City of Cocoa

65 Stone Street
Cocoa, FL 32922

Meeting Agenda - Final

Tuesday, November 9, 2021

6:00 PM

Cocoa City Council Chambers

City Council

CALL TO ORDER

INVOCATION

PLEDGE OF ALLEGIANCE

ROLL CALL

II. APPROVAL OF AGENDA AND MINUTES:

AGENDA:

II.1 21-728 Approve the Agenda for the Regular meeting of November 9, 2021, as presented or with amendments.

Attachments: 11-09-2021 Short Agenda ADA.pdf

MINUTES:

II.2(a) 21-731 Approve the Minutes of the Regular meeting of September 28, 2021, as written or with amendments.

Attachments: 09-28-2021 Minutes ADA.pdf

EXHIBIT A- Photos provided by P. Kamus.pdf

EXHIBIT B- FY2022 Budget 2nd Public Hearing (092821)Final 1.pdf

III. AWARDS AND PRESENTATIONS:

IV. DELEGATIONS:

In accordance with the City Council's rules and procedures, residents or tax-payers of the City (upon any subject of general or public interest), City employees (regarding his/her employment), and water and sewer customers (on matters related to the City's water and/or sewer system), may address the City Council under Delegations on items not on the printed agenda by filling out a speaker card.

Speaker cards are located outside the Council meeting room and should be provided to the City Clerk. Please observe the time limit of three (3) minutes while speaking under Delegations. Delegations shall be limited to thirty (30) minutes unless extended by Council.

V. CONSENT AGENDA:

V.1 21-700 Approval Resolution Amending the FY2022 Budget, #BAF 22-015-A, Accepting the Bureau of Justice Assistance FY2021 Bulletproof Vest Partnership Grant in the amount of $12,705 and Transfer the Match Budget to the new account number. (Chief of Police)

Attachments: Budget Resolution FY 2022- ADA Compliant.docx

BAF 22-015-A-PD-FY22 BPV Grant (11-9-21)Agenda 21-700.pdf

V.2 21-714 Approve FY-2022 Vehicle and Equipment Purchases through Alan Jay Fleet Sale utilizing Sourcewell Contract #120716-NAF, 060920-NAF via Standard Piggyback Form authorized on November 10, 2020, through January 17, 2022. (Public Works Director)

Attachments: FULLY EXECUTED Standard Form Piggyback_Sourcewell Agreement No. 120

Intent to Purchase - Fleet FY-2022-.pdf

National Auto Fleet 120716-Contract Extension.pdf

NJPA-COCOA, CITY OF-1ZC69_31626-3_Quote.pdf

NJPA-COCOA, CITY OF-E9E_32777-1_Quote.pdf

NJPA-COCOA, CITY OF-F2B_30226-2_Quote.pdf

NJPA-COCOA, CITY OF-K7B_32765-1_Quote.pdf

NJPA-COCOA, CITY OF-K7B_32773-1_Quote.pdf

NJPA-COCOA, CITY OF-K8A_31560-2_Quote.pdf

NJPA-COCOA, CITY OF-R1E 100A_30344-3_Quote.pdf

NJPA-COCOA, CITY OF-R1F 100A_32534-2_Quote.pdf

NJPA-COCOA, CITY OF-R3U 101A 148_30163-5_Quote.pdf

NJPA-COCOA, CITY OF-S6E_32769-1_Quote.pdf

NJPA-COCOA, CITY OF-W1E 100A_32766-1_Quote.pdf

NJPA-COCOA, CITY OF-W4H 650A_32535-2_Quote.pdf

NJPA-COCOA, CITY OF-F4H 650A_32799-2_Quote.PDF

NJPA-COCOA, CITY OF-F5G 660A_32809-1_Quote.pdf

NJPA-COCOA, CITY OF-W4H 650A_32797-2_Quote.PDF

NJPA-COCOA, CITY OF-E1Y 101A 130_32538-3_Quote.PDF

NJPA-COCOA, CITY OF-U9F_30519-4_Quote.PDF

V.3 21-716 Approve Change Order No.1 to P.O. 78017 with CST Industries, Inc. in the Amount of $12,311, as the Original Purchase Order Exceeds the City Manager's Signing Authority. (Utilities Director)

Attachments:
- WS21WS-C.O.#2 - Proposed - Revised for Covers 1&2.docx
- 04-27-2021 Journal.pdf
- 2021-038 (Sole Source_ Tanks at WWTP from CST Industries, Inc.).pdf
- 146955 Wewahootie WTPV4 Parts-Install.pdf
- Agenda 21-269.pdf
- ECP - CST Industries - $162,842 - UT-Dyal.pdf
- SoleSourceLetter.pdf

V.4 21-729 Approve a change order to Tech Systems, Inc. related to the roof replacement at the new Police Department Substation in Provost Park. Approve A Resolution Amending the FY22 Budget, BAF #22-021-T. (Public Works Director)

Attachments:
- 78450.pdf
- 400 S. Varr Ave Roof - $49,800.pdf
- Tech Systems CO $2,832.00.pdf
- Budget Resolution FY 2022- ADA Compliant.docx
- BAF 22-021-T-PW-Varr Building Wood Replacement for Roof (11-9-21)Agenda

V.5 21-730 Approve Change Order #1 for P.O. 78584 in the Amount of $70,000 as the Original Purchase Order Exceeds the City Manager's Signing Authority. (Utilities Director)

Attachments:
- Contract Extension Agmt_ ITB B-19-02-COC.pdf
- 09-28-2021 Journal.pdf
- Agenda File 21-636.pdf
- 78584.pdf
- Genesis Alkali COI exp. 1.1.22.pdf

MULTI-YEAR CONTRACTS:

V.6(b) 21-696 Approve a Resolution waiving the competitive bidding process by reason of sole source vendor for a four (4) year multi-year contract between the City of Cocoa and Tyler Technologies, Inc. providing a services agreement supporting the Socrata software subscription amendment. Approve Budget Adjustment form 22-011-T and authorize the City Manager to approve and sign the amendment between The City of Cocoa and Tyler Technologies. (Chief Technology Officer)

Attachments:
Tyler Technologies Socrata Sole Source Resolution.doc
Tyler Socrata Sole Source Letter 101821-signed.pdf
Cocoa FL Socrata Amendment_Tyler 092121-Final.pdf
ECP-PD-Tyler Socrata $50320 Agenda 21-696 (11-9-2021).pdf
Budget Resolution FY 2022- ADA Compliant.docx
BAF 22-011-T-PD-Tyler Socrata Agrmnt (11-9-21) Agenda 21-696.pdf

V.7(b) 21-706 Amending Original Agenda Item #21-523 to Include Approval as a Multi-Year Contract with Ace Flow Control, Longwood, Florida for a Total of Three (3) Years with Four (4) One-Year Renewals; Approval of Amendment #1 to the Service Level Agreement with Ace Flow Control Dated 9-14-21 with an Annual Cost not to Exceed the Bid Amount of $983,640 Per Year and Approval for the City Manager to Execute Any Renewals under the Original Contract Not to Exceed a Total of Seven (7) Years. (Public Works Director)

Attachments:
B 21-22-COC Ace Flow Control 09_14_2021 Service Level Agmt _Cont.pdf
21-22-COC 1st Amendment signed by AFC.pdf

V.8(b) 21-708 To Approve Task Order 2022-23 with Carollo Engineers, Inc. for Engineering Services During Construction (SDC) for the Lift Station Replacement, Project No. WS21LS, in the amount of $54,360; To Approve as a Multi-Year Contract from FY2022 through FY2023. Approve a Resolution Amending the FY22 Budget, BAF#22-019-A. (Utilities Director)

Attachments:
TO-CAROLLO 2022-23 $54,360.00 - UT-ENGIN.pdf
2021.10.14_TO21_Cocoa_Lift Station 1 Phase 3.pdf
1st Amendment to RFQ 18-10-COC.pdf
07_24_18_Continuing Services Agreement.pdf
Cocoa Lift Station 1 OPCC April 2021.pdf
COI -Carollo - Expires 07.04.2022.pdf
Budget Resolution FY 2022- ADA Compliant.docx
BAF 22-019-A-UT-Lift Station 1 (11-9-21)-Agenda 21-708.pdf

V.9(b) 21-709 Approve a multi-year agreement (36 Months) with Microsoft through CDW-G, Inc. for Microsoft Software, Licenses and Maintenance under the terms and conditions of the Florida NVP Software 43230000-NASPO-16-ACS-SVAR (ADSPO16-130652) government cooperative agreement, authorize the City Manager to finalize the terms of and sign the agreements, and authorize the City Manager to approve potential future additional licenses to be added to the Enterprise Agreement through the annual True-Up program up to $25,000 per year. (Chief Technology Officer)

Attachments:
- Amendment-M97 (New).pdf
- City of Cocoa - EA Renewal Quote - 10.12.2021.pdf
- Enterprise Agreement.docx
- Enterprise Enrollment (Indirect).docx
- Previous EnrollmentAgreement Form.docx
- Product Selection Form-1126660.006 (PSF).pdf
- Signature Form.docx
- 1471916688_CDW Master Agreement ADSPO16-130652 (1).pdf
- 1471916712_CDW Master Price Agreement.pdf
- 1548858778_CDWG Master Contract Amendment 2 Fully Executed.pdf
- 1548858837_CDWG Master Contract Amendment 3 Fully Executed (2).pdf
- 1582745868_ADSPO16-130652_Amend_4_CDW_Extension_4_7_2021.pdf
- 1612664019_ADSPO16-130652_Amend_5_CDW_Extension_1_7_2022_exec (
- City of Cocoa - EA Renewal Quote - 10.12.2021.pdf
- SIGNED_E-Verify Contractor Affidavit.pdf
- Standard form for New Piggyback Contract - July 2021.pdf

VI. PUBLIC HEARINGS:

VI.1 21-702 Consideration of First Reading (Ordinance 14-2021) of The City of Cocoa, Brevard County, Florida; relating to backyard chickens; amending Chapter 5 - Animals and Fowl of the city code to allow the keeping of chickens and chicken coops within certain residential zoning districts subject to certain enumerated conditions; creating definitions; establishing a permitting process; providing for the repeal of prior inconsistent ordinances and resolutions, severability, incorporation into the code, and an effective date. (Interim Community Services Director)

Attachments:
- Ordinance 14-2021 Backyard Chickens.docx
- Notice of Public Hearing-Ordinance No. 14-2021.pdf

VII. COUNCIL BUSINESS:

VII.1 21-717 Annual Appointment of the Deputy Mayor. (Administrative Services Director)

Attachments: Deputy Mayor Charter information.pdf

VIII. CITY BUSINESS:

VIII.1 21-614 Approval of Ordinance No. 12-2021/first reading: Amending Chapter 2, Administration, Article VIII, Firefighters' Retirement Plan of the Code by amending: Section 2-271, Definitions, adding definition of death in the line of duty; Section 2-324, Disability, amending the benefit for a service incurred disability; Section 2-325, Preretirement Death, amending to create a new pre-retirement death benefit for members killed in the line-of-duty. (Administrative Services Director)

Attachments: 12-2021 Cocoa Firefighters Pension Ordinance (First Reading).pdf

IX. INFORMATIONAL AGENDA:

IX.1 21-733 Calls for service provided by the Cocoa Fire Rescue Department for the month of October 2021. (Fire Chief)

Attachments: October 2021 Calls For Service By Incident Type Report.pdf

X. REPORTS:

XI. ADJOURNMENT

XII. NOTICE TO THE PUBLIC:

This is a public meeting. All interested parties may attend in person. The facility wherein this public meeting will be held is accessible to the physically handicapped. In accordance with the Americans With Disabilities Act, persons needing assistance to participate in any of these proceedings should contact the City Clerk of the City of Cocoa, listed below, at least 48 hours prior to the meeting: Carie Shealy, City Clerk, 65 Stone Street, Cocoa, by telephone at (321) 433-8484 or via email at cshealy@cocoafl.org.

Additionally, interested persons may view or listen to the meeting electronically at the following internet sites:
(1) https://tinyurl.com/s5e875r or
(2) https://cocoa.legistar.com/DepartmentDetail.aspx?ID=26365&GUID=FF9D3369-D354-4FAB-800A-57D0AEE30153&Mode=MainBody

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Pursuant to Section 286.0105, Florida Statutes, the City hereby advises the public that: if a person decides to appeal any decision made by the City Council with respect to any matter considered at its meeting or hearing, that person will need a record of the proceedings and for such purpose, affected persons may need to assure that a verbatim record of the proceedings is made, and such record shall include the testimony and evidence upon which the appeal is to be based. This notice does not constitute consent by the City for the introduction or admission into evidence of otherwise inadmissible or irrelevant evidence, nor does it authorize challenges or appeals otherwise not allowed by law.

Although members of the public are entitled to be heard by the City Council on certain items on the meeting agenda pursuant to the City Council Rules of Procedure, members of the public are not entitled to an immediate response by either administrative staff members or Council; however, the City Council or administrative staff may provide a response at their discretion. When presenting before the City Council, all comments or questions should be directed to the Mayor or the chair of the meeting. Comments or questions should not be made directly to administrative staff without permission from the Mayor or chair.
Public debate by individual speakers from the audience on public hearing items shall be limited to three (3) minutes. Applicants or representatives of recognized groups with special interests in a matter shall be limited to ten (10) minutes; and total debate on a single issue shall be limited to thirty (30) minutes. Only one presentation per person per item shall be allowed.

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This agenda is posted on the Municipal Bulletin Board and at the Central Brevard Library and Reference Center in Cocoa for public review.

Legislation Details (With Text)

File #:	21-728	**Version:**	1	**Name:**	
Type:	Agenda			**Status:**	Agenda Ready
File created:	11/1/2021			**In control:**	City Council
On agenda:	11/9/2021			**Final action:**	
Title:	Approve the Agenda for the Regular meeting of November 9, 2021, as presented or with amendments.				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	11-09-2021 Short Agenda ADA.pdf				

Date	Ver.	Action By	Action	Result

CITY COUNCIL AGENDA ITEM

Memo Date: November 1, 2021
Agenda Date: November 9, 2021
Prepared By: Carie Shealy, City Clerk
Through:
Requested Action:
Approve the Agenda for the Regular meeting of November 9, 2021, as presented or with amendments.

BACKGROUND:

The City Council approves the agenda for all of its regular meetings at the beginning of such meetings.

STRATEGIC PLAN CONNECTION:

NA

BUDGETARY IMPACT:

NA

PREVIOUS ACTION:

The City Council has approved its agenda for all regular meetings at the beginning of such meetings.

RECOMMENDED MOTION:

Approve the Agenda for the Regular meeting of November 9, 2021, as presented or with amendments.

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Agenda
City of Cocoa
Regular Meeting of The City Council

Date: November 9, 2021
Time: 6:00 pm
Location: 65 Stone Street Cocoa, FL 32922

I. Opening Matters:

1. Call to Order
2. Invocation
3. Pledge of Allegiance
4. Roll Call

II. Approval of Agenda and Minutes:

1. Agenda: Regular Meeting of November 9, 2021. (21-728)

2. Minutes: (a) Regular meeting of September 28, 2021 (21-731)

III. Awards and Presentations:

None.

IV. Delegations:

In accordance with the City Council's rules and procedures, residents or tax-payers of the City (upon any subject of general or public interest), City employees (regarding his/her employment), water and sewer customers (on matters related to the City's water and/or sewer system), and any person on any item on the agenda (except *Emergency items, Ministerial items, Quasi-judicial items, and Public Hearing items),* may address the City Council under Delegations by filling out a speaker card.

Speaker cards are located in the Council Chamber lobby and should be provided to the City Clerk. Please observe the time limit of three (3) minutes while speaking

under Delegations. Delegations shall be limited to thirty (30) minutes unless extended by Council.

V. Consent Agenda:

(A) General Consent Items:

1. Approval Resolution Amending the FY2022 Budget, #BAF 22-015-A, Accepting the Bureau of Justice Assistance FY2021 Bulletproof Vest Partnership Grant in the amount of $12,705 and Transfer the Match Budget to the new account number. (21-700). (Chief of Police)

2. Approve FY-2022 Vehicle and Equipment Purchases through Alan Jay Fleet Sale utilizing Sourcewell Contract #120716-NAF, 060920-NAF via Standard Piggyback Form authorized on November 10, 2020, through January 17, 2022. (21-714). (Public Works Director)

3. Approve Change Order No.1 to P.O. 78017 with CST Industries, Inc. in the Amount of $12,311, as the Original Purchase Order Exceeds the City Manager's Signing Authority. (21-716). (Utilities Director)

4. Approve a change order to Tech Systems, Inc. related to the roof replacement at the new Police Department Substation in Provost Park. Approve A Resolution Amending the FY22 Budget, BAF #22-021-T. (21-729). (Public Works Director)

5. Approve Change Order #1 for P.O. 78584 in the Amount of $70,000 as the Original Purchase Order Exceeds the City Manager's Signing Authority (21-730). (Utilities Director)

(B) Multi-Year Contracts:

6. Approve a Resolution waiving the competitive bidding process by reason of sole source vendor for a four (4) year multi-year contract between the City of Cocoa and Tyler Technologies, Inc. providing a services agreement supporting the Socrata software subscription amendment. Approve Budget Adjustment form 22-011-T and authorize the City Manager to approve and sign the amendment between The City of Cocoa and Tyler Technologies. (21-696). (Chief of Police)

7. Amending Original Agenda Item #21-523 to Include Approval as a Multi-Year Contract with Ace Flow Control, Longwood, Florida for a Total of Three (3) Years with Four (4) One-Year Renewals; Approval of Amendment #1 to the Service Level Agreement with Ace Flow Control Dated 9-14-21 with an Annual Cost not to

Exceed the Bid Amount of $983,640 Per Year and Approval for the City Manager to Execute Any Renewals under the Original Contract Not to Exceed a Total of Seven (7) Years. (21-706). (Public Works Director)

8. To Approve Task Order 2022-23 with Carollo Engineers, Inc. for Engineering Services During Construction (SDC) for the Lift Station Replacement, Project No. WS21LS, in the amount of $54,360; To Approve as a Multi-Year Contract from FY2022 through FY2023. Approve a Resolution Amending the FY22 Budget, BAF#22-019-A. (21-708). (Utilities Director)

9. Approve a multi-year agreement (36 Months) with Microsoft through CDW-G, Inc. for Microsoft Software, Licenses and Maintenance under the terms and conditions of the Florida NVP Software 43230000-NASPO-16-ACS-SVAR (ADSPO16-130652) government cooperative agreement, authorize the City Manager to finalize the terms of and sign the agreements, and authorize the City Manager to approve potential future additional licenses to be added to the Enterprise Agreement through the annual True-Up program up to $25,000 per year. (21-709). (Chief Technology Officer)

VI. Public Hearings:

1. Consideration of First Reading (Ordinance 14-2021) of The City of Cocoa, Brevard County, Florida; relating to backyard chickens; amending Chapter 5 - Animals and Fowl of the city code to allow the keeping of chickens and chicken coops within certain residential zoning districts subject to certain enumerated conditions; creating definitions; establishing a permitting process; providing for the repeal of prior inconsistent ordinances and resolutions, severability, incorporation into the code, and an effective date. (21-702). (Interim Community Services Director)

VII. Council Business:

1. Annual Appointment of the Deputy Mayor. (21-717). (Administrative Services Director)

VIII. City Business:

1. Approval of Ordinance No. 12-2021/first reading: Amending Chapter 2, Administration, Article VIII, Firefighters' Retirement Plan of the Code by amending: Section 2-271, Definitions, adding definition of death in the line of duty; Section 2-324, Disability, amending the benefit for a service incurred disability; Section 2-325, Preretirement Death, amending to create a new pre-retirement death benefit for members killed in the line-of-duty. (21-614). (Administrative Services Director)

Multi-Year Contracts:

None.

IX. Informational Agenda:

1. Calls for service provided by the Cocoa Fire Rescue Department for the month of October 2021. (21-733). (Fire Chief)

X. Reports:

- Advisory Boards and Committees
- City Manager & Administration
- City Attorney
- City Council

XI. Adjournment:

XII. Notice To The Public:

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(1) https://tinyurl.com/s5e875r or

(2) https://cocoa.legistar.com/DepartmentDetail.aspx?ID=26365&GUID=FF9D3369-D354-4FAB-800A-57D0AEE30153&Mode=MainBody

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Legislation Details (With Text)

File #:	21-731	**Version:**	1	**Name:**	
Type:	Minutes			**Status:**	Minutes
File created:	11/2/2021			**In control:**	City Council
On agenda:	11/9/2021			**Final action:**	
Title:	Approve the Minutes of the Regular meeting of September 28, 2021, as written or with amendments.				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	09-28-2021 Minutes ADA.pdf EXHIBIT A- Photos provided by P. Kamus.pdf EXHIBIT B- FY2022 Budget 2nd Public Hearing (092821)Final 1.pdf				

Date	Ver.	Action By	Action	Result

CITY COUNCIL AGENDA ITEM

Memo Date: November 2, 2021
Agenda Date: November 9, 2021
Prepared By: Carie Shealy, City Clerk
Through:
Requested Action:
Approve the Minutes of the Regular meeting of September 28, 2021, as written or with amendments.

BACKGROUND:

N/A

STRATEGIC PLAN CONNECTION:

N/A

BUDGETARY IMPACT:

N/A

PREVIOUS ACTION:

The City Council approves the minutes of all its meetings following transcription.

RECOMMENDED MOTION:

Approve the Minutes of the Regular meeting of September 28, 2021, as written or with amendments.

MINUTES
City of Cocoa
Regular Meeting of The City Council

September 28, 2021

A Regular City Council Meeting was held on Tuesday, September 28, 2021, in Cocoa City Hall, in City Council Chambers, located at 65 Stone Street, in Cocoa, Florida, 32922, as publicly noticed.

I. Opening Matters:

Mayor Blake called the meeting to order at 6:00 p.m.

Councilmember Hearn provided the invocation and Veterans in attendance led the assembly in the Pledge of Allegiance to the Flag of the United States of America.

The City Clerk took the roll.

PRESENT:	Michael C. Blake	Mayor
	James Goins	Deputy Mayor
	Rip Dyal	Councilmember
	Lavander Hearn	Councilmember
	Lorraine Koss	Councilmember
	Anthony Garganese	City Attorney
	Stockton Whitten	City Manager
	Carie Shealy	City Clerk

OTHER STAFF MEMBERS PRESENT:

Tammy Gemmati, Administrative Services Director; Jack Walsh, Utilities Director; Evander Collier, Chief of Police; Jonathan Lamm, Fire Chief; Bryant Smith, Public Works Director; Rebecca Bowman, Finance Director; Samantha Senger, Assistant to the City Manager/PIO; Charlene Neuterman, Interim Community Services Director; Gail Bantugan, Leisure Services Manager; Officer Dan Rhoades and K9 Bear; Lora Howell, Deputy Finance Director; and Trevor Roth, Helpdesk Support Tech.

II. Approval of Agenda and Minutes:

1. Agenda: Regular Meeting of September 28, 2021. (21-634)

2. Minutes: N/A

* **MOTION by Deputy Mayor Goins; Seconded by Mayor Blake, to approve the Agenda for the Regular meeting of September 28, 2021 with the following amendments: Remove Item VII.1 from the agenda and move Public Hearing Item VI.3 to Item VI.1.**

AYES: Blake, Goins, Dyal, Hearn, Koss

THE MOTION CARRIED UNANIMOUSLY (5-0)

III. Awards and Presentations:

1. Presentation of a plaque by Theresa Clifton with the Brevard Humane Society to Officer Dan Rhoades and K9 Bear. (21-635). (Theresa Clifton)

   Ms. Theresa Clifton spoke on behalf of the Brevard Humane Society and presented Officer Dan Rhoades and K9 Bear an award. Chief Collier accepted the plaque on their behalf. She explained why they received the award and pointed out it was presented at their Tuxes and Tails event held earlier in the month. She expressed their appreciation for both of them.

   Officer Rhoades arrived and thanked her for the award and recognition.

   She invited everyone to the “Blessing of the Animals” on October 4th at 5:00 p.m. on Cox Road in front of their chapel. She hoped everyone could attend.

2. Proclamation: "Get Vaccinated Brevard". (21-643). (Mayor Blake)

   Mayor Blake read the proclamation into the record.

3. Proclamation: declaring the month of October 2021 as “National Cybersecurity Awareness Month”. (21-644). (Chief Technology Officer)

   Mayor Blake read the title of the proclamation into the record and explained the importance of awareness of cybersecurity.

IV. Delegations:

Paul Kamus, 116 Olive Street, Cocoa, distributed a photo[1] of Forrest Avenue to Olive Street, heading west and a photo of a tree beauty contest sign as well. He pointed out that there is more and more traffic through that area and one of the pieces of land was owned by FDOT. He picks up trash in that area, however, a "no trespassing sign" had been posted. He was able to obtain a permit to pick up litter but now the weeds and grass are waist high. He asked that this be looked into and mowed.

V. Consent Agenda:

(A) General Consent Items:

1. Approve Task Order No. 2021-17 to Jacobs Engineering Group, Inc. to Provide Program Management/ Administration, Design Management and Construction Project Support Services for Operating Revenue funded Cocoa Utilities Capital Improvement Plan Program Projects related to Water Supply and Water Treatment; Pending the Approval of the FY2022 Budget. (21-574). (Utilities Director)

2. Approve Task Order No. 2021-21 to Jacobs Engineering Group, Inc. to Provide Engineering Services for the Design and Permitting of a New Ammonium Sulfate Storage and Feed System at the Viera Booster Station, Project No. WS21VP. (21-575). (Utilities Director)

3. Authorize the City Manager to approve the annual purchase orders for electrical utilities as they relate to electrical consumption only and Verizon for the Police Department for FY2022, pending the approval of the FY22 Budget. (21-606). (Finance Director)

4. Approval for the City to apply for the Florida Department of Environmental Protection's Division of Water Restoration Assistance (DWRA) Nonpoint Source Grant funds in the amount of $650,000 for the Riverfront Park Drain Field Improvements Project with 50% match. (21-609). (Public Works Director)

5. Approve a Resolution Waiving the Competitive Bidding Process for the Purpose of Making Sole Source Purchase of Cal Flo Liquid Lime from Burnett Lime Co., Inc., Campobello, SC and LT27 Polymer from Fort Bend Services, Inc., Stafford, TX for the Dyal Water Treatment Plant and the Jerry Sellers Water Reclamation Facility for FY2022; To Approve the Second Amendment to Purchase Agreement with 1)

[1] EXHIBIT A: Photo provided by P. Kamus

Matheson Tri-Gas, Inc., Irving, TX for Carbon Dioxide, 2) Kemira Water Solutions, Inc., Bartow, FL for Ferric Sulfate, and 3) Allied Universal Corp., Miami, FL for Sodium Hypochlorite; To Authorize the City Manager to Approve Change Orders in an Amount not to Exceed the Total FY2022 Budget for Chemicals; Pending Approval of the FY2022 Budget. (21-610). (Utilities Director)

6. Approve Task Order 2022-22 with Jacobs Engineering Group (Jacobs) for the Sea Ray Drive Bridge 36-Inch Water Main Crossing Relocation Design and Permitting Services; Pending Approval of the FY2022 Budget. (21-611). (Utilities Director)

7. Approve Task Order 2022-22 with Carollo Engineers, Inc., Orlando, Florida, for the SCADA Design at the Jerry Sellers Water Reclamation Facility; Pending Approval of the FY22 Budget. (21-622). (Utilities Director)

8. Approve and authorize the City Manager to execute a Changer Order to the Space Coast Auto Supply Purchase Order #77828 for the NAPA IBS Operational Services and Inventory Management Solutions. (21-630). (Public Works Director)

9. Approve an Addendum to the Current Soda Ash Chemical Contract the City of Cocoa has with Genesis Alkali LLC located at 1735 Market Street, Philadelphia, PA 19103, for the Purchase of Soda Ash for an Additional Sixty (60) Days for the convenience of the City of Cocoa. (21-636). (Utilities Director)

(B) Multi-Year Contracts:

10. Approve entering into a multi-year piggyback agreement for an initial 3 year term from 2021-2024 (with two (1) year renewals), with East Coast Fence and Guardrail of Brevard, LLC., utilizing Brevard County Contract B# 21-452-B-JW for on demand fencing and guardrail services. Authorize the City Manager to sign the contract(s) and renewal(s) for each subsequent fiscal year. (21-569). (Public Works Director)

11. Approve Staff's recommended ranking of bidders for Contract Mowing RFP 21-26-COC and award an initial three-year multi-year agreement to the highest two ranked bidders beginning in Fiscal Year 2022, U.S. Lawns in the amount of $210,944 for Mowing Areas #2 and #3; and Perfection Lawn & Tree Service in the amount of $195,047 for Areas #1 and #4. Authorize the City Manager to sign the contracts and issue the related purchase orders. Approve a Contingency Resolution and Authorize the City Manager to issue related contingency change

orders as necessary not to exceed 9.7% of the total contract value, $39,381.13. Pending the approval of the FY2022 Budget. (21-599). (Public Works Director)

12. Approval of the renewed multi-year agreement with Target Solutions Learning, LLC for a city-wide Learning Management System effective October 1, 2021 through September 30, 2024, with approval to waive competitive quote requirement, and authorize the City Manager to approve the final terms and conditions of the agreement and execute the final agreement upon final approval by the City Attorney as to legal form and sufficiency. (21-642). (Administrative Services Director)

* **MOTION by Councilmember Dyal; Seconded by Councilmember Hearn, to approve the Consent Agenda.**

AYES: Blake, Goins, Dyal, Hearn, Koss

THE MOTION CARRIED UNANIMOUSLY (5-0)

VI. Public Hearings:

1.~~3.~~ Approve a Settlement Implementation Agreement between Beachline Partners, LLC and the City of Cocoa including a preliminary site plan, amenities and amenities schedule, construction timeline, utilities requirements and other development matters for a residential subdivision, commonly known as the former “Barrera Shores” or “Silvestri Property”, to implement that Stipulated Settlement Agreement, made and entered into December 11, 2007 and recorded in the Brevard County Official Records Book 5837, Page 2226: Parcel #: 24-35-10-00-502; To the extent necessary, authorize the City Manager and City Attorney to complete any outstanding technical issues and record the Agreement. (21-645). (Interim Community Services Director)

Mayor Blake requested that this item be done in decent order. The density will be addressed as well as the proper notifications, etc. He spoke in furtherance about the property and asked that everyone listen to the actual facts being stated.

Ms. Neuterman explained that the subject property comprises approximately 212.10 acres at the southeast corner of SR 528 and Interstate 95 and was part of a project formerly known as the Barrera Shores. The property is subject to a Preceding Development Agreement, dated August 24, 2004 between the City of Cocoa and Barrera Shores, LLC.

Ms. Neuterman explained that the project would include approximately 418 units and in compliance with the City's Comprehensive Plan the developer agrees to abide by the plan. The development would have two access points, one at Friday Road and one at James Road. The developer agrees to work with the county in regards to those.

She explained the density of the property and according to the site plan received it is two houses per acre. The minimum lot size is 50 x 120. There will be a buffer area between the area of Friday Road and the residential units. Amenities that will be included are a walking trail and a dog park. Several technical provisions are still being worked out as well as additional revisions to the agreement. In the event those are needed they are asking Council for the approval for the City Manager and City Attorney to work with the developer on the agreement.

Andy Kirbach, 504 North Harbor City Blvd., Melbourne, is the Civil Engineer for the project. They have been working with the City for the past five months or so to ensure that the agreement matches the original court ordered agreement. He advised he was in attendance to answer any questions.

Mayor Blake opened the hearing to the public:

Toni Wilcox, 2740 Friday Road, Cocoa, noted that this would directly abut her property. Her concerns were that it is a very low area and they have had to purchase flood insurance. This is a rural, quiet area and they would like to see something a little less dense. She would like to know what the buffer would be and what materials will be used to keep the rural feeling.

Jim Hattaway, 5041 Ranchwood Drive, Cocoa, has walked the property and found evidence of a tortoise and there are also eagles in the area. There was illegal cutting of pine trees until they were ordered to cease and desist. He mentioned the number of units and that he did not believe they would be half acre units. If each unit has two cars that would be an additional eight hundred cars in the area. He was concerned the city was getting ahead of themselves and would like to see the county approve this first.

Susan Rollins, 2770 Pine Lily Lane, Cocoa, assumed that all of Council has seen the property. She is always walking her dogs and everyone in the neighborhood recognizes everyone. This is a rural area and she does not know how they will get out due to traffic lights. It is already hard enough. She wants to understand the

plan to help with congestion as there are only two ways out, Friday Road and Cox Road.

John Rollins, 2770 Pine Lily Lane, Cocoa, spoke in regards to density and disagreed that it would be half-acre lots. When you take out the wetlands it is actually .2 acres. Currently, there are about ninety homes on James Road and with an additional 418, it does not make sense to put that kind of traffic on James Road. They walk the roads and cannot imagine crossing the road during heavier times of the day; speed bumps do not help either. He believed more substantial homes could go in and better fit the current lifestyle of the area.

Paul Hunter, 2720 Friday Road, Cocoa, advised he owns parcels 27 & 28 which border this project on two sides. There are going to be infrastructure upgrades and he asked if those would be done before the additional houses were complete or would it be completed after the homes were built.

James Tully, 2606 N. Pacer Lane, Cocoa, has parcel no. 66 on the map and that parcel would be directly affected by this. He noted his biggest concern was how to get in and out of the subdivision. The road would directly run behind their property. He bought the property in 1977 and they have been in the area ever since. People have bought there due to the openness of the land. He would like them to revisit how many homes were there to begin with.

Dale Holsington, 2610 Pinto Circle, Cocoa, had a copy of the subdivision map with all of the parcels. He is a retired firefighter and when he retired he bought a two-acre lot in a cul-de-sac. Currently there are about ten cars who go by their house and according to the map their property would abut where the clubhouse will be located. He urged Council not to approve this.

Mark W. Ward, 2410 Armadillo Court, Cocoa, asked that at a minimum they delay the approval of the agreement from 2007. A lot has happened since 2007 and he had sent an email regarding his concerns. He stated that his main issue was flood water run-off. he has lived in the house for six years and has seen an increase of flooding in the last two years. He has contacted the county and they sent a supervisor. They told him directly that the issues were due to the development taking place on SR 524. Cox Road is so busy that sometimes they have to wait two to three light cycles to get out. He understands that this is the approval of an existing agreement but requested that it be delayed until it is looked at in furtherance.

Alicia Weaver, 2270 Friday Road, Cocoa, has lived in the area for over fifty years and has seen a lot of changes. They all agree that this agreement does not meet what they want. It will affect the environment and wildlife. It will also be impacted by the highspeed rail and property owners already experience flooding. She stated they would have to build the homes up and additionally, they experience cars racing up and down the roads. She is not a resident of Cocoa property as they have not been annexed. They support growth but requested they look at this area again.

Sue Crowley, 2523 Meadow Lane, Cocoa, has lived in the area for sixteen years and loves the neighborhood. She has concerns after looking at the online map. They are describing this as low density housing occupied by single family homes with smaller units. Her concern was that 418 homes are on half-acre lots and a maximum of 35 feet tall. She further pointed out how many families and cars this could equate to. She further mentioned the buffer and voiced several other concerns.

