

ATTACHMENT NO. VIII-I: Proposal to outsource network and server support for the 2012-2014 School Years

Potential motion: Move to approve the TechCare Network Support proposal effective July 1, 2012.

Recommended action: Approve the motion

After the Board requested that I review the current situation with the technology infrastructure in the district in May 2010, the Board approved an initial support contract with TechCare. That contract has been extremely successful in providing a safety net for the district while we improve the knowledge base of our internal IT staff.

This contract is significantly reduced from the original contract which reflects both the improvement of the district's internal IT staff resources and a more stable infrastructure. The difference in cost over the initial contract is approximately \$51,300 less per year. The original contract was for \$69,000 per year. The base cost of this contract will be \$17,700 which is less than half of what it would cost to hire a second network technician on staff to provide redundancy for our IT knowledge.

As Mr. Kinser had expressed a wish to review this contract prior to its approval, I sent the contract out to all Board members for their review last week. I have received no questions about the contract up to this point.

Therefore, my recommendation is that the Board continue use TechCare to provide network and server support.



## *All Covered Managed IT Services* *Schedule of Services*

Client: **North Boone Community Unit School District 200**  
 Contact: Dr. Steven Baule, Superintendant  
 Phone: 815-765-3322  
 Date: July 1, 2012

### **INSTRUCTIONS**

1. Review the information contained within this contract.
2. Sign and date in the Agreement acceptance section below.
3. Return an executed original document to All Covered, along with a valid Purchase Order.

### **Contents**

All Covered Schedule of Services.....	2
Effective Date and Fees.....	2
Site Information .....	3
All Covered Optional Services (if any) .....	3
Hardware/Software Procurement Options .....	4
All Covered Services.....	5
All Covered Services Terminology .....	7
All Covered Routine Maintenance and Maintenance Windows .....	8
All Covered Reactive Support Process .....	8
Uptime Availability .....	9
Client Responsibilities .....	10
Prescribed Standards .....	11
Excluded Services .....	12
Acceptance .....	15



## All Covered Schedule of Services

This agreement is entered into by and between All Covered, a division of Konica Minolta Business Solutions U.S.A., Inc., an New York limited liability corporation, with offices at 750 Estate Drive, Suite 104, Deerfield, IL 60015 ("ALL COVERED") and **North Boone Community Unit School District 200**, an Illinois School District, with offices at 6248 N. Boone School Road, Poplar Grove, IL 61065 ("Client") as of the Effective Date. In consideration of the mutual promises and agreements made herein and intending to be legally bound, ALL COVERED and Client agree as follows:

## Effective Date and Fees

This Schedule of Services shall commence on the 1st day of July 2012 (the "Effective Date") and will expire on the 30th day of June 2014. This agreement will automatically renew for 12 months unless cancelled upon written notice of either party as defined herein.

For the Covered Services described in this Schedule of Services, Client shall pay to ALL COVERED the Service Fees, for the term set forth herein, at the rates shown below:

<b>All Covered Defend IT</b>		
	Onboarding and Kickoff Project	\$ N/A
	Monthly Recurring Service Fees	\$1,475
	Renewable Prepaid Block of Time to be used for non-covered services and small project services:	\$3,100
	<div style="margin-left: 40px;"> <div style="border-bottom: 1px solid black; width: 100px; display: inline-block;"></div> \$ 7,500 – \$150/hr  <div style="border-bottom: 1px solid black; width: 100px; display: inline-block; text-align: center;">X</div> \$ 3,100 – \$155/hr  <div style="border-bottom: 1px solid black; width: 100px; display: inline-block;"></div> \$ 2,500 – \$160/hr </div>	
	Optional All Covered Services – <i>Annual Security Scan and Analysis</i>	\$2,200
	<b>Amount Paid Upon Signing</b>	<b>\$6,775</b> <i>(\$1,475/mo ongoing)</i>

Changes in the Client environment resulting from adding or deleting covered devices may be subject in corresponding changes to the monthly recurring service fees based on the following chart:

Variable Network Components	Fee/Month	Variable Workstations /User Devices	Fee/Month
Servers - Primary/Application/Database	\$79	Desktops/Laptops - Primary	\$10
Servers - Utility/Ancillary	\$49	Desktops/Laptops – Thin Client	\$10
Firewalls/Routers	\$29	Desktops/Laptops – Other:	\$10
Managed Network Appliances/SAN	\$29/\$29	Executive Home Systems	\$10
Secondary Locations	\$29	PDA's	\$10



## Site Information

As of Effective Date, the following summarizes the covered equipment under this Services Attachment:

