C connected via GRID to a TS7740 disk/tape hybrid VTL at a remote facility. The TS7700 GRID technology provides (2) standard GigE connections on each TS7700 which may be placed in a dedicated network or a switched network at the State's discretion. Bandwidth requirements are customer workload dependent and can be furnished upon request.

4. **The solution shall allow for creation of physical tapes at the remote location for disaster recovery purposes.**

The IBM Proposal is compliant.

The secondary site solution consists of a TS7740 disk/tape hybrid VTL, including a TS3500 Enterprise Tape Library with more than 200 slots and (6) TS1120 Enterprise Encrypting Tape Drives. The TS7740 includes a function known as "Copy Export" where virtual tape volumes (some or all, at the State's discretion) are fully duplexed on physical media at creation time, and one copy may be ejected from the tape library for DR and DR Testing. These procedures are fully documented in the redbooks referenced in the Bibliography at the end of this document. IBM Services will assist with this aspect of the deployment.

5. **The solution shall allow for removal of physical tapes from the remote location for disaster recovery purposes.**

The IBM Proposal is compliant.

Please see the response to item (4) above.

6. **The solution shall allow the customer to encrypt data that is on physical tape.**

The IBM Proposal is compliant.

The solution is fully encryption capable. During implementation, the State will need to install IBM's Encryption Key Manager (EKM) on zOS, under Linux System Services. EKM is the utility that manages and provisions keys out to the tape drives. Any or all data created on tape may be encrypted at the State's discretion. IBM Services will assist with this aspect of the deployment.



7. The customer currently has approximately 40 terabytes of tape data located on 3490 and 3590 media. The proposed system shall be capable of supporting that data.

The IBM Proposal is compliant.

The solution provides a (40) TB TS7720 at IS&C and a capacity at the secondary datacenter that is conservatively estimated at 53TB (assuming 75% average cartridge utilization and 100% duplexing of data, and only utilizing the 200 tape volumes that are part of this RFQ).

In addition, if unplanned growth were to push the State beyond the initial 40TB of capacity within the IS&C VTL, IBM's newly announced Volume Removal Policy capability will remove virtual volumes from the TS7720 on a least recently used basis (e.g. tape volumes that are many weeks and months old) and keep a copy of them only in the TS7740, fully available for later recall. This migration and recall is wholly transparent to the host operating system and applications.



IV. Installation, De-Installation, and Maintenance Requirements

1. The vendor shall install the primary virtual tape server at the customer's central site:

Building 6, Room 110

1900 Kanawha Blvd. E.

Charleston, WV, 25305

The vendor shall install the secondary virtual tape server at a secondary site, yet to be identified, which will be located no further than 100 miles from the central site.

The IBM Proposal is compliant.

Should IBM be selected as winner of this RFQ, IBM requires the address of the secondary location with the State's issue of an order or contract award. This is so that the equipment for that location may be directly shipped there from the factory and that, at service time, service representatives have a correct location for the equipment.

2. The vendor and customer shall meet, at the customer's premises, within 15 days after issuance of purchase order, to discuss pre-installation activities as well as the actual installation, and to agree on an installation date.

The IBM Proposal is compliant.

The IBM Proposal includes a complete TDA or Technical Delivery Assessment, which covers such aspects of the installation as physical site preparation, network requirements, host OS requirements and APARS, SMS setup changes, HCD Gens, etc.

3. The systems shall be operational within 60 days after they are installed. The virtual tape solution will not be considered fully operational until all data has been migrated and the offsite component is fully integrated with the central site component. Timeliness and the avoidance of downtime will be critical, as will vendor cooperation in the event of split contract-award. The customer will arbitrate any disagreements between vendors, and the vendors shall cooperate accordingly.

The IBM Proposal is compliant.

4. The vendor shall de-install the customer's existing equipment, identified in Section II, above, and remove it from the customer's site, within 30 days after the new equipment is installed and fully operational.

The tape library vendor shall de-install and remove the existing tape storage equipment. In case of consolidated contract-award, the single vendor shall de-install and remove BOTH the existing enterprise server and the existing tape storage equipment.

The IBM Proposal is compliant.

Pricing for removal of the legacy SUN / STK equipment is included in this response, however IBM recommends that the State consider contracting directly with a third party for this work effort as that may be a more cost effective approach. Specifically, Acquisition Alternatives, headquartered in Texas and with service representatives nearby in Pittsburgh, has a very strong history of performing this work for IBM Clients. They may be contacted at 512-347-1971 or by email at ccarrier@acquisitionalternatives.com.

5. The vendor shall provide on-site hardware, firmware, and software engineering support, and customer training, at or about the time of system installation.

The IBM Proposal is compliant.

This is covered in detail in the implementation services outlined in the following section. Scheduled site visits will be coordinated with the State, beginning with the TDA meeting noted in item (2) above.

6. The systems shall be maintained by the manufacturer or by a representative(s) trained and authorized by the manufacturer.

The IBM Proposal is compliant.

IBM Field Systems Support Representatives (SSR's or CEs), backed by IBM Product Field Engineering (PFE), are responsible for the end-to-end support of the proposed solution.