Mark Stilley, 3401 Craggy Bluff Place, Cocoa, advised this was at the other end of James Road. He advised he did not get a notification and moved to the area about a year and a half ago. He moved due to it being rural and peaceful. There are problems with the flooding at the end of James Road as well. He felt that what was approved in 2007 is not what needs to be done now and a new study should be done.

Pat Scott, 1350 Friday Road, Cocoa, noted she is in the county and the city limits border her property. She spends 3 to 3 ½ hours a week picking up trash on Friday Road. They built in 1986 and chose to leave as much as they could native. They love all of the wildlife however now they have the Flying J and there are about four to five tractor trailer trucks a day on SR 524. She has called Cocoa and Brevard County and nothing gets done. Flooding is an issue and speeders are horrendous. If this development is allowed it will ruin the whole area.

Barbara Buzzo, 2760 Pine Lily Lane, Cocoa, was a part of the group that fought against this original development for some of the same reasons being stated tonight. She asked if this would be multi-family or rentals and mentioned the drainage on James Road. It is agriculturally zoned.

Alicia French, 2850 Friday Lane, advised this would be right behind her house and she felt that this did not make sense and would never work. She further mentioned

possible issues with traffic lights and that they love where they live due to it being rural and quiet.

Jennifer Therrien, 2790 Pine Lily Lane, felt this was provided last minute. They were not notified in a timely manner. She mentioned what the previous lawsuit stated and felt that Cocoa was missing the opportunity to put together the lot size and fits the character and lot size of neighboring properties. They like the properties spread out and she asked how the two entrances would work. There are many aspects from the previous agreement that needed to be looked into and recommended a team be put together to move forward. She further spoke about the buffer and the train and the sound it already portrays. Additionally, Amazon is coming and the Flying J is a disaster.

Jennifer Marren, 4245 Rector Road, Cocoa, stated it felt they were creating a bottleneck going into this area. There are safety concerns due to the kids in the area. They moved to this area so that they could live in a safe area and walk down the street. There is not one sidewalk on Friday Road and if someone was in a hurry and needs to get around a school bus it could possibly hurt a child. There needs to be a turning lane off of Friday Road. She reiterated that this would be a safety concern for wildlife and children and felt it was common sense that it would not work.

Bruce J. Mason, Sr., 2596 North Pacer Lane, Cocoa, was in 100% agreement with everyone who has spoken. He asked for the lot size again and it was noted it was 50 x 120. He felt this did not add up and it was impossible and could not be done. He further provided the math and stated that the drainage was a real problem.

There being no further responses from the public, the public portion of the hearing was closed and returned to Council.

Mayor Blake asked about flooding and traffic impact on Friday Road. In response, Ms. Neuterman advised that the flood plan was current and that it was a county road and could not speak to that but the developer and county would have to work out infrastructure improvements in that area.

Mayor Blake further asked about the density issue.

Mr. Kirbach, the Civil Engineer, spoke on behalf of the density, stating it was 418 units on 212 acres, which is less than two units per lot. In the original court ordered agreement over 600 units were allowed. In regards to the traffic study, the traffic

engineer is working on the methodology and they are in contact with them. It will be per the original stipulated agreement and any results will be implemented as part of the project.

City Manager Whitten clarified that the traffic study was in regards to traffic coming off of SR 524 going onto Friday Road. In response, Mr. Kirbach advised the study has many areas and they will look at SR. 524 and James Road. The traffic study is very specific in the stipulated settlement agreement. The County has already approved the study.

Additionally, Mr. Kirbach pointed out that the flooding and stormwater go hand in hand and they are preserving as many wetlands as they can and there will also be other areas studied.

Further discussion was held on infrastructure upgrades that have to occur and wetlands. It was noted that the infrastructure upgrades would be done and in place before the homes were constructed per the agreement. Also, the wetlands will be preserved as much as possible.

City Manager Whitten asked if this was single or multi-family units and in response, Mr. Kirbach advised it was single family only.

Deputy Mayor Goins knows that people are concerned with traffic, there are a lot of improvements on SR 524 moving forward.

Councilmember Koss asked when the environmental analysis was done and in response, Mr. Kirback noted it was done in the last couple of months by BioTech Consulting. She further asked about the wildlife. Mr. Kirbach mentioned that there were no endangered species that they found. During the process it will be reviewed again for all of the environmental requirements.

Attorney Garganese clarified that there was not a ten-day notice requirement for this. This is a refinement of what was done in 2007 and the City issued courtesy notices and advertised this in the newspaper. In addition, when the formal permitting process commences both City Code and statutory requirements have to be met so they will have to go before the Planning & Zoning Board and City Council.

Councilmember Koss advised that she just got notice of this on Friday so she did not have the chance to go visit the area, but was trying to understand the urgency and when this many people come out, they really love their neighborhood.

* **MOTION by Councilmember Koss delay this item.**

Councilmember Dyal stated that of all of the questions he has heard he has not heard what these would sell for. In response, Mr. Kirbach pointed out that he was the engineer, not the developer, but from what he understands around $300,000.

Councilmember Dyal Seconded the Motion.

Attorney Garganese stated that the motion was to postpone but it is not clear. He recommended a date for when they want this to be heard again before City Council.

Deputy Mayor Goins clarified what the motion would be delaying.

Councilmember Koss explained that the item said several technical provisions were still being worked out and the fact that they did not get this until Friday did not give them much time to visit the property.

City Manager Whitten mentioned there were staff level issues that need to be worked out but would not concern the nuts and bolts of the agreement.

Attorney Garganese reiterated that there was a motion on the floor to postpone the item and he recommended providing a date as to when they would like it to come back to Council as the motion is incomplete. If the motion fails then it is in Council's prerogative to vote the item up and down.

City Manager Whitten explained some of the technical issues such as utilities and a few fine points. Mr. Walsh further explained some of the utilities issues in detail.

Furthermore, Attorney Garganese advised that there were some other issues on a utilities and drainage easement that they have not had the time to complete an analysis on. He reiterated they are just technical issues. There were also a couple of scriveners' errors on the plan. He also noted that the property to the north of SR 528 and this was annexed at the same time and that was when the City made the commitment to make points of connection. There are a lot of timely moving parts and they need to be correct in the agreement.

* **MOTION was Amended by Councilmember Koss to table and bring this item back on October 26, 2021; Councilmember Dyal seconded the motion.**

Deputy Mayor Goins asked if this would give utilities enough time to get this done. In response, Mr. Walsh answered in the affirmative and explained his reasons for that. They are working out language to make sure everyone is protected if things change.

AYES: Dyal, Koss

NAYES: Blake, Goins, Hearn

THE MOTION FAILED (2-3)

* **MOTION by Mayor Blake; Seconded by Deputy Mayor Goins, to Approve a Settlement Implementation Agreement between Beachline Partners, LLC and the City of Cocoa to approve conceptual plans, an amenity schedule, and construction timeline for a residential subdivision, consistent with PUD zoning on the following property, commonly known as the former "Barrera Shores" or "Silvestri Property", to implement that Stipulated Settlement Agreement, made and entered into December 11, 2007 and recorded in the Brevard County Official Records Book 5837, Page 2226: Parcel #: 24-35-10-00-502; To the extent necessary, authorize the City Manager and City Attorney to complete any outstanding technical issues and record the Agreement.**

AYES: Blake, Goins, Dyal, Hearn

NAYES: Koss

THE MOTION CARRIED (4-1)

Mayor Blake assured all that they would hold the developers accountable and it would be done right[2].

2. ~~1.~~ Ordinance No. 13-2021/2nd and Final Reading: Regarding updates to the Special Events Ordinance. (21-631). (Asst. to the CM/PIO)

[2] At the Request of Mayor Blake a 5 minute recess was taken, it began at 7:52 and reconvened at 8:02 p.m.

Attorney Garganese read Ordinance No. 13-2021 into the record, by title only, as follows. He advised this was the second and final reading of the ordinance.

ORDINANCE NO. 13-2021

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COCOA, BREVARD COUNTY, FLORIDA; AMENDING CHAPTER 2, ADMINISTRATION, ARTICLE XI OF THE CITY CODE RELATING SPECIAL EVENTS; PROVIDING FOR THE REPEAL OF PRIOR INCONSISTENT ORDINANCES AND RESOLUTIONS, INCORPORATION INTO THE CODE, SEVERABILITY, AND AN EFFECTIVE DATE.

Ms. Senger explained there was some language changes to the special event ordinance and the biggest change was to authorize the City Manager to approve waivers of special event fees and adding some newer facilities into the agreement as well.

Mayor Blake opened the hearing to the public. There being no response, the public portion of the hearing was closed.

* **MOTION by Councilmember Dyal; Seconded by Deputy Mayor Goins, to approve Ordinance No. 13-2021 on second and final reading.**

AYES: Blake, Goins, Dyal, Hearn, Koss

THE MOTION CARRIED UNANIMOUSLY (5-0)

3.~~2.~~ Approve Resolution 2021-087 adopting the Final Millage Rate of 6.4532 mills for the City of Cocoa Fiscal Year 2022 commencing on October 1, 2021 and ending on September 30, 2022, which represents an increase of 9.84% over the rolled-back rate of 5.8749.

Mayor Blake advised there are two portions to this public hearing and the first part would be accepting the millage rate.

Ms. Bowman advised that this was the second public hearing for the adoption of the Final millage rate and Final budget for FY 2022 and the item would be done in two parts. She further pointed out that this process started in March and she shared a timeline of the budget process, which included several workshops and

meetings that were held in order to discuss the budget. All of these deadlines are in accordance with TRIM guidelines that have to be followed.

She explained that the FY 2022 Budget was developed with assumptions of Ad Valorem Revenue at 6.4532 mills @ 97% (State requires at least 95%), to support the ongoing operational needs and wages, in an attempt to attract and retain staff and to maintain core governmental services.

Ms. Bowman provided a presentation[3] and reiterated that tonight they would adopt a tentative millage and budget. The City must have a balanced budget by October 1, 2021.

Ms. Bowman explained the Fund Balance Policy and provided a historical review of the Ad Valorem Tax Base as well as a comparison of millage rates of other cities in Brevard County.

She reviewed what this impact would have for a single-family property owner and pointed out that about 89% of Cocoa property owners are under $200,000. An example of a tax bill was shown and explained.

The FY 2022 TRIM Rate options were shared as well reductions to Ad Valorem due to the required TIF payments to the CRA's in the general fund.

Councilmember Koss pointed out that according to Florida Today the City of Titusville went back to their current rate.

Mayor Blake closed the hearing to Council and opened it to the public.

Mike Youngblood, 2239 Norwood Court, Cocoa, stated he was against the tax increase at this time as everything has gone sky high. He just received a raise for the first time in three years. Additionally, he keeps hearing about the splash pad at Junny Rios Park. In response, Ms. Bowman stated that the splash pad was funded through the use of fund balance and the tax increase was due to funding salary increases for employees. Mr. Youngblood was for the splashpad but did not want taxes to go up due to it.

Steve Murphy, 3733 N. Sherwood Circle, Cocoa, spoke at the prior meeting and is against the millage increase. He provided two points, one of which was references from the Finance Director that does not reflect the totality of what was approved for FY 2022. They should include everything such as the fire and

[3] EXHIBIT A: FY 2022 Budget Presentation

stormwater assessments. Secondly, he mentioned those who rent in the city of Cocoa and that the information provided was in regards to homeowners, so none of those numbers are applicable to homes used for rentals. This is a substantial increase for renters in Cocoa. He further pointed out that if you look at the cost of the splash pad and subtract that it would decrease and they could go back to the old millage rate.

Sara Ann Conkling, 1305 S. Lakemont Drive, Cocoa, wants the police and fire to have all that they want. She is a democrat and being a democrat does not exempt them from fiscal responsibility. She shared her thoughts on what Cocoa could have done in regards to fund balance. There are only two other cities along with Cocoa raising their millage rates. She further stated that there is about $24 million in discrepancy. She noted that they should not be raising the millage rate to raise $800,000. Additionally, she was not able to attend the meeting on September 14th but felt it was appalling and the stormwater tiers were not okay. This was pointed out a few years ago and needs to be revisited. Lastly, she voiced disappointment that the budget does not include $60,000 for a subsidized bus route for citizen transportation.

Frank Sullivan, 1705 N. Indian River Drive, Cocoa, advised that a few months ago the council was looking at $8 million in the bank. Three members of the Council took care of that money in one day and are now asking residents to give them $800,000 in tax increases. He believed they should be embarrassed and hoped that there has been some rethinking on how that is divided, and not have to go to the citizens for a tax increase. He felt that the money could be put towards the museum and urged them to rethink how that money is spent.

Linda Dolphin, 2100 N. Indian River Drive, Cocoa, represented by Kristin Lorti who spoke on her behalf. “I wrote an opinion piece in Florida Today suggesting that $650,000 in funds budgeted for a splash pad at Junny Rios Park be reallocated to operating expenses so that the millage rate does not have to be increased. I was mistaken in that belief as I did not realize that assigned account dollars were not a part of this year’s budget and did not even have to be presented at this council meeting or any council meeting for that matter. It would not be a good precedent to use these saved dollars on ongoing operational expenses. What I also believe is not good precedent is the spending of more than $8 million dollars by this council with no recommendations from City staff on best use of these funds. It took the City of Cocoa approximately ten years to save the $8 million dollars that this council reallocated from assigned account balance to other accounts in two workshops which were open to the public. There is no recording of these two workshops so we have no information on how the deliberation took place if we did not attend the

workshops. I urge my fellow citizens to contact your representatives and request that $650,000 for the Junny Rios splash pad approved at these workshops be reallocated to the Sustainability and Resiliency account which lost $900,000 from its account balance at these meetings. I also request that the $1.5 million dollars set aside for Village parking be reinstated. For ten years we have been hearing that there is not enough village parking to sustain the shops in the village and yet, $625,000 was removed from that account for other projects. What was considered more important as there are other questionable reallocated items as well. I am requesting Council put these items on an agenda for discussion at a future council meeting, as all of these spending projects can still be changed. Let's have open discussions about these projects. They are not a part of the budget being voted on tonight. Please council, tell us why you think spending $650,000 on a splash pad at Junny Rios Park is the best use of our hard earned saved dollars."

Kristin Lorti, 5524 Brilliance Circle, Cocoa, advised that she has been in contact with Council and provided a background as to how she got here. She planned to attend two weeks ago but after reading Linda's letter to the editor she became interested. She was not aware of the monies and that meetings were not recorded. She mentioned the meeting on September 14th and advised that she would be around next year during the budget process. She felt it was a pre-ordained vote and reiterated that she would be involved next year as she does not appreciate that.

Linda Gombert, 2323 Elon Drive, Cocoa, is a small business owner. She reiterated what others had said and does not know how a property tax increase could be asked for when there was $8 million. She noticed that at the September 14th meeting the fire truck did not get funded and she did not understand how that was not funded but a splash pad was. She stated that this does not look right and looked to be a pre-ordained vote and was not good governance.

There being no further response from the public, Mayor Blake closed the public hearing and returned it back to Council.

Mayor Blake provided the following public announcement:

- The City of Cocoa is the taxing authority
- The rolled-back rate is 5.8749
- The millage rate of 6.4532 is a tax increase of 9.84% as a percent change of the rolled-back rate
- The millage rate to be levied is 6.4532

* **MOTION by Mayor Blake; Seconded by Councilmember Dyal, to Approve Resolution No. 2021-087, adopting the Final Millage rate of 6.4532 mills. for the City of Cocoa, commencing on October 1, 2021 and ending on September 30, 2022. The motion was opened for discussion.**

Councilmember Koss advised that she was going to vote the same way she did the first meeting and felt the process needed to be addressed a little bit more as she has been approached by a senior staff member as well as members of this council that she has somehow fallen out of the team and not consistent, and not voting with the group. She mentioned the executive session that they had a couple of months ago and in that session they learned about the drivers for increases in wages and she wants the city's workers to be paid well and the essential workers' pay grades to be brought up because we have not been competitive with other businesses such as Walmart and Amazon. There was a lot of reasons why wages needed to be brought up.

They looked at bringing up the tax rate and you have to post it high because you cannot go above it. You have to post at the maximum. They went into contract negotiations and then come back with the budget and see that we have capitol expenses equal to the $562 so again, the whole idea is if we can spend $8 million in assigned fund balance, with this policy, plus another $2 million from the feds, in one year, that $8 million is more than we gather in ad valorem taxes and property taxes in a year and that is big. More than the $562 in the budget is discretionary. She noted there are a hundred different ways to get to a balanced budget and to get to the budget that is proposed without it being on the backs of tax payers.

Deputy Mayor Goins advised that in the session they spoke about millage and after that they conversed about salary negotiations for the unions. He pointed out that after Councilmember Koss voted for the millage, she then voted for the union contracts. He would have been with her had she voted against the union contracts.

Councilmember Koss felt that raising our tax rate was not based on raising salaries. In all fairness they did not know there would be a budget shortfall when they had the $8 million. She felt that citizens have suffered this year on fixed incomes and are barely holding onto their homes. They are suffering and symbolically raising this is not good.

Councilmember Hearn asked for clarification as to when they negotiated the spending of the $8 million and believed it was all done by staff recommendation. He was not sure who the three people were who spent the money.

In response, City Manager Whitten advised that there was the American Rescue Funding and other projects that they could spend fund balance on. The fund balances are the current fiscal year and having nothing to do with the proposed tax rate. The tax rate is to be able to give raises to staff and union members as they negotiated them. He noted the other issue is the $24 million discrepancy. The budget numbers are different and revenue does not come in the same every month, so that is not factual. The millage rate proposed was specially outlined in two executive sessions and was to provide raises to union.

Mayor Blake added that non-union are included as well.

Councilmember Hearn believed that when we talk about men and women and laborers they deserve more and hoped that we can get to an even better place to pay more one day.

Mayor Blake was glad there was accurate information.

Deputy Mayor Goins felt that there were a few who do not know what projects fall under the $8 million and he was proud of those projects. He spoke about the street paving, park renovations and housing projects. There were multiple meetings for the budget and we are not hiding anything. He does not like the tax increase but he is not ashamed of what they are doing in order to make sure the community is taken care of properly. He promises that if he is re-elected it will not go up again, but it is not just three people making decisions. He urged all of them to understand that they are trying to make the City better.

AYES: Blake, Goins, Dyal, Hearn

NAYS: Koss

THE MOTION CARRIED (4-1)

(b) Approve Resolution 2021-088 adopting the Final Budget and CIP for the City of Cocoa for the Fiscal Year 2022 commencing on October 1, 2021 and ending on September 30, 2022. (21-640). (Finance Director)

Ms. Bowman explained the Fund Balance Policy and discussed FY 2022 Revenues in detail, including the FY 2022 Final Budget versus the FY 2021 Adopted budget.

At the request of City Manager Whitten, Ms. Bowman explained the health insurance fund and noted that we are going to fully insured which would be paid out of the general fund. City Manager Whitten added that was because we are

going from self-insured to fully insured. He further spoke about the solid waste fees.

Ms. Bowman further discussed the FY 2022 General Fund Revenue, the Water/Sewer & Impact Fee Funds by revenue funding source, and the Stormwater Fund revenue by funding source.

The FY 2022 Expenses were shown and the FY 2022 Budget versus the FY 2021 Adopted budget were explained by category as well.

In closing, Ms. Bowman pointed out that all five unions have new agreements which include pay plan adjustments as well as salary increases. There is also a new department/division which is IT.

Kristin Lorti, 5524 Brilliance Circle, Cocoa, spoke about the $8.8 million and that she would have liked to have been more informed and invited to those workshops. She did receive a letter about the SR 524 improvements and felt she was missing out on being able to participate in meetings. She encouraged the city to revisit that spending and was disappointed with the process.

Mayor Blake noted there is a standard process and there is a diversity.

City Manager Whitten further clarified that each meeting is advertised to the public. Upcoming meetings are noted in the FYI, the NextDoor app, the City's website, and Twitter Page, so there are various places that these are advertised.

Ms. Lorti felt the legal requirements were met but there were other avenues the City could take to inform the public.

In response, City Manager Whitten advised that they had gone above and beyond the legal requirements. Recordings and minutes are on the website so the dialogue was there. Additionally, he pointed out that they have saved her a seat in the upcoming Citizens Academy if she would like to take advantage of that. He would also be willing to meet with her. Ms. Lorti asked about the recordings and in response, City Manager Whitten advised that by law we are not required to record meetings but would make sure all budget workshops are recorded next year.

Ms. Bowman also noted that some of the meetings or workshops are not held here in council chambers.

Ms. Lorti asked why this presentation was not online and in response, City Manager Whitten stated staff was getting used to his ways and he promised to do better in the future. Ms. Lorti thanked him for the conversation.

Marlene Weiss, 2450 Tulane Drive, Cocoa, has been a member of the Sustainability Advisory Board for years and has tried to figure out how to have a say. Her neighborhood has gone down because money is being taken away. She was at the budget meetings and felt they were confusing and it is frustrating that after all of these years they do not understand how it will have a positive effect. Ms. Weiss does not feel there is a lot of community support for the museum and other areas. She would like to see the whole community prosper, not just one area. She asked that when they think about services to consider them as a whole.

Mayor Blake closed the hearing to the public and returned it back to Council.

* **MOTION by Councilmember Dyal; Seconded by Councilmember Hearn, to Approve Resolution 2021-088 adopting the Final Budget and CIP for the City of Cocoa for the Fiscal Year 2022 commencing on October 1, 2021 and ending on September 30, 2022.**

AYES: Blake, Goins, Dyal, Hearn, Koss

THE MOTION CARRIED UNANIMOUSLY (5-0)

VII. Council Business:

~~1. Request approval of the Council appointments for the City Districting Commission. (21-620). (Interim Community Services Director)~~

- **This item was removed from the agenda.**

2. Staff is requesting direction related to the budgetary requests in the draft Operations and Maintenance Lease and Agreement between Brevard Museum and Sciences Center Inc. and the City of Cocoa. (21-633). (Public Works Director)

Mr. Smith provided a brief history of the Brevard Museum and pointed out that staff had entered into negotiations with them. There are six different items that staff needed direction on and he further noted that there was no budget approved this year for this item. The following six items need Council's attention:

- Removal of the trails from the leased premises. The City would then be responsible for all operations and maintenance related to these trails. Any events would have to be coordinated through the City's Special Event Process. All volunteers would also need to work through the City's volunteer process and be covered under the City's insurance policies. The City Council would also need to allocate reoccurring budget for the maintenance and operation of these trails by the Public Works Staff.

- What is the desired term date for this agreement? The previous term was intended to be 70 years but terminated less than two years after commencement.

- One-Time contribution from the City in the amount of $15,000 for the purchase of various equipment and operating expenses.

- Reoccurring contribution from the City in the amount of $30,000/year and assistance from the City to help evaluate and prioritize repairs and capital replacements.

- Initial 6-month contribution from the City in the amount of $12,500 to help cover various utilities and contract services (electric, water, sewer, reuse, landscaping, pest control, security monitoring, fire monitoring, and solid waste services). Also seeking an additional $12,500 if additional financial assistance is needed beyond the initial 6-month timeframe. This would be a budgetary impact of $25,000 for the next fiscal year. Note that these estimated costs may not cover the complete costs related to the operation of the museum if the hours of operation are increased.

- Seeking assistance from the City to ensure that all ADA-related requests arising out of the Tenant's use of the leased premises are accommodated. The budgetary impact of this is unknown. This would likely equate to a large expense since the building predates most ADA Requirements.

He stated that these were the main requests that came out of the agreement and staff needs to know if they proceed and accept the agreement or re-negotiate. Mr. Smith further reminded Council that as of October 1st there is not budget.

Councilmember Koss asked if an analysis would be done if they come to an agreement and what it would cost to disseminate the contents as we would then be left with an empty building that is already spiraling downward.

In response, Mr. Smith advised they could maintain the building for about $15,000. In regards to the disposition of assets, they would have to go out for bid and would bring someone in to evaluate it. They did this earlier this year and there was no interest so he was not sure what the costs would be. He felt we would gain revenue depending on the value of the assets.

Wilson Timmons, Jr., 111 Coquina Drive, Cocoa, stated he moved to Cocoa in 1963 and has seen a lot of changes. He appreciated what the City was doing with the budget. He has been volunteering at the Museum since the 1980's. Due to Covid, they have had to shut down, so volunteering is limited. They need help to get up and running and costs for maintaining is not doable without the help. It is a tremendous asset to the City.

Phyllis Moscoso, 2209 Catawba Drive, Cocoa, spoke in regards to the trails and that for insurance purposes, they are classified as a park so it would be a risk if used outside of business hours. To her, the Museum does not seem right to be a part of the trails. The money would be for assistance for items such as credit card machine hookups, laptops, ac filters, phones and answering machines. Some of these items were taken from the predecessors. The phone services need to be transferred right away and maintenance done. The capitol repairs will get it back to where it should be and the ADA issues came up in a meeting.

Mayor Blake asked if they have acquired the 501C3. In response, Ms. Moscoso advised they received that in mid-August and the website was up and running. They used Constant Contact for Museum Day and had a good response.

Mayor Blake asked about donations and in response, Ms. Moscoso stated they want to hold an event on October 23rd which would be a BBQ and at that time they would take donations and admissions. Her company is also ready to make a donation and there are entities willing to step up as long as they know they are moving forward.

Mayor Blake advised that the building was costing the city and he originally would have suggested to flatten the building and put a comparable development in the area. However, he asked how much of a lease they would need to get themselves completely and totally away from the City. Ms. Moscoso could not provide a timeline but pointed out that if they were not satisfied there was a clause that either party could terminate per the agreement.

Mayor Blakes wants it up and running and completely independent.

Councilmember Koss noted that museums operate by grants and you cannot apply for grants until you are up and running. In a question posed by Councilmember Koss as to how this is serving the community, Ms. Moscoso provided statistics of attendance and shared that the visitor guest book has positive feedback. The word is getting out.

Councilmember Koss further commended that there was a Strategic Plan Connection to attract people here as well as Economic Development. This museum is worth a lot more than the money being requested. There is an opportunity to showcase Cocoa through these museums.

Deputy Mayor Goins felt that her passion was commendable and he appreciates that. He was not comfortable removing the trails and he clarified that they meant it was just from the lease. In response, Mr. Smith stated it was already on our

insurance for property and for special events and volunteers. Maintenance is minimal but would be required.

City Manager Whitten stressed that the bottom line was that Public Works is already short staffed and the maintenance was just the bottom line. Mr. Smith agreed and mentioned it would have to be contracted out.

Deputy Mayor Goins felt this would not get voted down but there are a lot of unknowns and October 1st is this coming Friday.

Councilmember Dyal asked how much money was in the Sustainability budget. In response, City Manager Whitten advised it was around $125,000-$150,000. Ms. Bowman advised it was $225,000.

Councilmember Dyal stated that he recommended giving them $50,000 out of the Sustainability budget with a one or two-year lease agreement. If people are visiting they will get sponsorships and this will guarantee it would be around at least one year.

* **MOTION by Councilmember Dyal; Seconded by Koss, to take $50,000 from Sustainability budget and a one-year lease. The motion was opened for discussion.**

Councilmember Koss clarified the policy for use of assigned funds and after clarification from Ms. Bowman, Councilmember Koss stated the purpose of the sustainability funds and if they were using those she was going for the whole thing.

* **MOTION by Councilmember Dyal; Seconded by Councilmember Koss, to amend the motion and to use $70,000 out of the Sustainability funds and a one-year lease.**

Councilmember Hearn was inspired by her passion and remembers taking field trips there as a kid. He vowed to volunteer himself and hoped that all Council would do the same. He concurred with Councilmember Dyal.

Ms. Moscoso reiterated that if all of this goes through on October 23rd there will be a re-grand opening.

City Manager Whitten clarified that the motion was for $70,000, one time, for a one year lease and asked who would take the trails. He also asked that Finance be included in the motion to make all necessary budget amendments and transfers to use funds.

Ms. Moscoso advised that volunteers who help with the trails have filled out City applications and it would be hard on a volunteer basis to make sure they are

properly maintained all of the time. She spoke on other areas being worked on that still need to be cleaned up.

City Manager Whitten asked what the costs were for minimal maintenance for one year. He further spoke about the insurance and if we owned it, was the City still liable. In response, City Attorney Garganese stated that the trails were owned by the City and opened to the public so for all intentional purposes, you have a recreational trail that is opened to the public. Mr. Smith advised that maintenance would only be a couple of thousand a year and City Manager Whitten stated if they sync the hours of the museum and trails that item could come off of the list.

City Manager Whitten pointed out that this would be a two day turn around on the lease so the City Manager and City Attorney need authorization to sign it.

THE MOTION ON THE FLOOR IS AS FOLLOWS:

* **MOTION by Councilmember Dyal; Seconded by Councilmember Koss, to use $70,000 out of the Sustainability budget, one time for a one-year lease; to Authorize Finance to make all of the necessary budget adjustments, amendments and transfers to use funds; and to authorize the City Manager in conjunction with the City Attorney, to finalize the execute the lease.**

AYES: Blake, Goins, Dyal, Hearn, Koss

THE MOTION CARRIED UNANIMOUSLY (5-0)

VIII. City Business:

1. Approve the contract revisions effective Fiscal Year 2022 for the three-year contract between the City of Cocoa and the Teamsters Local Union 769 Cocoa Fire District Chiefs for the contract term of October 1, 2020 through September 30, 2023. (21-626). (Administrative Services Director)

Mayor Blake thanked the City Manager and staff for their commitment to making this happen.

* **MOTION by Deputy Mayor Goins; Seconded by Councilmember Dyal, to approve the item.**

AYES: Blake, Goins, Dyal, Hearn, Koss

THE MOTION CARRIED UNANIMOUSLY (5-0)

2. Approve the contract revisions for the three-year contract between the City of Cocoa and the Coastal Florida Police Benevolent Association (CFPBA) Lieutenants for the contract term of October 1, 2020 through September 30, 2023, modifying Article 15 Wages to provide annual wage increases for Fiscal Year 2022. (21-627). (Administrative Services Director)

* **MOTION by Councilmember Dyal; Seconded by Councilmember Hearn, to approve the item.**

AYES: Blake, Goins, Dyal, Hearn, Koss

THE MOTION CARRIED UNANIMOUSLY (5-0)

3. Staff recommends the approval of the following resolutions: (1) Resolution No. 2021-094 adopting a revised Master Fee Schedule for City Facility Rentals, Special Events and Parades; (2) Resolution No. 2021-093 approving a revised form contract as the City of Cocoa Special Events Permit Application and Agreement; and (3) Resolution No. 2021-092 approving a revised form contract as the City of Cocoa Facility Use Application and Agreement. (21-632). (Asst. to the CM/PIO)

Ms. Senger advised that these changes are being made based on the Special Events Ordinance that was approved on second reading tonight. This will update applications, the fee schedule and will add Lee Wenner Park and the Heart of Cocoa Meeting Room.

* **MOTION by Mayor Blake; Seconded by Deputy Mayor Goins, to approve the item.**

AYES: Blake, Goins, Dyal, Hearn, Koss

THE MOTION CARRIED UNANIMOUSLY (5-0)

4. Approval of Ordinance No. 12-2021/first reading: Amending Chapter 2, Administration, Article VIII, Firefighters' Retirement Plan of the Code by amending: Section 2-271, Definitions, adding definition of death in the line of duty; Section 2-324, Disability, amending the benefit for a service incurred disability; Section 2-325, Preretirement Death, amending to create a new pre-retirement death benefit for members killed in the line-of-duty. (21-614). (Administrative Services Director)

* **This item was removed from the agenda. Ms. Gemmati asked to postpone this to the October 12th.**

*** MOTION by Mayor Blake; Seconded by Councilmember Dyal, to postpone this item until the October 12, 2021 meeting.**

AYES: Blake, Goins, Dyal, Hearn, Koss

THE MOTION CARRIED UNANIMOUSLY (5-0)

Multi-Year Contracts:

None.

IX. Informational Agenda:

1. Cumulative purchase approvals over $35,000 and under $50,000 for period 10/01/2020 to 8/31/2021. (21-613). (Finance Director)

2. Calls for service provided by the Cocoa Fire Rescue Department for the month of August 2021. (21-615). (Fire Chief)

3. Approved change orders to construction contracts that the City Council has authorized the City Manager, by resolution, to approve in excess of the City Manager's spending authority. (21-637). (Finance Director)

4. FY 2021 Budget Adjustment Report. (21-638). (Finance Director)

5. Data showing the relation between the estimated and actual income and expenses to date. (21-639). (Finance Director)

6. Indian River Drive Septic to Sewer. (21-646). (Utilities Director)

X. Reports:

Mayor Blake thanked everyone for being in attendance and participating tonight.

Ms. Senger reminded all of the railroad closure on Michigan beginning October 8th at 7 a.m. until October 26th at 7 p.m. Detours will be either to north on S.R. 528 or south on Dixon.

Chief Lamm provided an update on Covid-19. He noted that 57% of Florida has been vaccinated and about 57% in Brevard County has been vaccinated. He announced that a great friend of his who was the Chief of Police for Green Cove

passed away today of Covid. Local hospitals are at 70-80% capacity and they continue to see the numbers increase in the younger population.

Mayor Blake brought up the upcoming Space Coast League of Cities Holiday Dinner in December and asked Council if they wanted to hold the event. Responses were as follows:

- Mayor Blake-no
- Deputy Mayor Goins-yes
- Councilmember Dyal-yes
- Councilmember Hearn-yes
- Councilmember Koss-yes

City Manager Whitten spoke in reference to Finance and the leadership under their Director, Ms. Bowman and Deputy Director Howell. They received the "Governor's Finance Office Distinguished Budget Award" for a third year in a row and that means a lot in governmental budgeting. They did this while utilizing a system that was new to them.

Ms. Bowman added that they did not have any "doesn't meet" markings, everything was outstanding.

Councilmember Koss thanked Chief Collier for the Carlton Terrace gathering and corrected a statement made earlier in the meeting about her not being present at a budget workshop. She was in attendance by phone for one of those meetings and was in the trauma center during another.

Councilmember Hearn gave kudos to the Cocoa Tigers and thanked staff and department heads for what they do every day.

Councilmember Dyal thanked staff for their hard work.

Deputy Mayor Goins asked Chief Collier if photos could be attached when code violation letters are sent. Most citizens do not understand why they are being citied and he felt that would help. Chief Collier agreed to look into that.

Deputy Mayor Goins addressed his statement made earlier in regards to Councilmember Koss and noted they were not all present, but all have the opportunity to be at the meetings. He advised they all chose to do those projects.

He believes if concrete solutions are not made they end up just talking and not moving forward with anything. He is not ashamed of the money spent and there are many who are appreciative of what they did.

Lastly, he asked for an update on Stradley Park and mentioned the football parking lot. In response, Mr. Smith advised that they had originally planned to pave the back of the maintenance area and there was extra money so they did another area. They have asked for costs to pave the areas not done. Deputy Mayor Goins pointed out that there is also a basketball goal (south goal) that is twisted and may not be screwed onto the pole correctly at the Joe Lee Smith Center.