Network:	Quantity	Other:	Quantity
Servers - Primary/Application/Database	5-8	End-users	N/A
Servers - Utility/Ancillary	7-11	Desktops/Laptops	N/A
Firewalls/Routers	1-2/5-6	Desktops/Laptops – Other:	N/A
Managed Network Appliances	1-2	Executive Home Systems	N/A
Core Switches	6-10	PDA's	N/A
Secondary Location Addresses:	<p><b>North Boone Community Unit School District 200 - Admin</b>          6248 N. Boone School Road, Poplar Grove, IL 61065          Phone: 815-765-3322 Fax: 815-765-2053</p> <p><b>Capron Elementary</b>          200 N. Wooster Street, Capron, IL 61012          Phone: 569-2314 Fax: 569-2633</p> <p><b>Manchester Elementary</b>          3501 Blaine Road, Poplar Grove, IL 61065          Phone: 765-2826/2873 Fax: 765-3334</p> <p><b>Poplar Grove Elementary</b>          208 N. State Street, Poplar Grove, IL 61065          Phone: 765-3113 Fax: 765-1604</p> <p><b>North Boone Upper Elementary</b>          6200 N. Boone School Road, Poplar Grove, IL 61065          Phone: 765-9006 Fax: 765-2496</p> <p><b>North Boone Middle School</b>          17641 Poplar Grove Road, Poplar Grove, IL 61065          Phone: 765-9274 Fax: 765-9275</p> <p><b>North Boone High School</b>          17823 Poplar Grove Road, Poplar Grove, IL 61065          Phone: 765-3311 Fax: 765-3316</p>		

## All Covered Optional Services (if any)

As of Effective Date, the following summarizes the optional services provided under this Services Attachment:

Annual Security Scan – External security vulnerability scan, analysis and identification of risk – with recommendations.



### Hardware/Software Procurement Options

I prefer to buy hardware & software through All Covered: \_\_\_\_\_. I prefer to buy my own hardware & software: \_\_\_\_\_.

Selection can be changed at any time. Hardware purchased through All Covered comes with *All Covered Hardware Assurance (RMA support and specification verification)*. Time spent preparing recommendations for hardware and software not purchased through All Covered will be billed.

You must enclose a copy of your exemption certificate or tax will be charged on all hardware and software purchases.

Tax Exemption #: \_\_\_\_\_ Exemption Type: \_\_\_\_\_



## All Covered Services

ALL COVERED will provide the following Managed IT Services for covered equipment, locations and users:

Remote Management Services and Tools	Client	Techcare (Defend IT)
Systemic Alert and Monitoring Platform <sup>2</sup>	-- <sup>2</sup>	X <sup>2</sup>
Remote Control Platform	--	X
Microsoft O/S Patch Management Platform	--	X
Macintosh O/S Patch Management Platform	--	X
Automated Scripting Platform	--	X
Asset Management Platform	--	X
Service Ticketing Platform	--	X
Reporting Platform	--	X
Standard Report Distribution	--	-- <sup>1</sup>
Network Device O/S Updates	--	-- <sup>1</sup>
<b>Network Management Services</b>	--	
Firewall/filtering management/firmware updates for devices	--	-- <sup>1</sup>
Annual Vulnerability Scan	--	-- <sup>1</sup>
SPAM software/service management/firmware updates for the SPAM device	--	-- <sup>1</sup>
LAN/WAN connectivity management	X	-- <sup>1</sup>
LAN/WAN documentation	X	-- <sup>1</sup>
Availability Monitoring and Alerting – 24x7	--	--
<b>Windows and Macintosh Server Management</b>		
Alert Monitoring <sup>2</sup>	-- <sup>2</sup>	X <sup>2</sup>
Event Alert Monitoring <sup>2</sup>	-- <sup>2</sup>	X <sup>2</sup>
Emergency O/S Updates and Patches	--	X
Manage Drives/Partitions Free Space	X	-- <sup>1</sup>
Create, Modify and Delete File Shares	X	-- <sup>1</sup>
Create, Modify and Delete Printer Shares	X	-- <sup>1</sup>
Create, Modify and Delete Users & Rights	X	-- <sup>1</sup>
Anti-Virus Agent & Definition Updates (if installed)	X	-- <sup>1</sup>
Back-up Agent Updates	--	X
Drive Defragmentation	--	X
Server Performance Tracking	--	X
Routine O/S Updates and Patches - Windows	--	Weekly <sup>1</sup>
Routine O/S Updates and Patches - Mac	--	Quarterly <sup>1</sup>
Server Hardware Bios/Firmware Updates	X	-- <sup>1</sup>
Preventative Hardware Maintenance	X	-- <sup>1</sup>
<b>Exchange or Approved E-Mail Management</b>		
User/Group Additions, Deletions & Changes	X	-- <sup>1</sup>
Mailbox Additions, Deletions & Changes	X	-- <sup>1</sup>
Mailing List Additions, Deletions & Changes	X	-- <sup>1</sup>
Manage Inbound/Outbound Mail Queues	X	-- <sup>1</sup>
<b>Microsoft SQL Management</b>		
Database & Log Routine Maintenance	X	-- <sup>1</sup>
Verify Maintenance Plan Completion	X	-- <sup>1</sup>
<b>Back-Up Management</b>		
Verify Daily Back-Up Job Completion	X	-- <sup>1</sup>
Test Restorations	X	-- <sup>1</sup>
<b>Other Specialty Application Management</b>		
Monitor and Manage Application Availability	X	-- <sup>1</sup>
<b>Network and Server– Response Center Support</b>		
Unlimited Remote Support – 7:00 x 6:00, M-F	X	-- <sup>1</sup>
Unlimited On-Site Support – 7:30 x 5:00, M-F	X	-- <sup>1</sup>
After-Hours Telephone and Remote Support	X	-- <sup>3</sup>
<b>CIO Services</b>		
Assigned Technology Consultant or VCIO	--	X
Annual Technology Plan	--	X
Project Research	--	-- <sup>1</sup>
Scheduled TC/VCIO Calls	--	-- <sup>1</sup>