- 7. The vendor shall warrant and maintain the systems for 36 months after installation. During this 36 month period, the vendor shall make any necessary repairs, replace any defective parts, perform preventative maintenance, install engineering changes and modifications, and otherwise maintain the systems at no cost to the customer.**

The IBM Proposal is compliant.

The proposed lease structure and purchase price include 36 months of support as described above. There is no additional periodic service charge for software or hardware support.

V. Implementation of the Virtual Tape Solution

1. Assist with System Planning and Preparation

The vendor shall provide on-site consulting to discuss resource allocation management, storage administration and systems programming requirements.

The vendor shall provide on-site consulting to discuss resource allocation management, storage administration and systems programming requirements. Topics may include the following:

1. DF/SMS allocation methodologies;
2. JCL requirements;
3. DF/SMS ACS utilization;
4. planning and implementation of library partitioning.

2. Provide Technical Consultation

The vendor shall review the following topics with the customer and give detailed instructions and guidance (Topics list incorporated from RFQ by reference.)

The vendor shall review the following topics with the customer and give detailed instructions and guidance:

1. DF/SMS software support;
2. data migration considerations, including coexistence with other automation solutions;
3. interaction between the Virtual Tape Equipment and DF/SMS software support;
4. interaction between the Virtual Tape Equipment and the TMS tape management system.
5. interaction between the Virtual Tape Equipment and applicable OEM software;
6. logical partitioning;
7. preparation for TS7700;
8. interaction between Virtual Engine, the Library Manager and the host, including physical tapes, logical volumes ("LVOLs") and inventories.

9. device table generations such as Unit Control Blocks ("UCB") and Eligible Device Table ("EDT");
 10. generation of the Hardware Configuration Definition ("HCD")-
3. *Provide Operational Training and Education*

The vendor shall provide sessions to cover the following:

1. system overview of Hosts and Virtual Engine in a grid configuration;
2. console messages meaning and operator actions;
3. operator intervention procedures;
4. abnormal situations and recovery;
5. interaction between the Virtual Tape environment and TMS
6. interaction between the Virtual Tape Equipment and other software products;
7. operator actions with DF/SMS;
 - a. system status displays
 - b. system commands
 - c. messages and meanings
8. system commands- system status displays- messages and meanings;
9. DF/SMS Definitions;
10. ISMF panels;
 - a. Parmlib member changes
 - b. Proclib member change
 - c. ACS routines
11. Parmlib member changes- Proclib member change— ACS routines;
12. Tape management system User Exit processing.

The IBM Proposal is compliant.

The proposed Implementation & Training Services cover all aspects as detailed in the RFQ in Section V.



VI. Miscellaneous Terms and Conditions

1. **The Vendor shall arrange financing of the purchase price of the systems. The repayment term shall be four (4) years with an interest rate of zero (0) per cent. Other procurement options will not be considered. Payments will be made monthly, in arrears.**

The IBM Proposal is compliant.

2. **In the event that the State of West Virginia would decide to outsource mainframe operations, the financial arrangement must allow for either the buy-out of the financial arrangement without penalty or allow the selected outsourcer to assume the summary agreement at the same terms, and continue to make payments for the duration of the agreement.**

The IBM Proposal is compliant.

3. **The customer will not formally accept a system until it has operated without failure for 30 consecutive days.**

The IBM Proposal is compliant. This acquisition is governed by the existing IBM Customer Agreement with the State and incorporates a guarantee that the product will perform to its Specifications for the duration of the Warranty Period.

4. **The vendor will be considered prime contractor, and shall therefore be solely responsible for satisfying all mandatory requirements of this RFQ, including maintenance. The use of subcontractors will not relieve the vendor of its prime contractor responsibilities.**

The IBM Proposal is compliant. As noted previously, for de-installation of SUN/STK equipment, it may be in the State's best financial interest to split that portion off on a separate contract with an independent third party.



VII. Costs

1. **The vendor shall identify the costs associated with the procurement and 36-month warranty of the systems, and shall fully describe the nature of any such costs in response to this RFQ.**

Costs listed in Cost Sheet for Mainframe Server and Virtual Tape Servers.

2. **The vendor shall identify the cost of shipping the equipment.**

Shipping is included.

3. **The vendor shall identify the cost of installing the equipment.**

Installation is included.

4. **The vendor shall identify the costs of server migration engineering support and/or VTS implementation services.**

Migration Support and Statement of Work Included.

5. **The vendor shall identify the cost of de-installing, packing and removing the customer's current equipment, identified in Section II, above.**

Cost of de-installing, packing and removing and Statement of Work Included.

6. **The vendor shall identify any other costs associated with the procurement and 36-month warranty of the systems, and shall fully describe the nature of any such costs in response to this RFQ.**

Procurement Costs are included.

7. **The vendor shall quote the monthly cost of the 48 month payment plan.**

48 Month Payment Plan Included.

8. **The vendor shall complete the attached cost sheets and include them as part of the bid response.**

Cost Sheets are included.