He thanked citizens for being involved in the budget process as they appreciate the conversation back and forth.

Mayor Blake recognized the death of the Snow Cone Man, Mr. Lonnie Hall Brook and saluted and sent condolences to his family.

He further recognized Ms. Dorothy Reid Simms, who is 94 years old and thanked her family.

Lastly, he congratulated Councilmember Hearn for his appointment to the Young Elected Officials and thanked staff for a job well done.

XI. Adjournment.

*** MOTION by Councilmember Dyal; Seconded by Deputy Mayor Goins, to adjourn the Regular meeting of September 28, 2021.**

AYES: Blake, Goins, Dyal, Hearn, Koss

THE MOTION CARRIED UNANIMOUSLY (5-0)

The meeting adjourned at 10:25 p.m.

_____

Michael C. Blake, Mayor

ATTEST:

_____

Carie Shealy, MMC, City Clerk


SPEED
LIMIT
15
108


TREE BEAUTY CONTEST
2021 Winning Entry
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FY2022 Budget Presentation

2nd Public Hearing

September 28, 2021

EXHIBIT B: FY 2022 Budget Presentation

Budget Calendar

- **March 31, 2021 - Budget Kick Off (Staff) -** Departments - at the direction of the City Manager are advised to keep operating budgets within FY 2021 levels and submit capital and new personal requests for consideration. Finance – Prepares General Fund revenue assumptions, analyzing current year trends and the State of Florida shared revenue projections. Prepares estimated ad valorem revenue, Return on Investment revenue, Fire and Stormwater Assessment revenues, working with the financial consultant.
- **April 16, 2021 –Budget Priority Workshop (City Council) -** Review of FY 2021 Revenues and Preliminary "New Monies", for FY 2022
- **April 19, 2021** – Budget Priority Workshop Continued (City Council) American Rescue Plan and Assigned Fund Balance
- **April 26, 2021** – Budget Priority Workshop Continued (City Council)
- **June 1 , 2021** – Council Workshop, review of the FY 2022 Capital Requests, Revenue Outlook, American Rescue Plan, Parks Update, Health Insurance, Budget Process/Calendar and the FEMA Mitigation Grant
- **July 8, 2021** – Council Workshop on the Recommended FY 2022 Budget and Capital Improvements
- **July 27, 2021** – TRIM Public Hearing, setting the Tentative Millage Rate at 6.4532, direction on proposed increases to Fire and Stormwater Assessment
- **August 10, 2021** – First Reading of the Fire and Stormwater Assessment Resolutions
- **September 14, 2021** – Final Fire and Stormwater Assessment Resolutions and first Tentative Millage and Budget Hearing

Objectives of this Public Hearing

- Adopt a Final Millage Rate for FY2022
- Adopt a Final Budget for FY2022

  - The City must have a balanced budget by October 1, 2021

TRIM (Truth In Millage) Process

- **Step 1**
  - Vote for and Adopt 6.4532 as the Final Millage Rate (must be a super majority 4 out of 5)

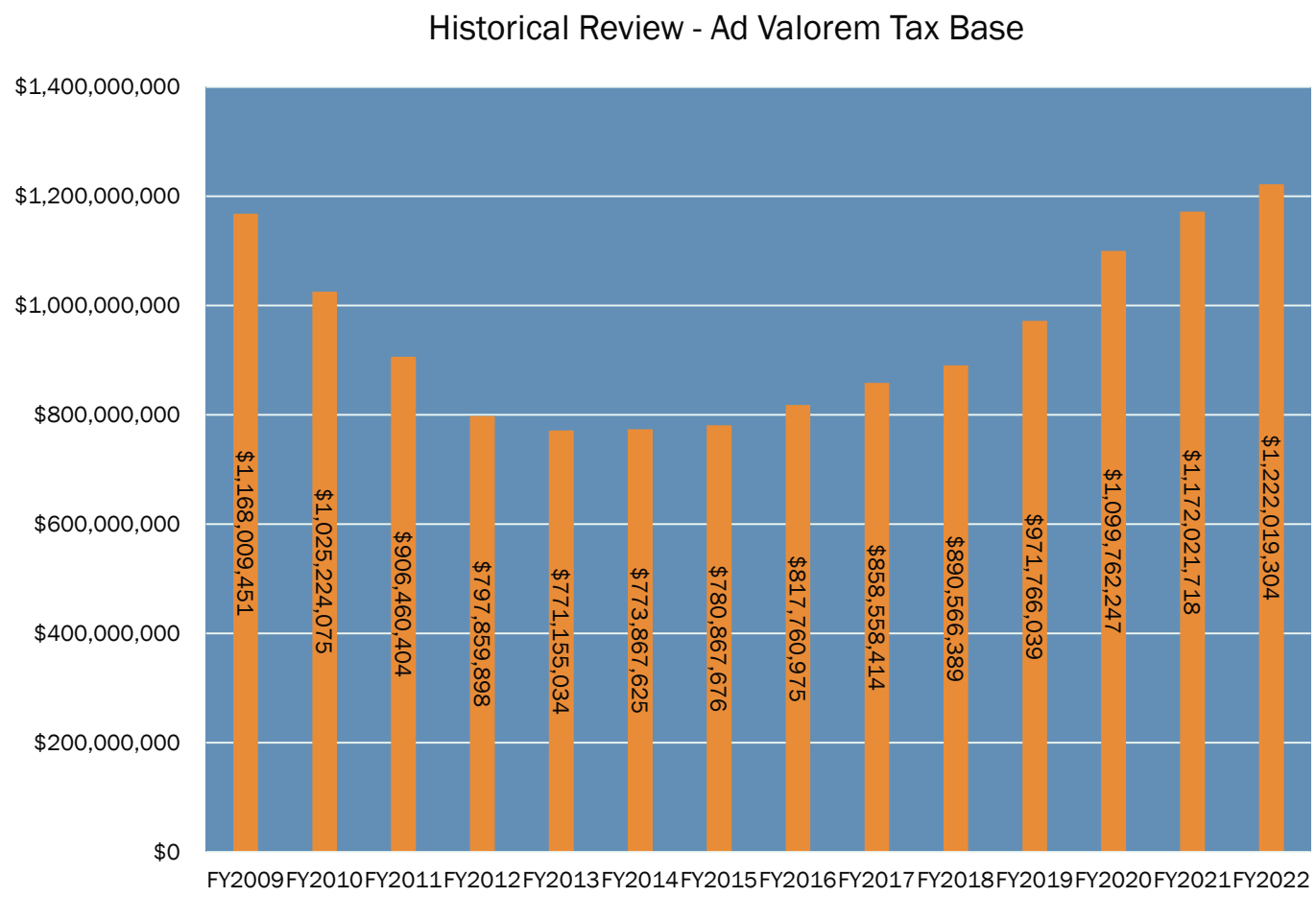
The FY 2022 Budget was developed with assumptions of Ad Valorem Revenue at 6.4532 Mills @ 97% (State requires at least 95%), to support ongoing operational needs and wages, in an attempt to attract and retain staff and to maintain core governmental services.

- **Step 2**
  - Adopt the FY 2022 City of Cocoa Final Budget

Fund Balance Policy

- Ensure adequate money for emergencies – stabilization reserve (committed)
- Ensure a minimum amount of funding for capital – capitalization reserve (committed)
- Fund balance reserves can be used for capital/one-time expenses only…cannot be used to fund something that will occur every year or incur ongoing operational costs
- Fund balance reserves can be used for catalytic Capital/Economic Projects to enhance overall City growth and quality of life
- Fund balance reserves can be used to fund capital projects
  - Capital Projects that cause additional operating costs require a revenue source for future O&M expenses

Historical Review
Ad Valorem Tax Base



FY2009-FY2021 is based on the Final Taxable Value.

Historical Review
Ad Valorem Tax Base

Fiscal Year		Valuation		% of Change
FY2010		$1,025,224,075		(12.2%)
FY2011		$906,460,404		(11.6%)
FY2012		$797,859,898		(12.0%)
FY2013		$771,155,034		(3.3%)
FY2014		$773,867,625		0.4%
FY2015		$780,867,676		0.9%
FY2016		$817,760,975		4.7%
FY2017		$858,558,414		5.0%
FY2018		$890,566,389		3.5%
FY2019		$971,766,039		8.8%
FY2020		$1,099,762,247		13.2%
FY2021		$1,172,021,718		6.6%
FY2022		$1,222,019,304		4.3%

FY2009-FY2021 is based on the Final Taxable Value. FY 2022 2.25% of the increase due to new construction

FY2022 Comparative City Rates

Ranking	City	Current	Rolled-back	Proposed
1	Satellite Beach	8.6312	8.1872	8.6312
2	Titusville	7.2145	6.8586	8.2461
3	Palm Bay	7.8378	7.4142	7.8378
4	Indialantic	7.0923	6.8211	7.0923
5	Melbourne	6.8685	6.6501	6.8685
6	**Cocoa**	**5.9790**	**5.8749**	**6.4532**
7	Rockledge	6.0500	5.8758	5.9900
8	Cocoa Beach	5.8294	5.5431	5.9544
9	Melbourne Beach	4.2885	4.5151	4.9264
10	*Cape Canaveral	3.6396	3.5755	3.5755

City of Cocoa's FY 2021 Millage Rate Verses FY 2022 Tentative Rate is .4742 greater. All municipalities except Cape Canaveral, must advertise a Tax Increase.

Note: Ranking is established using the Proposed Rate. (As of 7/22/21)

What Does This Mean To The Single Family Property Owner?

	2020 Valuation	FY 2021 5.9790 Millage	*Valuation With 1.4% (Save Our Homes Cap) Increase	FY 2021 5.9790	FY 2022 6.4532	Increase 5.9790/6.4532 With 1.4% Save Our Homes
Single Family Residence	$100,000		$101,400			
Less: Homestead	($50,000)		($50,000)			
= Taxable Value	$50,000	$299	$51,400	$307	$331	$8/$32
Single Family Residence	$150,000		$152,100			
Less: Homestead	($50,000)		($50,000)			
= Taxable Value	$100,000	$598	$102,100	$610	$658	$12/$60
Single Family Residence	$200,000		$202,800			
Less: Homestead	($50,000)		($50,000)			
= Taxable Value	$150,000	$897	$152,800	$913	$986	$16/$89
Single Family Residence	$300,000		$304,200			
Less: Homestead	($50,000)		($50,000)			
= Taxable Value	$250,000	$1,495	$254,200	$1,519	$1,640	$24/$145

- The Save Our Homes, as provided in Section 193.155(1), F.S. limits the annual increase in homestead exempt properties assessments to either 3% or the CPI change, whichever is less. For 2021 the CPI cap IS 1.4%.

What Does This Mean To The Single Family Property Owner?

Taxable Value	Current Millage 5.9790	Tentative Millage 6.4532	Approximate Annual Difference
$50,000	$299	$322	$23
$100,000	$597	$645	$47
$150,000	$896	$967	$71
$200,000	$1,195	$1,290	$95
$250,000	$1,494	$1,613	$119
$300,000	$1,793	$1,935	$142
$400,000	$2,391	$2,581	$190

89% of Cocoa Taxpayers home values are under $200,000

TAX ACCOUNT NUMBER	PROPERTY IDENTIFICATION	MILLAGE CODE
		23D0

2021 TAXING AUTHORITY TAX INFORMATION

TAXING AUTHORITIES	COLUMN 1 Last Year's Property Tax Information				COLUMN 2		COLUMN 3 Your tax rate and taxes this year if NO budget change.		COLUMN 4 Your tax rate and taxes this year if proposed budget change adopted	
	Exemptions	Taxable Value	Tax Rate	Taxes	This Year's Exemptions	This Year's Taxable Value	Tax Rate	Taxes	Tax Rate	Taxes
COUNTY COMMISSION										
GENERAL FUND	50000	44500	3.6929	164.33	50000	45820	3.5435	162.36	3.5661	163.40
BREVARD LIBRARY DISTRICT	50000	44500	0.4264	18.97	50000	45820	0.4080	18.69	0.4118	18.87
BREVARD MOSQUITO CONTROL	50000	44500	0.1728	7.69	50000	45820	0.1654	7.58	0.1669	7.65
RECREATION DISTRICT 4 - MAINT	50000	44500	0.6346	28.24	50000	45820	0.6145	28.16	0.6193	28.38
TI-CO AIRPORT AUTHORITY	50000	44500	0.0000	0.00	50000	45820	0.0000	0.00	0.0000	0.00
ENV END LAND & WTR AREAS LTD	50000	44500	0.0592	2.63	50000	45820	0.0566	2.59	0.0571	2.62
BREVARD COUNTY PUBLIC SCHOOLS										
BY STATE LAW	25000	69500	3.6940	256.73	25000	70820	3.5600	252.12	3.6020	255.09
BY LOCAL BOARD	25000	69500	0.7480	51.99	25000	70820	0.7209	51.05	0.7480	52.97
SCHOOL CAPITAL OUTLAY	25000	69500	1.5000	104.25	25000	70820	1.4456	102.38	1.5000	106.23
MUNICIPAL SERVICES										
CITY OF COCOA	50000	44500	5.9790	266.07	50000	45820	5.8749	269.19	6.4532	295.69
WATER MANAGEMENT DISTRICTS										
ST JOHNS RIVER WATER MGMT DIS	50000	44500	0.2287	10.18	50000	45820	0.2189	10.03	0.2287	10.48
INDEPENDENT SPECIAL DISTRICTS										
FLA INLAND NAVIGATION DIST	50000	44500	0.0320	1.42	50000	45820	0.0306	1.40	0.0320	1.47
VOTER APPROVED DEBT PAYMENTS										
ENV END LAND & WTR AREAS (DBT	50000	44500	0.0522	2.32	50000	45820	0.0488	2.24	0.0488	2.24
TOTAL TAXES				914.82				907.79		945.09

PROPERTY APPRAISER VALUE INFORMATION

	MARKET VALUE	ASSESSED VALUE APPLIES TO SCHOOL MILLAGE	ASSESSED VALUE APPLIES TO NON-SCHOOL MILLAGE
THIS YEAR	167170	95820	95820
LAST YEAR	163220	94500	94500

ASSESSED VALUE REDUCTION	APPLIES TO	AMOUNT
"Save Our Homes" Assessment Cap	All Tax Levies	71350
Non-Homestead 10% Cap	Non-School Tax Levies	0
Agricultural Classification	All Tax Levies	0
Other	All Tax Levies	0
EXEMPTIONS	**APPLIES TO**	**AMOUNT**
First Homestead	All Tax Levies	25000
Additional Homestead	Non-School Tax Levies	25000
Limited Income Senior (County)	County General Fund Tax Levy	0
Limited Income Senior (City)	City Tax Levy	0
Widow/Widower	All Tax Levies	0

SEE REVERSE SIDE FOR DATES, TIMES, AND LOCATIONS OF BUDGET HEARINGS.

If you feel the market value of the property is inaccurate or does not reflect fair market value as of January 1, 2021, or if you are entitled to an exemption or classification that is not reflected, please contact the Brevard County Property Appraiser's office:

Real Property: Titusville: 321-264-6700; Melbourne: 321-255-4440; Palm Bay: 321-952-4574; Viera: 321-690-6880

Tangible Personal Property: Titusville: 321-264-6703, option 2; All other locations: 321-633-2199 X-6703

If the Property Appraiser's Office is unable to resolve the matter as to the market value, classification, or an exemption, you may file a petition for adjustment with the Value Adjustment Board. Petition forms are available from the Brevard County Clerk of Courts or brevardclerk.us.

$29.62 Increase on a home valued at $95,820 with $50,000 in exemptions

Reduction To Ad Valorem Due To Required TIF Payments To The CRAs From The General Fund

CRA	MILLAGE 5.9790 FY2021 CURRENT ADOPTED RATE	MILLAGE 6.4532 FY2022 CURRENT Tentative RATE	DIFFERENCE BETWEEN FY2021 AND FY2022 @ Tentative MILLAGE	MILLAGE 5.8749 FY2022 VALUATION AT THE ROLLED-BACK RATE	DIFFERENCE BETWEEN FY2022 PROPOSED MILLAGE AND THE ROLLED-BACK RATE
COCOA	$811,297	$943,299	**$132,002**	$815,828	**$4,531**
DIAMOND SQUARE	$167,263	$196,497	**$29,234**	$169,944	**$2,681**
TOTAL TO CRAs	$978,560	$1,139,796	**$161,236**	$953,748	**$7,212**

City Council Questions/Comments

Public Announcement/Hearing

- ✓ The City of Cocoa is the taxing authority
- ✓ The rolled-back rate is 5.8749
- ✓ The millage rate of 6.4532 is a tax increase of 9.84% as a percent change of the rolled- back rate
- ✓ The millage rate to be levied is 6.4532

Requested Action:

Approve Resolution No. 2021-087, adopting the Final Millage rate of 6.4532 mills. for the City of Cocoa, commencing on October 1, 2021 and ending on September 30, 2022.

FY 2022 Tentative Budget & CIP

Fund Balance Policy

- Ensure adequate money for emergencies – stabilization reserve (committed)
- Ensure a minimum amount of funding for capital – capitalization reserve (committed)
- Fund balance reserves can be used for capital/one-time expenses only…cannot be used to fund something that will occur every year or incur ongoing operational costs
- Fund balance reserves can be used for catalytic Capital/Economic Projects to enhance overall City growth and quality of life
- Fund balance reserves can be used to fund capital projects
  - Capital Projects that cause additional operating costs require a revenue source for future O&M expenses

FY2022 Revenues

FY 2022 Tentative Budget VS. FY 2021 Adopted Budget

FUND	FY 2021 ADOPTED BUDGET	FY 2022 TENTATIVE BUDGET	$ VARIANCE	% VARIANCE
General	$41,351,033	$43,133,827	$1,782,794	4%
Special Revenue	$3,046,572	$5,408,830	$2,362,258	78%
Building Permit	$536,646	$620,060	$83,414	16%
Debt Service	$1,745,706	$1,749,088	$3,382	-
Capital Projects	$91,628	$671,968	$580,340	633%
Water/Sewer	$75,186,987	$73,308,523	($1,878,464)	(2%)
W/S Impact Fees	$2,233,605	$2,232,899	($706)	-
W/S Renewal and Replacement	$11,484,879	$5,753,371	($5,731,508)	(50%)
W/S Restricted Assets	$9,792,610	$9,535,205	($257,405)	(3%)
Stormwater	$1,811,269	$1,830,548	$19,279	1%
Workers Comp	$1,208,944	$1,252,392	$43,448	4%
Health Insurance (Self Insured)	$6,827,260	$78,889	($6,748,371)	(99%)
TOTAL	**$155,317,139**	**$145,575,600**	**($9,741,539)**	**(6%)**

FY 2022 General Fund Revenue by Funding Source

Funding Source	FY 2021 Adopted	FY 2022 Tentative	$ Variance
Taxes (Ad Valorem, UST, CST)	$10,074,429	$11,201,437	$1,127,008
Other Permits & Fees *(Franchise Fees, Fire Assessment Planning & Zoning Fees)	$4,403,003	$4,659,809	$256,806
Intergovernmental (Local, State & Federal Grants, Housing Authority Payments in Lieu of Taxes, and State Shared Revenues)	$2,127,228	$2,611,263	$484,035
Charges for Service (Water Billing Services, Garbage Collection Services, and Culture/Recreation Fees)	$12,422,689	$13,614,745	$1,192,056
Fines & Forfeitures	$14,813	$14,000	($813)
Miscellaneous (Interest Earned, Rent and Royalties, Disposition of Fixed Assets, Contributions, Police & Fire State Pension Revenues, Insurance Proceeds, etc.)	$731,083	$666,258	($64,825)
Other Sources (Inter-fund transfers, Water/Sewer contribution and 6% PILOFF, Debt Proceeds, Revenues from Unassigned FB (Reserves)	$11,577,788	$10,366,315	($1,211,473)
TOTAL	$41,351,033	$43,133,827	$1,782,794

FY 2022 Water/Sewer & Impact Fee Funds Revenue by Funding Source

Funding Source	FY 2021 Adopted	FY 2022 Tentative	$ Variance
*Other Permits & Fees (Water and Sewer Impact Fees) (FUND 422)	$2,233,605	$2,232,899	($706)
Total Impact Fees:		**$2,232,899**	
Charges for Service (Water, Sewer and Reuse Services)	$66,526,376	$69,083,674	$2,557,298
Miscellaneous (Interest Earned, Rent and Royalties, Disposition of Fixed Assets, Contributions, Insurance Proceeds, etc.)	$93,078	$191,992	$98,914
Other Non-Revenue (Contributions, Bond proceeds and use of Reserves)	$8,567,533	$4,032,857	($4,534,676)
Total Water /Sewer:	**$75,186,987**	**$73,308,523**	**($1,879,170)**

FY 2022 Stormwater Fund Revenue by Funding Source

Funding Source	FY 2021 Adopted	FY 2022 Tentative	$ Variance
Special Assessment - Charges for Services (Stormwater services and Tax Certificates)	$1,811,269	$1,830,548	$19,279
TOTAL	$1,811,269	$1,830,548	$19,279

FY2022 Expenses

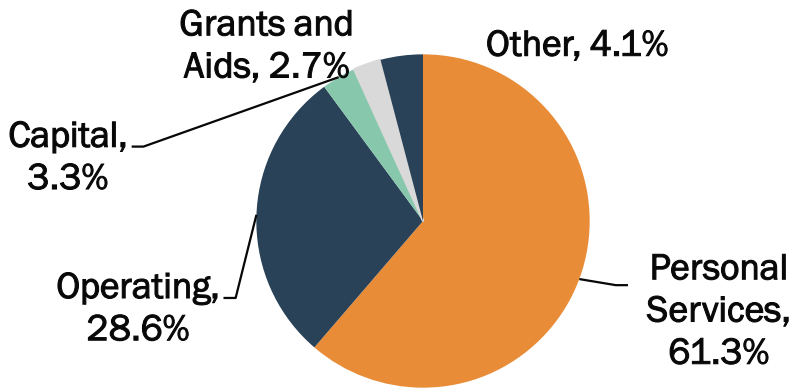
FY 2022 Tentative Budget VS. FY 2021 Adopted Budget

FUND	FY 2021 ADOPTED BUDGET	FY 2022 TENTATIVE BUDGET	$ VARIANCE	% VARIANCE
General	$41,351,033	$43,133,827	$1,782,794	4%
Special Revenue	$3,046,572	$5,408,830	$2,362,258	78%
Building Permit	$536,646	$620,060	$83,414	16%
Debt Service	$1,745,706	$1,749,088	$3,382	-
Capital Projects	$91,628	$671,968	$580,340	633%
Water/Sewer	$75,186,987	$73,308,523	($1,878,464)	(2%)
W/S Impact Fees	$2,233,605	$2,232,899	($706)	-
W/S Renewal and Replacement	$11,484,879	$5,753,371	($5,731,508)	(50%)
W/S Restricted Assets	$9,792,610	$9,535,205	($257,405)	(3%)
Stormwater	$1,811,269	$1,830,548	$19,279	1%
Workers Comp	$1,208,944	$1,252,392	$43,448	4%
Health Insurance (Self Insured)	$6,827,260	$78,889	($6,748,371)	(99%)
TOTAL	**$155,317,139**	**$145,575,600**	**($9,741,539)**	**(6%)**

FY 2022 Tentative Budget vs. FY 2021 Adopted Budget by General Fund Category

CATEGORY	FY 2021 ADOPTED	FY 2022 TENTATIVE	$ VARIANCE	% VARIANCE
Personal Services	$24,711,296	$26,449,930	$1,738,634	7.0%
Operating	$12,605,101	$12,344,867	($260,234)	(2.1%)
Capital	$968,324	$1,412,446	$444,122	45.9%
Grants and other Aids	$993,760	$1,177,496	$183,736	18.5%
Other Uses	$2,072,552	$1,749,088	($323,464)	(15.6%)
TOTALS	**$41,351,033**	**$43,133,827**	**$1,782,794**	**4.3%**

General Fund
FY 2022



FY 2022 Tentative
General Fund Capital Budget

COCOA FLORIDA

DEPARTMENTS	BUILDING	INFRASTRUCTURE	MACHINERY & EQUIPMENT	IT HARDWARE	TOTALS
City Manager		$0	$0	$0	$0
Finance		$0	$0	$0	$0
Police		$0	$549,805	$0	$549,805
Fire		$0	$126,725	$0	$126,725
Community Services		$0	$0	$0	$0
Public Works	$25,000	$320,000	$390,916	$0	$735,916
TOTALS	**$25,000**	**$320,000**	**$1,067,446**	**$0**	**$1,412,446**

FY 2022 General Fund Capital

- 8 Police Vehicles
- Traffic Response Trailer
- P25 Radio Replacement (Fire and Police)
- Fire Inspector Vehicle
- Nissan Frontier
- Excavator
- Maintenance Truck
- Ford Ranger
- Heavy Truck Column Lift
- Heavy Truck Bay Bridge Crane
- Elevator Control Boards
- Electric Transit Van
- Replacement Van
- Annual Paving
- Porcher House
- ADA Kayak Launch

Total General Fund Capital : $1,412,446

Deferred General Fund Capital:

Fire Pumper Truck – Grant Revenue if Awarded or Assigned Fund Balance
Fleet Faster Upgrade
Police Vehicles – (6) of the (14) requests moved to FY23

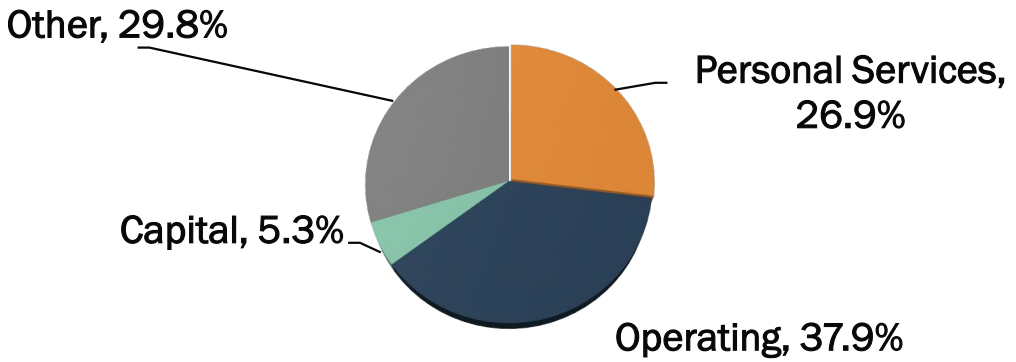
FY 2022 Tentative Budget vs. FY 2021 Adopted Budget by Division

WATER/SEWER FUND BY DIVISION	FY 2021 Adopted	FY 2022 Tentative	$ VARIANCE	% VARIANCE
Inventory	$115,638	$123,090	$7,452	6.4%
Utility Support Services	$1,701,530	$1,836,826	$135,296	8.0%
Water Admin.	$42,047,650	$36,501,822	($5,545,828)	(13.2%)
Emergency/Disaster	-	-	-	-
Dyal Plant Operations	$13,799,810	$15,338,692	$1,538,882	11.2%
WFO/Water Collections	$9,232,366	$9,288,747	$56,381	(0.6%)
Engineering	$2,245,318	$3,342,483	$1,097,165	(48.9%)
Sellers Plant Operations	$3,565,931	$3,643,579	$77,648	(2.2%)
WFO/Waste Water Collections	$2,478,744	$3,233,274	$754,530	30.4%
TOTAL	**$75,186,987**	**$73,308,513**	**($1,878,474)**	(2.5%)

FY 2022 Tentative Budget vs. FY 2021 Adopted Budget by Water/Sewer Fund Category

CATEGORY	FY 2021 ADOPTED	FY 2022 TENTATIVE	$ VARIANCE	% VARIANCE
Personal Services	$17,087,660	$19,738,253	$2,650,593	15.5%
Operating	$28,889,540	$27,813,828	($1,075,712)	3.7%
Capital	$979,322	$3,899,296	$2,919,974	298%
Debt Service	$0	$0	-	-
Other	$28,229,265	$21,857,146	($6,373,319)	(22.6%)
TOTALS	$75,186,987	$73,308,523	($1,878,464)	(2.5%)

Water/Sewer
FY 2022



FY 2022 Tentative
Water/Sewer Capital Budget (421)

DIVISIONS	INFRASTRUCTURE	MACHINERY & EQUIPMENT	IT HARDWARE	TOTALS
Utility Support Services	$0	$0	$9,950	$9,950
Administration	$0	$0	$0	$0
Dyal Plant	$250,000	$318,769	$175,000	$743,769
WFO/Water Collections	$0	$265,509	$0	$265,509
Engineering	$1,551,936	$0	$0	$1,551,936
Sellers Plant	$525,000	$35,216	$10,000	$570,216
WFO/Waste Water Collections	$0	$627,916	$130,000	$757,916
TOTALS	**$2,326,936**	**$1,247,410**	**$324,950**	**$3,899,296**

FY 2022 Proposed Tentative Water/Sewer (R&R) Capital Budget (424)

DIVISIONS	INFRASTRUCTURE	MACHINERY & EQUIPMENT	IT HARDWARE	TOTALS
Dyal Plant	$250,000	$200,000	$250,000	$700,000
Engineering	$1,715,000	$0	$0	$1,715,000
Sellers Plant	$1,300,000	$0	$1,363,371	$2,663,371
WFO/Waste Water Collections	$375,000	$0	$0	$375,000
TOTALS	**$3,640,000**	**$200,000**	**$1,613,371**	**$5,453,371**

FY 2022 Water/Sewer Capital

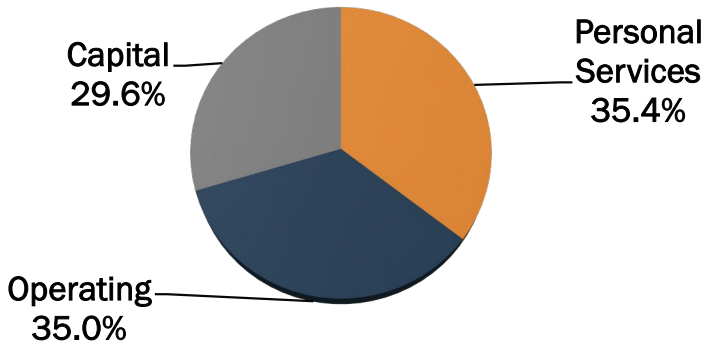
- Raw Water Well Rehab
- SCADA
- Program Management
- Ozone Improvements
- Manhole Assessments/Rehab
- Miscellaneous Vehicles
- Miscellaneous Machinery

Grant Funded Capital is not Budgeted until Award

FY 2022 Tentative Budget vs. FY 2021 Adopted Budget by Stormwater Fund Category

CATEGORY	FY 2021 ADOPTED	FY 2022 TENTATIVE	$ VARIANCE	% VARIANCE
Personal Services	$573,350	$647,688	$74,338	13.0%
Operating	$757,919	$640,240	($117,679)	(15.5%)
Capital	$480,000	$542,620	$62,620	13.0%
Totals	**$1,811,269**	**$1,830,548**	**$19,279**	**1.1%**

Stormwater
FY 2022



FY 2022 Tentative Stormwater Capital Budget

FUNDS	INFRASTRUCTURE	MACHINERY & EQUIPMENT	TOTALS
Stormwater	$475,000	$67,620	$542,620
TOTALS	**$475,000**	**$67,620**	**$542,620**

- Annual Cured In Pipe Lining
- Bracco Pond Outfall Retrofit
- DS CRA Drainage Improvements
- Thompson Trailer Mount Pump
- Vehicle
- Bracco Pond Flowmeter

(Fiske Blvd Project is Grant Funded and the budget will roll into FY2022)

FY 2022 Tentative Budget VS. FY 2021 Adopted Budget

FUND	FY 2021 ADOPTED BUDGET	FY 2022 TENTATIVE BUDGET	$ VARIANCE	% VARIANCE
General	$41,351,033	$43,133,827	$1,782,794	4%
Special Revenue	$3,046,572	$5,408,830	$2,362,258	78%
Building Permit	$536,646	$620,060	$83,414	16%
Debt Service	$1,745,706	$1,749,088	$3,382	-
Capital Projects	$91,628	$671,968	$580,340	633%
Water/Sewer	$75,186,987	$73,308,523	($1,878,464)	(2%)
W/S Impact Fees	$2,233,605	$2,232,899	($706)	-
W/S Renewal and Replacement	$11,484,879	$5,753,371	($5,731,508)	(50%)
W/S Restricted Assets	$9,792,610	$9,535,205	($257,405)	(3%)
Stormwater	$1,811,269	$1,830,548	$19,279	1%
Workers Comp	$1,208,944	$1,252,392	$43,448	4%
Health Insurance (Self Insured)	$6,827,260	$78,889	($6,748,371)	(99%)
TOTAL	**$155,317,139**	**$145,575,600**	**($9,741,539)**	**(6%)**

Employee Classification / Pay Grade

- All Five Unions have new agreements pending that include Pay Plan adjustments as well as salary increases.

- New Department/Division – IT

City Council Questions/Comments

Public Announcement

- Public Comment on 2nd Public Hearing for FY2022 Tentative Budget and CIP

Requested Action:

- Approve Resolution No. 2021-088 adopting the Fiscal Year 2022 Final Budget and CIP for the City of Cocoa, for the Fiscal Year commencing on October 1, 2021 and ending on September 30, 2022.

Legislation Details (With Text)

File #:	21-700	**Version:**	1	**Name:**	
Type:	Resolution			**Status:**	Consent Agenda
File created:	10/14/2021			**In control:**	City Council
On agenda:	11/9/2021			**Final action:**	
Title:	Approval Resolution Amending the FY2022 Budget, #BAF 22-015-A, Accepting the Bureau of Justice Assistance FY2021 Bulletproof Vest Partnership Grant in the amount of $12,705 and Transfer the Match Budget to the new account number. (Chief of Police)				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Budget Resolution FY 2022- ADA Compliant.docx BAF 22-015-A-PD-FY22 BPV Grant (11-9-21)Agenda 21-700.pdf				

Date	Ver.	Action By	Action	Result

CITY COUNCIL AGENDA ITEM

Memo Date: October 14, 2021
Agenda Date: November 9, 2021
Prepared By: Susan L. Lambert, CAP-OM, Administrative Assistant
Through: Evander Collier IV, Chief of Police
Requested Action:
Approval Resolution Amending the FY2022 Budget, #BAF 22-015-A, Accepting the Bureau of Justice Assistance FY2021 Bulletproof Vest Partnership Grant in the amount of $12,705 and Transfer the Match Budget to the new account number.

BACKGROUND:

Each year the Police Department applies to the Department of Justice for the Bulletproof Vest grant based on the Department's needs and the award may be granted for a fifty (50) percent match for each vest purchased. For the vest to qualify for the match, it must meet the National Institute of Justice guidelines. There are two years with which to expend the funds.

In FY2020, the Department applied for 21 vests at a cost of up to $1,210 each vest for a total amount of $25,410 and we would be reimbursed for $12,705.