<b>Hardware Management Services</b>		
Hardware/Computer Cataloging	X	--
Hardware Lifecycle Management	X	--
<b>Vendor Liaison and Management Services</b>		
3rd party subscription/warranty management <sup>5</sup> (FW, router, domains, SSL, SPAM, anti-virus)	X	-- <sup>1</sup>
ISP's, Web/Hosting Providers, Telco Providers, Print/Copy Providers, Video Conf. Providers <sup>6</sup>	X	-- <sup>1</sup>
Line of Business Application Providers <sup>7</sup>	X	-- <sup>1</sup>
<b>Other</b>		
Prescheduled monthly onsite services –		--
• Number of hours in ½ day increments		--
• Number of hours in full-day increments		--
<sup>1</sup> As needed (if not included in agreement and client requests services, work will be billed out of block of time at standard billing rates). <sup>2</sup> Defend IT does not include live monitoring of alerts. <i>Alerts will be sent to Client contact for remediation or escalation.</i> <sup>3</sup> Techcare's after-hours response is for network down or global issues that prevent Client's overall operations. Should additional services be requested outside these normal business hours, additional fees may be incurred (billed at 1 ½ times Techcare's standard billing rates) as specified in TECHCARE's <i>Master Services Agreement</i> . Remote support will be invoiced in ¼ hour increments while on-site support will incur a two (2) hour minimum charge. An after hours access number will be provided for critical network down issues. <sup>4</sup> Support for remote users includes operating system patching and support of business grade applications and connectivity to office resources. Onsite services requested by client will be billed as part of a block of time on a T&M basis. <sup>5</sup> Techcare will be provided a list of all warranties and subscriptions for covered equipment and will manage the notification of known renewals. Client will issue PO's for renewals as needed and as approved. <sup>6</sup> Techcare will be provided a list of all applicable vendor contacts and be provided authorization to request support or services on behalf of Client. Additional fees charged by these vendors are the responsibility of Client. <sup>7</sup> For line-of-business application support, Client will either maintain a 3 <sup>rd</sup> party software support contract to address end-user support, updates and upgrades and for creating custom reports and programming, or will maintain this expertise with staff internally. Techcare will support network and server access to LOB applications; assist Client end-users, as needed, in determining that an issue is LOB related and not a workstation or network issues; upon request, act as the support-liaison for end-user and initiate a support call to LOB support provider on behalf of end-user and facilitate the support provider to work directly with end-user to resolve the issue. <sup>8</sup> For anti-virus software that is centrally managed via a 3 <sup>rd</sup> party application or Techcare's TES.		



## All Covered Services Terminology

ALL COVERED will provide Managed IT Services for covered equipment, locations and users, which may include:

- ♦ **Response Center (Help Desk) Support:** Remote support and remote management will be provided for all basic support needs related to the operating system, Internet connectivity, email access and standard Microsoft Office applications. ALL COVERED will provide the software and licensing to provide secured remote access. (*Response Center hours are 7:00am - 6:00 pm CT, M-F*).
- ♦ **On-Site Service Visits:** ALL COVERED will assign an on-site Systems Engineer to provide server, network and workstation support services. The frequency of on-site visits is predicated by incidents that the ALL COVERED response center help desk is unable to resolve remotely.
- ♦ **Network Monitoring:** ALL COVERED will monitor key functions and establish performance thresholds on specified servers and network devices. This includes backups, Internet connectivity and other critical functions. ALL COVERED will respond to all alerts and outages to provide for expedited resolution of these server issues. (*Defend IT clients do not include live monitoring of alerts. Alerts will be sent to Client contact for remediation or escalation.*)
- ♦ **Server Maintenance:** Remote preventative maintenance will be performed on specified servers. This includes installing and maintaining revisions and patches to the current level operating systems. Implementation of new upgrades to the operating system or applications may incur additional charges.
- ♦ **Data Backup Administration:** ALL COVERED will monitor and support automated backup of file server data. This backup routine will be scheduled as determined by Client and ALL COVERED's System Administrator.
- ♦ **Email Services:** ALL COVERED will provide support to ensure continuity of email services based upon the number of users specified in this agreement. If elected, ALL COVERED will provide for hosted Anti-Spam filtering of email.
- ♦ **Network Device Connectivity:** ALL COVERED will manage and remediate any issues or problems related to covered network devices, including internal network switches, hub and routers. Additional fees may be incurred for replacement of equipment or upgrades.
- ♦ **File and Print Services:** Includes all services and management of file and directory. This includes monitoring data storage thresholds and establishing user directories for file management. ALL COVERED will also establish network printers on the network as defined in this section and provide user access to these printers.
- ♦ **File Storage:** ALL COVERED will maintain the directory structure and perform optimization on network storage devices and drives. Should file storage requirements exceed the limitations of the server, additional fees may be incurred to expand the storage.
- ♦ **Remote Office Connectivity:** ALL COVERED will provide support for all remote office connectivity at the locations address stated on this Agreement. Additional charges may be incurred for providing on-site services to remote locations and users.
- ♦ **Firewall:** Security services will be maintained as part of this agreement. This includes maintaining the configuration and updates of the firewall to secure the network according to manufacture specifications.
- ♦ **3<sup>rd</sup> Party Subscription and Warranty Management:** All Covered will be provided a list of all warranties and subscriptions for covered equipment and will manage the notification of known renewals. Client will issue PO's for renewals as needed and as approved.
- ♦ **7x24 Emergency Support and After-Hours Service:** All Covered's after-hours response is for network down or global issues that prevent Client's overall operations. Should services be requested outside normal Response Center hours, additional fees (billed at 1 ½ times All Covered's standard billing rates) may be incurred as specified in ALL COVERED's *Master Services Agreement*. Remote support will be invoiced in ¼ hour increments while on-site support will incur a two (2) hour minimum charge. An after hours access number will be provided for critical network down issues.
- ♦ **Line-Of-Business (LOB) Application Support:**
  - ♦ Client Responsibilities:
    - Maintain a 3<sup>rd</sup> party software support contract to address end-user support, updates and upgrades and support for creating custom reports and programming, or
    - Develop and maintain above expertise internally by Client staff
  - ♦ All Covered Responsibilities:
    - Support network and server access to LOB applications
    - Assist Client end-users, as needed, in determining that an issue is LOB related and not a workstation or network issue
    - Upon request, act as support-liaison for end-user to initiate a support call to LOB support provider and request support on behalf of end-user and direct LOB support provider to work directly with end-user to resolve issue



## **All Covered Routine Maintenance and Maintenance Windows**

*All Covered* Monitoring Services are provided on a 24x7x365 basis, including automatic Alerts, and automatic Service Ticket generation of Critical Alerts on Covered Devices. Active monitoring by the All Covered Response Center staff occurs during normal business hours.

For each selected Service, ALL COVERED will resolve Service Tickets, perform routine preventative maintenance, and provide other Services on Covered Devices during the normal business hours.

Standard Routine Maintenance Windows for Covered Devices is from 6:00 p.m. until 6:00 a.m. on weekdays, and from 6:00 p.m. until 9:00 a.m. on weekends. Routine maintenance and updates that may negatively affect a Covered Device's availability shall be performed during these Maintenance Windows when possible.

*All Covered* Management Services will not be performed during Holidays. All Service hours and Service Level Thresholds are based upon U.S. Central Standard and Daylight Savings Time.

## **All Covered Reactive Support Process**

For each selected Service, ALL COVERED shall perform Reactive Services under this Service Agreement in accordance with our problem prioritization, management and escalation processes. A Service Ticket in ALL COVERED's Service Ticket System will document each Service Level Incident. The following Service Level Objectives are measurements used by All Covered:

**Emergency:** An emergency classification means that the incident has a severe overall business impact such as revenue generating web servers, network, email server, or hardware failure that your clients interface with. An engineer will begin working on these incidents within 2 hours and continue until it is resolved.