Cost Sheet for Mainframe Server

VENDOR NAME	International Business Machines Corporation
VENDOR ADDRESS	145 Summers Street Suite 200 Charleston, WV 25301
VENDOR CONTACT	Earl Palmer
VENDOR PHONE NO.	304-347-7241
COST OF MAINFRAME SERVER (as identified on Appendix A and including 36 month warranty)	\$1,033,558
COST OF INSTALLATION	No Charge
COST OF SHIPPING	No Charge
COST of DE-INSTALLATION AND REMOVAL OF 2086-A04	\$16,050
COST OF SERVER MIGRATION ENGINEERING SUPPORT	\$25,016
ANY OTHER COSTS (see Section VII, item 6)	N/A
GRAND TOTAL COST *	\$1,074,624

Payment Terms:

Year 1 \$22,388 per month x 12 mos. = \$268,656

Year 2 \$22,388 per month x 12 mos. = \$268,656

Year 3 \$22,388 per month x 12 mos. = \$268,656

Year 4 \$22,388 per month x 12 mos. = \$268,656

Total 48-month Payment Cost \$1,074,624

***Price Valid Until 12/28/09.** PO and signed Statements of Work required by 12/28/09



Cost Sheet - Virtual tape servers / tape solution

VENDOR NAME	International Business Machines Corporation
VENDOR ADDRESS	145 Summers Street Suite 200 Charleston, WV 25301
VENDOR CONTACT	Earl Palmer
VENDOR PHONE NO.	304-347-7241
COST OF VIRTUAL TAPE SYSTEM (as identified on Appendix B and including 36 month warranty)	\$681,879
COST OF INSTALLATION	No Charge
COST OF SHIPPING	No Charge
COST of DE-INSTALLATION AND REMOVAL OF OLD TAPE EQUIPMENT (identified in Section II)	\$52,689
COST OF VTS IMPLEMENTATION (see Section V)	\$109,560
ANY OTHER COSTS (see Section VII, item 6)	N/A
GRAND TOTAL COST *	\$844,128

Payment Terms:

Year 1 \$17,586 Per Month x 12 mos. = \$211,032

Year 2 \$17,586 Per Month x 12 mos. = \$211,032

Year 3 \$17,586 Per Month x 12 mos. = \$211,032

Year 4 \$17,586 Per Month x 12 mos. = \$211,032

Total 48 Month Payment Cost: \$844,128

***Price Valid Until 12/28.** PO and signed Statements of Work required by 12/28/09.

Appendix A: Required Mainframe Server Equipment

Product	Description	Qty
2098-E10	IBM System z10 Business Class	1
89	SE-EN Switch (former HUB)	1
90	HMC	1
114	I/O Cage Full Card Airflow	3
157	CEC	1
162	HCA2-C Fanout	2
165	MBA Fanout Airflow	4
326	IFB-MP Daughter Card	4
327	STI-A8 Mother Card	2
870	Crypto Express2 1 ports	2
1123	Model E10	1
1642	2 GB Memory DIMM(4/feature)	4
2323	16 Port ESCON	2
2324	ESCON Channel Port	7
2406	24 GB Memory	1
3325	FICON Express8 10KM LX 4 ports	4
3366	OSA-Express2 1000BASE-T EN 2 ports	2
3371	OSA-Express3 10 GbE SR 2 ports	2
3373	OSA-Express3 GbE SX 2 ports	1
3759	Universal Lift Tool/Ladders	1
3863	CPACF Enablement	1
4000	I/O Drawer	2
4001	Frame Costing Feature	1
5120	2-Way Processor V02	1
6096	22 inch flat panel	1
6650	IFL	1
6677	CP-V	2
6950	V02 Capacity Marker	1
8987	14ft250v3PHCord	1
8P2336	Migration Offering Machine	1
9969	z10BC Site Tool Kit	1

Appendix B: Virtual Tape Equipment

APPENDIX B - REQUIRED VIRTUAL TAPE EQUIPMENT		
Machine / Feature	Description	Qty
3952-F05	Tape Frame	
1903	Dual AC Power	
1904	Redundant AC Power	
2719	Console Upgrade	
2730	TS3000 System Console	
5626	Plant Install 3957-VEA	
5636	Plant install 3956-CS7	
5646	Plant Install 3956-XS7	3
5759	Integrated Control Path	
7322	TS7720 Frame	
9954	NEMA L6-3Q Power Cord	
3956-CS7	TS7720 SATA Cache Controller	
7113	16 TBSATA Storage	
9352	Plant Install in F05	
3956-XS7	TS7720 SATA Cache Module	3
7113	16 TBSATA Storage	3
9354	Plant Install in F05	3
3957-VEA	TS7720 Virealization Engine Server	1
0201	9 Micron LC/LC 31 Meter	2
1033	1Gb Grid Dual Port Optical SW Connection	2
2715	Console Attachment	1
3442	FICON Long Wavelength Attachment	2
4015	Grid Enablement	1
5268	100 MB/sec Increment	2
9000	Mainframe Attachment	1
9268	100 MB/s Throughput - Plant	2
9350	Plant Install V06 in F05	1
3584-L23	TS3500 Tape Library	1
1515	3592 Fibre Drive Mounting Kit	6
1643	Intermediate Capacity on Demand	1
1644	Full Capacity On Demand	1
1692	Entry ALMS	1
1693	Intermediate ALMS	1
1694	Full ALMS	1
1950	Power Distribution Unit	1



