EXHIBIT 1 to Attachment C – Cost Schedule
Solicitation Number JP14001
WSCA-NASPO Data Communications RFP

RFP Product Categories: \*Minimum Discount Percentage Clarification

1. Additional Incremental Discounts: Cisco may solicit on behalf of WSCA Utah and the Participating States additional discounts from the Authorized Resellers (as defined in the bid response) under each Participating Addendum. Such effort will be consistent with the current practice today under the Cisco WSCA Data Communications AR-233 Agreement. The Authorized Resellers, at their sole discretion, may provide additional incremental discounts.
2. Hosting Services: Per the Q&A dated July 22, 2013, Cisco, through applicable Authorized Resellers but at Cisco’s discretion and approval, wishes to also provide hosted service offerings for certain technology categories in the bid (Attachment C). These hosted offerings provide WSCA-NASPO customers with an alternate way to consume the technology to best meet their needs and provide flexible payment models. These models may be well suited for WSCA-NASPO customers that have limited technical staff for technology deployment and ongoing administration.

The hosted service offerings are based on Cisco validated architectures and delivered through carefully vetted and approved Authorized Resellers. Due to the unique requirements of each customer, Cisco and the approved Authorized Resellers can work with the customer to understand their unique requirements and deploy hosted offerings to best meet their needs. Additional contractual terms and conditions specific to the hosted solutions may be required.

Maintenance Services: \*Clarification on Cisco’s Offerings

Cisco is pleased to offer customized maintenance services through our Authorized Resellers, subject to Cisco’s discretion and approval. While each Authorized Reseller that is assigned to the contract for a Participating State may be able to offer a lower hourly rate, Cisco is providing Not-to-Exceed (NTE) hourly rates on behalf of our Authorized Resellers. Once the Authorized Resellers have been selected for each executed Participating Addendum, Cisco will solicit specific NTE rates from such Authorized Resellers, if they are interested in offering such services and subject to Cisco’s discretion and approval.

In addition to customized maintenance offerings, Cisco is pleased to offer its own OEM-branded SMARTnet Services and other technical/maintenance services and Advanced Services. Cisco’s SMARTnet operates like an insurance plan for the hardware a customer purchases. For each Cisco hardware SKU, there are several SMARTnet service level options that a customer can choose from. Accordingly, the list price of SMARTnet will vary based on the service level that is selected by the customer for the associated hardware. For these reasons, Cisco is not able to offer this particular OEM-branded maintenance offering in an hourly rate format, only a percentage discount off of the then-current list price. **Table 1** below is an illustration to show the different SMARTnet service levels and associated pricing.

Table . Examples of SMARTnet Maintenance Offering by Service Level

| Hardware SKU | Service Level | SMARTnet SKU | List Price | Discount % (Government) 1 Year | Discount % (Education) 1 Year |
| --- | --- | --- | --- | --- | --- |
| WS-C6509-E | SMARTnet 8x5xNBD | CON-SNT-WS-C6509 | $6,825 | 10.00% | 25.00% |
| WS-C6509-E | SMARTnet 8x5x4 | CON-SNTE-WS-C6509 | $9,896 | 10.00% | 25.00% |
| WS-C6509-E | SMARTnet 24x7x4 | CON-SNTP-WS-C6509 | $10,920 | 10.00% | 25.00% |
| WS-C6509-E | SMARTnet 24x7x2 | CON-S2P-WS-C6509 | $14,503 | 10.00% | 25.00% |

Regardless of the service level that is selected by the customer, Cisco agrees to offer the following discounts for its SMARTnet maintenance services.

Cisco SMARTnet Maintenance Services

Listed in **Table 2** below are the discounts for a SMARTnet service contract for a 1-, 3-, or 5-year term.

Table 2. Cisco SMARTnet Discounts

|  |  |  |
| --- | --- | --- |
| Cisco SMARTnet | Discount % (Government) | Discount % (Education) |
| 1-Year Contract | 10.00% | 25.00% |
| 3-Year Prepaid Contract\* | 17.00% | 28.00% |
| 5-Year Prepaid Contract\* | 21.00% | 30.00% |

\* If a 3- or 5-year prepaid term is selected, full payment is made upfront at the beginning of the subscription term. The above discounts do not assume or factor in any applicable finance or interest charges for the prepaid terms. It is the responsibility of the customer to determine the mechanism for funding.