The Police Department budgeted $12,705 (the matching portion of the grant) in its FY2022 budget with the anticipation of being awarded this grant. Council approved the Department applying for the grant under agenda item number 21-349. The attached Budget Adjustment form amends the budgets to accept the Grant Revenue in project number GR2202 and new account numbers are being created to accept the FY2022 grant funds.

STRATEGIC PLAN CONNECTION:

Operational.

BUDGETARY IMPACT:

Budgeted	No
If not budgeted, is amendment/transfer attached?	Yes

BAF#22-015-A

Grant

Amount Requested	$12,705
Account Number	001-0000-331.20-23 GR2202
Account Name	Fed Bullet Proof Vest Grant

Amount Requested	$12,705
Account Number	001-2100-521.52-23 GR2202
Account Name	Office Supplies Bullet Proof Vest 2022

Match

Amount Requested	($12,705)
Account Number	001-2100-521.52-22 GR2202
Account Name	Fed Bullet Proof Vest Grant 2020

Amount Requested	$12,705
Account Number	001-2100-521.52-23 GR2202
Account Name	Office Supplies Bullet Proof Vest 2022

Source of Funds: $12,705
X Grant Source #: Bullet Proof Vest 2021

PREVIOUS ACTION:

Council previously approved the Department to apply for the grant under agenda item 21-349.

RECOMMENDED MOTION:

Approval Resolution Amending the FY2022 Budget, #BAF 22-015-A, Accepting the Bureau of Justice Assistance FY2021 Bulletproof Vest Partnership Grant in the amount of $12,705 and Transfer the Match Budget to the new account number.

City of Cocoa Budget Adjustment Form FY 2022 - 22-015-A

SELECT ADJUSTMENT TYPE: BUDGET AMENDMENT | REQUESTING DEPARTMENT #: 2100 | DATE PREPARED: 10/29/21

'REVENUE' ACCOUNT(S)

ADJUSTMENT AMOUNT	ACCOUNT NUMBER	PROJECT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	AMENDED BUDGET	ADJUSTED BUDGET	UNENCUMBERED BALANCE
$ 12,705	001-0000-331.20-23	GR2202	Fed Grant Bullet Proof Vest	$ 0	$ 0	$ 12,705	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 12,705	TOTAL						

'EXPENSE' ACCOUNT(S)

ADJUSTMENT AMOUNT	ACCOUNT NUMBER	PROJECT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	AMENDED BUDGET	ADJUSTED BUDGET	UNENCUMBERED BALANCE
$ 12,705	001-2100-521.52-23	GR2202	Operating Supplies/Bullet Proof Vest 2022	$ 0	$ 0	$ 12,705	$ 0
($ 12,705)	001-2100-521.52-22	GR2202	Bullet Proof Vest V 2020	$ 12,705	$ 12,705	$ 0	$ 0
$ 12,705	001-2100-521.52-23	GR2202	Operating Supplies/Bullet Proof Vest 2022	$ 0	$ 0	$ 12,705	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 12,705	TOTAL						

REASON/JUSTIFICATION FOR ADJUSTMENT:

Accepting the Grant Award for Bullet Proof Vests 2021 and moving the budgeted match funds to the new account #. A request has been made to update the naming convention from 2022 to 2021 (to match the grant #) Agenda 21-700.

Council/Board APPROVAL REQUIRED? *YES* (●) *NO* ( ) *DATE APPROVED:* 11/09/21 *RESOLUTION #:*

City Council approval is needed for all transfers greater than $50,000 and transfers between Departments / Funds. All CRA adjustments are required to go their respective boards.

11/1/21	Lora Howell — Digitally signed by Lora Howell Date: 2021.11.01 11:02:45 -04'00'	11/1/21	Colleen Campbell — Digitally signed by Colleen Campbell Date: 2021.11.01 10:51:08 -04'00'		
Date	Requestor's Signature	Date	Finance Approval Signature	Date	Finance Director's Signature
	Evander Collier IV — Digitally signed by Evander Collier IV Date: 2021.11.01 09:23:35 -04'00'	11/1/21	Lora Howell — Digitally signed by Lora Howell Date: 2021.11.01 11:26:00 -04'00'		
Date	Department Director's Signature	Date	Deputy Fin. Director's Signature	Date	City Manager's Signature

FINANCE USE ONLY:

Date Entered: _____ Entered By: _____ Group #: _____

Legislation Details (With Text)

File #:	21-714	**Version:**	1	**Name:**	
Type:	Contract			**Status:**	Consent Agenda
File created:	10/25/2021			**In control:**	City Council
On agenda:	11/9/2021			**Final action:**	

Title: Approve FY-2022 Vehicle and Equipment Purchases through Alan Jay Fleet Sale utilizing Sourcewell Contract #120716-NAF, 060920-NAF via Standard Piggyback Form authorized on November 10, 2020, through January 17, 2022. (Public Works Director)

Sponsors:

Indexes:

Code sections:

Attachments:
FULLY EXECUTED Standard Form Piggyback_Sourcewell Agreement No. 120716-NAF (Alan Jay).pdf
Intent to Purchase - Fleet FY-2022-.pdf
National Auto Fleet 120716-Contract Extension.pdf
NJPA-COCOA, CITY OF-1ZC69_31626-3_Quote.pdf
NJPA-COCOA, CITY OF-E9E_32777-1_Quote.pdf
NJPA-COCOA, CITY OF-F2B_30226-2_Quote.pdf
NJPA-COCOA, CITY OF-K7B_32765-1_Quote.pdf
NJPA-COCOA, CITY OF-K7B_32773-1_Quote.pdf
NJPA-COCOA, CITY OF-K8A_31560-2_Quote.pdf
NJPA-COCOA, CITY OF-R1E 100A_30344-3_Quote.pdf
NJPA-COCOA, CITY OF-R1F 100A_32534-2_Quote.pdf
NJPA-COCOA, CITY OF-R3U 101A 148_30163-5_Quote.pdf
NJPA-COCOA, CITY OF-S6E_32769-1_Quote.pdf
NJPA-COCOA, CITY OF-W1E 100A_32766-1_Quote.pdf
NJPA-COCOA, CITY OF-W4H 650A_32535-2_Quote.pdf
NJPA-COCOA, CITY OF-F4H 650A_32799-2_Quote.PDF
NJPA-COCOA, CITY OF-F5G 660A_32809-1_Quote.pdf
NJPA-COCOA, CITY OF-W4H 650A_32797-2_Quote.PDF
NJPA-COCOA, CITY OF-E1Y 101A 130_32538-3_Quote.PDF
NJPA-COCOA, CITY OF-U9F_30519-4_Quote.PDF

Date	Ver.	Action By	Action	Result

CITY COUNCIL AGENDA ITEM

Memo Date: October 22, 2021
Agenda Date: November 9, 2021
Prepared By: Tony Jones, Fleet Manager
Through: Bryant Smith III P.E. CFM Public Works Director / City Engineer
Requested Action:
Approve FY-2022 Vehicle and Equipment Purchases through Alan Jay Fleet Sale utilizing Sourcewell

Contract #120716-NAF, 060920-NAF via Standard Piggyback Form authorized on November 10, 2020, through January 17, 2022.

BACKGROUND:

The City of Cocoa Capital Vehicle Improvement Program implements a systematic replacement of vehicles and equipment. This program serves to minimize maintenance costs, equipment downtime, vehicle equipment obsolescence, implement newer technology, and include more efficient vehicles. Several vehicles and equipment have been identified and funded for the FY-2022 capital budget across eight City Departments and three separate fund sources.

DEPT#	#	YEAR, MAKE MODEL
2100	6	2022 FORD PPV UTILITY HYBRID
2100	2	2022 FORD EXPLORER
2100	1	2022 FORD TRANSIT CONNECT WAGON
2200	1	2022 FORD F150 CREW CAB
3510	1	2022 FORD F450 CREW CAB WITH 9FT SERVICE BODY, LIFT GATE
3510&3570	1	2022 FORD RANGER 4X4 SUPER CAB
3520	1	2022 CHEVY LCF GAS WITH PTC 14+4 DOVE LANDSCAPE BODY
3520	1	2022 FORD RANGER SUPER CAB WITH UTILITY BODY
3560	1	2022 FORD TRANSIT CONNECT CARGO
3560	1	2022 FORD TRANSIT T150 CARGO
4020	1	2022 FORD TRANSIT T250 HIGH ROOF CARGO
4020	1	2022 FORD ESCAPE
4020	1	2022 FORD EXPLORER
4020	1	2022 FORD F450 4X4 FLAT BED
4020	2	2022 FORD F250 REGULAR CAB 4X4 UTILITY
4025	1	2022 FORD F550 DUMP BODY WITH FOLDING SIDES
4120	1	2022 FORD TRANSIT T150 CARGO

STRATEGIC PLAN CONNECTION:

NA

BUDGETARY IMPACT:

Budgeted Yes

ACCOUNT	#	BUDGET	QUOTE#	AMOUNT	EXTENDED AMT
001-2100-521.6400	6	$338,256	31560-2	$52,800	$316,800
001-2100-521.6400	2	$60,264	31626-3	$28,328	$56,656
001-2100-521.6400	1	$27,756	32777-1	$25,253	$25,253
001-2200-522.6400	1	$38,725	32766-1	$36,544	$36,544
001-3510-541.6400	1	$53,568	32535-2	$53,529	$53,529
001-3510-541.6400	1	$13,000	32534-2	$26,009	$26,009
423-3570-538.6400		$13,000	32534-2	$0	$0

powered by Legistar™

001-3520-572.6400	1	$51,408	30141-5	$49,735	$49,735
001-3520-572.6400	1	$38,880	30344-3	$33,033	$33,033
001-3560-519.6400	1	$33,480	32769-1	$23,441	$23,441
001-3560-519.6400	1	$28,080	32538-2	$27,045	$27,045
421-4020-536.6400	1	$45,930	30163-5	$45,228	$45,228
421-4020-536.6400	1	$28,022	32768-1	$24,767	$24,767
421-4020-536.6400	1	$30,512	32765-1	$28,113	$28,113
421-4020-536.6400	1	$49,097	32799-2	$44,176	$44,176
421-4020-536.6400	2	$90,440	30226-2	$37,823	$75,646
421-4025-536.6400	1	$96,070	32809-1	$52,646	$52,646
421-4120-536.6400	1	$35,216	32538-3	$27,045	$27,045
					$945,666

PREVIOUS ACTION:

None.

RECOMMENDED MOTION:

Approve FY-2022 Vehicle and Equipment Purchases through Alan Jay Fleet Sale utilizing Sourcewell Contract #120716-NAF, 060920-NAF via Standard Piggyback Form authorized on November 10, 2020, through January 17, 2022.

STANDARD FORM FOR NEW PIGGYBACK CONTRACTS

The **City of Cocoa,** a Florida Municipal Corporation ("City") enters this "Piggyback" Contract with **Alan Jay Chevrolet Cadillac, Inc. dba Alan Jay Chevrolet Buick GMC Cadillac; Alan Jay Automotive Enterprises of Wauchula, Inc. dba Alan Jay Chrysler Jeep Dodge of Wauchula** (hereinafter referred to as the "Vendor "), under the terms and conditions hereinafter provided. The City and the Vendor agree as follows:

1. The Financial Operations Manual (FOM) for the City of Cocoa allows for "piggybacking " contracts. Pursuant to this procedure, the City is allowed to piggyback an existing government contract, and there is no need to obtain formal or informal quotations, proposals or bids. The parties agree that the Vendor has entered a contract with **Sourcewell, 202 12th Street NE, Staples, MN 56479,** said contract being identified as: **Sourcewell Contract Agreement No. 120716-NAF** (referred to as the "original government contract").

2. The original government contract is incorporated herein by reference and is attached as **EXHIBIT A** to this Contract. All of the terms and conditions set out in the original government contract (Exhibit "A") are fully binding on the parties and said terms and conditions are incorporated herein.

3. Notwithstanding the requirement that the original government contract is fully binding on the parties, the parties have agreed to modify certain technical provisions of the original government contract as applied to this Contract between the Vendor and the City of Cocoa, as follows:

Time Period ("Term") of the Agreement:

This agreement has an expiration date of January 17, 2021, which the parties may extend the Agreement for one additional year by mutual consent. The parties acknowledge that extending the Agreement for an additional year benefits the Vendor, Sourcewell and Sourcewell Members. The Vendor and Sourcewell therefore agree to extend the Agreement listed above for a fifth (5th) year. This existing Agreement will terminate on January 17, 2022. All other terms and conditions remain unchanged.

a. Insurance Requirements (As Applicable):

Liability Insurance

COMMERCIAL GENERAL LIABILITY INSURANCE MINIMUM REQUIREMENTS FOR CONTRACTS VALUED AT LESS THAN $15,000:

It is required that individuals and firms contracting with the City of Cocoa, where the total contract or job value is LESS than $15,000, maintain Commercial General Liability insurance with a minimum per occurrence limit of not less than $200,000 per person and $300,000 each occurrence, and property damage insurance of at least $200,000 each occurrence and with a deductible amount not greater than $1,000. It is further required that the City of Cocoa, be named as an additional insured to the contractor's CGL policy, and that proof of same in the form of a certificate of insurance be submitted before work is begun.

COMMERCIAL GENERAL LIABILITY INSURANCE MINIMUM REQUIREMENTS FOR CONTRACTS VALUED AT $15,000 OR MORE:

It is required that individuals and firms contracting with the City of Cocoa, where the total contract or job value is $15,000 or MORE, maintain Commercial General Liability insurance with a minimum per occurrence limit of not less than $2,000,000 as the combined single limit for each occurrence and with a deductible not greater than $5,000 or as otherwise approved in writing by the City Manager. It is further required that the City of Cocoa and FDOT, be named as an additional insured to the Contractor's CGL policy, and that proof of same in the form of a certificate of insurance be submitted before work is begun.

AUTOMOBILE LIABILITY INSURANCE MINIMUM REQUIREMENTS FOR ALL CONTRACTS:

The Contractor shall maintain comprehensive automobile liability insurance in the minimum amount of $1,000,000 combined single limit bodily injury and minimum $1,000,000 property damage as the combined single limit for each occurrence to protect the Contractor from claims for damages for bodily injury, including wrongful death, as well as from claims from property damage, which may arise from the ownership, use, or maintenance of owned and non-owned automobiles, including rented automobiles whether such operations be by the Contractor or by anyone directly or indirectly employed by the Contractor.

PROFESSIONAL LIABILITY INSURANCE MINIMUM REQUIREMENTS FOR ALL PROFESSIONALS AS DEFINED BY FLORIDA STATUTE:

Professionals and professional corporations, associations, and firms who contract with the City of Cocoa to provide professional services are required to maintain Professional Liability Insurance and submit proof of same in the form of a certificate of insurance before work is begun.

ENVIRONMENTAL IMPAIRMENT INSURANCE MINIMUM REQUIREMENTS:

Individuals or firms who contract with the City of Cocoa to provide excavation or construction type services and who will be locating portable fuel or lubricant storage tanks at the job site or who will be storing or using hazardous chemicals on the job site are required to maintain Environmental Impairment Insurance of "Pollution Insurance" with a limit of not less than $1,000,000 per occurrence and submit proof of same in the form of a certificate of insurance or an endorsement to their General Liability policy showing a pollution exclusion exception for each specific work product or storage container before work is begun. Contracts with such firms shall include a provision that they work in compliance with the OSHA Hazardous Communication Standard and Florida Department of Environmental Protection guidelines and supply all information about hazardous chemical being brought onto City property as required by the City's Safety and Loss Control Program.

WORKERS' COMPENSATION INSURANCE MINIMUM REQUIREMENTS:

It is required that firms employing four or more people who contract with the City of Cocoa maintain Workers' Compensation Insurance at the statutory limits and employer liability insurance and submit proof of same in the form of a certificate of insurance before work is begun.

It is required that firms employing less than four people who contract with the City of Cocoa comply with the exemption and notice provisions of F.S. 440 and maintain employer liability insurance and submit proof of same in the form of a certificate of insurance before work is begun.

However, if you are a corporate officer of a corporation that is actively engaged in the construction industry, or a sole proprietor or partner who is actively engaged in the construction industry, then your exemption will not apply to any work performed at a commercial building project valued at $250,000 or greater and you must secure workers' compensation coverage in accordance with F.S. 440.38 and these general conditions and submit proof of same in the form of a certificate of insurance before work is begun.

COMPREHENSIVE BUILDER RISK INSURANCE

The Contractor shall maintain comprehensive builder risk insurance, which shall cover Contractor's labor, and any materials and equipment to be used for completion of the Work performed under this Agreement, against all risks of direct physical loss, excluding earthquake and flood, for a minimum amount of $2,000,000. Contractor shall maintain the builder risk insurance required by this subsection until the date a certificate of occupancy is issued issuance of a certificate of occupancy for the Work.

DURATION OF CONTRACTS-NAMED INSUREDS-LIABILITY INSURANCE:

For contracts exceeding time periods of 30 days, it is required that the vendor name the City of Cocoa as an additional insured on their Liability Insurance policies and submit proof of same in

the form of a certificate of insurance before work is begun. A copy of a current Certificate of Insurance shall be provided to the City by Contractor upon the Effective Date of this Agreement which satisfied the insurance requirements of this Article. Renewal certificates shall be sent to the City 30 days prior to any expiration date. The certificates and policies shall provide that in the event of any material change in or cancellation of the policies reflecting the required coverage, thirty days advance notice shall be given to the City and the State of Florida, Department of Transportation, or as provided in accordance with Florida law.

b. Any other provisions that will be modified:

Agreement shall remain concurrent with the renewal options specicifed within Section 3.04 of the original agreement as follows:

3.04 OPTION TO RENEW & PRICE ADJUSTMENT Renewal Option

The contract may be renewed by mutual agreement, initiated at the discretion of the FSA, for up to two (2) additional years, on a year to year basis. The FSA reserves the right to in its sole discretion elect to renew the contract in whole or in part. In the event that the contract is held beyond the term provided herein, it shall be on a month-to-month basis only and shall not constitute an implied renewal of the contract. Such a month-to-month extension shall be upon the same terms of the contract and at the compensation and payment provided herein.

Price Adjustment On an annual basis during the contract term, the FSA may consider a price adjustment due to changes in the Producer Price Index (PPI) as published by the U.S. Department of Labor, Bureau of Labor Statistics, as a result of any changes to national or state standards that require substantial cost adjustments, significant manufacturer changes to the production of and specification design, or in the event of material changes in tariffs that result in cost increases of 15% or more. The price adjustment request may be considered and implemented by FSA on an annual basis during the initial term, or upon the completion of the initial term or a 12-month renewal period. Price adjustments will be implemented upon request from a vendor or in the event that the FSA determines in its sole discretion that such a price adjustment is warranted.
Prices may be increased or decreased by the percentage change reflected in the nationally published PPI. FSA shall determine the PPI based on the most recent published PPI initiated at the time of renewal that best reflects adjustments to the economy over the previous 12 months. In the event of changes to national or state standards, the vendor must present verifiable changes in cost to FSA. The FSA will consider the cost changes and will make a final determination on the change in price. In cases where manufacturers have significant changes to production and specification design to an awarded item, FSA will consider certified manufacturer price changes and may allow price adjustments to reflect such changes in price from the manufacturer to the awarded vendor.

For any vendor-initiated price adjustment to commence on the first day of the renewed contract term, extension or the end of a 12-month period, the vendor's request or adjustment should be submitted one hundred and twenty (120) calendar days prior to expiration of the then current contract, extension or 12- month period. The vendor-initiated price adjustment request must clearly

substantiate the reasons for the requested increase. If no request is received from the vendor, the FSA will assume that the vendor has agreed that the optional term may be exercised without pricing adjustment. Any adjustment request received after the commencement of a new option period will not be considered. The FSA reserves the right to accept the renewal adjustment or to allow the contract to fully or partially terminate and re-advertise for bids, whichever is in the best interest of the FSA.

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c. Address change for the City of Cocoa:

Notwithstanding the address and contact information for the government entity as set out in Exhibit "A," the Vendor agrees that he/she/it will send notices, invoices and will conduct all business with the City of Cocoa, attention of Accounts Payable, at 65 Stone Street, Cocoa Florida 32922, telephone number (321) 433-8633, facsimile number: (321) 433-8608 and email accountspayable@cocoafl.org.

d. Notwithstanding anything in Exhibit "A" to the contrary, the venue of any dispute will be in Brevard County, Florida. Litigation between the parties arising out of this contract must be in Brevard County, Florida in the Court of appropriate jurisdiction. The law of Florida will control any dispute between the parties arising out of or related to this Piggyback Contract, the performance thereof or any products or services delivered pursuant to such contract.

e. Notwithstanding any other provision in Exhibit "A" to the contrary, there shall be no arbitration with respect to any dispute between the parties arising out of this Contract. Dispute resolution shall be through voluntary and non-binding mediation, negotiation or litigation in the Court of appropriate jurisdiction in Brevard County, Florida, with the parties bearing the costs of their own legal fees and related costs with respect to any dispute resolution, including litigation.

f. All other provisions in the original government contract (Exhibit "A") are fully binding on the parties and will represent the agreement between the City of Cocoa and the Vendor.

g. This contract is not a requirements agreement nor is it an exclusive agreement. Accordingly, the City of Cocoa reserves the right to purchase the goods or services that are the subject hereof from any alternative vendor during the contract term, regardless of contrary language in the underlying contract that is being piggybacked.

Entered this 30th day of November

Chris Wilson, Fleet Sales Manager

(Print Name / Title)

Chris Wilson Digitally signed by Chris Wilson DN: cn=Chris Wilson, o=Alan Jay Fleet Sales, ou, email=chris.wilson@alanjay.com, c=US Date: 2020.11.30 16:39:35 -05'00'

(Signature)

11/30/2020

(Date)

CITY OF COCOA

By: _____, City Manager (For purchases up to the limit of the City Manager's purchase order authority, this signature alone as attested will be sufficient).

By: _____, Mayor (For purchases in excess of the City Manager's purchase order authority).

Attested By: _____ City Clerk

City of Cocoa SEAL Florida

Public Works
155 Wilson Ave. I Cocoa, FL 32922
Phone: (321) 433-8770 I Fax: (321) 504-0922

July 28, 2021

Christy Self, Government Account Manager
Alan Jay Automotive Network
Sourcewell (Formerly NJPA) Contract #2021/22 120716-NAF & 0

Subject: City of Cocoa Intent to Purchase

The City is Cocoa is currently in the Fiscal Year 2022 budgeting process and intends to purchase the vehicles listed below, pending the final approval of the Fiscal Year 2022 Budget by the City of Cocoa City Council. Upon approval of the proposed budget and beginning of Fiscal Year 2022 on October 1, 2021, the City of Cocoa will begin processing and issuing purchase orders for the vehicles listed in the approved budget. Please note that the current vehicle listing below is based on a proposed budget that has not yet been approved. The City will reserve the right to remove vehicles from this listing with no financial obligation based on this Intent to Purchase Letter.

Proposed FY2022 Vehicles

DEPT#	#	YEAR, MAKE MODEL	QUOTE#	AMOUNT	EXTENDED $
2100	6	2022 FORD PPV UTILITY HYBRID	31560-2	$52,800	$316,800
2100	2	2022 FORD EXPLORER	31626-3	$28,328	$56,656
2100	1	2022 FORD TRANSIT CONNECT WAGON	32777-1	$25,253	$25,253
2200	1	2022 FORD F150 CREW CAB	32766-1	$36,544	$36,544
3510	1	2022 FORD F450 CREW CAB WITH 9FT SERVICE BODY, LIFT GATE	32535-2	$53,529	$53,529
3510&3570	1	2022 FORD RANGER 4X4 SUPER CAB	32534-2	$26,009	$26,009
3520	1	2022 CHEVY LCF GAS WITH PTC 14+4 DOVE LANDSCAPE BODY	30141-5	$49,735	$49,735
3520	1	2022 FORD RANGER SUPER CAB WITH UTILITY BODY	30344-3	$33,033	$33,033
3560	1	2022 FORD TRANSIT CONNECT CARGO	32769-1	$23,441	$23,441
3560	1	2022 FORD TRANSIT T150 CARGO	32538-2	$27,045	$27,045
4020	1	2022 FORD TRANSIT T250 HIGH ROOF CARGO	30163-5	$45,228	$45,228
4020	1	2022 FORD ESCAPE	32768-1	$24,767	$24,767
4020	1	2022 FORD EXPLORER	32765-1	$28,113	$28,113
4020	1	2022 FORD F450 4X4 FLAT BED	32799-2	$44,176	$44,176
4020	2	2022 FORD F250 REGULAR CAB 4X4 UTILITY	30226-2	$37,823	$75,646
4025	1	2022 FORD F550 DUMP BODY WITH FOLDING SIDES	32809-1	$52,646	$52,646
					$918,621

Please accept this Intent to Purchase letter and hold the stated vehicles above, pending the final approval of the City of Cocoa's Fiscal Year 2022 Budget by the City of Cocoa City Council, and accept future purchase orders for those vehicles that receive approval through the final adoption of the approved budget.

Sincerely,

Bryant Smith

Bryant Smith III, P.E., CFM
Director of Public Works / City Engineer
City of Cocoa
bsmith@cocoafl.org I 321-433-8770

cc: Stockton Whitten, City of Cocoa City Manager
Rebecca Bowman, City of Cocoa Finance Director
Tony Jones, City of Cocoa Fleet Manager

DocuSign Envelope ID: F17A8316-8703-4977-99B8-FC8730143593

Letter of Agreement
To Extend the Contract

Between

72 Hour LLC, dba National Auto Fleet Group
490 Auto Center Dr.
Watsonville, CA 95076-3726

And

Sourcewell
202 12th Street NE
Staples, MN 56479
Phone: (218) 894-1930

The Vendor and Sourcewell have entered into an Agreement (Contract #120716-NAF) for the procurement of Vehicles, Cars, Vans, SUVs, and Light Trucks with Related Equipment, Accessories and Services. This Agreement has an expiration date of January 17, 2021, but the parties may extend the Agreement for one additional year by mutual consent.

The parties acknowledge that extending the Agreement for another year benefits the Vendor, Sourcewell and Sourcewell's members. The Vendor and Sourcewell therefore agree to extend the Agreement listed above for a fifth year. This existing Agreement will terminate on January 17, 2022. All other terms and conditions of the Agreement remain in force.

Sourcewell

DocuSigned by:
By: Jeremy Schwartz _____, Its: **Director of Operations & Procurement/CPO**
C0FD2A139D06489...

Name printed or typed: **Jeremy Schwartz**

Date 6/17/2020 | 1:32 PM CDT

72 Hour LLC, dba National Auto Fleet Group

DocuSigned by:
By: _____, Its: Fleet Manager
FACBB5730C1E467...

Name printed or typed: Jesse Cooper

Date 7/8/2020 | 4:22 PM CDT

ALAN JAY FLEET SALES

Sourcewell Formerly NJPA
Awarded Contract

Call Us first, for all of your Fleet Automotive, & Light Truck needs.

Quote **31626-3**

PHONE (800) ALANJAY (252-6529)		DIRECT 863-385-9610		WWW.ALANJAY.COM	
Corporate Office	2003 U.S. 27 South Sebring, FL 33870	MOBILE 904-838-4999 FAX 863-402-4221		Mailing Address	P.O. BOX 9200 Sebring, FL 33871-9200

ORIGINAL QUOTE DATE
5/27/2021

QUICK QUOTE SHEET

REVISED QUOTE DATE
8/19/2021

REQUESTING AGENCY **COCOA, CITY OF**
CONTACT PERSON **TONY JONES** EMAIL TJONES@COCOAFL.ORG
PHONE **321-433-8766** MOBILE **321-355-8926** FAX **321-433-8768**

SOURCEWELL (FORMERLY NJPA) CONTRACT # 2021 120716-NAF & 0 www.NationalAutoFleetGroup.com

MODEL 1ZC69 **MSRP** $23,270.00

2021 CHEVY MALIBU 1FL

CUSTOMER ID POLICE - 2100 **BASE VEHICLE PRICE** $16,718.00

BED LENGTH

*** All vehicles will be ordered white w/ darkest interior unless clearly stated otherwise on purchase order.*

FACTORY OPTIONS	DESCRIPTION	
GAN H1T	EXTERIOR COLOR SILVER ICE METALLIC WITH JET BLACK PREMIUM CLOTH SEAT TRIM.	$0.00
G5D H1T	EXTERIOR Mineral Gray Metallic WITH Jet Black, Premium cloth seat trim	$0.00
LFV MRG	1.5L DI DOHC TURBO 4-CYL ENGINE WITH AUTOMATIC CONTINUOUSLY VAR RATION TRANSMISSION	$0.00
BUC	FACTORY BACK UP CAMERA(STD).	$0.00
MY22	MODEL YEAR 2022 PRICE INCREASE. 2.5% MSRP ($24,361.25 x 2.5% = $609.03)	$609.03
	FACTORY OPTIONS	**$609.03**

CONTRACT OPTIONS	DESCRIPTION	
TEMP-TAG	Temporary tag	$45.00
4K SMART	3rd and 4th Smart key for vehicles with proximity access.	$680.00
WPUMP-1-SUV-HHS	Whelen premium unmarked patrol package for SUV / Sedans consists of front and rear full width interior LED system with LED takedown lights; four corner LED system, HHS3200 hand held combination light and siren controller, speaker, and vehicle specific bracket.	$3,410.00
C3 OUTLINER-60	CODE3 OUTLINER 60" INSTALLED ALONG RUNNING BOARD. Red/Blue	$975.00
DTF SDN	Deep tint film installed on all side and rear glass.	$260.00
WSTP	Windshield strip	$40.00
	CONTRACT OPTIONS	**$5,410.00**

VEHICLE TOTAL **$17,327.03**

ACCESSORY TOTAL **$5,410.00**

TRADE IN **CUSTOMER PRICE** **$22,737.03**

YES WE TAKE TRADE INS ~~~ ASK ABOUT MUNICIPAL FINANCING ~~~ $0.00

TOTAL COST LESS TRADE IN(S) **QTY** **2** **$45,474.06**

Estimated Annual payments for 60 months paid in advance: $5,092.16 Extended: $10,184.32
Municipal finance for any essential use vehicle, requires lender approval, WAC.

Comments

VEHICLE QUOTED BY **CHRISTY SELF** **GOVERNMENT ACCOUNT MANAGER** christy.self@alanjay.com

"I Want to be Your Fleet Provider"

I appreciate the opportunity to submit this quotation. Please review it carefully. If there are any errors or changes, please feel free to contact me at any time. I am always happy to be of assistance.

ALAN JAY FLEET SALES

Call Us first, for all of your Fleet Automotive, & Light Truck needs.

PHONE (800) ALANJAY (252-6529)		DIRECT 863-385-9610	WWW.ALANJAY.COM	Quote 32777-1
Corporate Office	2003 U.S. 27 South Sebring, FL 33870	MOBILE 904-838-4999 FAX 863-402-4221	Mailing Address	P.O. BOX 9200 Sebring, FL 33871-9200

Sourcewell Formerly NJPA — Awarded Contract

ORIGINAL QUOTE DATE 8/20/2021

QUICK QUOTE SHEET

REVISED QUOTE DATE 8/20/2021

REQUESTING AGENCY **COCOA, CITY OF**
CONTACT PERSON **TONY JONES** EMAIL TJONES@COCOAFL.ORG
PHONE **321-433-8766** MOBILE **321-355-8926** FAX **321-433-8768**

SOURCEWELL (FORMERLY NJPA) CONTRACT # 2021 120716-NAF & 0 www.NationalAutoFleetGroup.com

MODEL E9E — **MSRP** $27,400.00

2021 FORD TRANSIT CONNECT WAGON XL 120.6"-LWB WITH REAR LIFT GATE

CUSTOMER ID VICTIMS ADVOCACY — **BASE VEHICLE PRICE** $24,704.00

BED LENGTH

*** All vehicles will be ordered white w/ darkest interior unless clearly stated otherwise on purchase order.*

FACTORY OPTIONS	DESCRIPTION	
Z2 SB	Frozen White Exterior with Ebony Vinyl Seat Trim	$0.00
992 448	2.0L I4 ENGINE WITH 8-SPEED AUTOMATIC TRANSMISSION.	$0.00
87R	Key Fobs (2 Additional)	$64.00
MY22	2022 MODEL YEAR TO BE PROVIDED AT NO ADDITIONAL COST. MUST ORDER BY 9/30/21	$0.00
	FACTORY OPTIONS	**$64.00**

CONTRACT OPTIONS	DESCRIPTION	
TEMP-TAG	Temporary tag	$45.00
DTF P VAN	Deep tint film on passenger van with full body glass.	$440.00
	CONTRACT OPTIONS	**$485.00**

VEHICLE TOTAL	**$24,768.00**
ACCESSORY TOTAL	**$485.00**
CUSTOMER PRICE	**$25,253.00**
TRADE IN	
YES WE TAKE TRADE INS ~~~ ASK ABOUT MUNICIPAL FINANCING ~~~	$0.00
TOTAL COST LESS TRADE IN(S) QTY 1	**$25,253.00**

Estimated Annual payments for 60 months paid in advance: $5,655.63
Municipal finance for any essential use vehicle, requires lender approval, WAC.

Comments

VEHICLE QUOTED BY **CHRISTY SELF** **GOVERNMENT ACCOUNT MANAGER** christy.self@alanjay.com

"I Want to be Your Fleet Provider"

I appreciate the opportunity to submit this quotation. Please review it carefully. If there are any errors or changes, please feel free to contact me at any time. I am always happy to be of assistance.

ALAN JAY FLEET
CHRISTY SELF | 863-385-9610 | CHRISTY.SELF@ALANJAY.COM

Vehicle: [Fleet] 2022 Ford Transit Connect Wagon (E9E) XL LWB w/Rear Liftgate (✔ Complete)



Note:Photo may not represent exact vehicle or selected equipment.

Window Sticker

SUMMARY

[Fleet] 2022 Ford Transit Connect Wagon (E9E) XL LWB w/Rear Liftgate — MSRP:$27,920.00

Interior:Ebony w/Dark Grey Inserts, Vinyl Front Bucket Seats

Exterior 1:Frozen White

Exterior 2:No color has been selected.

Engine: 2.0L GDI I-4 Gas

Transmission: 8-Speed SelectShift Automatic

OPTIONS

CODE	MODEL		MSRP
E9E	[Fleet] 2022 Ford Transit Connect Wagon (E9E) XL LWB w/Rear Liftgate		$27,920.00
	OPTIONS		
200A	Order Code 200A		$0.00
448	Transmission: 8-Speed SelectShift Automatic		$0.00
87R	Key Fobs (2 Additional)		$65.00
992	Engine: 2.0L GDI I-4 Gas	Inc.	
SB	Ebony w/Dark Grey Inserts, Vinyl Front Bucket Seats		$0.00
Z2	Frozen White		$0.00
___	3.80 Axle Ratio		$0.00
	SUBTOTAL		**$27,985.00**

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Data Version: 14504. Data Updated: Aug 19, 2021 11:55:00 PM PDT.