2710	Remote Support Facility	1
2715	Console Attachment	1
4871	TS7700 BE SW Mounting Hardware	1
4872	TS7700 BE 4Gb Switch	1
9217	Attach to 3953 LM/TS7700	1
9680	Plant install 3592 E05 in 3584	6
9700	No Host Cables From Plant	1
9954	Nema L6-30 Power Cords	1
3592-	IBM TS1120 Tape Drive	6
9000	zSeries ESCON/FICON Attach	6
9592	Encryption Capable - Plant	6
9677	Plant Install 3592 in 3584	6
3952-	Tape Frame	1
1903	Dual AC Power	1
1904	Redundant AC Power	1
2719	Console Upgrade	1
2730	TS3000 System Console	1
5628	Plant Install 3957-V06	1
5639	Plant Install 3956-CC7	1
5759	Integrated Control Path	1
7312	TS7700 Base Frame	1
9954	NEMAL6-30 Power Cord	1
3956-	TS7740 Cache Controller	1
7121	3.4 TB Fibre Storage	1
9352	Plant install in F05	1
3957-	TS7740 Virealization Engine	1
0201	9 Micron LC/LC 31 Meter	2
1033	1Gb Grid Dual Port Optical SW Connection	2
2715	Console Attachment	1
3442	FICON Long Wavelength Attachment	2
4015	Grid Enablement	1
5240	Attach 3592 Tape Drives	1
5267	1 TB Cache Enablement	2
5268	100 MB/sec Increment	2
9000	Mainframe Attachment	1
9219	TS3500 Attach	1
9350	Plant Install V06 in F05	1
3599-	IBM 3592 Tape Cartridge with Labeling and Initialization	1
4020	20 Pack Extended Data cartridges with Media Type JB	10
9003	Alpha prefix background - red	1



9022	Label background: ColorA/ibrant	1
9032	Media identifier Letters 'JB'	1
9100	First character of Volser is 0	1
9205	Second character of Volser is 5	1
9300	Third character of Volser is 0	1
9400	Fourth character of Volser is 0	1
9500	Fifth character of Volser is 0	1
3599- 015	IBM 3592 Tape Cartridge (Cleaning)	1
7005	5 Pack Cleaner cartridges with Media ID Labels	2

State of West Virginia Lease Purchase Agreement

Financing is being proposed under Installment Payment Master Agreement, IJM7001, which has been approved by the State of West Virginia Attorney General Office.



WVU_IPMA.pdf



Installment Payment Master Agreement

State and Local Government

Thank you for doing business with us. We are committed to providing you with the highest quality financial offerings. If, at any time, you have any questions or problems, please let us know.

This Installment Payment Master Agreement (called the "Agreement") covers the terms and conditions under which we finance various charges.

This Agreement has four parts:

- Part 1 - Definitions;
- Part 2 - Our Offerings;
- Part 3 - Payment; and
- Part 4 - General.

The specific amount financed, the interest rate charged, and the period over which the amount is financed are together referred to as an Installment Payment Transaction (called the "Transaction"). Each Transaction is listed as a separate line item on a Supplement to this Agreement. A Supplement may contain additional terms for its Transactions. You agree to those terms by signing the Supplement. Each Transaction is contingent upon a review of your credit by us.

This Agreement and its applicable Supplements are the complete agreement regarding the Transactions and replace any prior oral or written communications between both parties.

By signing below, both parties agree to the terms of this Agreement. Once signed, any reproduction of this Agreement or a Supplement made by reliable means (for example, photocopy or facsimile) is considered an original.

Agreed to:
 Customer name:
 State of West Virginia

Agreed to:
 International Business Machines Corporation
 Armonk, New York 10504

By Chuck Polan
 Authorized signature

By Steven J. Casper
 Authorized signature

Name (type or print): Chuck Polan

Name (type or print): Steven J. Casper

Date: 11/1/94

Date: 10/31/94

Customer number: 9642000

Agreement number: IJM7001

IBM Office number: JM7

Customer address:
 State Capitol Complex
 Charleston, WV 25305

IBM Office address:
 500 Lee Street East
 Charleston, WV 25301

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Transaction Document, contingent upon funds being appropriated by the Legislature or otherwise being available on a spending unit by spending unit basis. In the event funds are not appropriated or otherwise available for the continuation of an individual transaction, that transaction shall terminate without penalty on June 30 as to that Spending Unit. After that date, that transaction becomes of no effect and is null and void as to that Spending Unit. The Spending Unit agrees to use its best efforts to have the amounts contemplated under each transaction that pertain to that Spending Unit included in its budget. Non-appropriation or non-funding shall not be considered an event of default."

Amend paragraph four by deleting the third and fourth sentences in their entirety.