Other Cisco Technical /Maintenance and Advanced Services

Cisco is pleased to also offer its portfolio of other technical/maintenance services for certain product categories that are not under our SMARTnet program. See **Table 3** below. For example, some Cisco technologies (i.e., Telepresence, UCS, UC, Optical, Remote Management, etc.) have maintenance services that are not under Cisco’s SMARTnet Program. In addition, Cisco offers Advanced Services that are not SOW-based (i.e., Network Optimization Service, AS Fixed Priced, etc.).

Table 3. Other Cisco Technical/Maintenance and Advanced Services Discount

|  |  |
| --- | --- |
|  Other Cisco Services  | Discount % |
| Technical/Maintenance Services (Not Under SMARTnet Program) | 10.00%\* |
| Advanced Services (Non-SOW Based) | 0.00%\* |

\*Multiple year terms are available and discounts may be provided once unique customer requirements are understood.

Professional Services - Deployment Services, Consulting/Advisory Services, Architectural Design Services, and Statement of Work Services: \*Clarification with respect to Cisco’s Professional Services Offerings

For each of the professional services categories listed in Attachment C (Deployment Services, Consulting/Advisory Services, Architectural Design Services, and Statement of Work Services), Cisco presents Onsite and Remote hourly rates as Not-to-Exceed (NTE) rates. ***However, please be advised that individual hours, or blocks of hours, may not be purchased separately. Instead, Cisco will use the quoted hourly rates to determine the total fixed price of a customer-approved Statement of Work (SOW) with specific deliverables.*** The NTE hourly rates that Cisco is offering are valid for the 7-year term of the contract.

To calculate the total fixed price of the SOW, Cisco will evaluate, after consultation with the customer, which required grade level skill set(s), analytical tools, processes, and level of effort are necessary to complete the required deliverables for the customer. Once all the cost elements have been built up against the specific deliverables, a total cost of the SOW will be determined. This approach allows the customer to potentially save because the most efficient and cost-effective resources will be utilized for various project tasks instead of one labor rate resource for all project tasks. Because the SOW is offered at a fixed price and not billed as Time and Materials, Cisco does not keep time cards.

Partner Services: \*Clarification on Cisco’s Offerings

Based on existing rates that partners/resellers have provided under the current Cisco WSCA Data Communications AR-223 Agreement, Cisco is offering the NTE hourly rates for Partner Services, subject to Cisco’s discretion and approval. These rates are valid for the 7-year term of the contract. As with the existing WSCA Data Communications AR-233 contract, once Cisco adds the specific Authorized Resellers to each executed Participating Addendum, we will solicit, in coordination with the WSCA Utah Contract Administrator, such Authorized Resellers for their specific onsite and remote hourly rates, if they wish to provide such services and subject to Cisco’s discretion and approval.

Training Deployment Services: \*Clarification on Cisco’s Training and Learning Credits Offerings

In addition to the hourly rates for training, Cisco is pleased to offer WSCA-NASPO customers with Cisco Training SKUs and Learning Credits for purchase under the contract. Cisco Training SKUs include the following types of courses: e-learning and classroom. See **Table 4** below for examples. As of the date of bid submission, Cisco Learning Credits are also available for purchase at $100 per credit on the U.S. Global Price Lists and sold in packages of 10, 100, 500, and 1500. See **Table 5** below for examples. They can be added to any Cisco hardware, software, or solution purchase and redeemed within 1 year from activation on the Cisco Learning Credits Management Tool (LCMT). Cisco Learning Credits can be redeemed for high-quality, authorized training from a Cisco Learning Partner or their affiliated organizations, or from Cisco Advanced Services Education.

Table . Examples of Cisco Training SKUs

|  |  |  |  |
| --- | --- | --- | --- |
| Part Number | Description | Price (USD) | Discount % |
| CON-TRN-CTE-200UL (e-learning)  | 200 User License | $178,000 | 0.00% |
| CON-TRN-CTE-1UL (e-learning)  | Single User License | $1,000 | 0.00% |
| TRN-ESMBU-15 | VCO4K Advanced SS7 Class, 5 Days | $2,100 | 0.00% |
| TRN-ESMBU-9 | VCO4K-SS7 Class, 4 Days | $1,900 | 0.00% |

Table . Examples of Cisco Learning Credits

|  |  |  |  |
| --- | --- | --- | --- |
| Part Number | Credits | Price (USD) | Discount % |
| TRN-CLC-000 | 10 | $1,000 | 0.00% |
| TRN-CLC-001 | 100 | $10,000 | 0.00% |
| TRN-CLC-002 | 500 | $50,000 | 0.00% |
| TRN-CLC-003 | 1500 | $150,000 | 0.00% |