**High:** A High Priority classification means that the incident has a moderate business impact or high individual impact such as email application not working or personal computer hardware failure. An engineer will begin working on the incident within 4 business hours and continue until the incident is resolved.

**Medium:** A Medium Priority Classification means that the incident has a low business impact or moderate individual impact such as printing issues or application instability. Medium Priority incidents will be assigned to an engineer who will begin working on them within 8 business hours and may schedule a time to resolve the problem at the soonest possible date.

**Scheduled:** A Low Priority Classification means that the incident has a low business or individual impact such as minor printer problems, application installations, new user creation or any activity that can be scheduled for the most convenient time without creating user hardship. A Low priority incident will be assigned to an engineer who will schedule a resolution to the incident at an appropriate time.



## **Uptime Availability**

ALL COVERED shall use commercially reasonable efforts to maintain satisfactory Uptime Availability for all Covered Devices and to respond and escalate all reactive Support within the Service Level Objectives identified above.

For the purpose of evaluating Uptime Availability, the following shall be excluded:

- Downtime for Routine Maintenance Windows and other agreed-upon periods of time that are necessary for repairs or maintenance or upgrades of Devices, Operating Systems or Applications;
- Times outside of the Coverage Period for each Device;
- Unavailability of functions or components that do not preclude the material functionalities of the Covered Device as a whole;
- Events or conditions that constitute a Force Majeure event;
- A defect or malfunction in any Device, Operating System or Application which adversely affects ALL COVERED's ability to perform the Services; unless such defect or malfunction arises out of an intentional or negligent act by one or more ALL COVERED employees;
- Client changes to any Device on the Network, which changes were not approved in advance by ALL COVERED;
- Availability impact arising out of a prioritization or reprioritization of ALL COVERED tasks by Client;
- Problems resulting from actions or inactions of Client contrary to ALL COVERED's reasonable recommendations;
- Any failure by Client to fulfill its responsibilities or obligations under this Service Attachment affecting ALL COVERED's ability to meet Service Level Thresholds;
- Loss of Internet connectivity to any Client Site for any reason; and
- The time between the existence of a malfunction or issue affecting functionality, and the time that the Service Ticket is opened by Client or automatically opened by the ALL COVERED Service Ticket System, whichever occurs sooner.



## **Client Responsibilities**

ALL COVERED commits to high standards of network performance and Availability. In order for ALL COVERED to achieve these results, Client agrees:

- To notify ALL COVERED via Service Ticket eight (12) hours or more prior to all significant proposed Device changes to allow ALL COVERED to comment prior to any changes occurring.
- To physically safeguard and protect all Covered Devices from damage or loss due to any Person's intentional or unintentional act.
- To provide certified, Category Level 5 or better, data cabling to all Devices.
- To provide properly grounded and bonded electrical infrastructures at all Client Sites.
- To provide suitable UPS back-up power, with a minimum of ten (10) minutes of battery run-time, allowing an automatic shutdown for each Network Device and Server.
- To provide suitable power surge protection for all critical systems.
- To provide iLO (Integrated Lights Out) capabilities for critical servers that require highest levels of uptime availability.
- To provide adequate heating, ventilation and air conditioning for all Covered Devices that will keep each Covered Device within the respective manufacturer's environmental specifications.
- To provide adequate media to maintain Client's desired back-up rotation for on and off-Site storage.
- To provide a suitable location for ALL COVERED personnel from which to perform Services.
- To maintain ownership of a valid, genuine and authentic User or Device license for every Operating System and Application installed on all Devices at all Client Sites, regardless of whether or not the Device is a Covered Device.
- To maintain records of all Software media with CD-keys, serial numbers and unlock codes and provide same to ALL COVERED upon request.
- To maintain licensed copies, and valid maintenance and upgrade contracts for, all Software installed on Covered Devices; and to designate ALL COVERED as an authorized agent for Client under those contracts.
- To maintain valid support and upgrade contracts or extended warranties for all Covered Devices; and to designate ALL COVERED as an authorized agent for Client under those contracts and warranties.
- To provide Client staff to act as ALL COVERED's "smart hands" to perform simple On-Site tasks.
- To plan for the upgrade of any Device, Operating System or Application that becomes or is scheduled to become end-of-life or end-of-support by its manufacturer; whether or not Covered under this Service Attachment.
- To have its President/CEO/Superintendent and/or Chief Financial Officer/Business Manager in attendance to meet with ALL COVERED's management during scheduled client business reviews in order to review Client's business goals and set technical goals and to discuss the financial aspects of this Service Attachment.



## Prescribed Standards

The effectiveness and ability of ALL COVERED to support the CLIENT's IT infrastructure is predicated by the CLIENT having established a minimum set of Prescribed IT Standards ("Standards") as they relate to industry best practices.