Page 2 of 6:

1. Amend paragraph 1.1, "Addition", by deleting the words "under this Agreement".

2. Amend paragraph 1.1, by inserting after the paragraph entitled **Customer-set-up Machine**, "Date of Acceptance is the date upon which you have accepted a Product or Service, which shall be not less than ten (10) calendar days following your actual receipt of the Product or Service. Your actual receipt of a Product is the following:

1. for a Machine --
 - a. the business day on which we install it or, if you defer installation, make it available to you for installation; or
 - b. the day on which a Customer-set-up Machine is actually received by you.
2. for a Program, the latest of --
 - a. the day that its testing period ends;
 - b. the day on which the Program is actually received by you; or
 - c. the day specified in a signed Transaction Document on which we authorize you to make an Additional License Copy or a copy of a Distributed Feature.

In the event more than one Product and/or Service is included in a signed Transaction Document, your receipt of each Product or Service for such Transaction Document shall be the date on which

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1. Amend paragraph 2.1, 2., by deleting the language in its entirety and inserting in lieu thereof, "promptly pay all charges associated with the Machine, excluding taxes. As a state entity, we agree you are exempt from Federal, State and local taxation, and will not be responsible for the payment of any taxes, nor will you file any tax returns or reports on behalf of IBM or any other vendor; and".

2. Amend paragraph 2.3 by inserting after the first paragraph, "However, in the event we discontinue service or a license and such discontinuation affects the items financed, you may terminate the Transaction for cause without penalty, and either return to us the items financed or prepay the outstanding principal balance and interest due without penalty or any prepayment fee and keep the items prepaid."

3. Amend paragraph 2.4 by deleting the last sentence in its entirety.

Page 4 of 6:

1. Amend paragraph 3.1 by deleting the second paragraph in its entirety, and by deleting the last sentence in the third paragraph in its entirety.

2. Amend paragraph 3.2, 1., by deleting the word "Installation" and inserting in lieu thereof "Acceptance".

3. Amend paragraph 3.4 by inserting at the end, "In no event will a rate change for a transaction once the Transaction Document has been executed and approved, as required herein."

4. Amend paragraph 3.5 by deleting the language in its entirety and inserting in lieu thereof, "We will not charge any loan origination fees. You may decide to prepay a Transaction, in whole or in part, by providing us with thirty days written notice and by paying the interest accrued to the date of payment and the principal outstanding on the date of payment, as shown on the payment schedule, on the item being prepaid. Prepayments in part may only be made on items that have been destroyed or damaged."

Page 5 of 6:

1. Amend paragraph 4.1, 1., by deleting the word "seven" and inserting in lieu thereof "sixty".

2. Amend paragraph 4.1, 6., by deleting the word "fifteen" and inserting in lieu thereof "thirty".

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in this Agreement by either of us does not prevent the other party from requiring full performance of all provisions in the future."

4. Amend paragraph 4.6, "Changes to the Agreement Terms", by deleting both paragraphs in their entirety and inserting in lieu thereof, "For any change in the terms of this Agreement to be valid, both parties must sign it and the Attorney General must approve as to form. Additional or different terms from either party, including additional or different terms on an invoice, are void."

5. Amend paragraph 4.6, "Electronic Communications", lines three and four, by deleting "and for any related taxes".

6. Amend paragraph 4.6, "Conflicting Terms", by deleting the language in its entirety and inserting in lieu thereof, "In there is a conflict between terms, the terms of this Agreement, as amended, shall prevail over those of any Transaction Document or Supplement."

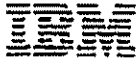
7. Amend by inserting in paragraph 4.6, a new paragraph entitled, "Payment Schedule", to read, "Payment Schedule -- Attached to each Transaction Document will be a Payment Schedule showing the date due and amount of each payment, the number of payments, interest rate and the initial and outstanding principal balance."

Amend the Installment Payment Supplement, State and Local Government, Z125-4284-03 1/94, in the language located in the signature area, by inserting on line 6 after the word "THEREOF", "EXCEPT THE ADDENDUM TO THE INSTALLMENT PAYMENT MASTER EXECUTED BY THE PARTIES AND APPROVED AS TO FORM BY THE OFFICE OF THE ATTORNEY GENERAL OF THE STATE OF WEST VIRGINIA".

Amend the additional terms of the Installment Payment Supplement with topics "Tax Exempt Status/IRS Reporting Requirements", "Prepayment Fee", "Options", and "Warranty Disclaimer" as follows:

1. Amend "Tax Exempt Status/IRS Reporting Requirements", paragraph two, by deleting the third sentence in its entirety.

2. Amend "Prepayment Fee", by deleting the language in its entirety and inserting in lieu thereof, "No prepayment fees will be charged or assessed for prepayments in whole or in part."



Installment Payment Master Agreement

Part 1 - Definitions

State and Local Government

1.1 Definitions

Addition is any Machine or Program associated with a Machine previously financed under this Agreement.

Customer-set-up Machine is an IBM Machine that you set up according to IBM instructions.