Vehicle: [Fleet] 2022 Ford Transit Connect Wagon (E9E) XL LWB w/Rear Liftgate (Complete)

Adjustments Total	$0.00
Destination Charge	$1,395.00
TOTAL PRICE	**$29,380.00**

FUEL ECONOMY

Est City:24 MPG

Est Highway:28 MPG

Est Highway Cruising Range:442.40 mi

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Data Version: 14504. Data Updated: Aug 19, 2021 11:55:00 PM PDT.

Vehicle: [Fleet] 2022 Ford Transit Connect Wagon (E9E) XL LWB w/Rear Liftgate (✔ Complete)

Standard Equipment

Mechanical	
	Engine: 2.0L GDI I-4 Gas -inc: auto start/stop technology and EcoMode (STD)
	Transmission: 8-Speed SelectShift Automatic (STD)
	3.80 Axle Ratio (STD)
	50-State Emissions System
	Transmission w/SelectShift Sequential Shift Control
	Front-Wheel Drive
	80-Amp/Hr 800CCA Maintenance-Free Battery w/Run Down Protection
	220 Amp Alternator
	1250# Maximum Payload
	GVWR: 5,302 lbs
	Gas-Pressurized Shock Absorbers
	Front And Rear Anti-Roll Bars
	Electric Power-Assist Steering
	15.8 Gal. Fuel Tank
	Single Stainless Steel Exhaust
	Strut Front Suspension w/Coil Springs
	Torsion Beam Rear Suspension w/Coil Springs
	4-Wheel Disc Brakes w/4-Wheel ABS, Front Vented Discs, Brake Assist and Hill Hold Control
Exterior	
	Wheels: 16" Sparkle Silver-Painted Steel -inc: full wheel covers (non-locking lug nuts)
	Tires: 215/55R16 97H XL AS
	Steel Spare Wheel
	Full-Size Spare Tire Stored Underbody w/Crankdown
	Clearcoat Paint
	Black Front Bumper
	Black Rear Bumper
	Black Bodyside Moldings
	Black Side Windows Trim and Black Front Windshield Trim
	Black Door Handles

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Data Version: 14504. Data Updated: Aug 19, 2021 11:55:00 PM PDT.

Vehicle: [Fleet] 2022 Ford Transit Connect Wagon (E9E) XL LWB w/Rear Liftgate (✔ Complete)

Exterior	
	Black Manual Side Mirrors w/Convex Spotter and Manual Folding
	Fixed Rear Window w/Fixed Interval Wiper and Defroster
	Light Tinted Glass
	Rain Detecting Variable Intermittent Wipers
	Fully Galvanized Steel Panels
	Black Grille
	Sliding Rear Doors
	Liftgate Rear Cargo Access
	Tailgate/Rear Door Lock Included w/Power Door Locks
	Autolamp Auto On/Off Aero-Composite Halogen Auto High-Beam Daytime Running Lights Preference Setting Headlamps w/Delay-Off
	Perimeter/Approach Lights
	Headlights-Automatic Highbeams
Entertainment	
	Radio w/Seek-Scan, Clock, Speed Compensated Volume Control, Aux Audio Input Jack, Steering Wheel Controls, Voice Activation, Radio Data System and SYNC External Memory Control
	Radio: AM/FM w/Bluetooth -inc: FordPass Connect/telematics modem w/WiFi hotspot connects up to 10 devices (a trial subscription of 3 months or 3 gigabytes - whichever comes first, wireless service plan required after trial subscription ends), remotely start, lock and unlock vehicle, schedule specific times to remotely start vehicle, locate parked vehicle and check vehicle status (service for 1 year from the vehicle sale date as recorded by the dealer), 4.2" LCD multi-function display screen, 1 USB port and 4-speaker system (2 front door and 2 rear door speakers), Ford telematics and data services prep included for fleet ONLY: FordPass Connect 4G Wi-Fi modem provides data to support telematics and data services including but not limited to vehicle location, speed, idle time, fuel, vehicle diagnostics and maintenance alerts, Device enables telematics services through Ford or authorized providers, Activate at www.FleetAccount.ford.com or call 833-FCS-Ford (833-327-3673)
	Streaming Audio
	Integrated Roof Antenna
	1 LCD Monitor In The Front
Interior	
	Driver Seat
	Passenger Seat
	Bucket Folding Bucket Front Facing Fold Forward Seatback Vinyl Rear Seat
	Front Center Armrest and Rear Seat Mounted Armrest Outboard Only
	Manual Tilt/Telescoping Steering Column
	Gauges -inc: Speedometer, Odometer, Engine Coolant Temp, Tachometer, Trip Odometer and Trip Computer

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Vehicle: [Fleet] 2022 Ford Transit Connect Wagon (E9E) XL LWB w/Rear Liftgate (✔ Complete)

Interior	
	Power Rear Windows and Fixed 3rd Row Windows
	Fixed Bucket Bucket Vinyl 3rd Row Seat Front, 2 Manual and Adjustable Head Restraints
	Front Cupholder
	Rear Cupholder
	3 12V DC Power Outlets
	Remote Keyless Entry w/Integrated Key Transmitter and Illuminated Entry
	Cruise Control w/Steering Wheel Controls
	Dual Zone Front Automatic Air Conditioning
	Rear HVAC w/Separate Controls
	Glove Box
	Driver Foot Rest
	Full Cloth Headliner
	Cloth Door Trim Insert
	Urethane Gear Shifter Material
	Vinyl Front Bucket Seats -inc: 6-way manual driver seat (fore/aft, up/down and lever recline) w/manual lumbar and 4-way manual passenger seat (fore/aft and lever recline) w/fold-flat back
	Day-Night Rearview Mirror
	Full Floor Console w/Storage, Full Overhead Console w/Storage, 3 12V DC Power Outlets and 1 120V AC Power Outlet
	Front Map Lights
	Delay Off Interior Lighting
	Full Vinyl/Rubber Floor Covering
	Vinyl/Rubber Floor Trim
	Cargo Net
	Cargo Space Lights
	FOB Controls -inc: Cargo Access
	Driver / Passenger And Rear Door Bins
	Power 1st Row Windows w/Driver 1-Touch Down
	Delayed Accessory Power
	Power Door Locks w/Autolock Feature
	Systems Monitor

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Vehicle: [Fleet] 2022 Ford Transit Connect Wagon (E9E) XL LWB w/Rear Liftgate (✔ Complete)

Interior	
	Redundant Digital Speedometer
	Trip Computer
	Outside Temp Gauge
	Analog Appearance
	Seats w/Vinyl Back Material
	Manual w/Tilt (driver Only) Front Head Restraints and Manual Adjustable Rear Head Restraints
	1 Seatback Storage Pocket
	Securilock Anti-Theft Ignition (pats) Engine Immobilizer
	3 12V DC Power Outlets and 1 120V AC Power Outlet
Safety-Mechanical	
	AdvanceTrac w/Roll Stability Control Electronic Stability Control (ESC) And Roll Stability Control (RSC)
	ABS And Driveline Traction Control
Safety-Exterior	
	Side Impact Beams
Safety-Interior	
	Dual Stage Driver And Passenger Seat-Mounted Side Airbags
	Reverse Sensing System Rear Parking Sensors
	Ford Co-Pilot360 - Automatic Emergency Braking (AEB)
	Collision Mitigation-Front
	Low Tire Pressure Warning
	Dual Stage Driver And Passenger Front Airbags
	Safety Canopy System Curtain 1st, 2nd And 3rd Row Airbags
	Airbag Occupancy Sensor
	Rear Child Safety Locks
	Outboard Front Lap And Shoulder Safety Belts -inc: Height Adjusters and Pretensioners
	Back-Up Camera

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Vehicle: [Fleet] 2022 Ford Transit Connect Wagon (E9E) XL LWB w/Rear Liftgate (✔ Complete)

WARRANTY

Basic Years: 3
Basic Miles/km: 36,000
Drivetrain Years: 5
Drivetrain Miles/km: 60,000
Corrosion Years: 5
Corrosion Miles/km: Unlimited
Roadside Assistance Years: 5
Roadside Assistance Miles/km: 60,000

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PHONE (800) ALANJAY (252-6529)		DIRECT 863-385-9610	WWW.ALANJAY.COM	Quote 30226-2
Corporate Office	2003 U.S. 27 South Sebring, FL 33870	MOBILE 904-838-4999 FAX 863-402-4221	Mailing Address	P.O. BOX 9200 Sebring, FL 33871-9200

Sourcewell Formerly NJPA
Awarded Contract

ORIGINAL QUOTE DATE
2/24/2021

QUICK QUOTE SHEET

REVISED QUOTE DATE
8/19/2021

REQUESTING AGENCY **COCOA, CITY OF**
CONTACT PERSON **TONY JONES** EMAIL TJONES@COCOAFL.ORG
PHONE **321-433-8766** MOBILE **321-355-8926** FAX **321-433-8768**

SOURCEWELL (FORMERLY NJPA) CONTRACT # 2021 120716-NAF & 0 www.NationalAutoFleetGroup.com

MODEL F2B **MSRP** $37,020.00

2021 FORD F-250 REGULAR CAB 4WD XL 8' BED 142" WB

CUSTOMER ID DEPT 4020 - DYAL **BASE VEHICLE PRICE** $26,098.00

BED LENGTH	56"CA

*** All vehicles will be ordered white w/ darkest interior unless clearly stated otherwise on purchase order.*

FACTORY OPTIONS	DESCRIPTION	
Z1 AS	EXTERIOR COLOR OXFORD WHITE WITH MEDIUM EARTH GRAY HD VINYL 40/20/40 SPLIT BENCH SEAT INCLUDES CENTER ARMREST WITH CUPHOLDERS, STORAGE, AND DRIVERS SIDE MANUAL LUMBAR.	$0.00
996 44S	6.2L EFI V8 ENGINE WITH 6-SPEED AUTOMATIC TRANSMISSION.	$0.00
153	FRONT LICENSE PLATE BRACKET	$0.00
872	FACTORY REAR VIEW CAMERA & PREP KIT WITH ELECTROCHROMIC MIRRIOR, CAMERA SHIPS LOOSE FOR INSTALLATION AFTER BODY INSTALL.	$410.00
90L	Power Equipment Group -inc: Deletes passenger side lock cylinder, upgraded door-trim panel, Accessory Delay, Advanced Security Pack, SecuriLock Passive Anti-Theft System (PATS) and inclination/intrusion sensors, MyKey, owner controls feature, Power Locks, Manual Telescoping Folding Trailer Tow Mirrors, power/heated glass and heated convex spotter mirror, Remote Keyless Entry, Power Front & Rear Side Windows, 1-touch up/down driver/passenger window	$860.00
TT	FACTORY TRAILER TOW HITCH STANDARD.	$0.00
X3E	3.73 E-LOCKING REAR DIFFERENTIAL.	$385.00
MY22	2022 MODEL YEAR TO BE PROVIDED AT NO ADDITIONAL COST. MUST ORDER BY 9/30/21	$0.00
	FACTORY OPTIONS	**$1,655.00**

CONTRACT OPTIONS	DESCRIPTION	
TEMP-TAG	Temporary tag	$45.00
DTF 4 TRK	Deep tint film installed on four doors and back glass for extended/crew cab pickups.	$255.00
3KR	Additional key and remote, cut and programmed.	$215.00
K 696J	Knapheide 8' SRW utility body for 56'' CA (Includes 2nd Stage MSO, Weight Slip, & Completed Vehicle Certification.)	$6,725.00
HD USOB-TB	HD Scorpion spray on bed liner applied inside cargo area, tops of boxes, and rear bumper of 8' & 9' utility body.	$975.00
K CLV SB	Class V Hitch for Service Body	$545.00
K 7/4 WIRE	7 way flat camper trailer wiring with 4 prong flat	$145.00
K AL HAR	KTEC Alum Headach Rack (Octagonal)	$970.00
CAMERA-F	Dealer installed factory ordered camera (REQUIRES 872).	$195.00
	CONTRACT OPTIONS	**$10,070.00**

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Awarded Contract

SOURCEWELL (FORMERLY NJPA) CONTRACT # 2021 120716-NAF & 0 **www.NationalAutoFleetGroup.com**

VEHICLE TOTAL	**$27,753.00**
ACCESSORY TOTAL	**$10,070.00**
CUSTOMER PRICE	**$37,823.00**
TRADE IN	$0.00

YES WE TAKE TRADE INS ~~~ ASK ABOUT MUNICIPAL FINANCING ~~~

TOTAL COST LESS TRADE IN(S) **QTY** **2** **$75,646.00**

Estimated Annual payments for 60 months paid in advance: $8,470.80 Extended: $16,941.59

Municipal finance for any essential use vehicle, requires lender approval, WAC.

Comments

VEHICLE QUOTED BY **CHRISTY SELF** **GOVERNMENT ACCOUNT MANAGER** christy.self@alanjay.com

"I Want to be Your Fleet Provider"

I appreciate the opportunity to submit this quotation. Please review it carefully. If there are any errors or changes, please feel free to contact me at any time. I am always happy to be of assistance.

ALAN JAY FLEET SALES

Sourcewell Formerly NJPA Awarded Contract

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Quote **32765-1**

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Corporate Office	2003 U.S. 27 South Sebring, FL 33870	MOBILE 904-838-4999 FAX 863-402-4221		Mailing Address	P.O. BOX 9200 Sebring, FL 33871-9200

ORIGINAL QUOTE DATE
8/19/2021

QUICK QUOTE SHEET

REVISED QUOTE DATE
8/19/2021

REQUESTING AGENCY **COCOA, CITY OF**
CONTACT PERSON **TONY JONES** EMAIL TJONES@COCOAFL.ORG
PHONE **321-433-8766** MOBILE **321-355-8926** FAX **321-433-8768**

SOURCEWELL (FORMERLY NJPA) CONTRACT # 2021 120716-NAF & 0 www.NationalAutoFleetGroup.com

MODEL K7B **MSRP** $32,225.00

2021 FORD EXPLORER BASE 2WD 2.3L EcoBoost - RWD -

CUSTOMER ID DYAL PLANT 4020 **BASE VEHICLE PRICE** $27,563.00

BED LENGTH

*** All vehicles will be ordered white w/ darkest interior unless clearly stated otherwise on purchase order.*

FACTORY OPTIONS	DESCRIPTION	
YZ 7N	OXFORD WHITE EXTERIOR WITH SANDSTONE, CLOTH INTERIOR	$0.00
99H 44T	Engine: 2.3L I-4 EcoBoost (STD), Transmission: 10-Speed SelectShift Automatic	$0.00
153	FRONT LICENSE PLATE BRACKET	$0.00
BUC	FACTORY BACK UP CAMERA(STD).	$0.00
MY22	2022 MODEL YEAR TO BE PROVIDED AT NO ADDITIONAL COST. MUST ORDER BY 9/30/21	$0.00
	FACTORY OPTIONS	**$0.00**

CONTRACT OPTIONS	DESCRIPTION	
3KR	Additional key and remote, cut and programmed.	$215.00
DTF SUV	Deep tint film on SUV with full side and rear glass coverage.	$290.00
TEMP-TAG	Temporary tag	$45.00
	CONTRACT OPTIONS	**$550.00**

VEHICLE TOTAL $27,563.00

ACCESSORY TOTAL $550.00

TRADE IN **CUSTOMER PRICE** $28,113.00

YES WE TAKE TRADE INS ~~~ ASK ABOUT MUNICIPAL FINANCING ~~~ $0.00

TOTAL COST LESS TRADE IN(S) **QTY** 1 $28,113.00

Estimated Annual payments for 60 months paid in advance: $6,296.16
Municipal finance for any essential use vehicle, requires lender approval, WAC.

Comments

VEHICLE QUOTED BY **CHRISTY SELF** **GOVERNMENT ACCOUNT MANAGER** christy.self@alanjay.com

"I Want to be Your Fleet Provider"

I appreciate the opportunity to submit this quotation. Please review it carefully. If there are any errors or changes, please feel free to contact me at any time. I am always happy to be of assistance.

ALAN JAY FLEET

CHRISTY SELF | 863-385-9610 | CHRISTY.SELF@ALANJAY.COM

Vehicle: [Fleet] 2021 Ford Explorer (K7B) Base RWD (Complete)



Note:Photo may not represent exact vehicle or selected equipment.

Window Sticker

SUMMARY

[Fleet] 2021 Ford Explorer (K7B) Base RWD — MSRP:$32,925.00

Interior:Sandstone, Cloth Captain's Chairs

Exterior 1:Oxford White

Exterior 2:No color has been selected.

Engine: 2.3L EcoBoost I-4

Transmission: 10-Speed Automatic

OPTIONS

CODE	MODEL	MSRP
K7B	[Fleet] 2021 Ford Explorer (K7B) Base RWD	$32,925.00
	OPTIONS	
100A	Equipment Group 100A	$0.00
153	Front License Plate Bracket	$0.00
44T	Transmission: 10-Speed Automatic	$0.00
7N	Sandstone, Cloth Captain's Chairs	$0.00
99H	Engine: 2.3L EcoBoost I-4	$0.00
YZ	Oxford White	$0.00

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ALAN JAY FLEET

CHRISTY SELF | 863-385-9610 | CHRISTY.SELF@ALANJAY.COM

Vehicle: [Fleet] 2021 Ford Explorer (K7B) Base RWD (Complete)

SUBTOTAL	**$32,925.00**
Adjustments Total	$0.00
Destination Charge	$1,245.00
TOTAL PRICE	**$34,170.00**

FUEL ECONOMY

Est City:21 MPG

Est Highway:28 MPG

Est Highway Cruising Range:501.20 mi

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Data Version: 14496. Data Updated: Aug 19, 2021 1:21:00 AM PDT.

Vehicle: [Fleet] 2021 Ford Explorer (K7B) Base RWD (Complete)

Standard Equipment

Mechanical	
	Engine: 2.3L EcoBoost I-4 -inc: auto start-stop technology (STD)
	Transmission: 10-Speed Automatic (STD)
	3.58 Non-Limited-Slip Rear Axle Ratio
	50 State Emissions System Flexible Fuel Vehicle (FFV) system is standard equipment for vehicles with the 3.3L Ti-VCT V6 FFV engine.
	Transmission w/Driver Selectable Mode
	Rear-Wheel Drive
	Engine Oil Cooler
	Battery w/Run Down Protection
	Regenerative Alternator
	Towing Equipment -inc: Trailer Sway Control
	GVWR: TBD
	Gas-Pressurized Shock Absorbers
	Front And Rear Anti-Roll Bars
	Electric Power-Assist Speed-Sensing Steering
	17.9 Gal. Fuel Tank
	Quasi-Dual Stainless Steel Exhaust
	Strut Front Suspension w/Coil Springs
	Multi-Link Rear Suspension w/Coil Springs
	4-Wheel Disc Brakes w/4-Wheel ABS, Front Vented Discs, Brake Assist, Hill Hold Control and Electric Parking Brake
Exterior	
	Wheels: 18" Painted Aluminum
	Tires: P255/65R18 AS BSW -inc: mini spare
	Steel Spare Wheel
	Spare Tire Mounted Inside Under Cargo
	Clearcoat Paint
	Body-Colored Front Bumper
	Black Rear Bumper
	Black Bodyside Cladding and Black Wheel Well Trim

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ALAN JAY FLEET

CHRISTY SELF | 863-385-9610 | CHRISTY.SELF@ALANJAY.COM

Vehicle: [Fleet] 2021 Ford Explorer (K7B) Base RWD (Complete)

Exterior	
	Chrome Side Windows Trim, Black Front Windshield Trim and Black Rear Window Trim
	Black Door Handles
	Black Power Side Mirrors w/Manual Folding
	Fixed Rear Window w/Fixed Interval Wiper, Heated Wiper Park and Defroster
	Deep Tinted Glass
	Speed Sensitive Variable Intermittent Wipers
	Galvanized Steel/Aluminum Panels
	Lip Spoiler
	Black Grille
	Power Liftgate Rear Cargo Access
	Tailgate/Rear Door Lock Included w/Power Door Locks
	Autolamp Auto On/Off Aero-Composite Led Low/High Beam Auto High-Beam Daytime Running Lights Preference Setting Headlamps w/Delay-Off
	LED Brakelights
Entertainment	
	Radio w/Seek-Scan, Clock, Steering Wheel Controls and Internal Memory
	Radio: AM/FM Stereo -inc: MP3 capability, 6 speakers, speed-compensated volume and SiriusXM radio w/a 3 month prepaid subscription, Service is not available in Alaska and Hawaii SiriusXM audio and data services each require a subscription sold separately, or as a package, by Sirius XM radio inc. If you decide to continue service after your trial, the subscription plan you choose will automatically renew thereafter and you will be charged according to your chosen payment method at then-current rates. Fees and taxes apply. To cancel you must call SiriusXM at 1-866-635-2349. See SiriusXM customer agreement for complete terms at www.siriusxm.com. All fees and programming.
	Streaming Audio
	Integrated Roof Antenna
	SYNC 3 Communications & Entertainment System -inc: enhanced voice recognition, 8" LCD capacitive touchscreen in center stack w/swipe capability, AppLink, 911 Assist, Apple Car Play and Android Auto compatibility and 1 smart-charging multimedia USB port in the media hub,
	Bluetooth Wireless Phone Connectivity
	2 LCD Monitors In The Front
Interior	
	Driver Seat
	Passenger Seat

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Vehicle: [Fleet] 2021 Ford Explorer (K7B) Base RWD (Complete)

Interior	
	35-30-35 Folding Bench Front Facing Manual Reclining Fold Forward Seatback Cloth Rear Seat w/Manual Fore/Aft
	Manual Tilt/Telescoping Steering Column
	Gauges -inc: Speedometer, Odometer, Engine Coolant Temp, Tachometer, Oil Level, Trip Odometer and Trip Computer
	Power Rear Windows and Fixed 3rd Row Windows
	Fixed 50-50 Bench Cloth 3rd Row Seat Front, Manual Fold Into Floor, 2 Manual and Adjustable Head Restraints
	Front Cupholder
	Rear Cupholder
	Compass
	Remote Releases -Inc: Power Cargo Access
	Cruise Control w/Steering Wheel Controls
	Voice Activated Dual Zone Front Automatic Air Conditioning
	Rear HVAC w/Separate Controls
	HVAC -inc: Underseat Ducts and Headliner/Pillar Ducts
	Locking Glove Box
	Driver Foot Rest
	Interior Trim -inc: Metal-Look/Piano Black Instrument Panel Insert, Metal-Look/Piano Black Door Panel Insert, Piano Black Console Insert and Chrome/Metal-Look Interior Accents
	Full Cloth Headliner
	Cloth Door Trim Insert
	Cloth Captain's Chairs -inc: 8-way power driver's seat w/power function for tilt and recline, 4-way manual front passenger seat w/fore/aft and recline and 2-way manually adjustable driver and front passenger head restraints
	Day-Night Rearview Mirror
	Driver And Passenger Visor Vanity Mirrors w/Driver And Passenger Illumination, Driver And Passenger Auxiliary Mirror
	Full Floor Console w/Covered Storage, Mini Overhead Console w/Storage and 5 12V DC Power Outlets
	Front And Rear Map Lights
	Fade-To-Off Interior Lighting
	Full Carpet Floor Covering -inc: Carpet Front And Rear Floor Mats
	Carpet Floor Trim
	Trunk/Hatch Auto-Latch

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ALAN JAY FLEET

CHRISTY SELF | 863-385-9610 | CHRISTY.SELF@ALANJAY.COM

Vehicle: [Fleet] 2021 Ford Explorer (K7B) Base RWD (Complete)

Interior	
	Cargo Area Concealed Storage
	Cargo Space Lights
	FOB Controls -inc: Cargo Access
	FordPass Connect -inc: 4G LTE Wi-Fi hotspot connects up to 10 devices w/wireless data trial that begins upon AT&T activation and expires at the end of 3 months or when 3GB of data is used, whichever comes first, but cannot extend beyond the trial subscription period for remote features, To activate, go to www.att.com/ford), remotely start, lock and unlock vehicle, schedule specific times to remotely start vehicle, locate parked vehicle and check vehicle status (FordPass Connect, the Ford Pass App, and Complimentary Connected Services are required for remote features (see FordPass terms for details), Connected Service and features depend on compatible AT&T network availability, Evolving technology/cellular networks/vehicle capability may limit functionality and prevent operation of connected features, Connected services excludes Wi-Fi hotspot.), Note: Ford Telematics and data services prep included for fleet only: FordPass Connect 4G Wi-Fi modem provides data to support telematics and data services including but not limited to vehicle location, speed, idle time, fuel, vehicle diagnostics and maintenance alerts, Device enables telematics services through Ford or authorized providers, Activate at www.fleet.ford.com or call 833-FCS-Ford, (833-327-3673)
	Driver / Passenger And Rear Door Bins
	Power 1st Row Windows w/Driver And Passenger 1-Touch Up/Down
	Delayed Accessory Power
	Power Door Locks w/Autolock Feature
	Systems Monitor
	Redundant Digital Speedometer
	Trip Computer
	Outside Temp Gauge
	Analog Appearance
	Seats w/Cloth Back Material
	Manual Adjustable Rear Head Restraints
	Front Center Armrest
	2 Seatback Storage Pockets
	Securilock Anti-Theft Ignition (pats) Engine Immobilizer
	5 12V DC Power Outlets
	Air Filtration
Safety-Mechanical	
	AdvanceTrac w/Roll Stability Control Electronic Stability Control (ESC) And Roll Stability Control (RSC)
	ABS And Driveline Traction Control

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Data Version: 14496. Data Updated: Aug 19, 2021 1:21:00 AM PDT.

Vehicle: [Fleet] 2021 Ford Explorer (K7B) Base RWD (Complete)

Safety-Exterior	
	Side Impact Beams
Safety-Interior	
	Dual Stage Driver And Passenger Seat-Mounted Side Airbags
	Reverse Sensing System Rear Parking Sensors
	Ford Co-Pilot360 - BLIS (Blind Spot Information System) Blind Spot
	Ford Co-Pilot360 - Pre-Collision Assist with Pedestrian Detection and Cross-Traffic Alert
	Lane Keeping Alert Lane Keeping Assist
	Lane Keeping Alert Lane Departure Warning
	Tire Specific Low Tire Pressure Warning
	Dual Stage Driver And Passenger Front Airbags
	Safety Canopy System Curtain 1st, 2nd And 3rd Row Airbags
	Airbag Occupancy Sensor
	Driver And Passenger Knee Airbag
	Mykey System -inc: Top Speed Limiter, Audio Volume Limiter, Early Low Fuel Warning, Programmable Sound Chimes and Beltminder w/Audio Mute
	Rear Child Safety Locks
	Outboard Front Lap And Shoulder Safety Belts -inc: Rear Center 3 Point, Height Adjusters and Pretensioners
	Back-Up Camera w/Washer
WARRANTY	
	Basic Years: 3 Basic Miles/km: 36,000 Drivetrain Years: 5 Drivetrain Miles/km: 60,000 Corrosion Years: 5 Corrosion Miles/km: Unlimited Roadside Assistance Years: 5 Roadside Assistance Miles/km: 60,000

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Data Version: 14496. Data Updated: Aug 19, 2021 1:21:00 AM PDT.

ALAN JAY FLEET SALES

Sourcewell Formerly NJPA Awarded Contract

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Quote **32773-1**

PHONE (800) ALANJAY (252-6529)		DIRECT 863-385-9610		WWW.ALANJAY.COM	
Corporate Office	2003 U.S. 27 South Sebring, FL 33870	MOBILE 904-838-4999 FAX 863-402-4221		Mailing Address	P.O. BOX 9200 Sebring, FL 33871-9200

ORIGINAL QUOTE DATE
8/20/2021

QUICK QUOTE SHEET

REVISED QUOTE DATE
8/20/2021

REQUESTING AGENCY **COCOA, CITY OF**
CONTACT PERSON **TONY JONES** EMAIL TJONES@COCOAFL.ORG
PHONE **321-433-8766** MOBILE **321-355-8926** FAX **321-433-8768**

SOURCEWELL (FORMERLY NJPA) CONTRACT # 2021 120716-NAF & 0 www.NationalAutoFleetGroup.com

MODEL K7B **MSRP** $32,225.00

2021 FORD EXPLORER BASE 2WD 2.3L EcoBoost - RWD -

CUSTOMER ID POLICE **BASE VEHICLE PRICE** $27,563.00

BED LENGTH

*** All vehicles will be ordered white w/ darkest interior unless clearly stated otherwise on purchase order.*

FACTORY OPTIONS	DESCRIPTION	
YZ 7N	OXFORD WHITE EXTERIOR WITH SANDSTONE, CLOTH INTERIOR	$0.00
99H 44T	Engine: 2.3L I-4 EcoBoost (STD), Transmission: 10-Speed SelectShift Automatic	$0.00
153	FRONT LICENSE PLATE BRACKET	$0.00
BUC	FACTORY BACK UP CAMERA(STD).	$0.00
MY22	2022 MODEL YEAR TO BE PROVIDED AT NO ADDITIONAL COST. MUST ORDER BY 9/30/21	$0.00
	FACTORY OPTIONS	**$0.00**

CONTRACT OPTIONS	DESCRIPTION	
4KR	4 ADDITIONAL KEYS AND REMOTES PER VEHICLE ($215 each)	$430.00
DTF SUV	Deep tint film on SUV with full side and rear glass coverage.	$290.00
TEMP-TAG	Temporary tag	$45.00
	CONTRACT OPTIONS	**$765.00**

	VEHICLE TOTAL	**$27,563.00**
	ACCESSORY TOTAL	**$765.00**
TRADE IN	**CUSTOMER PRICE**	**$28,328.00**
YES WE TAKE TRADE INS ~~~ ASK ABOUT MUNICIPAL FINANCING ~~~		$0.00
	TOTAL COST LESS TRADE IN(S) QTY 2	**$56,656.00**

Estimated Annual payments for 60 months paid in advance: $6,344.31 Extended: $12,688.61
Municipal finance for any essential use vehicle, requires lender approval, WAC.

Comments

VEHICLE QUOTED BY **CHRISTY SELF** **GOVERNMENT ACCOUNT MANAGER** christy.self@alanjay.com

"I Want to be Your Fleet Provider"

I appreciate the opportunity to submit this quotation. Please review it carefully. If there are any errors or changes, please feel free to contact me at any time. I am always happy to be of assistance.

ALAN JAY FLEET SALES

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Quote **31560-2**

PHONE (800) ALANJAY (252-6529)		DIRECT 863-385-9610		WWW.ALANJAY.COM	
Corporate Office	2003 U.S. 27 South Sebring, FL 33870	MOBILE 904-838-4999 FAX 863-402-4221		Mailing Address	P.O. BOX 9200 Sebring, FL 33871-9200

ORIGINAL QUOTE DATE
10/19/2020

QUICK QUOTE SHEET

REVISED QUOTE DATE
8/20/2021

REQUESTING AGENCY **COCOA, CITY OF**
CONTACT PERSON **TONY JONES** EMAIL TJONES@COCOAFL.ORG
PHONE **321-433-8766** MOBILE **321-355-8926** FAX **321-433-8768**

SOURCEWELL (FORMERLY NJPA) CONTRACT # 2021 120716-NAF & 0 www.NationalAutoFleetGroup.com

MODEL K8A — **MSRP** $40,630.00

2021 FORD POLICE INTERCEPTOR UTILITY - AWD - 3.3L V6 HYBRID

CUSTOMER ID — **BASE VEHICLE PRICE** $35,574.00

BED LENGTH

*** All vehicles will be ordered white w/ darkest interior unless clearly stated otherwise on purchase order.*

FACTORY OPTIONS	DESCRIPTION	
UM 96	EXTERIOR COLOR AGATE BLACK WITH CHARCOAL BLACK CLOTH FRONT & VINYL REAR	$0.00
99W 44B	3.3L V6 Direct-Injection Hybrid System with 10-Speed Automatic Transmission.	$0.00
153	FRONT LICENSE PLATE BRACKET	$0.00
17T	RED/WHITE DOME LAMP IN CARGO AREA	$49.00
51R	DRIVER ONLY LED SPOT LAMP (UNITY)	$390.00
52P	HIDDEN DOOR-LOCK PLUNGER AND REAR DOORS INOPERABLE	$155.00
55F	REMOTE KEYLESS ENTRY (Does Not include PATS, 4-key fobs, key fobs are not fobbed alike when ordered w/Keyed-Alike)	$335.00
76R	REVERSE SENSING SYSTEM	$270.00
BUC	FACTORY BACK UP CAMERA(STD).	$0.00
MY22	2022 MODEL YEAR TO BE PROVIDED AT NO ADDITIONAL COST. MUST ORDER BY 9/30/21	$0.00
	FACTORY OPTIONS	**$1,199.00**

CONTRACT OPTIONS	DESCRIPTION	
TEMP-TAG	Temporary tag	$45.00
DTF SUV	Deep tint film on SUV with full side and rear glass coverage.	$290.00
DSS 354443-A	DANA SAFETY SUPPLY, ORLANDO - TO FURNISH AND INSTALL ALL ITEMS PER ATTACHED SALES QUOTE 402271	$15,692.00
	CONTRACT OPTIONS	**$16,027.00**

VEHICLE TOTAL $36,773.00

ACCESSORY TOTAL $16,027.00

TRADE IN

CUSTOMER PRICE $52,800.00

YES WE TAKE TRADE INS ~~~ ASK ABOUT MUNICIPAL FINANCING ~~~ $0.00

TOTAL COST LESS TRADE IN(S) **QTY** 6 **$316,800.00**

Estimated Annual payments for 60 months paid in advance: $11,825.03 Extended: $70,950.17
Municipal finance for any essential use vehicle, requires lender approval, WAC.

Comments

VEHICLE QUOTED BY **CHRISTY SELF** **GOVERNMENT ACCOUNT MANAGER** christy.self@alanjay.com

"I Want to be Your Fleet Provider"

I appreciate the opportunity to submit this quotation. Please review it carefully. If there are any errors or changes, please feel free to contact me at any time. I am always happy to be of assistance.