These prescribed Standards ensure ALL COVERED's ability to safeguard data and gain secured remote access to the network in order to meet the agreed upon service levels in this Agreement.

IT Function	Prescribed IT Standard
<b>Server:</b>	Manufacturer supported Server Operating System, with functioning Active Directory Services. Hardware should be appropriately sized for its intended role. Hardware warranty should be current according to manufacturers' recommendations.
<b>Data Backup:</b>	Manufacturer supported Symantec/Veritas <i>Backup Exec</i> , <i>Retropsect</i> or other ALL COVERED approved software capable of bare metal/disaster recovery backups. Supplemental open file agents for Exchange, SQL and additional servers if applicable are required. Backup hardware must be appropriately sized and designed to provide backup and restore for business continuity.
<b>Anti-Virus:</b>	Current and approved server based anti-virus solution with active update subscription.
<b>Security:</b>	Industry standard business class firewall. Linux 'white box' appliances and router based IOS firewalls are not supported.
<b>Email:</b>	Internal Microsoft Exchange Server or hosted standard POP3 mail solution.
<b>Email SPAM Filter:</b>	Current and approved hosted or premise-based anti-SPAM solution with active subscription.
<b>Communications:</b>	Broadband Internet connection such as OPT-E-MAN, T1, Cable Modem or DSL. Dial up connections are not supported.
<b>Workstations:</b>	Manufacturer supported and ALL COVERED approved operating systems. Hardware must meet minimum requirements set by manufacturer.
<b>Licensing:</b>	Compliant with software licensing requirements as specified by the software/application developer.

It is the responsibility of the CLIENT to adhere to the above Standards and subsequent updates to these Standards. Should Standards not be met within a reasonable period of time, ALL COVERED reserves the right to increase pricing for this Agreement.

Services related to outages, troubleshooting, remediation and recovery efforts as they relate to deficiencies per these Standards are not inclusive of the fixed fee Agreement.



## **Excluded Services**

Supplemental Services requested by Client, and not covered by this Service Attachment, will either be deducted from Client's Renewable Block of Time, or will be invoiced to Client at ALL COVERED's then current rates.

Services delivered under this Schedule of Services do not include:

- Hardware repairs for products not covered by manufacturer warranty, such as replacement parts.
- Device service or repair made necessary due to a violation of any Client Responsibility listed herein.
- Services necessitated due to Force Majeure conditions.
- Services and repair made necessary by the repair, alteration or modification of any Covered Device other than ALL COVERED or the Device's manufacturer-authorized service agency.
- Recoveries of any Software, data, file structures, or file security necessitated due to a crashed data storage Device. However, standard data recovery restores from the last known backup is Covered.
- Programming (modification of software code) and program (software) maintenance, other than for the Supported Applications.
- Additions of a Device, regardless of whether or not the Device becomes a Covered Device.
- Additions of a new solutions or capabilities, regardless of whether or not they become a Covered Device.
- 3<sup>rd</sup> Party support for non-Microsoft or non-Apple Computer software.
- Locations not listed within this agreement.
- After-hours support, unless specified within the terms of this agreement. Services requested and provided after-hours will be billed at 1 ½ times All Covered's standard billing rates unless otherwise agreed in advance.



## TERMS AND CONDITIONS OF SERVICE

1. **Applicability:** These Terms and Conditions of Service ("Terms and Conditions") are the terms and conditions under which All Covered shall provide the Information Technology infrastructure support services described in each Schedule of Services ("Schedule") executed by the parties. The Terms and Conditions and Schedule are collectively referred to as the "Contract Documents."

2. **Term and Termination:** The initial term of this Schedule shall commence on the Effective Date of the Schedule of Services and terminate twelve (12) months thereafter.

The fees quoted to Client in this Schedule are based on a twelve (12) month commitment. Accordingly, if the Schedule is terminated early due to non-payment of fees or Client's cancellation of services for any reason other than for cause, Client agrees to pay a lump sum fee equal to the monthly fee multiplied by the number of months remaining for the term. As used herein, "cause" shall mean a material breach of any obligation in this Schedule, which remains uncured thirty (30) days after written notice thereof.

Client may terminate a Schedule for cause if All Covered fails to cure a material breach of any obligation set forth in the Contract Documents fourteen (14) days after written notice thereof; All Covered may terminate a Schedule for cause if Client fails to cure a material breach of any obligation set forth in the Contract Documents sixty (60) days after written notice thereof. Termination is not an exclusive remedy and the exercise by either party of any remedy under the Contract Documents will be without prejudice to any other legal or equitable remedies the parties may have. Sections 4(b) (Warranty Disclaimer), 5 (Liquidated Damages), 6 (Limitation of Liability), 7 (Confidential and Proprietary Information) and 8-14 (general terms) shall survive any expiration or termination of the Contract Documents.