Date of Installation is the following:

1. for a Machine -
 - a. the business day after the day we install it or, if you defer installation, make it available to you for installation; or
 - b. the second business day after the end of the standard transit allowance period for a Customer-set-up Machine or a non-IBM Machine.
2. for a Program, the latest of -
 - a. the day after its testing period ends;
 - b. 10 days after we ship it; or
 - c. the day you are authorized to make an Additional License Co / or a copy of a Distributed Feature.

Machine is a machine, its features, conversions, upgrades, elements, or accessories, or any combination of them. We use the terms "IBM Machine" and "non-IBM Machine" if applicable.

Modification is any IBM field installable upgrade, feature or accessory added to any Machine.

Planning Date is the date stated in the Supplement that financing for each Transaction is scheduled to begin. For a Machine, it is the estimated date the Machine will be put into service. For a Program, it is the estimated Date of Installation. For all other financed charges, it is the date you choose for the financing to begin.

Product is a Machine or a Program.

Program is all the following, including features and any whole or partial copies:

1. machine-readable instructions;
2. a collection of machine-readable data, such as a data base; and
3. related materials, including documentation and listings, in any form.

Service is assistance or use of a resource (such as a network).

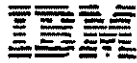
Term is the number of payment periods stated in the Supplement. The Term of a Transaction begins on the date interest starts. It ends on the last day of the last payment period. If you prepay a Transaction, its Term ends when you complete the prepayment.

You and Your refer to you, the Customer. You must be a State or a Political Subdivision as defined by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any Regulations and Rulings that affect that section.

We, Us and Our refer to:

1. International Business Machines Corporation (IBM), its subsidiaries and affiliates;
2. a partnership in which IBM is a partner; or
3. a business enterprise for which IBM is an agent.

IBM will remain as the active manager for all matters under this Agreement.



Installment Payment Master Agreement

Part 3 - Payment

State and Local Government

3.1 Your Obligation to Pay

You will pay all amounts specified in the Supplement. Payments will be made through the IBM Branch Office unless we notify you otherwise.

Your obligation to pay will continue regardless of any dispute you may have with respect to the financed Products or Services.

You agree to periodically request the appropriation of funds to pay all Payment Amounts specified in the Supplement. If the funds you request for any future fiscal year are not appropriated, you will not be obligated to pay amounts due beyond the end of the last funded fiscal year. If this happens, you agree to notify us in writing. Each affected Transaction will end after the last funded fiscal year and you will not be in default. You may retain the Machines for a reasonable period of time and at a monthly charge which we will determine. We will then remove the Machines from your premises and retain all sums paid as partial payment for their use and depreciation.

3.2 Interest Commencement

Unless otherwise specified in the Supplement, interest starts on:

1. the first day of the month following the Date of Installation for Products and Services you obtain from us; or
2. the first day of the month specified in the Supplement for all other charges.

3.3 Invoicing

Payment Amounts for monthly payment periods are invoiced as of the first day of each calendar month and are due on the first day of the following month.

Payment Amounts for all other payment periods (for example, annual) are invoiced 30 calendar days before the end of their payment period and are due on the day following the close of the respective payment period.

3.4 Rate Protection

The Supplement states a Planning Date for each Transaction, and one Quote Validity Date for all Transaction rates on the Supplement. These rates are not subject to change provided that:

1. the Supplement is signed and returned to us by the Quote Validity Date; and
2. the Product is installed within the same calendar month as its Planning Date.

3.5 Prepayment

We will not charge any loan origination fees. If you decide to prepay a Transaction, you agree to pay us a prepayment fee for our unrecovered administrative expense and changes in funding costs. The Supplement describes how the prepayment fee is determined. You may prepay any Transaction by paying all outstanding amounts due plus the remaining principal balance and any prepayment fee. If you prepay a Transaction for a Machine, you must also prepay any Transaction for related non-IBM charges.

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4.4 Insurance

You will maintain insurance covering loss, theft, conversion, damage, and destruction (called a "Loss") for any Machine, Modification, or Addition that we finance under this Agreement. You will endorse the policy naming us and our assigns as Loss Payee. Upon our request, you will provide us with proof of such insurance.

If a Machine, Modification or Addition suffers a Loss before we receive all payments, you will promptly notify us. Upon our request, you will pay us the prepayment amount as of the date of the occurrence. You agree to prepay all related non-IBM charges at the same time. We will credit you with any insurance payments that are in excess of the prepayment amount. Your obligation to pay us will continue until we are paid in full.

4.5 Assignment and Relocation

You may not assign this Agreement or your rights under it, or delegate your obligations. Any attempt to do so is void. You may not sell, transfer, modify, relocate, or otherwise dispose of any Machine, Modification, or Addition, in whole or in part, without our prior written consent. We will not consent to the relocation of any Machine, Modification, or Addition out of the United States.

We may assign any of our interests in whole or in part. Even when we assign our rights, we remain fully obligated to you and only your written consent can release us from this obligation. Therefore, any claims you have under this Agreement may be brought only against us, not our assignees.

4.6 General

If any provision of this Agreement becomes invalid or unenforceable, all other provisions remain in effect. Our failure to require full performance or our waiver of any provision in this Agreement does not prevent us from requiring full performance of all provisions in the future.