Sales Quote

DANA SAFETY SUPPLY, INC
4809 KOGER BLVD
GREENSBORO, NC 27407

Telephone: 800-845-0405

Sales Quote No.	402271
Customer No.	ALANJAY

Bill To	**Ship To**
ALAN JAY CHEVROLET CADILLAC INC. Scott.Wilson@alanjay.com 33871-9200	ALAN JAY FLEET PROCESSING CENTER 5330 US HWY 27 SOUTH SEBRING, FL 33871-9200
Contact: CHRIS WILSON **Telephone:** (863)402-4234 **E-mail:** kevin.slimm@alanjay.com	**Contact:** CHRIS WILSON **Telephone:** (863)402-4234 **E-mail:** kevin.slimm@alanjay.com

Quote Date	Ship Via	F.O.B.	Customer PO Number	Payment Method
08/04/21	GROUND SHIPMENT	QUOTED FREIGHT	2022 COCOA 9 W/ BOX	Net 30

Entered By	Salesperson	Ordered By	Project Name
JEFF BOEBINGER	JEFF BOEBINGER-Orlando	CHRISTY	

Order Quantity	Approve Quantity	Tax	Item Number / Description
18	18	Y	EMPS2STS4E SOI MPOWER FASCIA 4"12-LED STUD MNT BLUE/WHITE Warehouse: ORLAN Vin #: SOUNDOFF LIST PRICE $183.00 EACH 40% OFF $109.80 CONTRACT MOUNTED IN FRONT CORNERS OF HEAD LIGHTS IN CUT OUTS PROVIDED
9	9	Y	ENFTC004Q8 SOI NFORCE EXT TRAFFIC CONTR B/W Warehouse: ORLAN Vin #: 6 Head Exterior Deck/Grille Mount (WIRE EXIT) |D12||D12||D12||D12||D12||D12| |B_W||B_W||B_W||B_W||B_W||B_W| Mount Kit: PNFTCM02 Accessories: PNFLBSPLT1 Breakout Box (Included) SOUNDOFF LIST PRICE $1146.00 MOUNTED IN FRONT GRILL OPENING.
18	18	Y	ETSSVBK01 SOI 2020 FORD PIUT SPEAKER BUMPER MNT BRACKET Warehouse: ORLAN Vin #: SOUND OFF LIST PRICE $50.00

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DANA SAFETY SUPPLY, INC
4809 KOGER BLVD
GREENSBORO, NC 27407

Telephone: 800-845-0405

Sales Quote No.	402271
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Entered By	Salesperson	Ordered By	Project Name
JEFF BOEBINGER	JEFF BOEBINGER-Orlando	CHRISTY	

Order Quantity	Approve Quantity	Tax	Item Number / Description		
9	9	Y	ENGKTGD001 SOI BLUEPrint "Gold Package" Control System Warehouse: ORLAN Vin #: bluePRINT® Control System - Gold Package contains: - 2 ea ETSS100N Speakers - 2 ea ENGND04101 Remote Nodes - 1 ea ENGCC01243 Central Controller - 1 ea ENGSA07152 Siren 480 series 200w amp - 1 ea ENGCP18002 Control Panel - 2 ea ENGHNK03 Remote Node Harness - 1 ea ENGHNK04 Central control Harness		

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Sales Quote

DANA SAFETY SUPPLY, INC
4809 KOGER BLVD
GREENSBORO, NC 27407

Telephone: 800-845-0405

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Quote Date	Ship Via	F.O.B.	Customer PO Number	Payment Method
08/04/21	GROUND SHIPMENT	QUOTED FREIGHT	2022 COCOA 9 W/ BOX	Net 30

Entered By	Salesperson	Ordered By	Project Name
JEFF BOEBINGER	JEFF BOEBINGER-Orlando	CHRISTY	

Order Quantity	Approve Quantity	Tax	Item Number / Description		
9	9	Y	EMPLB006R1-033 SOI MPOWER 55" LIGHTBAR B/W/A Warehouse: ORLAN Vin #: 55"/139cm 10-16 Volt MPOWER 6 INCH LED LIGHTBAR W/ LIN DSC TECHNOLOGY /D08//D08/|D12||D12||D12||D12||D12||D12||D12|\D08\\D08\ /B_W//B_W/ |B_W||B_W||B_W||B_W||B_W||B_W||B_W| \B_W\\B_W\ |S04| | SILVER | O |S04| |WHT| | CLEAR | O |WHT| \D08\\D08\ |D12||D12||D12||D12||D12||D12||D12| /D08//D08/ \B_W\\B_W|B_A||B_A||B_A||B_A||B_A||B_A||B_A|/B_W//B_W/ Accessories - PNFLBSPLT1, AUTO-DIM Mount - Fixed Height Mount (PMPLBK01) Hook - PNFLBF32 INSTALLED ON ALL9 PATROLS, SOUNDOFF LIST PRICE $4820.00		
18	18	Y	ESLRL6105E SOI 61" SL RUNNING LIGHT BLUE/WHITE Warehouse: ORLAN Vin #:		

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Sales Quote

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4809 KOGER BLVD
GREENSBORO, NC 27407

Telephone: 800-845-0405

Sales Quote No.	402271
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Bill To

ALAN JAY CHEVROLET CADILLAC INC.
Scott.Wilson@alanjay.com
33871-9200

Contact: CHRIS WILSON
Telephone: (863)402-4234
E-mail: kevin.slimm@alanjay.com

Ship To

ALAN JAY FLEET PROCESSING CENTER
5330 US HWY 27 SOUTH
SEBRING, FL 33871-9200

Contact: CHRIS WILSON
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E-mail: kevin.slimm@alanjay.com

Quote Date	Ship Via	F.O.B.	Customer PO Number	Payment Method
08/04/21	GROUND SHIPMENT	QUOTED FREIGHT	2022 COCOA 9 W/ BOX	Net 30

Entered By	Salesperson	Ordered By	Project Name
JEFF BOEBINGER	JEFF BOEBINGER-Orlando	CHRISTY	

Order Quantity	Approve Quantity	Tax	Item Number / Description
9	9	Y	7170-0734-02 GJ VS CONSOLE PKG 2020+ FORD PIUT Warehouse: ORLAN Vin #: PACKAGE INCLUDES CONSOLE, DUAL CUPHOLDER, PRINTER ARMREST, AND THE FOLLOWING EQUIPMENT MOUNTING BRACKETS: 1- SOUNDOFF BLUEPRINT CONTROLLER 2- MOTOROLA RADIO 3 INCH 1- 1- ALSO INCLUDES ANY BLANK FILLER PANELS NECESSARY TO COMPLETE THE INSTALLATION **********
9	9	Y	7160-0220 GJ MONGOOSE 9 LOCKING SLIDE ARM W/TILT SWIVEL Warehouse: ORLAN Vin #: MOUNTS TO POST OR TO FLAT SURFACE(DASH, DOGHOUSE, OR CONSOLE) ********** *** GAMBER JOHNSON LIST PRICE $354.00 30% OFF $254.88
9	9	Y	PK0602ITU20SCA SMC #10VS C RP UNCOATED PARTITION 2020 EXP Warehouse: ORLAN Vin #: SETINA LIST PRICE $919.00

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Sales Quote

DANA SAFETY SUPPLY, INC
4809 KOGER BLVD
GREENSBORO, NC 27407

Telephone: 800-845-0405

Sales Quote No.	402271
Customer No.	ALANJAY

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Quote Date	Ship Via	F.O.B.	Customer PO Number	Payment Method
08/04/21	GROUND SHIPMENT	QUOTED FREIGHT	2022 COCOA 9 W/ BOX	Net 30

Entered By	Salesperson	Ordered By	Project Name
JEFF BOEBINGER	JEFF BOEBINGER-Orlando	CHRISTY	

Order Quantity	Approve Quantity	Tax	Item Number / Description		
9	9	Y	WK0514ITU20 SMC VERTICALSTEEL WINDOW BARS FOR 2020 EXPL Warehouse: ORLAN Vin #: SETINA LIST PRICE $279.00		
9	9	Y	QK0566ITU20 SMC OEM REPLACMENT PRISONER SEAT W/ 12 VS CARO Warehouse: ORLAN Vin #: 2020 PIUT OEM Full Replacement Transport Seat TPO Plastic, with Center Pull Seat Belts & #12VS POLY Cargo Partition ********** SETINA LIST PRICE $1399.00		
9	9	Y	WK0040ITU20 SMC 3 PC HORIZ REAR CARGO WINDOW BARRIERS 2020 Warehouse: ORLAN Vin #: SETINA LIST PRICE $369.00		
9	9	Y	7160-0432 Gamber Johnson Face Face Plate Warehouse: ORLAN Vin #: INCLUDED IN CONSOLE		
9	9	Y	7160-0826 GAMBE Adjustable Mic Clip Warehouse: ORLAN Vin #:		

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Sales Quote

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4809 KOGER BLVD
GREENSBORO, NC 27407

Telephone: 800-845-0405

Sales Quote No.	402271
Customer No.	ALANJAY

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Quote Date	Ship Via	F.O.B.	Customer PO Number	Payment Method
08/04/21	GROUND SHIPMENT	QUOTED FREIGHT	2022 COCOA 9 W/ BOX	Net 30

Entered By	Salesperson	Ordered By	Project Name
JEFF BOEBINGER	JEFF BOEBINGER-Orlando	CHRISTY	

Order Quantity	Approve Quantity	Tax	Item Number / Description
18	18	Y	ENFDGS3BW SOI DUAL NFORCE DECK/GRILL 12 LED LT BLUE/WHITE Warehouse: ORLAN Vin #: SOUNDOFF LIST PRICE $441.00 40% OFF CONTRACT $261.02 MOUNTED IN REAR CARGO WINDOWS ON EACH SIDE.
18	18	Y	EMPS2STS4E SOI MPOWER FASCIA 4"12-LED STUD MNT BLUE/WHITE Warehouse: ORLAN Vin #: SOUNDOFF LIST PRICE $206.00 40% OFF CONTRACT $109.80 MOUNTED UNDER TRIM PANEL ON EACH SIDE OF LICENSE PLATE AT REAR.
18	18	Y	PMP2BKDGAJ SOI 4" mPOWER 90 DEGREE MOUNTING BRACKET, BLACK Warehouse: ORLAN Vin #: SOUNDOFF LIST PRICE $13.00 40% OFF CONTRACT $7.20
18	18	Y	EMPS1STS1B SOI MPOWER FASCIA 3" 4-LED STUD MNT BLUE Warehouse: ORLAN Vin #: SOUNDOFF LIST PRICE $175.00 40% OFF CONTRACT MOUNTED IN SIDE REAR DECK WHEN OPENED TO BE SWITCHED ON PANEL

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Sales Quote

DANA SAFETY SUPPLY, INC
4809 KOGER BLVD
GREENSBORO, NC 27407

Telephone: 800-845-0405

Sales Quote No.	402271
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Quote Date	Ship Via	F.O.B.	Customer PO Number	Payment Method
08/04/21	GROUND SHIPMENT	QUOTED FREIGHT	2022 COCOA 9 W/ BOX	Net 30

Entered By	Salesperson	Ordered By	Project Name
JEFF BOEBINGER	JEFF BOEBINGER-Orlando	CHRISTY	

Order Quantity	Approve Quantity	Tax	Item Number / Description
9	9	Y	ENGLMK008 SOI BLUEPRINT LINK MICRO KIT Warehouse: ORLAN Vin #: SOUNDOFF LIST PRICE $517.00
9	9	Y	ENFWB001LY SOI REAR WINDOW BAR UPPER Warehouse: ORLAN Vin #: MOUNTED IN REAR UPPER DECK. SOUNDOFF LIST PRICE 1381.00
9	9	Y	TK0254ITU20 SMC CARGO BX W/OPEN TOP TRAY & SLIDING BASE W/KE LOCK Warehouse: ORLAN Vin #: 2020 PI UTILITY TOA TRAY OPEN TOP WITH ANCHOR POINTS BSK BASE SLIDING WITH KEY LOCK SETINA LIST PRICE $1119.00 EACH
9	9	Y	TPA9289 SMC CARGO BOX SLIDING RADIO TRAY (TRN) Warehouse: ORLAN Vin #: RADIO TRAY FOR CARGO BOX WITH NO LOCK ********** SETINA LIST PRICE $389.99 EACH

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Sales Quote

DANA SAFETY SUPPLY, INC
4809 KOGER BLVD
GREENSBORO, NC 27407

Telephone: 800-845-0405

Sales Quote No.	402271
Customer No.	ALANJAY

Bill To	Ship To
ALAN JAY CHEVROLET CADILLAC INC. Scott.Wilson@alanjay.com 33871-9200	ALAN JAY FLEET PROCESSING CENTER 5330 US HWY 27 SOUTH SEBRING, FL 33871-9200
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Quote Date	Ship Via	F.O.B.	Customer PO Number	Payment Method
08/04/21	GROUND SHIPMENT	QUOTED FREIGHT	2022 COCOA 9 W/ BOX	Net 30

Entered By	Salesperson	Ordered By	Project Name
JEFF BOEBINGER	JEFF BOEBINGER-Orlando	CHRISTY	

Order Quantity	Approve Quantity	Tax	Item Number / Description
36	36	Y	ELUC3H025E SOI Universal UnderCover Screw-In LED Insert Single Li Warehouse: ORLAN Vin #: Single Light Kit BLUE/WHITE MOUNTED IN HEAD LIGHTS AND REVERSE LIGHT POCKETS. USE ADAPTER TO CLIP IN.
36	36	Y	PLUCTCL1 SOI REPLACEMENT COLLAR KIT FOR TWIST-IN UNDERCO Warehouse: ORLAN Vin #: USED TO PLUG AND PLAY FRONT AND REAR HOUSINGS.
9	9	Y	INSTALL KIT MISC INSTALLATION SUPPLIES I.E. Warehouse: ORLAN Vin #: LOOM, WIRE, HARDWARE, CONNECTORS, ETC **********
9	9	N	INSTALL DSS INSTALLATION OF EQUIPMENT BLUE PRINT SOI Warehouse: ORLAN Vin #:

Print Date	08/04/21
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JEFF BOEBINGER	JEFF BOEBINGER-Orlando	CHRISTY	

Order Quantity	Approve Quantity	Tax	Item Number / Description		
9	9	Y	C-EB40-CCS-1P HAV CENCOM EQUIP BRACKET 1PC FACEPLATE Warehouse: ORLAN Vin #: SOUNDOFF LIST PRICE $206.00 MOUNTED IN FRONT CORNERS OF HEADLIGHTS IN FACTORY CUT OUTS. PER CITY OF COCOA PD SPEC FOR 2022 PATROL EXPLORER. ALL PIECES FOR QTY 9 2022 FORD EXPLORER PIU / ***update qty to 6		

Approved By: _____

☐ **Approve All Items & Quantities**

Quote Good for 30 Days

Print Date	08/04/21
Print Time	04:49:02 PM
Page No.	9

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ALAN JAY FLEET SALES

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Awarded Contract

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Quote **30344-3**

PHONE (800) ALANJAY (252-6529)		DIRECT 863-385-9610		WWW.ALANJAY.COM	
Corporate Office	2003 U.S. 27 South Sebring, FL 33870	MOBILE 904-838-4999 FAX 863-402-4221		Mailing Address	P.O. BOX 9200 Sebring, FL 33871-9200

ORIGINAL QUOTE DATE
3/4/2021

QUICK QUOTE SHEET

REVISED QUOTE DATE
8/19/2021

REQUESTING AGENCY **COCOA, CITY OF**
CONTACT PERSON **TONY JONES** EMAIL TJONES@COCOAFL.ORG
PHONE **321-433-8766** MOBILE **321-355-8926** FAX **321-433-8768**

SOURCEWELL (FORMERLY NJPA) CONTRACT # 2021 120716-NAF & 0 www.NationalAutoFleetGroup.com

MODEL R1E 100A — **MSRP** $24,410.00

2021 FORD RANGER SUPER CAB 2WD XL 6' BED

CUSTOMER ID PUBLIC WORKS GROUNDS - 3520 — **BASE VEHICLE PRICE** $22,878.00

BED LENGTH

*** All vehicles will be ordered white w/ darkest interior unless clearly stated otherwise on purchase order.*

FACTORY OPTIONS	DESCRIPTION	
YZ SH	EXTERIOR COLOR OXFORD WHITE WITH EBONY FRONT VINYL INTERIOR	$0.00
99H 44U	Engine: 2.3L I-4 EcoBoost (99H) w/ 10-Speed Automatic Transmission: (44U) (STD RANGER)	$0.00
153	FRONT LICENSE PLATE BRACKET	$0.00
67F	XL Power Equipment Group -inc: Perimeter Alarm, Remote Key Fob w/Tailgate Lock, Power Glass Sideview Mirrors	$350.00
MY22	2022 MODEL YEAR TO BE PROVIDED AT NO ADDITIONAL COST. MUST ORDER BY 9/30/21	$0.00
	FACTORY OPTIONS	**$350.00**

CONTRACT OPTIONS	DESCRIPTION	
TEMP-TAG	Temporary tag	$45.00
3KR	Additional key and remote, cut and programmed.	$215.00
K A672LP RNG	Knapheide 6.5' utility body for extended cab Ranger with 31'' CA(Includes 2nd Stage MSO, Weight Slip, & Completed Vehicle Certification.)	$8,345.00
CAMERA RR	Remove and re-install factory camera from tailgate.	$260.00
HD USOB	HD Scorpion spray on bed liner applied inside cargo area of 8' & 9' utility body.	$685.00
DTF 4 TRK	Deep tint film installed on four doors and back glass for extended/crew cab pickups.	$255.00
	CONTRACT OPTIONS	**$9,805.00**

VEHICLE TOTAL $23,228.00

ACCESSORY TOTAL $9,805.00

TRADE IN — **CUSTOMER PRICE** $33,033.00

YES WE TAKE TRADE INS ~~~ ASK ABOUT MUNICIPAL FINANCING ~~~ $0.00

TOTAL COST LESS TRADE IN(S) **QTY** 1 **$33,033.00**

Estimated Annual payments for 60 months paid in advance: $7,398.03
Municipal finance for any essential use vehicle, requires lender approval, WAC.

Comments

VEHICLE QUOTED BY **CHRISTY SELF** **GOVERNMENT ACCOUNT MANAGER** christy.self@alanjay.com

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Quote **32534-2**

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Corporate Office	2003 U.S. 27 South Sebring, FL 33870	MOBILE 904-838-4999 FAX 863-402-4221		Mailing Address	P.O. BOX 9200 Sebring, FL 33871-9200

ORIGINAL QUOTE DATE
7/30/2021

QUICK QUOTE SHEET

REVISED QUOTE DATE
8/19/2021

REQUESTING AGENCY **COCOA, CITY OF**
CONTACT PERSON **TONY JONES** EMAIL TJONES@COCOAFL.ORG
PHONE **321-433-8766** MOBILE **321-355-8926** FAX **321-433-8768**

SOURCEWELL (FORMERLY NJPA) CONTRACT # 2021 120716-NAF & 0 www.NationalAutoFleetGroup.com

MODEL R1F 100A — **MSRP** $28,570.00

2021 FORD RANGER SUPER CAB 4WD XL 6' BED

CUSTOMER ID STREETS-STORMWATER 3510/ 3570 — **BASE VEHICLE PRICE** $24,604.00

BED LENGTH

*** All vehicles will be ordered white w/ darkest interior unless clearly stated otherwise on purchase order.*

FACTORY OPTIONS	DESCRIPTION	
YZ SH	EXTERIOR COLOR OXFORD WHITE WITH EBONY FRONT VINYL INTERIOR	$0.00
99H 44U	Engine: 2.3L I-4 EcoBoost (99H) w/ 10-Speed Automatic Transmission: (44U) (STD RANGER)	$0.00
153	FRONT LICENSE PLATE BRACKET	$0.00
67F	XL Power Equipment Group -inc: Perimeter Alarm, Remote Key Fob w/Tailgate Lock, Power Glass Sideview Mirrors	$350.00
MY22	2022 MODEL YEAR TO BE PROVIDED AT NO ADDITIONAL COST. MUST ORDER BY 9/30/21	$0.00
	FACTORY OPTIONS	**$350.00**

CONTRACT OPTIONS	DESCRIPTION	
TEMP-TAG	Temporary tag	$45.00
3KR	Additional key and remote, cut and programmed.	$215.00
HD SOB SH	HD Scorpion spray on bed liner (short bed) under rail.	$540.00
DTF 4 TRK	Deep tint film installed on four doors and back glass for extended/crew cab pickups.	$255.00
	CONTRACT OPTIONS	**$1,055.00**

VEHICLE TOTAL $24,954.00

ACCESSORY TOTAL $1,055.00

TRADE IN **CUSTOMER PRICE** $26,009.00

YES WE TAKE TRADE INS ~~~ ASK ABOUT MUNICIPAL FINANCING ~~~ $0.00

TOTAL COST LESS TRADE IN(S) **QTY** 1 $26,009.00

Estimated Annual payments for 60 months paid in advance: $5,824.95
Municipal finance for any essential use vehicle, requires lender approval, WAC.

Comments

VEHICLE QUOTED BY **CHRISTY SELF** **GOVERNMENT ACCOUNT MANAGER** christy.self@alanjay.com

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PHONE (800) ALANJAY (252-6529)		DIRECT 863-385-9610	WWW.ALANJAY.COM	Quote 30163-5
Corporate Office	2003 U.S. 27 South Sebring, FL 33870	MOBILE 904-838-4999 FAX 863-402-4221	Mailing Address	P.O. BOX 9200 Sebring, FL 33871-9200

Sourcewell Formerly NJPA — Awarded Contract

ORIGINAL QUOTE DATE 2/22/2021

QUICK QUOTE SHEET

REVISED QUOTE DATE 8/20/2021

REQUESTING AGENCY **COCOA, CITY OF**
CONTACT PERSON **TONY JONES** EMAIL TJONES@COCOAFL.ORG
PHONE **321-433-8766** MOBILE **321-355-8926** FAX **321-433-8768**

SOURCEWELL (FORMERLY NJPA) CONTRACT # 2021 120716-NAF & 0 www.NationalAutoFleetGroup.com

MODEL R3U — **MSRP** $45,950.00

2021 FORD TRANSIT T-250 CARGO VAN HIGH ROOF 148"EL WB WITH 9070 GVWR - AWD -

CUSTOMER ID DYAL PLANT - 4020 — **BASE VEHICLE PRICE** $36,938.00

BED LENGTH 148"WB

*** All vehicles will be ordered white w/ darkest interior unless clearly stated otherwise on purchase order.*

FACTORY OPTIONS	DESCRIPTION	
YZ VK	Exterior color Oxford White with Dark Palazzo, Vinyl Front Bucket Seats .	$0.00
998 44U	3.5L PFDI V6 WITH 10-SPEED TRANSMISSION.	$0.00
153	FRONT LICENSE PLATE BRACKET	$0.00
16E	FRONT AND REAR VINYL FLOOR COVERING	$240.00
17A	FIXED REAR CARGO DOOR GLASS ONLY (NO SIDE CARGO DOOR GLASS)	$245.00
86F	2 ADD'L KEYS with FOBS	$70.00
MY22	2022 MODEL YEAR TO BE PROVIDED AT NO ADDITIONAL COST. MUST ORDER BY 9/30/21	$0.00
	FACTORY OPTIONS	**$555.00**

CONTRACT OPTIONS	DESCRIPTION	
TEMP-TAG	Temporary tag	$45.00
DTF G VAN	Deep tint film on cargo van with side and rear door glass.	$260.00
AWV 4317TH148X	Adrian Steel General Service Shelving Package for Full Size Transit Cargo High Roof 148" Wheel Base Extended furnished and installed by Advanced Work Vans of Florida.	$4,395.00
AWV DDLR63FTH	Adrian Steel Double Slide Down Ladder rack Ford Full Size Transit Cargo High Roof furnished and installed by Advanced Work Vans of Florida.	$3,035.00
	CONTRACT OPTIONS	**$7,735.00**

VEHICLE TOTAL	**$37,493.00**
ACCESSORY TOTAL	**$7,735.00**
CUSTOMER PRICE	**$45,228.00**
TRADE IN	
YES WE TAKE TRADE INS ~~~ ASK ABOUT MUNICIPAL FINANCING ~~~	$0.00
TOTAL COST LESS TRADE IN(S) QTY 1	**$45,228.00**

Estimated Annual payments for 60 months paid in advance: $10,129.21
Municipal finance for any essential use vehicle, requires lender approval, WAC.

Comments

VEHICLE QUOTED BY **CHRISTY SELF** **GOVERNMENT ACCOUNT MANAGER** christy.self@alanjay.com

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ALAN JAY FLEET SALES

Sourcewell Formerly NJPA Awarded Contract

Call Us first, for all of your Fleet Automotive, & Light Truck needs.

Quote **32769-1**

PHONE (800) ALANJAY (252-6529)		DIRECT 863-385-9610		WWW.ALANJAY.COM	
Corporate Office	2003 U.S. 27 South Sebring, FL 33870	MOBILE 904-838-4999 FAX 863-402-4221		Mailing Address	P.O. BOX 9200 Sebring, FL 33871-9200

ORIGINAL QUOTE DATE 8/20/2021

QUICK QUOTE SHEET

REVISED QUOTE DATE 8/20/2021

REQUESTING AGENCY **COCOA, CITY OF**

CONTACT PERSON **TONY JONES** EMAIL TJONES@COCOAFL.ORG

PHONE **321-433-8766** MOBILE **321-355-8926** FAX **321-433-8768**

SOURCEWELL (FORMERLY NJPA) CONTRACT # 2021 120716-NAF & 0 www.NationalAutoFleetGroup.com

MODEL S6E — **MSRP** $24,655.00

2021 FORD TRANSIT CONNECT CARGO XL 104.8"-SWB WITH REAR SYM DOORS

CUSTOMER ID

BASE VEHICLE PRICE $22,167.00

BED LENGTH

*** All vehicles will be ordered white w/ darkest interior unless clearly stated otherwise on purchase order.*

FACTORY OPTIONS	DESCRIPTION	
Z2 SB	Frozen White Exterior with Ebony Vinyl Seat Trim	$0.00
992 448	2.0L I4 ENGINE WITH 8-SPEED AUTOMATIC TRANSMISSION.	$0.00
76R	REVERSE SENSING SYSTEM	$290.00
87R	Key Fobs (2 Additional)	$64.00
S6S	MY22 MODEL CODE CHANGE	$0.00
MY22	2022 MODEL YEAR TO BE PROVIDED AT NO ADDITIONAL COST. MUST ORDER BY 9/30/21	$0.00
	FACTORY OPTIONS	**$354.00**

CONTRACT OPTIONS	DESCRIPTION	
TEMP-TAG	Temporary tag	$45.00
40670	Ford Transit Connect Partition only with perforated top (door not available on compact cargo)	$615.00
DTF G VAN	Deep tint film on cargo van with side and/or rear door glass.	$260.00
	CONTRACT OPTIONS	**$920.00**

VEHICLE TOTAL $22,521.00

ACCESSORY TOTAL $920.00

TRADE IN

CUSTOMER PRICE $23,441.00

YES WE TAKE TRADE INS ~~~ ASK ABOUT MUNICIPAL FINANCING ~~~ $0.00

TOTAL COST LESS TRADE IN(S) **QTY** 1 $23,441.00

Estimated Annual payments for 60 months paid in advance: $5,249.82

Municipal finance for any essential use vehicle, requires lender approval, WAC.

Comments

VEHICLE QUOTED BY **CHRISTY SELF** **GOVERNMENT ACCOUNT MANAGER** christy.self@alanjay.com

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ALAN JAY FLEET
CHRISTY SELF | 863-385-9610 | CHRISTY.SELF@ALANJAY.COM

Vehicle: [Fleet] 2022 Ford Transit Connect Van (S6S) XL SWB w/Rear Symmetrical Doors (✓ Complete)



Note:Photo may not represent exact vehicle or selected equipment.

Window Sticker

SUMMARY

[Fleet] 2022 Ford Transit Connect Van (S6S) XL SWB w/Rear Symmetrical Doors — MSRP:$25,175.00

Interior:Ebony, Vinyl Front Bucket Seats

Exterior 1:Frozen White

Exterior 2:No color has been selected.

Engine: 2.0L GDI I-4 Gas

Transmission: 8-Speed SelectShift Automatic

OPTIONS

CODE	MODEL		MSRP
S6S	[Fleet] 2022 Ford Transit Connect Van (S6S) XL SWB w/Rear Symmetrical Doors		$25,175.00
	OPTIONS		
100A	Order Code 100A		$0.00
448	Transmission: 8-Speed SelectShift Automatic		$0.00
51C	80 Amp 800 CCA Heavy Duty Battery	Inc.	
76R	Reverse Sensing System		$295.00
87R	Key Fobs (2 Additional)		$65.00
992	Engine: 2.0L GDI I-4 Gas	Inc.	

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Data Version: 14504. Data Updated: Aug 19, 2021 11:55:00 PM PDT.

Vehicle: [Fleet] 2022 Ford Transit Connect Van (S6S) XL SWB w/Rear Symmetrical Doors (✓ Complete)

SB	Ebony, Vinyl Front Bucket Seats	$0.00
Z2	Frozen White	$0.00
___	Axle Ratio: TBD	$0.00
	SUBTOTAL	**$25,535.00**
	Adjustments Total	$0.00
	Destination Charge	$1,395.00
	TOTAL PRICE	**$26,930.00**

FUEL ECONOMY

Est City:24 MPG

Est Highway:27 MPG

Est Highway Cruising Range:426.60 mi

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Data Version: 14504. Data Updated: Aug 19, 2021 11:55:00 PM PDT.

Vehicle: [Fleet] 2022 Ford Transit Connect Van (S6S) XL SWB w/Rear Symmetrical Doors (✓ Complete)

Standard Equipment

Mechanical	
	Engine: 2.0L GDI I-4 Gas -inc: auto start/stop technology and EcoMode, 80 Amp 800 CCA Heavy Duty Battery, (STD)
	Transmission: 8-Speed SelectShift Automatic (STD)
	Axle Ratio: TBD (STD)
	50-State Emissions System
	Transmission w/SelectShift Sequential Shift Control
	Front-Wheel Drive
	80-Amp/Hr 800CCA Maintenance-Free Battery w/Run Down Protection
	150 Amp Alternator
	1510# Maximum Payload
	GVWR: TBD
	Gas-Pressurized Shock Absorbers
	Front And Rear Anti-Roll Bars
	Electric Power-Assist Steering
	15.8 Gal. Fuel Tank
	Single Stainless Steel Exhaust
	Strut Front Suspension w/Coil Springs
	Torsion Beam Rear Suspension w/Coil Springs
	4-Wheel Disc Brakes w/4-Wheel ABS, Front Vented Discs, Brake Assist and Hill Hold Control
Exterior	
	Wheels: 16" Sparkle Silver-Painted Steel -inc: full wheel covers (non-locking lugs)
	Tires: 215/55R16 97H XL AS
	Steel Spare Wheel
	Full-Size Spare Tire Stored Underbody w/Crankdown
	Clearcoat Paint
	Black Front Bumper
	Black Rear Bumper
	Black Bodyside Moldings
	Black Side Windows Trim and Black Front Windshield Trim
	Black Door Handles

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Data Version: 14504. Data Updated: Aug 19, 2021 11:55:00 PM PDT.

ALAN JAY FLEET

CHRISTY SELF | 863-385-9610 | CHRISTY.SELF@ALANJAY.COM

Vehicle: [Fleet] 2022 Ford Transit Connect Van (S6S) XL SWB w/Rear Symmetrical Doors (✓ Complete)

Exterior	
	Black Manual Side Mirrors w/Convex Spotter and Manual Folding
	Light Tinted Glass
	Rain Detecting Variable Intermittent Wipers
	Fully Galvanized Steel Panels
	Black Grille
	Sliding Rear Doors
	Split Swing-Out Rear Cargo Access
	Tailgate/Rear Door Lock Included w/Power Door Locks
	Autolamp Auto On/Off Aero-Composite Halogen Daytime Running Lights Preference Setting Headlamps w/Delay-Off
	Perimeter/Approach Lights
Entertainment	
	Radio w/Seek-Scan, Clock, Speed Compensated Volume Control, Aux Audio Input Jack, Steering Wheel Controls, Voice Activation, Radio Data System and External Memory Control
	Radio: AM/FM w/Bluetooth -inc: 4.2" LCD multi-function display screen, 1 USB port and 4 front speakers
	Streaming Audio
	Integrated Roof Antenna
	1 LCD Monitor In The Front
Interior	
	Driver Seat
	Passenger Seat
	Manual Tilt/Telescoping Steering Column
	Gauges -inc: Speedometer, Odometer, Engine Coolant Temp, Tachometer, Trip Odometer and Trip Computer
	Front Cupholder
	Remote Keyless Entry w/Integrated Key Transmitter and Illuminated Entry
	Manual Air Conditioning
	Glove Box
	Driver Foot Rest
	Front Cloth Headliner
	Cloth Door Trim Insert
	Urethane Gear Shifter Material

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Data Version: 14504. Data Updated: Aug 19, 2021 11:55:00 PM PDT.

Vehicle: [Fleet] 2022 Ford Transit Connect Van (S6S) XL SWB w/Rear Symmetrical Doors (✓ Complete)

Interior	
	Vinyl Front Bucket Seats -inc: 6-way manual driver seat (fore/aft, up/down, recline) and 4-way manual passenger seat (fore/aft, recline) w/fold-flat back
	Full Floor Console w/Storage, Full Overhead Console w/Storage and 2 12V DC Power Outlets
	Delay Off Interior Lighting
	Front Only Vinyl/Rubber Floor Covering
	Vinyl/Rubber Floor Trim
	Cargo Space Lights
	Tracker System
	Driver And Passenger Door Bins
	Power 1st Row Windows w/Driver 1-Touch Down
	Delayed Accessory Power
	Power Door Locks w/Autolock Feature
	Systems Monitor
	Redundant Digital Speedometer
	Trip Computer
	Outside Temp Gauge
	Analog Appearance
	Seats w/Vinyl Back Material
	Manual Adjustable Front Head Restraints
	Driver And Front Passenger Armrests
	Securilock Anti-Theft Ignition (pats) Engine Immobilizer
	2 12V DC Power Outlets
Safety-Mechanical	
	AdvanceTrac w/Roll Stability Control Electronic Stability Control (ESC) And Roll Stability Control (RSC)
	ABS And Driveline Traction Control
Safety-Exterior	
	Side Impact Beams
Safety-Interior	
	Dual Stage Driver And Passenger Seat-Mounted Side Airbags
	Ford Co-Pilot360 - Automatic Emergency Braking (AEB)
	Collision Mitigation-Front

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Data Version: 14504. Data Updated: Aug 19, 2021 11:55:00 PM PDT.

Vehicle: [Fleet] 2022 Ford Transit Connect Van (S6S) XL SWB w/Rear Symmetrical Doors (✓ Complete)

Safety-Interior	
	Low Tire Pressure Warning
	Dual Stage Driver And Passenger Front Airbags
	Safety Canopy System Curtain 1st Row Airbags
	Airbag Occupancy Sensor
	Outboard Front Lap And Shoulder Safety Belts -inc: Height Adjusters and Pretensioners
	Ford Co-Pilot360 - Reverse Camera Back-Up Camera
WARRANTY	
	Basic Years: 3 Basic Miles/km: 36,000 Drivetrain Years: 5 Drivetrain Miles/km: 60,000 Corrosion Years: 5 Corrosion Miles/km: Unlimited Roadside Assistance Years: 5 Roadside Assistance Miles/km: 60,000

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Data Version: 14504. Data Updated: Aug 19, 2021 11:55:00 PM PDT.