3. **Fees and Payment:** Client agrees to pay all fees specified in each Schedule. All Covered may invoice one (1) month in advance for any recurring service. Invoices are payable upon receipt. Client shall be responsible for all applicable taxes arising from the services. All Covered may suspend service if Client has failed to pay any invoice within thirty (30) days of receipt. Unpaid invoices will be subject to a monthly service charge which is the lesser of one and one-half percent (1½%) per month or the highest rate allowed by law.

All Covered reserves the right to adjust the fees if (i) the supported environment materially changes, such as a change in the number of end users, workstations, servers, network elements supported, warranty or hardware maintenance coverage or other changes in the IT infrastructure or (ii) the level of support required by the client changes. All Covered anticipates that its costs for providing services will increase annually. Accordingly, All Covered reserves the right to increase its fees on the anniversary date of each All Covered Care contract. All Covered will provide at least thirty (30) days prior notice of any fee increases.

4. **Limited Warranty:** (a) All Covered warrants for a period of thirty (30) days following delivery (the "Warranty Period") that all services shall be performed in a professional manner in accordance with generally applicable industry standards. All Covered's sole liability (and Client's exclusive remedy) for any breach of this warranty shall be for All Covered to re-perform any deficient services, or, if All Covered is unable to remedy such deficiency within thirty (30) days, to void the invoice for the deficient services. All Covered shall have no obligation with respect to a warranty claim: (i) if notified of such claim after the Warranty Period or (ii) if the claim is the result of third-party hardware or software failures, the actions of Client or some other party or is otherwise caused by factors outside the reasonable control of All Covered. (b) THIS SECTION 4 IS A LIMITED WARRANTY, AND SETS FORTH THE ONLY WARRANTIES MADE BY ALL COVERED. ALL COVERED MAKES NO OTHER WARRANTIES, CONDITIONS OR UNDERTAKINGS, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NONINFRINGEMENT OR ANY WARRANTIES REGARDING THE PERFORMANCE OF ANY SOFTWARE OR HARDWARE PROVIDED OR INSTALLED BY ALL COVERED. CLIENT MAY HAVE OTHER STATUTORY RIGHTS. HOWEVER, TO THE FULL EXTENT PERMITTED BY LAW, THE DURATION OF STATUTORILY REQUIRED WARRANTIES, IF ANY, SHALL BE LIMITED TO THE WARRANTY PERIOD.

5. **LIQUIDATED DAMAGES FOR HIRING OTHER PARTY'S EMPLOYEES:** During the term of each Schedule and for twelve (12) months thereafter, neither party shall retain the services (whether as an employee, independent contractor or otherwise) of any employee of the other party (or ex-employee within six (6) months of the employee's termination of employment.) Client and All Covered agree that any breach of the foregoing obligation would result in damage to the other party and that the amount of this damage would be difficult to determine. Accordingly, Client and All Covered agree that for each such employee or ex-employee retained in breach of this section 5, the party in breach shall pay to the non-breaching party the sum of Fifty Thousand Dollars (\$50,000) as liquidated damages. Client and All Covered acknowledge and agree that such liquidated damages constitute a reasonable estimate of the damages that would accrue to the non-breaching party and does not constitute a penalty.

6. **LIMITATION OF LIABILITY:** NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR INTERRUPTION OF SERVICES, LOSS OF BUSINESS, LOSS OF PROFITS, LOSS OF REVENUE, LOSS OF DATA, OR LOSS OR INCREASED EXPENSE OF USE), WHETHER IN AN ACTION IN CONTRACT, WARRANTY, TORT (INCLUDING, WITHOUT LIMITATION, NEGLIGENCE), OR STRICT LIABILITY, EVEN IF THE PARTIES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH LIABILITIES. ALL COVERED SHALL NOT BE RESPONSIBLE FOR PROBLEMS THAT OCCUR AS A RESULT OF THE USE OF ANY THIRD-PARTY SOFTWARE OR HARDWARE.

IN NO EVENT SHALL THE AMOUNT EITHER PARTY MAY RECOVER UNDER THE CONTRACT DOCUMENTS EXCEED THE TOTAL PAYMENTS MADE BY CLIENT TO ALL COVERED IN THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE OCCURRENCE OF THE EVENT GIVING RISE TO SUCH LIABILITY.



THE LIMITATIONS SET FORTH IN THIS SECTION 6 SHALL NOT APPLY TO PERSONAL INJURY OR DAMAGE TO TANGIBLE PROPERTY CAUSED BY THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF EITHER PARTY.