Notices

All notices under this Agreement will be delivered in person or mailed, to you at your address or to us at the IBM Branch Office shown in the Supplement.

Changes to the Agreement Terms

In order to maintain flexibility in our financial offerings, we may change the terms of this Agreement by giving you three months' written notice. However, these changes are not retroactive. They apply, as of the effective date we specify in the notice, only to new Transactions.

For any other change to be valid, both parties must sign it. Additional or different terms in any written communication from you are void.

Agreement Termination

This Agreement may be terminated by either party with one month's written notice. However, each Transaction existing on the effective date of that termination will survive until all its related obligations are fully satisfied.

Electronic Communications

Electronic communications, if used, are the equivalent of written and signed documents. When both parties agree to use electronic invoicing and payment options, you may authorize us to initiate direct payment from your deposit account for the items listed on any Supplement and for any related taxes.

Conflicting Terms

If there is conflict between terms, those of a Supplement prevail over those of this Agreement for the Transactions listed on the Supplement.

Governing Law

The laws of your State govern this Agreement.

Opinion of Lessee's Council

Attached is an IBM Credit LLC opinion of counsel letter for your review and consideration. We are willing to make modifications to either party's standardized letters to have a mutually agreeable document.



WV_IBM Credit
suggested_opinio

CUSTOMER'S COUNSEL'S OPINION

(To be provided on letterhead of Customer's counsel)

IBM Credit, LLC
Alan Anthony
145 Summers Street
Suite 200
Charleston, WV 25301
304-347-7263

Re: Supplement No. (to be determined upon award of the bid,) dated _____, 200_ to Installment Payment Master Agreement between IBM Credit LLC and the State of West Virginia.

To Whom It May Concern:

We have acted as special counsel to the State of West Virginia ("Customer"), in connection with the Installment Payment Master Agreement, dated as of November 1, 1994 ("Master Agreement"), between the State of West Virginia, as customer, and IBM Credit LLC ("IBM Credit"), and the execution of Supplement No. to be determined upon award of the bid, (the "Supplement") pursuant to the Master Agreement. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

All capitalized terms not otherwise defined herein shall have the meanings provided in the Master Agreement and Supplement.

As to questions of fact material to our opinion, we have relied upon the representations of Customer in the Master Agreement and the Supplement and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. Customer is a public body corporate and politic, duly organized and existing under the laws of the State, and has a substantial amount of one or more of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) the police power.
2. Customer has all requisite power and authority to enter into the Master Agreement and the Supplement and to perform its obligations thereunder.
3. The execution, delivery and performance of the Master Agreement and the Supplement by Customer has been duly authorized by all necessary action on the part of Customer.

4. All proceedings of Customer and its governing body relating to the authorization and approval of the Master Agreement and the Supplement, the execution thereof and the transactions contemplated thereby have been conducted in accordance with all applicable open meeting laws and all other applicable state and federal laws.
5. Customer has acquired or has arranged for the acquisition of the equipment or financing subject to the Supplement, and has entered into the Master Agreement and the Supplement, in compliance with all applicable public bidding laws.
6. Customer has obtained all consents and approvals of other governmental authorities or agencies which may be required for the execution, delivery and performance by Customer of the Master Agreement and the Supplement.
7. The Master Agreement and the Supplement have been duly executed and delivered by Customer and constitute legal, valid and binding obligations of Customer, enforceable against Customer in accordance with the terms thereof, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, insolvency, moratorium, organization or other laws of equitable principles of general application, or of application to municipalities or political subdivisions such as the Customer, affecting remedies or creditors' rights generally, and to the exercise of judicial discretion in appropriate cases.
8. As of the date hereof, based on such inquiry and investigation as we have deemed sufficient, no litigation is pending, (or, to our knowledge, threatened) against Customer in any court (a) seeking to restrain or enjoin the delivery of the Master Agreement or the Supplement or of other agreements similar to the Master Agreement; (b) questioning the authority of Customer to execute the Master Agreement or the Supplement, or the validity of the Master Agreement or the Supplement, or the payment of principal or interest on, the Supplement; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Master Agreement and the Property Schedule; and (d) affecting the provisions made for the payment of or security for the Master Agreement and the Supplement.
9. The Customer is a political subdivision within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended, and the related regulations and rulings thereunder and the portion of payments identified as the interest component of the rents (as set forth in the payment schedule attached to the Supplement) will not be includable in Federal gross income of the recipient under the statutes, regulations, court decisions and rulings existing on the date hereof and consequently will be exempt from Federal income taxes.

This opinion may be relied upon by IBM Credit, its successors and assigns, and any other legal counsel who provides an opinion with respect to the Supplement.

Very truly yours,

By:

Dated:



State of West Virginia Vendor Preference Certificate



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ce_Certificate.pdf

State of West Virginia VENDOR PREFERENCE CERTIFICATE

Certification and application* is hereby made for Preference in accordance with *West Virginia Code*, §5A-3-37. (Does not apply to construction contracts). *West Virginia Code*, §5A-3-37, provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the *West Virginia Code*. This certificate for application is to be used to request such preference. The Purchasing Division will make the determination of the Resident Vendor Preference, if applicable.