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Sourcewell Formerly NJPA
Awarded Contract

PHONE (800) ALANJAY (252-6529)		DIRECT 863-385-9610		WWW.ALANJAY.COM	Quote 32766-1
Corporate Office	2003 U.S. 27 South Sebring, FL 33870	MOBILE 904-838-4999 FAX 863-402-4221		Mailing Address	P.O. BOX 9200 Sebring, FL 33871-9200

ORIGINAL QUOTE DATE
8/19/2021

QUICK QUOTE SHEET

REVISED QUOTE DATE
9/9/2021

REQUESTING AGENCY **COCOA, CITY OF**
CONTACT PERSON **TONY JONES** EMAIL TJONES@COCOAFL.ORG
PHONE **321-433-8766** MOBILE **321-355-8926** FAX **321-433-8768**

SOURCEWELL (FORMERLY NJPA) CONTRACT # 2021 120716-NAF & 06 www.NationalAutoFleetGroup.com

MODEL W1E 100A — **MSRP** $40,160.00

2021 FORD F-150 CREW CAB 4WD XL 5.5' BED 145" WB

CUSTOMER ID FIRE DEPT - 2200 — **BASE VEHICLE PRICE** $28,359.00

BED LENGTH 5.5

*** All vehicles will be ordered white w/ darkest interior unless clearly stated otherwise on purchase order.*

FACTORY OPTIONS	DESCRIPTION	
PQ AS	EXTERIOR COLOR RACE RED WITH STEEL HD VINYL 40/20/40 SPLIT BENCH SEAT	$0.00
99B 44G	Engine: 3.3L V6 PFDI, Transmission: Electronic 10-Speed Automatic	$0.00
153	FRONT LICENSE PLATE BRACKET	$0.00
413	FACTORY SKID PLATES (fuel tank, transfer case and front differential) with selection of 924 req's 100A	$155.00
53B	Class IV Trailer Hitch Receiver	$200.00
XL6	3:73 E-LOCKING REAR DIFFERENTIAL	$565.00
PW PL	PWR WINDOWS AND LOCKS (INCL)	$0.00
RKE	REMOTE KEYLESS ENTRY (STD)	$0.00
BUC	FACTORY BACK UP CAMERA(STD).	$0.00
MY22	2022 MODEL YEAR TO BE PROVIDED AT NO ADDITIONAL COST. MUST ORDER BY 9/30/21	$0.00
	FACTORY OPTIONS	**$920.00**

CONTRACT OPTIONS	DESCRIPTION	
TEMP-TAG	Temporary tag	$45.00
DTF 4 TRK	DEEP TINT FILM 4 DOORS AND BACK GLASS EXT/CREW CAB TRUCK	$255.00
HD SOB SH	HD Scorpion spray on bed liner (short bed) under rail.	$540.00
3K SMART	3rd key and remote for vehicles with proximity access	$340.00
WPUMP-1-TRK-295	Whelen premium unmarked patrol package for trucks consists of front and rear full width interior LED system with LED takedown lights; four corner LED system, 295SLSA6 combination light and siren controller, speaker, and vehicle specific bracket.	$3,490.00
C3 OUTLINER-60	CODE3 OUTLINER 60'' INSTALLED ALONG RUNNING BOARD. Red/White	$975.00
W 4CNR-2GL+2TL RW	Whelen (4) corner LED kit with (2) T-series ion's mounted in grille and (2) vertex mounted in rear tail lights. (Red/White)	$680.00
TP-F150-WBCON20	TROY PRODUCTS 20'' wide-body console with 8'' slope / 12'' level and open storage on side of console. Includes floorplate and faceplates, 4'' dual cup internal beverage holder, 4'' shallow console tray, (2) DC outlets & (1) dual-port USB module, height adjustable swivel arm rest with 5''x8'' foam pad that bolts to the rear of console.	$940.00
	CONTRACT OPTIONS	**$7,265.00**

SOURCEWELL (FORMERLY NJPA) CONTRACT # 2021 120716-NAF & 06 **www.NationalAutoFleetGroup.com**

	VEHICLE TOTAL	**$29,279.00**
	ACCESSORY TOTAL	**$7,265.00**
TRADE IN	**CUSTOMER PRICE**	**$36,544.00**
YES WE TAKE TRADE INS ~~~ ASK ABOUT MUNICIPAL FINANCING ~~~		$0.00
	TOTAL COST LESS TRADE IN(S) QTY 1	**$36,544.00**

Estimated Annual payments for 60 months paid in advance: $8,184.35
Municipal finance for any essential use vehicle, requires lender approval, WAC.

Comments

VEHICLE QUOTED BY **CHRISTY SELF** **GOVERNMENT ACCOUNT MANAGER** christy.self@alanjay.com

"I Want to be Your Fleet Provider"

I appreciate the opportunity to submit this quotation. Please review it carefully. If there are any errors or changes, please feel free to contact me at any time. I am always happy to be of assistance.

ALAN JAY FLEET

CHRISTY SELF | 863-385-9610 | CHRISTY.SELF@ALANJAY.COM

Vehicle: [Fleet] 2021 Ford F-150 (W1E) XL 4WD SuperCrew 5.5' Box (✔ Complete)



Note:Photo may not represent exact vehicle or selected equipment.

Window Sticker

SUMMARY

[Fleet] 2021 Ford F-150 (W1E) XL 4WD SuperCrew 5.5' Box — MSRP:$40,510.00

Interior:Black Medium Dark Slate, Vinyl 40/20/40 Front Seat

Exterior 1:Race Red

Exterior 2:No color has been selected.

Engine: 3.3L V6 PFDI

Transmission: Electronic 10-Speed Automatic

OPTIONS

CODE	MODEL	MSRP
W1E	[Fleet] 2021 Ford F-150 (W1E) XL 4WD SuperCrew 5.5' Box	$40,510.00
	OPTIONS	
100A	Equipment Group 100A Standard	$0.00
153	Front License Plate Bracket	$0.00
413	Skid Plates	$160.00
44G	Transmission: Electronic 10-Speed Automatic	$0.00
53B	Class IV Trailer Hitch Receiver	$205.00
64C	Wheels: 17" Silver Steel	$0.00

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Data Version: 14647. Data Updated: Sep 8, 2021 2:24:00 AM PDT.

ALAN JAY FLEET

CHRISTY SELF | 863-385-9610 | CHRISTY.SELF@ALANJAY.COM

Vehicle: [Fleet] 2021 Ford F-150 (W1E) XL 4WD SuperCrew 5.5' Box (Complete)

99B	Engine: 3.3L V6 PFDI	$0.00
AS	Black Medium Dark Slate, Vinyl 40/20/40 Front Seat	$0.00
PQ	Race Red	$0.00
XL6	Electronic Locking w/3.73 Axle Ratio	$570.00
___	Tires: 265/70R17 OWL A/T	$0.00
	SUBTOTAL	**$41,445.00**
	Adjustments Total	$0.00
	Destination Charge	$1,695.00
	TOTAL PRICE	**$43,140.00**

FUEL ECONOMY

Est City:19 MPG

Est Highway:22 MPG

Est Highway Cruising Range:572.00 mi

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Vehicle: [Fleet] 2021 Ford F-150 (W1E) XL 4WD SuperCrew 5.5' Box (✔ Complete)

Standard Equipment

Mechanical	
	Engine: 3.3L V6 PFDI -inc: auto start-stop technology and flex-fuel capability (STD)
	Transmission: Electronic 10-Speed Automatic -inc: selectable drive modes: normal, ECO, sport, tow/haul, slippery, deep snow/sand and mud/rut (STD)
	3.73 Axle Ratio (STD)
	Electronic Transfer Case
	Part-Time Four-Wheel Drive
	70-Amp/Hr 610CCA Maintenance-Free Battery w/Run Down Protection
	200 Amp Alternator
	Towing Equipment -inc: Trailer Sway Control
	Trailer Wiring Harness
	1765# Maximum Payload
	GVWR: 6,470 lbs Payload Package
	Gas-Pressurized Shock Absorbers
	Front Anti-Roll Bar
	Electric Power-Assist Steering
	Single Stainless Steel Exhaust
	26 Gal. Fuel Tank
	Auto Locking Hubs
	Double Wishbone Front Suspension w/Coil Springs
	Leaf Rear Suspension w/Leaf Springs
	4-Wheel Disc Brakes w/4-Wheel ABS, Front And Rear Vented Discs, Brake Assist, Hill Hold Control and Electric Parking Brake
Exterior	
	Wheels: 17" Silver Steel (STD)
	Tires: 265/70R17 OWL A/T (STD)
	Regular Box Style
	Steel Spare Wheel
	Full-Size Spare Tire Stored Underbody w/Crankdown
	Clearcoat Paint
	Black Rear Step Bumper

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ALAN JAY FLEET

CHRISTY SELF | 863-385-9610 | CHRISTY.SELF@ALANJAY.COM

Vehicle: [Fleet] 2021 Ford F-150 (W1E) XL 4WD SuperCrew 5.5' Box (Complete)

Exterior	
	Black Front Bumper w/Body-Colored Rub Strip/Fascia Accent and 2 Tow Hooks
	Black Side Windows Trim and Black Front Windshield Trim
	Black Door Handles
	Black Power Side Mirrors w/Convex Spotter and Manual Folding
	Fixed Rear Window
	Light Tinted Glass
	Variable Intermittent Wipers
	Aluminum Panels
	Black Grille
	Tailgate Rear Cargo Access
	Tailgate/Rear Door Lock Included w/Power Door Locks
	Ford Co-Pilot360 - Autolamp Auto On/Off Aero-Composite Halogen Daytime Running Lights Preference Setting Headlamps w/Delay-Off
	Cargo Lamp w/High Mount Stop Light
	Perimeter/Approach Lights
	Auto High Beam
Entertainment	
	Radio w/Seek-Scan, Speed Compensated Volume Control and Radio Data System
	Radio: AM/FM Stereo w/6 Speakers -inc: auxiliary audio input jack
	Fixed Antenna
Interior	
	Cloth 40/20/40 Front Seat -inc: 2-way manual driver/passenger adjustment and armrest
	Driver Seat
	Passenger Seat
	60-40 Folding Split-Bench Front Facing Fold-Up Cushion Rear Seat
	Manual Tilt/Telescoping Steering Column
	Gauges -inc: Speedometer, Odometer, Voltmeter, Oil Pressure, Engine Coolant Temp, Tachometer, Transmission Fluid Temp and Trip Odometer
	Power Rear Windows
	FordPass Connect 4G Mobile Hotspot Internet Access
	Front Cupholder

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Data Version: 14647. Data Updated: Sep 8, 2021 2:24:00 AM PDT.

Vehicle: [Fleet] 2021 Ford F-150 (W1E) XL 4WD SuperCrew 5.5' Box (Complete)

Interior	
	Rear Cupholder
	Compass
	Remote Keyless Entry w/Integrated Key Transmitter, Illuminated Entry and Panic Button
	Manual Air Conditioning
	HVAC -inc: Underseat Ducts
	Locking Glove Box
	Interior Trim -inc: Cabback Insulator and Metal-Look Interior Accents
	Full Cloth Headliner
	Urethane Gear Shifter Material
	Day-Night Rearview Mirror
	Passenger Visor Vanity Mirror
	Full Overhead Console w/Storage and 1 12V DC Power Outlet
	Front Map Lights
	Fade-To-Off Interior Lighting
	Full Vinyl/Rubber Floor Covering
	Pickup Cargo Box Lights
	Smart Device Remote Engine Start
	SYNC 4 -inc: 8" LCD capacitive touchscreen w/swipe capability, wireless phone connection, cloud connected, AppLink w/App catalog, 911 Assist, Apple CarPlay and Android Auto compatibility and digital owners manual
	Instrument Panel Bin, Dashboard Storage, Driver / Passenger And Rear Door Bins
	Power 1st Row Windows w/Driver And Passenger 1-Touch Up/Down
	Delayed Accessory Power
	Power Door Locks w/Autolock Feature
	Outside Temp Gauge
	Analog Appearance
	Lane-Keeping System -inc: lane-keeping alert, lane-keeping aid and driver alert
	Pre-Collision Assist w/Automatic Emergency Braking -inc: pedestrian detection, forward collision warning and dynamic brake support
	Rear View Camera
	Seats w/Cloth Back Material
	Manual Adjustable Front Head Restraints and Manual Adjustable Rear Head Restraints

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Vehicle: [Fleet] 2021 Ford F-150 (W1E) XL 4WD SuperCrew 5.5' Box (Complete)

Interior	
	Securilock Anti-Theft Ignition (pats) Engine Immobilizer
	Perimeter Alarm
	1 12V DC Power Outlet
Safety-Mechanical	
	AdvanceTrac with Curve Control Electronic Stability Control (ESC) And Roll Stability Control (RSC)
	ABS And Driveline Traction Control
Safety-Exterior	
	Side Impact Beams
Safety-Interior	
	Dual Stage Driver And Passenger Seat-Mounted Side Airbags
	Tire Specific Low Tire Pressure Warning
	Dual Stage Driver And Passenger Front Airbags
	Airbag Occupancy Sensor
	Mykey System -inc: Top Speed Limiter, Audio Volume Limiter, Early Low Fuel Warning, Programmable Sound Chimes and Beltminder w/Audio Mute
	Safety Canopy System Curtain 1st And 2nd Row Airbags
	Outboard Front Lap And Shoulder Safety Belts -inc: Rear Center 3 Point, Height Adjusters and Pretensioners
	Rear Child Safety Locks
WARRANTY	
	Basic Years: 3 Basic Miles/km: 36,000 Drivetrain Years: 5 Drivetrain Miles/km: 60,000 Corrosion Years: 5 Corrosion Miles/km: Unlimited Roadside Assistance Years: 5 Roadside Assistance Miles/km: 60,000

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ALAN JAY FLEET SALES

Sourcewell Formerly NJPA
Awarded Contract

Call Us first, for all of your Fleet Automotive, & Light Truck needs.

PHONE (800) ALANJAY (252-6529)		DIRECT 863-385-9610	WWW.ALANJAY.COM	Quote 32535-2
Corporate Office	2003 U.S. 27 South Sebring, FL 33870	MOBILE 904-838-4999 FAX 863-402-4221	Mailing Address	P.O. BOX 9200 Sebring, FL 33871-9200

ORIGINAL QUOTE DATE
7/30/2021

QUICK QUOTE SHEET

REVISED QUOTE DATE
8/19/2021

REQUESTING AGENCY **COCOA, CITY OF**
CONTACT PERSON **TONY JONES** EMAIL TJONES@COCOAFL.ORG
PHONE **321-433-8766** MOBILE **321-355-8926** FAX **321-433-8768**

SOURCEWELL (FORMERLY NJPA) CONTRACT # 2021 120716-NAF & 0 www.NationalAutoFleetGroup.com

MODEL W4H 650A **MSRP** $46,615.00

2021 FORD F-450 CREW CAB CHASSIS DRW 4WD XL 84"CA 203" WB

CUSTOMER ID PW STREETS - 3510 **BASE VEHICLE PRICE** $37,960.00

BED LENGTH 84"CA

*** All vehicles will be ordered white w/ darkest interior unless clearly stated otherwise on purchase order.*

FACTORY OPTIONS	DESCRIPTION	
Z1 AS	EXTERIOR COLOR OXFORD WHITE WITH MEDIUM EARTH GRAY HD VINYL 40/20/40 SPLIT BENCH SEAT INCLUDES CENTER ARMREST WITH CUPHOLDERS, STORAGE, AND DRIVERS SIDE MANUAL LUMBAR.	$0.00
99N 44G	7.3L 2V DEVCT NA PFI V8 Gas Engine with TorqShift 10-Speed Automatic Transmission.	$0.00
153	FRONT LICENSE PLATE BRACKET	$0.00
41P	FACTORY SKID PLATES	$95.00
52B	ELECTRIC BRAKE CONTROLLER	$265.00
872	Rear View Camera & Prep Kit -inc: Pre-installed content includes cab wiring, frame wiring to the rear most cross member and video display w/4" display, Upfitters kit includes camera w/mounting bracket, 14' jumper wire and camera mounting, aiming instructions and electrochromic mirror	$410.00
90L	Power Equipment Group -inc: Deletes passenger-side lock cylinder, upgraded door trim panel, Accessory Delay, Advanced Security Pack, SecuriLock Passive Anti-Theft System (PATS) and inclination/intrusion sensors, Power Locks, Trailer Tow Mirrors w/Power Heated Glass, manual folding, manually telescoping and heated convex spotter mirror, Remote Keyless Entry, Power Front & Rear Seat Windows, 1-touch up/down driver/passenger window, Power Tailgate Lock	$1,070.00
X8L	4:88 AXLE RATIO LIMITED SLIP REAR DIFFERENTIAL	$355.00
MY22	2022 MODEL YEAR TO BE PROVIDED AT NO ADDITIONAL COST. MUST ORDER BY 9/30/21	$0.00
	FACTORY OPTIONS	**$2,195.00**

CONTRACT OPTIONS	DESCRIPTION	
TEMP-TAG	Temporary tag	$45.00
DTF 4 TRK	Deep tint film installed on four doors and back glass for extended/crew cab pickups.	$255.00
3KR	Additional key and remote, cut and programmed.	$215.00
CAMERA-F	Dealer installed factory ordered camera (REQUIRES 872).	$150.00
K 6132D54J	Knapheide 11' DRW Wide utility body 54'' Load Floor for 84'' CA (GMC/CHEVY Req's GTY) (Includes 2nd Stage MSO, Weight Slip, & Completed Vehicle Certification.)	$9,640.00
K CLV SB	Class V Hitch for Service Body	$545.00
K 7/4 WIRE	7 way flat camper trailer wiring with 4 prong flat	$145.00
HD USOB-11-TB	HD Scorpion spray on bed liner applied inside cargo area, tops of boxes, and rear bumper of 11' utility body.	$1,085.00
K AL HAR	KTEC Alum Headach Rack (Octagonal)	$970.00
K LG16-SB	Maxon C2-54-1542 TP27 1600 lb capacity service body lift gate 49'' x 27''+ 4'' (includes duplicate STT lights).	$3,400.00
	CONTRACT OPTIONS	**$16,450.00**

SOURCEWELL (FORMERLY NJPA) CONTRACT # 2021 120716-NAF & 0 **www.NationalAutoFleetGroup.com**

VEHICLE TOTAL	**$40,155.00**
ACCESSORY TOTAL	**$16,450.00**
CUSTOMER PRICE	**$56,605.00**
TRADE IN	$0.00
TOTAL COST LESS TRADE IN(S) **QTY 1**	**$56,605.00**

YES WE TAKE TRADE INS ~~~ ASK ABOUT MUNICIPAL FINANCING ~~~

Estimated Annual payments for 60 months paid in advance: $12,677.19

Municipal finance for any essential use vehicle, requires lender approval, WAC.

Comments

VEHICLE QUOTED BY **CHRISTY SELF** **GOVERNMENT ACCOUNT MANAGER** christy.self@alanjay.com

"I Want to be Your Fleet Provider"

I appreciate the opportunity to submit this quotation. Please review it carefully. If there are any errors or changes, please feel free to contact me at any time. I am always happy to be of assistance.

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Sourcewell Formerly NJPA
Awarded Contract

ORIGINAL QUOTE DATE
8/23/2021

QUICK QUOTE SHEET

REVISED QUOTE DATE
8/23/2021

REQUESTING AGENCY **COCOA, CITY OF**
CONTACT PERSON **TONY JONES** EMAIL TJONES@COCOAFL.ORG
PHONE **321-433-8766** MOBILE **321-355-8926** FAX **321-433-8768**

SOURCEWELL (FORMERLY NJPA) CONTRACT # 2021 120716-NAF & 0 www.NationalAutoFleetGroup.com

MODEL F4H 650A **MSRP** $42,870.00

2021 FORD F-450 REGULAR CAB CHASSIS DRW 4WD XL 84"CA 169" WB

CUSTOMER ID DYAL PLANT 4020 **BASE VEHICLE PRICE** $34,536.00

BED LENGTH

*** All vehicles will be ordered white w/ darkest interior unless clearly stated otherwise on purchase order.*

FACTORY OPTIONS	DESCRIPTION	
Z1 AS	EXTERIOR COLOR OXFORD WHITE WITH MEDIUM EARTH GRAY HD VINYL 40/20/40 SPLIT BENCH SEAT INCLUDES CENTER ARMREST WITH CUPHOLDERS, STORAGE, AND DRIVERS SIDE MANUAL LUMBAR.	$0.00
99N 44G	7.3L 2V DEVCT NA PFI V8 Gas Engine with TorqShift 10-Speed Automatic Transmission.	$0.00
153	FRONT LICENSE PLATE BRACKET	$0.00
41P	FACTORY SKID PLATES	$95.00
52B	ELECTRIC BRAKE CONTROLLER	$265.00
872	Rear View Camera & Prep Kit -inc: Pre-installed content includes cab wiring, frame wiring to the rear most cross member and video display w/4" display, Upfitters kit includes camera w/mounting bracket, 14' jumper wire and camera mounting, aiming instructions and electrochromic mirror	$410.00
X8L	4:88 AXLE RATIO LIMITED SLIP REAR DIFFERENTIAL	$355.00
MY22	2022 MODEL YEAR TO BE PROVIDED AT NO ADDITIONAL COST. MUST ORDER BY 9/30/21	$0.00
	FACTORY OPTIONS	**$1,125.00**

CONTRACT OPTIONS	DESCRIPTION	
TEMP-TAG	Temporary tag	$45.00
3K CHIP	Additional key cut and programmed (no remote)	$55.00
DTF 2 TRK	Deep tint film installed on front two door glass and rear window.	$170.00
K PVMXS-123C	Knapheide 12' DRW flat bed with 40" bulkhead, screened window and ICC bumper req's 84" CA (Includes 2nd Stage MSO, Weight Slip, & Completed Vehicle Certification.)	$5,180.00
K CLV FB	Class V Hitch for Flat Bed	$690.00
K 7/4 WIRE	7 way flat camper trailer wiring with 4 prong flat	$145.00
HD SOB-11-FLAT	HD Scorpion spray on bed liner applied to surface of 11' & 12' flat bed.	$795.00
CAMERA-F	Dealer installed factory ordered camera (REQUIRES 872).	$195.00
K BOX60-UB	Underbody 60X18X18 steel tool box, bolted under flat bed.	$620.00
K BOX60-UB	Underbody 60X18X18 steel tool box, bolted under flat bed.	$620.00
	CONTRACT OPTIONS	**$8,515.00**

ALAN JAY FLEET SALES

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Awarded Contract

SOURCEWELL (FORMERLY NJPA) CONTRACT # 2021 120716-NAF & 0 **www.NationalAutoFleetGroup.com**

	VEHICLE TOTAL	**$35,661.00**
	ACCESSORY TOTAL	**$8,515.00**
TRADE IN	**CUSTOMER PRICE**	**$44,176.00**
YES WE TAKE TRADE INS ~~~ ASK ABOUT MUNICIPAL FINANCING ~~~		$0.00
	TOTAL COST LESS TRADE IN(S) QTY 1	**$44,176.00**

Estimated Annual payments for 60 months paid in advance: $9,893.61

Municipal finance for any essential use vehicle, requires lender approval, WAC.

Comments

VEHICLE QUOTED BY **CHRISTY SELF** **GOVERNMENT ACCOUNT MANAGER** christy.self@alanjay.com

"I Want to be Your Fleet Provider"

I appreciate the opportunity to submit this quotation. Please review it carefully. If there are any errors or changes, please feel free to contact me at any time. I am always happy to be of assistance.

ALAN JAY FLEET

CHRISTY SELF | 863-385-9610 | CHRISTY.SELF@ALANJAY.COM

Vehicle: [Fleet] 2021 Ford Super Duty F-450 DRW (F4H) XL 4WD Reg Cab 169" WB 84" CA (✓ Complete)



Note:Photo may not represent exact vehicle or selected equipment.

Window Sticker

SUMMARY

[Fleet] 2021 Ford Super Duty F-450 DRW (F4H) XL 4WD Reg Cab 169" WB 84" CA — MSRP:$42,870.00

Interior:Medium Earth Gray, HD Vinyl 40/20/40 Split Bench Seat

Exterior 1:Oxford White

Exterior 2:No color has been selected.

Engine: 7.3L 2V DEVCT NA PFI V8 Gas

Transmission: TorqShift 10-Speed Automatic

OPTIONS

CODE	MODEL	MSRP
F4H	[Fleet] 2021 Ford Super Duty F-450 DRW (F4H) XL 4WD Reg Cab 169" WB 84" CA	$42,870.00
	OPTIONS	
153	Front License Plate Bracket	$0.00
41P	Transfer Case Skid Plates	$100.00
44G	Transmission: TorqShift 10-Speed Automatic	$0.00
52B	Trailer Brake Controller	$270.00
650A	Order Code 650A	$0.00

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Data Version: 14518. Data Updated: Aug 22, 2021 12:06:00 AM PDT.

ALAN JAY FLEET

CHRISTY SELF | 863-385-9610 | CHRISTY.SELF@ALANJAY.COM

Vehicle: [Fleet] 2021 Ford Super Duty F-450 DRW (F4H) XL 4WD Reg Cab 169" WB 84" CA (✓ Complete)

872	Rear View Camera & Prep Kit	$415.00
99N	Engine: 7.3L 2V DEVCT NA PFI V8 Gas	$0.00
AS	Medium Earth Gray, HD Vinyl 40/20/40 Split Bench Seat	$0.00
TGJ	Tires: 225/70Rx19.5G BSW A/P	$0.00
X8L	Limited Slip w/4.88 Axle Ratio	$360.00
Z1	Oxford White	$0.00
	SUBTOTAL	**$44,015.00**
	Adjustments Total	$0.00
	Destination Charge	$1,695.00
	TOTAL PRICE	**$45,710.00**

FUEL ECONOMY

Est City:N/A

Est Highway:N/A

Est Highway Cruising Range:N/A

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ALAN JAY FLEET

CHRISTY SELF | 863-385-9610 | CHRISTY.SELF@ALANJAY.COM

Vehicle: [Fleet] 2021 Ford Super Duty F-450 DRW (F4H) XL 4WD Reg Cab 169" WB 84" CA (✓ Complete)

Standard Equipment

Mechanical	
	Engine: 7.3L 2V DEVCT NA PFI V8 Gas (STD)
	Transmission: TorqShift 10-Speed Automatic -inc: 10R140 w/neutral idle and selectable drive modes: normal, tow/haul, eco, deep sand/snow and slippery (STD)
	4.88 Axle Ratio (STD)
	50-State Emissions System
	Transmission w/Oil Cooler
	Electronic Transfer Case
	Part-Time Four-Wheel Drive
	78-Amp/Hr 750CCA Maintenance-Free Battery w/Run Down Protection
	HD 240 Amp Alternator
	Towing Equipment -inc: Trailer Sway Control
	Trailer Wiring Harness
	9450# Maximum Payload
	GVWR: 16,500 lb Payload Package
	HD Shock Absorbers
	Front And Rear Anti-Roll Bars
	Firm Suspension
	Hydraulic Power-Assist Steering
	40 Gal. Fuel Tank
	Single Stainless Steel Exhaust
	Dual Rear Wheels
	Auto Locking Hubs
	Front Suspension w/Coil Springs
	Leaf Rear Suspension w/Leaf Springs
	4-Wheel Disc Brakes w/4-Wheel ABS, Front And Rear Vented Discs and Brake Assist
	Upfitter Switches
Exterior	
	Wheels: 19.5" x 6" Argent Painted Steel -inc: Hub covers/center ornaments not included
	Tires: 225/70Rx19.5G BSW A/P (STD)

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ALAN JAY FLEET

CHRISTY SELF | 863-385-9610 | CHRISTY.SELF@ALANJAY.COM

Vehicle: [Fleet] 2021 Ford Super Duty F-450 DRW (F4H) XL 4WD Reg Cab 169" WB 84" CA (✓ Complete)

Exterior	
	Clearcoat Paint
	Black Front Bumper w/Black Rub Strip/Fascia Accent and 2 Tow Hooks
	Black Fender Flares
	Black Side Windows Trim and Black Front Windshield Trim
	Black Door Handles
	Black Manual Side Mirrors w/Manual Folding
	Manual Extendable Trailer Style Mirrors
	Fixed Rear Window
	Light Tinted Glass
	Variable Intermittent Wipers
	Aluminum Panels
	Front Splash Guards
	Black Grille
	Autolamp Auto On/Off Aero-Composite Halogen Daytime Running Lights Preference Setting Headlamps w/Delay-Off
	Cab Clearance Lights
Entertainment	
	Radio w/Seek-Scan and Clock
	Radio: AM/FM Stereo w/MP3 Player -inc: 4 speakers
	Fixed Antenna
	SYNC Communications & Entertainment System -inc: enhanced voice recognition, 911 Assist, 4.2" LCD center stack screen, AppLink, 1 smart-charging USB-C port and steering wheel audio controls
	2 LCD Monitors In The Front
Interior	
	4-Way Driver Seat -inc: Manual Recline and Fore/Aft Movement
	4-Way Passenger Seat -inc: Manual Recline and Fore/Aft Movement
	Manual Tilt/Telescoping Steering Column
	Gauges -inc: Speedometer, Odometer, Oil Pressure, Engine Coolant Temp, Tachometer, Transmission Fluid Temp, Engine Hour Meter, Trip Odometer and Trip Computer
	FordPass Connect 4G Mobile Hotspot Internet Access
	Manual Air Conditioning

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Data Version: 14518. Data Updated: Aug 22, 2021 12:06:00 AM PDT.

Vehicle: [Fleet] 2021 Ford Super Duty F-450 DRW (F4H) XL 4WD Reg Cab 169" WB 84" CA (✓ Complete)

Interior	
	Illuminated Locking Glove Box
	Interior Trim -inc: Chrome Interior Accents
	Full Cloth Headliner
	Urethane Gear Shifter Material
	HD Vinyl 40/20/40 Split Bench Seat -inc: center armrest, cupholder and driver's side manual lumbar
	Day-Night Rearview Mirror
	Passenger Visor Vanity Mirror
	3 12V DC Power Outlets
	Front Map Lights
	Fade-To-Off Interior Lighting
	Full Vinyl/Rubber Floor Covering
	Underhood Lights
	Smart Device Remote Engine Start
	Instrument Panel Covered Bin and Dashboard Storage
	Manual 1st Row Windows
	Systems Monitor
	Trip Computer
	Outside Temp Gauge
	Analog Appearance
	Seats w/Vinyl Back Material
	Manual Adjustable Front Head Restraints
	Air Filtration
Safety-Mechanical	
	Driveline Traction Control
Safety-Exterior	
	Side Impact Beams
Safety-Interior	
	Dual Stage Driver And Passenger Seat-Mounted Side Airbags
	Dual Stage Driver And Passenger Front Airbags w/Passenger Off Switch

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Data Version: 14518. Data Updated: Aug 22, 2021 12:06:00 AM PDT.

Vehicle: [Fleet] 2021 Ford Super Duty F-450 DRW (F4H) XL 4WD Reg Cab 169" WB 84" CA (✓ Complete)

Safety-Interior	
	Safety Canopy System Curtain 1st Row Airbags
	Outboard Front Lap And Shoulder Safety Belts -inc: Height Adjusters
WARRANTY	
	Basic Years: 3 Basic Miles/km: 36,000 Drivetrain Years: 5 Drivetrain Miles/km: 60,000 Corrosion Years: 5 Corrosion Miles/km: Unlimited Roadside Assistance Years: 5 Roadside Assistance Miles/km: 60,000

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Data Version: 14518. Data Updated: Aug 22, 2021 12:06:00 AM PDT.

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PHONE (800) ALANJAY (252-6529)		DIRECT 863-385-9610		WWW.ALANJAY.COM	Quote 32809-1
Corporate Office	2003 U.S. 27 South Sebring, FL 33870	MOBILE 904-838-4999 FAX 863-402-4221		Mailing Address	P.O. BOX 9200 Sebring, FL 33871-9200

Sourcewell Formerly NJPA — Awarded Contract

ORIGINAL QUOTE DATE 8/23/2021

QUICK QUOTE SHEET

REVISED QUOTE DATE 8/23/2021

REQUESTING AGENCY **COCOA, CITY OF**

CONTACT PERSON **TONY JONES** EMAIL TJONES@COCOAFL.ORG

PHONE **321-433-8766** MOBILE **321-355-8926** FAX **321-433-8768**

SOURCEWELL (FORMERLY NJPA) CONTRACT # 2021 120716-NAF & 0 www.NationalAutoFleetGroup.com

MODEL F5G 660A **MSRP** $41,070.00

2021 FORD F-550 REGULAR CAB CHASSIS DRW 2WD XL 84"CA 169" WB

CUSTOMER ID Contractor Dump **BASE VEHICLE PRICE** $32,891.00

BED LENGTH 84"ca

*** All vehicles will be ordered white w/ darkest interior unless clearly stated otherwise on purchase order.*

FACTORY OPTIONS	DESCRIPTION	
Z1 AS	EXTERIOR COLOR OXFORD WHITE WITH MEDIUM EARTH GRAY HD VINYL 40/20/40 SPLIT BENCH SEAT INCLUDES CENTER ARMREST WITH CUPHOLDERS, STORAGE, AND DRIVERS SIDE MANUAL LUMBAR.	$0.00
99N 44G	7.3L 2V DEVCT NA PFI V8 Gas Engine with TorqShift 10-Speed Automatic Transmission.	$0.00
62R	PTO PROVISION	$275.00
872	FACTORY REAR VIEW CAMERA & PREP KIT WITH ELECTROCHROMIC MIRRIOR, CAMERA SHIPS LOOSE FOR INSTALLATION AFTER BODY INSTALL.	$410.00
MY22	2022 MODEL YEAR TO BE PROVIDED AT NO ADDITIONAL COST. MUST ORDER BY 9/30/21	$0.00
	FACTORY OPTIONS	**$685.00**

CONTRACT OPTIONS	DESCRIPTION	
PTC DU1113	11' Godwin 13'' fixed side E/H dump body with ground control tarp including arm bars, 6'' cheater boards, and rear gate. (Includes 2nd stage MSO, weight slip, & final-stage manufacturers completed vehicle certification.) **2022 MY TRUCK	$13,275.00
PTC PTO	UPGRADE DUMP FROM ELECTRIC OVER HYDRAULIC HOIST TO PTO DRIVEN	$3,850.00
PTC FOLD DOWN SIDES	UPGRADE FIXED BODY SIDES TO FOLD DOWN SIDES	$1,025.00
PTC TARP	SELF REELING SPRING LOADED TARP ASSEMBLY, NO ARM BARS WITH DROP DOWN SIDES.	$0.00
CAMERA-F	Dealer installed factory ordered camera (REQUIRES 872).	$195.00
PTC CLV-FB	Class V trailer hitch for flat beds 20K rating 2'' recevier tube.	$585.00
PTC 7/4WIRE	7 way flat camper trailer wiring	$140.00
	CONTRACT OPTIONS	**$19,070.00**

	VEHICLE TOTAL	**$33,576.00**
	ACCESSORY TOTAL	**$19,070.00**
TRADE IN	**CUSTOMER PRICE**	**$52,646.00**
	YES WE TAKE TRADE INS ~~~ ASK ABOUT MUNICIPAL FINANCING ~~~	$0.00
	TOTAL COST LESS TRADE IN(S) QTY 1	**$52,646.00**

Estimated Annual payments for 60 months paid in advance: $11,790.54

Municipal finance for any essential use vehicle, requires lender approval, WAC.