**7. Confidential and Proprietary Information:** (a) Each party agrees that all know-how, business, technical and financial information it obtains (as a "Receiving Party") from the disclosing party (as a "Disclosing Party") constitute the confidential property of the Disclosing Party ("Confidential Information"). Except as may be necessary to perform its obligations under the Contract Documents, the Receiving Party will hold in confidence and not use or disclose any of the Disclosing Party's Confidential Information. The Receiving Party's nondisclosure obligation shall not apply to information that: (i) was known to it prior to receipt of the Confidential Information; (ii) is publicly available; (iii) is rightfully obtained by the Receiving Party from a third party; (iv) is independently developed by employees of the Receiving Party; or (v) is required to be disclosed pursuant to a regulation, law or court order. (b) Any templates, schematics, processes or technical documentation provided by All Covered shall be deemed Confidential Information and proprietary information of All Covered without any marking or further designation. Client may use such information solely for its own internal business purposes. All Covered shall retain all rights to the aforementioned, which shall be returned to All Covered upon termination of the applicable Schedule. (c) All Covered shall maintain the confidentiality of information in its possession regarding individual protected health information in accordance with applicable law, and shall not release such information, to any other person or entity, except as required by law.

**8. Independent Contractor:** All Covered and Client shall at all times be independent contractors. There is no relationship of partnership, joint venture, employment, franchise or agency created hereby between the parties. Neither party will have the power to bind the other or incur obligations on the other party's behalf without the other party's prior written consent.

**9. Assignment:** No Schedule may be assigned by either party without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. No consent shall be required where an assignment is made (i) pursuant to a merger or change of control or (ii) to an assignee of all or substantially all of the party's assets. Any purported assignment in violation of this section shall be void.

**10. Disputes; Governing Law; Arbitration; Attorney's Fees:** New York law, without regard to its conflict of laws principles, shall govern and enforce the Contract Documents. Venue for any lawsuit between the parties shall take place in the state courts of the State of Illinois located in Chicago, Illinois. Except for a claim of payments of amounts due, no legal action, regardless of form, may be brought by either party against the other more than one year after the cause of action has arisen. At the option of either Client or All Covered, any dispute shall be decided by arbitration by the Judicial Arbitration and Mediation Services ("JAMS") in New York, New York in accordance with its Expedited Arbitration Procedures. At the request of either party, proceedings may be conducted in secrecy. The prevailing party in any action arising out of the Contract Documents shall be entitled to an award of reasonable attorney's fees and costs in addition to any other award or recovery to which such party may be entitled.

**11. Complete Understanding; Modification:** The Contract Documents, as well as any applicable terms of service posted at [www.allcovered.com/terms](http://www.allcovered.com/terms), shall constitute the full and complete understanding and agreement between Client and All Covered and supersedes all prior or contemporaneous negotiations, discussions or agreements, whether written or oral, between the parties regarding the subject matter contained herein, even where such negotiations, discussions or agreements were a material inducement for Client to engage All Covered to provide Information Technology consulting services. Any waiver, modification or amendment of any provision of the Contract Documents shall be effective only if in writing and signed by both Client and All Covered.

**12. Waiver and Severability:** Waiver or failure by either party to exercise in any respect any right or obligation provided for in the Contract Documents shall not be deemed a waiver of any further right or obligation hereunder. If any provision of the Contract Documents is found by a court of competent jurisdiction to be unenforceable for any reason, the remainder of the Contract Documents shall continue in full force and effect.

**13. Force Majeure:** Neither party shall be liable to the other for any delay or failure to perform any obligation under the Contract Documents (except for a failure to pay fees) if the delay or failure is due to unforeseen events which are beyond the reasonable control of such party, such as strikes, blockade, war, terrorism, riots, natural disasters, power outages, and/or refusal of license by the government, insofar as such an event prevents or delays the affected party from fulfilling its obligations and such party is not able to prevent or remove the force majeure at reasonable cost.

**14. Notices:** Any notice or communication required or permitted to be given under the Contract Documents shall be in writing to the Financial Controller, All Covered, 1051 E. Hillsdale Blvd., Suite 510, Foster City, CA 94404 and shall be deemed given: (i) upon receipt if by personal delivery; (ii) upon receipt if sent by certified U.S. mail (return receipt requested); or (iii) one day after it is sent if by next day delivery by a major commercial delivery service.



## Acceptance

By executing this Schedule of Services, Client agrees to purchase the services designated above and further agrees that the services shall be subject to the preceding Terms and Conditions of Service.

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**Client:**  
Signature:

Name:  
Title:  
Date:

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**All Covered**  
Signature:

Name:  
Title:  
Date:

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