1. **Application is made for 2.5% resident vendor preference for the reason checked:**
 Bidder is an individual resident vendor and has resided continuously in West Virginia for four (4) years immediately preceding the date of this certification; **or**,
 Bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or 80% of the ownership interest of Bidder is held by another individual, partnership, association or corporation resident vendor who has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; **or**,
 Bidder is a nonresident vendor which has an affiliate or subsidiary which employs a minimum of one hundred state residents and which has maintained its headquarters or principal place of business within West Virginia continuously for the four (4) years immediately preceding the date of this certification; **or**,
2. **Application is made for 2.5% resident vendor preference for the reason checked:**
 Bidder is a resident vendor who certifies that, during the life of the contract, on average at least 75% of the employees working on the project being bid are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; **or**,
3. **Application is made for 2.5% resident vendor preference for the reason checked:**
 Bidder is a nonresident vendor employing a minimum of one hundred state residents or is a nonresident vendor with an affiliate or subsidiary which maintains its headquarters or principal place of business within West Virginia employing a minimum of one hundred state residents who certifies that, during the life of the contract, on average at least 75% of the employees or Bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; **or**,
4. **Application is made for 5% resident vendor preference for the reason checked:**
 Bidder meets either the requirement of both subdivisions (1) and (2) or subdivision (1) and (3) as stated above; **or**,
5. **Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:**
 Bidder is an individual resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard and has resided in West Virginia continuously for the four years immediately preceding the date on which the bid is submitted; **or**,
6. **Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:**
 Bidder is a resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard, if, for purposes of producing or distributing the commodities or completing the project which is the subject of the vendor's bid and continuously over the entire term of the project, on average at least seventy-five percent of the vendor's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years.

Bidder understands if the Secretary of Revenue determines that a Bidder receiving preference has failed to continue to meet the requirements for such preference, the Secretary may order the Director of Purchasing to: (a) reject the bid; or (b) assess a penalty against such Bidder in an amount not to exceed 5% of the bid amount and that such penalty will be paid to the contracting agency or deducted from any unpaid balance on the contract or purchase order.

By submission of this certificate, Bidder agrees to disclose any reasonably requested information to the Purchasing Division and authorizes the Department of Revenue to disclose to the Director of Purchasing appropriate information verifying that Bidder has paid the required business taxes, provided that such information does not contain the amounts of taxes paid nor any other information deemed by the Tax Commissioner to be confidential.

Under penalty of law for false swearing (*West Virginia Code*, §61-5-3), Bidder hereby certifies that this certificate is true and accurate in all respects; and that if a contract is issued to Bidder and if anything contained within this certificate changes during the term of the contract, Bidder will notify the Purchasing Division in writing immediately.

Bidder: IBM
Date: 12-16-09

Signed: [Signature]
Title: Client REPRESENTATIVE

*Check any combination of preference consideration(s) indicated above, which you are entitled to receive.



State of West Virginia Purchasing Affidavit



RFQ No. _____

STATE OF WEST VIRGINIA
Purchasing Division

PURCHASING AFFIDAVIT

VENDOR OWING A DEBT TO THE STATE:

West Virginia Code §5A-3-10a provides that: No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owed is an amount greater than one thousand dollars in the aggregate.

PUBLIC IMPROVEMENT CONTRACTS & DRUG-FREE WORKPLACE ACT:

If this is a solicitation for a public improvement construction contract, the vendor, by its signature below, affirms that it has a written plan for a drug-free workplace policy in compliance with Article 1D, Chapter 21 of the *West Virginia Code*. The vendor **must** make said affirmation with its bid submission. Further, public improvement construction contract may not be awarded to a vendor who does not have a written plan for a drug-free workplace policy in compliance with Article 1D, Chapter 21 of the *West Virginia Code* and who has not submitted that plan to the appropriate contracting authority in timely fashion. For a vendor who is a subcontractor, compliance with Section 5, Article 1D, Chapter 21 of the *West Virginia Code* may take place before their work on the public improvement is begun.

ANTITRUST:

In submitting a bid to any agency for the state of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will convey, sell, assign or transfer to the state of West Virginia all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the state of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the state of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to the bidder.

I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership or person or entity submitting a bid for the same materials, supplies, equipment or services and is in all respects fair and without collusion or fraud. I further certify that I am authorized to sign the certification on behalf of the bidder or this bid.

LICENSING:

Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, West Virginia Insurance Commission, or any other state agencies or political subdivision. Furthermore, the vendor must provide all necessary releases to obtain information to enable the Director or spending unit to verify that the vendor is licensed and in good standing with the above entities.

CONFIDENTIALITY:

The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/noticeConfidentiality.pdf>.

Under penalty of law for false swearing (*West Virginia Code* §61-5-3), it is hereby certified that the vendor affirms and acknowledges the information in this affidavit and is in compliance with the requirements as stated.

Vendor's Name: IBMAuthorized Signature: [Signature]Date: 12-16-09