Comments

VEHICLE QUOTED BY **CHRISTY SELF** **GOVERNMENT ACCOUNT MANAGER** christy.self@alanjay.com

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Awarded Contract

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Quote **32797-2**

PHONE (800) ALANJAY (252-6529)		DIRECT 863-385-9610		WWW.ALANJAY.COM	
Corporate Office	2003 U.S. 27 South Sebring, FL 33870	MOBILE 904-838-4999 FAX 863-402-4221		Mailing Address	P.O. BOX 9200 Sebring, FL 33871-9200

ORIGINAL QUOTE DATE
8/23/2021

QUICK QUOTE SHEET

REVISED QUOTE DATE
8/23/2021

REQUESTING AGENCY **COCOA, CITY OF**
CONTACT PERSON **TONY JONES** EMAIL TJONES@COCOAFL.ORG
PHONE **321-433-8766** MOBILE **321-355-8926** FAX **321-433-8768**

SOURCEWELL (FORMERLY NJPA) CONTRACT # 2021 120716-NAF & 0 www.NationalAutoFleetGroup.com

MODEL W4H 650A **MSRP** $46,445.00

2021 FORD F-450 CREW CAB CHASSIS DRW 4WD XL 60"CA 179" WB

CUSTOMER ID 9FT. BODY - PW STREETS - 3510 **BASE VEHICLE PRICE** $37,804.00

BED LENGTH 60"CA

*** All vehicles will be ordered white w/ darkest interior unless clearly stated otherwise on purchase order.*

FACTORY OPTIONS	DESCRIPTION	
Z1 AS	EXTERIOR COLOR OXFORD WHITE WITH MEDIUM EARTH GRAY HD VINYL 40/20/40 SPLIT BENCH SEAT INCLUDES CENTER ARMREST WITH CUPHOLDERS, STORAGE, AND DRIVERS SIDE MANUAL LUMBAR.	$0.00
99N 44G	7.3L 2V DEVCT NA PFI V8 Gas Engine with TorqShift 10-Speed Automatic Transmission.	$0.00
153	FRONT LICENSE PLATE BRACKET	$0.00
41P	FACTORY SKID PLATES	$95.00
52B	ELECTRIC BRAKE CONTROLLER	$265.00
872	Rear View Camera & Prep Kit -inc: Pre-installed content includes cab wiring, frame wiring to the rear most cross member and video display w/4" display, Upfitters kit includes camera w/mounting bracket, 14' jumper wire and camera mounting, aiming instructions and electrochromic mirror	$410.00
X8L	4:88 AXLE RATIO LIMITED SLIP REAR DIFFERENTIAL	$355.00
MY22	2022 MODEL YEAR TO BE PROVIDED AT NO ADDITIONAL COST. MUST ORDER BY 9/30/21	$0.00
	FACTORY OPTIONS	**$1,125.00**

CONTRACT OPTIONS	DESCRIPTION	
TEMP-TAG	Temporary tag	$45.00
DTF 4 TRK	Deep tint film installed on four doors and back glass for extended/crew cab pickups.	$255.00
3KR	Additional key and remote, cut and programmed.	$215.00
CAMERA-F	Dealer installed factory ordered camera (REQUIRES 872).	$150.00
K 6108D54J	Knapheide 9' DRW Wide utility body 54'' Load Floor for 60'' CA (GMC/CHEVY Req's GTY) (Includes 2nd Stage MSO, Weight Slip, & Completed Vehicle Certification.)	$7,900.00
K CLV SB	Class V Hitch for Service Body	$545.00
K 7/4 WIRE	7 way flat camper trailer wiring with 4 prong flat	$145.00
HD USOB-TB	HD Scorpion spray on bed liner applied inside cargo area, tops of boxes, and rear bumper of 8' & 9' utility body.	$975.00
K AL HAR	KTEC Alum Headach Rack (Octagonal)	$970.00
K LG16-SB	Maxon C2-54-1542 TP27 1600 lb capacity service body lift gate 49'' x 27''+ 4'' (includes duplicate STT lights).	$3,400.00
	CONTRACT OPTIONS	**$14,600.00**

SOURCEWELL (FORMERLY NJPA) CONTRACT # 2021 120716-NAF & 0 **www.NationalAutoFleetGroup.com**

VEHICLE TOTAL	**$38,929.00**
ACCESSORY TOTAL	**$14,600.00**
CUSTOMER PRICE	**$53,529.00**
TRADE IN	$0.00

YES WE TAKE TRADE INS ~~~ ASK ABOUT MUNICIPAL FINANCING ~~~

TOTAL COST LESS TRADE IN(S) **QTY** **1** **$53,529.00**

Estimated Annual payments for 60 months paid in advance: $11,988.29

Municipal finance for any essential use vehicle, requires lender approval, WAC.

Comments

VEHICLE QUOTED BY **CHRISTY SELF** **GOVERNMENT ACCOUNT MANAGER** christy.self@alanjay.com

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ALAN JAY FLEET

CHRISTY SELF | 863-385-9610 | CHRISTY.SELF@ALANJAY.COM

Vehicle: [Fleet] 2021 Ford Super Duty F-450 DRW (W4H) XL 4WD Crew Cab 179" WB 60" CA (✔ Complete)



Note:Photo may not represent exact vehicle or selected equipment.

Window Sticker

SUMMARY

[Fleet] 2021 Ford Super Duty F-450 DRW (W4H) XL 4WD Crew Cab 179" WB 60" CA — MSRP:$46,445.00

Interior:Medium Earth Gray, HD Vinyl 40/20/40 Split Bench Seat

Exterior 1:Oxford White

Exterior 2:No color has been selected.

Engine: 7.3L 2V DEVCT NA PFI V8 Gas

Transmission: TorqShift 10-Speed Automatic

OPTIONS

CODE	MODEL	MSRP
W4H	[Fleet] 2021 Ford Super Duty F-450 DRW (W4H) XL 4WD Crew Cab 179" WB 60" CA	$46,445.00
	OPTIONS	
153	Front License Plate Bracket	$0.00
41P	Transfer Case Skid Plates	$100.00
44G	Transmission: TorqShift 10-Speed Automatic	$0.00
52B	Trailer Brake Controller	$270.00
650A	Order Code 650A	$0.00

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Data Version: 14518. Data Updated: Aug 22, 2021 12:06:00 AM PDT.

ALAN JAY FLEET

CHRISTY SELF | 863-385-9610 | CHRISTY.SELF@ALANJAY.COM

Vehicle: [Fleet] 2021 Ford Super Duty F-450 DRW (W4H) XL 4WD Crew Cab 179" WB 60" CA (Complete)

872	Rear View Camera & Prep Kit	$415.00
99N	Engine: 7.3L 2V DEVCT NA PFI V8 Gas	$0.00
AS	Medium Earth Gray, HD Vinyl 40/20/40 Split Bench Seat	$0.00
TGJ	Tires: 225/70Rx19.5G BSW A/P	$0.00
X8L	Limited Slip w/4.88 Axle Ratio	$360.00
Z1	Oxford White	$0.00
	SUBTOTAL	**$47,590.00**
	Adjustments Total	$0.00
	Destination Charge	$1,695.00
	TOTAL PRICE	**$49,285.00**

FUEL ECONOMY

Est City:N/A

Est Highway:N/A

Est Highway Cruising Range:N/A

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ALAN JAY FLEET

CHRISTY SELF | 863-385-9610 | CHRISTY.SELF@ALANJAY.COM

Vehicle: [Fleet] 2021 Ford Super Duty F-450 DRW (W4H) XL 4WD Crew Cab 179" WB 60" CA (✔ Complete)

Standard Equipment

Mechanical	
	Engine: 7.3L 2V DEVCT NA PFI V8 Gas (STD)
	Transmission: TorqShift 10-Speed Automatic -inc: 10R140 w/neutral idle and selectable drive modes: normal, tow/haul, eco, deep sand/snow and slippery (STD)
	4.88 Axle Ratio (STD)
	50-State Emissions System
	Transmission w/Oil Cooler
	Electronic Transfer Case
	Part-Time Four-Wheel Drive
	78-Amp/Hr 750CCA Maintenance-Free Battery w/Run Down Protection
	HD 240 Amp Alternator
	Towing Equipment -inc: Trailer Sway Control
	Trailer Wiring Harness
	9070# Maximum Payload
	GVWR: 16,500 lb Payload Package
	HD Shock Absorbers
	Front And Rear Anti-Roll Bars
	Firm Suspension
	Hydraulic Power-Assist Steering
	40 Gal. Fuel Tank
	Single Stainless Steel Exhaust
	Dual Rear Wheels
	Auto Locking Hubs
	Front Suspension w/Coil Springs
	Leaf Rear Suspension w/Leaf Springs
	4-Wheel Disc Brakes w/4-Wheel ABS, Front And Rear Vented Discs and Brake Assist
	Upfitter Switches
Exterior	
	Wheels: 19.5" x 6" Argent Painted Steel -inc: Hub covers/center ornaments not included
	Tires: 225/70Rx19.5G BSW A/P (STD)

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Data Version: 14518. Data Updated: Aug 22, 2021 12:06:00 AM PDT.

ALAN JAY FLEET

CHRISTY SELF | 863-385-9610 | CHRISTY.SELF@ALANJAY.COM

Vehicle: [Fleet] 2021 Ford Super Duty F-450 DRW (W4H) XL 4WD Crew Cab 179" WB 60" CA (Complete)

Exterior	
	Clearcoat Paint
	Black Front Bumper w/Black Rub Strip/Fascia Accent and 2 Tow Hooks
	Black Fender Flares
	Black Side Windows Trim and Black Front Windshield Trim
	Black Door Handles
	Black Manual Side Mirrors w/Manual Folding
	Manual Extendable Trailer Style Mirrors
	Fixed Rear Window
	Light Tinted Glass
	Variable Intermittent Wipers
	Aluminum Panels
	Front Splash Guards
	Black Grille
	Autolamp Auto On/Off Aero-Composite Halogen Daytime Running Lights Preference Setting Headlamps w/Delay-Off
	Cab Clearance Lights
Entertainment	
	Radio w/Seek-Scan and Clock
	Radio: AM/FM Stereo w/MP3 Player -inc: 6 speakers
	Fixed Antenna
	SYNC Communications & Entertainment System -inc: enhanced voice recognition, 911 Assist, 4.2" LCD center stack screen, AppLink, 1 smart-charging USB-C port and steering wheel audio controls
	2 LCD Monitors In The Front
Interior	
	4-Way Driver Seat -inc: Manual Recline and Fore/Aft Movement
	4-Way Passenger Seat -inc: Manual Recline and Fore/Aft Movement
	60-40 Folding Split-Bench Front Facing Fold-Up Cushion Rear Seat
	Manual Tilt/Telescoping Steering Column
	Gauges -inc: Speedometer, Odometer, Oil Pressure, Engine Coolant Temp, Tachometer, Transmission Fluid Temp, Engine Hour Meter, Trip Odometer and Trip Computer
	Manual Rear Windows

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Data Version: 14518. Data Updated: Aug 22, 2021 12:06:00 AM PDT.

ALAN JAY FLEET

CHRISTY SELF | 863-385-9610 | CHRISTY.SELF@ALANJAY.COM

Vehicle: [Fleet] 2021 Ford Super Duty F-450 DRW (W4H) XL 4WD Crew Cab 179" WB 60" CA (Complete)

Interior	
	FordPass Connect 4G Mobile Hotspot Internet Access
	Rear Cupholder
	Manual Air Conditioning
	HVAC -inc: Underseat Ducts
	Illuminated Locking Glove Box
	Interior Trim -inc: Chrome Interior Accents
	Full Cloth Headliner
	Urethane Gear Shifter Material
	HD Vinyl 40/20/40 Split Bench Seat -inc: center armrest, cupholder and driver's side manual lumbar
	Day-Night Rearview Mirror
	Passenger Visor Vanity Mirror
	3 12V DC Power Outlets
	Full Overhead Console w/Storage and 3 12V DC Power Outlets
	Fade-To-Off Interior Lighting
	Front And Rear Map Lights
	Full Vinyl/Rubber Floor Covering
	Underhood Lights
	Smart Device Remote Engine Start
	Instrument Panel Covered Bin and Dashboard Storage
	Manual 1st Row Windows
	Systems Monitor
	Trip Computer
	Outside Temp Gauge
	Analog Appearance
	Seats w/Vinyl Back Material
	Manual Adjustable Front Head Restraints and Manual Adjustable Rear Head Restraints
	Air Filtration
Safety-Mechanical	
	Driveline Traction Control

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Data Version: 14518. Data Updated: Aug 22, 2021 12:06:00 AM PDT.

Vehicle: [Fleet] 2021 Ford Super Duty F-450 DRW (W4H) XL 4WD Crew Cab 179" WB 60" CA (Complete)

Safety-Exterior	
	Side Impact Beams
Safety-Interior	
	Dual Stage Driver And Passenger Seat-Mounted Side Airbags
	Outboard Front Lap And Shoulder Safety Belts -inc: Height Adjusters
	Safety Canopy System Curtain 1st And 2nd Row Airbags
	Dual Stage Driver And Passenger Front Airbags
WARRANTY	
	Basic Years: 3 Basic Miles/km: 36,000 Drivetrain Years: 5 Drivetrain Miles/km: 60,000 Corrosion Years: 5 Corrosion Miles/km: Unlimited Roadside Assistance Years: 5 Roadside Assistance Miles/km: 60,000

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Data Version: 14518. Data Updated: Aug 22, 2021 12:06:00 AM PDT.

ALAN JAY FLEET SALES

Sourcewell Formerly NJPA
Awarded Contract

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Quote **32538-3**

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Corporate Office	2003 U.S. 27 South Sebring, FL 33870	MOBILE 904-838-4999 FAX 863-402-4221		Mailing Address	P.O. BOX 9200 Sebring, FL 33871-9200

ORIGINAL QUOTE DATE
7/30/2021

QUICK QUOTE SHEET

REVISED QUOTE DATE
8/22/2021

REQUESTING AGENCY **COCOA, CITY OF**
CONTACT PERSON **TONY JONES** EMAIL TJONES@COCOAFL.ORG
PHONE **321-433-8766** MOBILE **321-355-8926** FAX **321-433-8768**

SOURCEWELL (FORMERLY NJPA) CONTRACT # 2021 120716-NAF & 0 www.NationalAutoFleetGroup.com

MODEL E1Y 101A 130 **MSRP** $34,510.00

2021 FORD TRANSIT T-150 CARGO VAN LOW ROOF 130"WB WITH 8670 GVWR - RWD -

CUSTOMER ID PW FACILITY -3560 **BASE VEHICLE PRICE** $24,215.00

BED LENGTH

*** All vehicles will be ordered white w/ darkest interior unless clearly stated otherwise on purchase order.*

FACTORY OPTIONS	DESCRIPTION	
YZ VK	Exterior color Oxford White with Dark Palazzo, Vinyl Front Bucket Seats .	$0.00
998 44U	3.5L PFDI V6 WITH 10-SPEED TRANSMISSION.	$0.00
153	FRONT LICENSE PLATE BRACKET	$0.00
16E	FRONT AND REAR VINYL FLOOR COVERING	$240.00
17A	FIXED REAR CARGO DOOR GLASS ONLY (NO SIDE CARGO DOOR GLASS)	$245.00
86F	2 ADD'L KEYS with FOBS	$70.00
BUC	FACTORY BACK UP CAMERA(STD).	$0.00
MY22	2022 MODEL YEAR TO BE PROVIDED AT NO ADDITIONAL COST. MUST ORDER BY 9/30/21	$0.00
	FACTORY OPTIONS	**$555.00**

CONTRACT OPTIONS	DESCRIPTION	
TEMP-TAG	Temporary tag	$45.00
40640 + 406TL + 40620	Ford Transit Low Roof Partition with perforated center/passenger side panels & door latch kit.	$735.00
DTF G VAN	Deep tint film on cargo van with side and/or rear door glass.	$260.00
AWV DDLR61FTL	Adrian Steel Single Slide Down Ladder rack Ford Full Size Transit Cargo Low Roof furnished and installed by Advanced Work Vans of Florida.	$1,235.00
	CONTRACT OPTIONS	**$2,275.00**

VEHICLE TOTAL $24,770.00

ACCESSORY TOTAL $2,275.00

TRADE IN **CUSTOMER PRICE** $27,045.00

YES WE TAKE TRADE INS ~~~ ASK ABOUT MUNICIPAL FINANCING ~~~ $0.00

TOTAL COST LESS TRADE IN(S) **QTY** 1 $27,045.00

Estimated Annual payments for 60 months paid in advance: $6,056.97
Municipal finance for any essential use vehicle, requires lender approval, WAC.

Comments

VEHICLE QUOTED BY **CHRISTY SELF** **GOVERNMENT ACCOUNT MANAGER** christy.self@alanjay.com

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ALAN JAY FLEET SALES

Sourcewell Formerly NJPA Awarded Contract

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Quote **30519-4**

PHONE (800) ALANJAY (252-6529)		DIRECT 863-385-9610		WWW.ALANJAY.COM	
Corporate Office	2003 U.S. 27 South Sebring, FL 33870	MOBILE 904-838-4999 FAX 863-402-4221		Mailing Address	P.O. BOX 9200 Sebring, FL 33871-9200

ORIGINAL QUOTE DATE
3/16/2021

QUICK QUOTE SHEET

REVISED QUOTE DATE
8/23/2021

REQUESTING AGENCY **COCOA, CITY OF**
CONTACT PERSON **TONY JONES** EMAIL TJONES@COCOAFL.ORG
PHONE **321-433-8766** MOBILE **321-355-8926** FAX **321-433-8768**

SOURCEWELL (FORMERLY NJPA) CONTRACT # 2021 120716-NAF & 0 www.NationalAutoFleetGroup.com

MODEL U9F — **MSRP** $26,385.00

2021 FORD ESCAPE S - AWD -

CUSTOMER ID DYAL PLANT — **BASE VEHICLE PRICE** $24,092.00

BED LENGTH

*** All vehicles will be ordered white w/ darkest interior unless clearly stated otherwise on purchase order.*

FACTORY OPTIONS	DESCRIPTION	
YZ	OXFORD WHITE EXTERIOR	$0.00
VH	Dark Earth Gray, Cloth Front Bucket Seats	$0.00
996 448	Engine: 1.5L EcoBoost -inc: auto start-stop technology(STD) with Transmission: 8-Speed Automatic (STD)	$0.00
MY22	2022 MODEL YEAR TO BE PROVIDED AT NO ADDITIONAL COST. MUST ORDER BY 9/30/21	$0.00
	FACTORY OPTIONS	**$0.00**

CONTRACT OPTIONS	DESCRIPTION	
TEMP-TAG	Temporary tag	$45.00
3K SMART	3rd key and remote for vehicles with proximity access.	$340.00
DTF SUV	Deep tint film on SUV with full side and rear glass coverage.	$290.00
	CONTRACT OPTIONS	**$675.00**

	VEHICLE TOTAL	**$24,092.00**
	ACCESSORY TOTAL	**$675.00**
TRADE IN	**CUSTOMER PRICE**	**$24,767.00**
YES WE TAKE TRADE INS ~~~ ASK ABOUT MUNICIPAL FINANCING ~~~		$0.00
	TOTAL COST LESS TRADE IN(S) QTY 1	**$24,767.00**

Estimated Annual payments for 60 months paid in advance: $5,546.79
Municipal finance for any essential use vehicle, requires lender approval, WAC.

Comments

VEHICLE QUOTED BY **CHRISTY SELF** **GOVERNMENT ACCOUNT MANAGER** christy.self@alanjay.com

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Legislation Details (With Text)

File #:	21-716	**Version:** 1	**Name:**		
Type:	Contract		**Status:**	Consent Agenda	
File created:	10/27/2021		**In control:**	City Council	
On agenda:	11/9/2021		**Final action:**		
Title:	Approve Change Order No.1 to P.O. 78017 with CST Industries, Inc. in the Amount of $12,311, as the Original Purchase Order Exceeds the City Manager's Signing Authority. (Utilities Director)				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	WS21WS-C.O.#2 - Proposed - Revised for Covers 1&2.docx 04-27-2021 Journal.pdf 2021-038 (Sole Source_ Tanks at WWTP from CST Industries, Inc.).pdf 146955 Wewahootie WTPV4 Parts-Install.pdf Agenda 21-269.pdf ECP - CST Industries - $162,842 - UT-Dyal.pdf SoleSourceLetter.pdf				

Date	Ver.	Action By	Action	Result

CITY COUNCIL AGENDA ITEM

Memo Date: October 27, 2021
Agenda Date: November 9, 2021
Prepared By: Sean B. McFarland, Water Treatment Manager
Through: John A. Walsh, P.E., Utilities Director
Requested Action:
To Approve Change Order No.1 to P.O. 78017 with CST Industries, Inc. in the Amount of $12,311, as the Original Purchase Order Exceeds the City Manager's Signing Authority

BACKGROUND:

The two aluminum domes covering the two Sulfureators at the Wewahootee Plant have reached the end of their useful life due to corrosion/deterioration and are in critical need of replacement. The current condition of the aluminum domes leaves the Sulfureators vulnerable to weather-related damage especially as hurricane season approaches. Should weather-related damage occur, this will result in the shutdown of one or both Sulfureators which will negatively impact the Wewahootee plant's operating capacity.

When the domes were removed from the Sulfureators for the repairs, the contractor and a CST Engineer discovered additional corrosion underneath the structures, which resulted in additional labor and material expenses. The repairs were necessary to ensure the integrity of the domes.

Staff is requesting a change order in the amount of $12,311 for the additional work that was necessary under P.O. 78017.

Staff recommends approval of this change order.

STRATEGIC PLAN CONNECTION:

N/A

BUDGETARY IMPACT:

The Finance Department will provide budget during the Purchase Order Roll 11-30-21.

Budgeted	FY21
If not budgeted, is amendment/transfer attached?	Nov 30th Meeting BAF# 22-001-A
Amount Requested	$12,311
Account Number	424-4020-536.63-00, WS21WS
Account Name	Infrastructure
Source of Funds:	Fund Balance

If a P.O. Change Order is involved please complete the following:

Change Order Amount	$12,311
Original Purchase Order	78017
Original P.O. Amount	$162,842

For this Agenda Item note Prior Change Order Information:

Total number of change orders to date	1
Total amount in change orders to date	$12,311

PREVIOUS ACTION:

On April 27, 2021, City Council approved a Sole Source Vendor approval (Agenda Item 21-269) in the amount of $162,842 for structural repairs to the east and west Sulfureators. Authorized work for the repairs was performed under P.O. 78017.

RECOMMENDED MOTION:

To Approve Change Order No.1 to PO 78017 with CST Industries, Inc. in the amount of $12,311, as the original purchase order exceeds the City Managers signing authority.

JOURNAL
City of Cocoa
Regular Meeting of The City Council
April 27, 2021

I. Opening Matters:

- **Mayor Blake called the meeting to order at 6:05 p.m.**

II. Approval of Agenda and Minutes:

1. Agenda: Regular Meeting of April 27, 2021 (21-302)

2. Minutes: (a) Regular Meeting of March 23, 2021 (21-247)

- **The Agenda for the Regular meeting of April 27, 2021 was approved as amended to add the Reappointment of Joy Rutherford to the Sustainability Advisory Board, Item VII.3 and to remove Item VII.1. The Minutes of the Regular meeting of March 23, 2021 were approved as written.**

III. Awards and Presentations:

~~1. Reading of Amanda Gorman's "The Hill We Climb" by Kyah Coleman, Cocoa High School class of 2021. (21-322). (Councilmember Koss)~~

- **The poet was not in attendance.**

2. Proclamation: "Proclaiming Friday, April 30, 2021 as Arbor Day". (21-304). (Community Services Director)

3. Certificate of Recognition for "The Tulip Restaurant & Lounge" in recognition of their 40th Anniversary of Business in the City of Cocoa. (21-325) (Councilmember Dyal)

4. Update by Cocoa Rotary on special events. (21-287). (Cocoa Rotary)

5. Presentation by EFSC Provost Sibley. (21-303). (Councilmember Koss)

- **Awards and Presentations were conducted as printed above. Additionally, Interim Chief Hankins was recognized for his retirement on April 30, 2021.**

IV. Delegations:

- **No formal actions were taken under Delegations. Speakers were: Rabbi Sanford Olshansky, Sister City; Kathy Hamilton-Brown, Cocoa resident; Montray Anderson, Cocoa resident; Stephanie Gallon, Cocoa resident; Pat Chambers, Cocoa resident; Frank Sullivan, Cocoa resident; Donna Kettner, Cocoa resident; Anita Gibson, Cocoa resident; Aleck Greenwood, Cocoa resident; Phyllis Moscoso, Cocoa resident; Gregg Stoll, Cocoa resident; Marlene Weiss, Cocoa resident; and Terrence Thomas, Cocoa resident.**
- **Motion made to construct a letter of support of the building at Clearlake Education Center to be named after Johnny Fred Bailey.**

V. Consent Agenda:

(A) General Consent Items:

1. Approve Change Order #1 to Purchase Order 77774 with Insituform Technologies, LLC to Provide Additional Cured in Place Pipe (CIPP) Rehabilitation Services and Sanitary Sewer Mid-Term Cleaning & CCTV Inspections of Main Line Sewers, Project No. WS0904. Approve a Resolution Amending the FY21 Budget, BAF#20-070-T. (21-263). (Utilities Director)

- **Approved. Resolution and Budget amendment executed and distributed as necessary.**

2. Authorizing Staff to submit Renewal of Consumptive Use Water Permit (CUP) #50245 with St. Johns River Water Management District; In furtherance of the professional services required by the City to renew the CUP, Approve Task Order 2021-19 with Water Resource Associates for Consulting Professional Services to Assist the City of Cocoa with the Renewal of the Consumptive Use Permit (CUP) #50245; Approve de la Parte & Gilbert, P.A. as Special Counsel subconsultant for CUP Renewal Through the City Attorney's Agreement, by Exemption to Competitive Bid; and Authorizing the City Manager to approve and contract with

Other Consultants as deemed necessary to support the CUP Renewal. (21-266). (Utilities Director)

- **Approved. Task Order to be executed and distributed as necessary.**

3. Approve a Resolution Waiving the Competitive Bidding Process for the Purpose of Making a Sole Source Purchase from CST Industries, Inc. of Conroe, Texas, to Replace the Aluminum Dome Cover Parts for Both Sulfureator Tanks at the Wewahootee Water Treatment Plant; To Approve a Resolution Amending the FY2021 Budget; BAF #21-059-A. (21-269). (Utilities Director)

   - **Approved. Resolutions and Budget amendment to be executed and distributed as necessary.**

4. Council approval to apply as necessary for two types of grants through the Florida Fish and Wildlife Conservation Commission for the removal of eligible derelict vessels. Authorize the City Manager to administer the grant process. (21-273). (Public Works Director)

   - **Approved.**

5. Approve a Resolution Amending the FY 2021 Budget, BAF # 21-068-A, for the Mid-Year, Budget Review and Cleanup, Through the use of Fund Balance Reserves, Contingency and Transfers between Object Classifications, within each Fund. (21-301). (Finance Director)

   - **Approved. Resolution and Budget Amendment to be executed and distributed as necessary.**

6. Approval of Resolution No. 2021-25, Adopting "Starship Drive, Calypso Way, Hyperion Way, Gemini Place, Cressida Lane, Cocoa Landing Way and Proteus Lane" as Street Names for the Arbors at Cocoa Landing Apartment project. (21-306). (Community Services Director)

   - **Approved. Resolution to be executed and distributed as necessary.**

(B) Multi-Year Contracts:

7. Approve the first amendment to Purchase Agreement with Underwater Engineering Services, Inc., C&D Construction Inc., Rush Marine LLC, and TSI Disaster Recovery LLC for Marine Construction Services (RFQ 18-15-COC). Authorize the City Manager to sign the first amendment effective June 22, 2021 through June 21, 2022. Authorize the City Manager to sign the second and final amendment effective June 22, 2022 through June 21, 2023. (21-254). (Public Works Director)

    - **Approved. Amendments to be executed and distributed as necessary.**

8. Approve Participation in a Cooperative Purchase Agreement with Vortex Services, LLC, Houston, Texas, to Provide Rehabilitation Services to the Existing Sulfuraetors at the Wewahootee Water Treatment Plant Utilizing Houston-Galveston Area Council National Cooperative Purchasing Contract 018-00382 Effective July 1, 2018 through June 30, 2021 in the amount of $197,950; To Approve a Resolution Authorizing the City Manager to Approve Change Orders in an Amount Not to Exceed $19,795 (approximately 10%) for a Project Total of $217,745, Project No. WS21WS; To Approve a Resolution Amending the FY2021 Budget; BAF # 21-071-A. (21-270). (Utilities Director)

    - **Approved. Resolutions and Budget Amendment to be executed and distributed as necessary.**

9. Approve a Multi-Year Contract with GARDA CL Southeast, Inc. for Armored Car Service and Authorize the City Manager to Sign the Contract. (21-286). (Finance Director)

    - **Approved. Contract to be executed and distributed as necessary.**

10. Approve First Amendment to the Multi-Year Premier Power Services Contract between the City of Cocoa and Duke Energy Florida, LLC. (21-290). (Utilities Director)

    - **Approved. Amendment to be executed and distributed as necessary.**

11. Approve Multi-Year contract with Five9 in conjunction with Multi-Year contract with Verteks Consulting Inc. for the Utility Customer Service Call Center Platform.

Utilize Standardization Purchase to exempt from Competitive Purchase. Authorize City Manager to sign and execute each contract. (21-319). (Finance Director)

- **Approved. Contract to be executed and distributed as necessary.**

VI. Public Hearings:

- **None.**

VII. Council Business:

~~1. Seek Council approval to waive fees associated with renting the Porcher House for the Cocoa High School Chorus special graduation recognition program on Saturday, May 15, 2021. (21-299). (Assistant to the CM/Public Information Officer)~~

- **This item was removed from the agenda.**

1. ~~2~~. Approval of Resolution No. 2021-033, Adopting "Jim Wallen Park" as the Park Name for Circle Park. (21-315). (Councilmember Hearn)

- **Approved. Resolution to be executed and distributed as necessary.**

2. ~~3~~. Consider the Appointments of Ronald Deel, Diana Robinson, and Jonathan Templeton as members to the Sustainability Advisory Board and the Reappointments of Paige Horr, Kristina Jackson, Linda Gombert, and Joy Rutherford to the Sustainability Advisory Board. (21-321). (Administrative Services Director)

- **Approved. Correspondence to the handled by the City Clerk's office.**

VIII. City Business:

1. Approval of the re-platting of a portion of a Final Subdivision known as Summer Breeze Plantation, which shall be known as Summer Breeze Plantation Phase Two, in accordance with Appendix A Zoning, Chapter 18, of the City of Cocoa Code, with conditions. (21-284). (Community Services Director)

- **Approved.**

Multi-Year Contracts:

- **None.**

IX. Informational Agenda:

1. Review the cumulative purchase approvals over $35,000 and under $50,000 for period 10/01/2020 to 3/31/2021. (21-280). (Finance Director)

2. Approved change orders to construction contracts that the City Council has authorized the City Manager, by resolution, to approve in excess of the City Manager's spending authority. (21-295). (Finance Director)

3. FY 2021 Budget Adjustment Report. (21-296). (Finance Director)

4. Data showing the relation between the estimated and actual income and expenses to date. (21-297). (Finance Director)

- **No formal actions were taken under the Informational Agenda.**

X. Reports:

- **Motion made by Council to raise Porcher House Tenant Leases by 15%.**
- **Motion made by Council to change the start date of the new Building Permit Fees schedule from May 3rd to June 1st, 2021.**
- **Deputy Mayor Goins announced his travel to Daytona Beach for the Florida League of Cities Institute of Elected Officials Conference which took place at: The Hilton Daytona Beach Resort, 100 North Atlantic Avenue, Daytona Beach, FL 32118. He left on Thursday, April 22nd and returned on Saturday, April 24th. The estimated cost of the trip, including registration, hotel reservations, mileage, parking and per diem will be around $745 dollars. This is budgeted under Council's travel and per diem account.**
- **Consensus from Council to have a release done with the status of the FBI investigation.**
- **Consensus by Council to dress down for meetings during the summer months—May until September.**

XI. Adjournment:

- **The Regular meeting of April 27, 2021 adjourned at 8:19 p.m.**

RESOLUTION NO. 2021-038

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COCOA, FLORIDA, WAIVING THE COMPETITIVE BIDDING PROCESS AND SETTING FORTH THE BASIS OF THE CITY MANAGER'S RECOMMENDATION THEREOF BY EXHIBIT; PROVIDING FOR THE REPEAL OF PRIOR INCONSISTENT RESOLUTIONS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Section 2 of Article XIII of the City Charter of the City of Cocoa and Section 2-4 of the City Code of the City of Cocoa provides that competitive bidding is required for all purchases unless certain requirements are met for exceptions to the bidding requirement; and

WHEREAS, the City Manager has recommended that the competitive bidding requirement be waived for the purchase or public improvement described in Exhibit "A" attached to this Resolution and by this reference incorporated herein; and

WHEREAS, the City Council has determined that competitive bidding for the purchase or public improvement described in Exhibit "A" would not be in the City's best interest.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COCOA, FLORIDA, AS FOLLOWS:

SECTION 1. The purchase or public improvement described in Exhibit "A" is hereby approved and the competitive bidding requirement is hereby waived. The basis for the City Manager's recommendation that a competitive bidding procedure would not be in the City's best interest is attached to this Resolution and by this reference incorporated herein.

SECTION 2. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of the conflict.

SECTION 3. This resolution shall become effective immediately upon adoption by the Cocoa City Council.

ADOPTED by the City Council of the City of Cocoa, Florida, in a regular meeting assembled this 27th day of April, 2021.

MICHAEL C. BLAKE, MAYOR

ATTEST:

CARIE SHEALY, MMC, CITY CLERK

EXHIBIT "A"

To Resolution No. 2021-038

The City Manager recommends that the competitive bidding requirement be waived, by reason of sole source purchase, for the purpose of replacing the aluminum dome cover parts for both sulfureator tanks at the Wewahootee WTP from CST Industries, Inc. Conroe, Texas.

The Department Director provided supporting documentation toward justification of the waiver, based on sole source, as an exception to the sealed bidding process; and based on this documentation, I support approval of the Resolution.

Stockton Whitten, City Manager

April 22, 2021

Attention: David Veloza

Reference: **(1) 30 ft. dia Aluminum Dome Cover Parts and Replacement**
Cocoa, FL – Weewahootee WTP
CST Covers Inquiry #146955

Dear David,

CST Covers proposes to furnish all labor, materials, and equipment specified below to completely fabricate, deliver, install, and perform labor for the following replacement parts for the 30' covers located in Cocoa FL. The parts and service will be in general accordance with the original project specifications and design and as stated herein. The details and pricing listed below are for both covers with installation performed in sequence with a two (2) week downtime on site between cover one (1) and cover two (2) with two mobilizations Included in base bid.

A. ALUMINUM ROOF COMPLETE AND CONSISTING OF THE FOLLOWING:

1. Replacement Parts: (Existing Domes)
   - 64.25-inch diameter Stack Cap at apex – 1 each per cover (2-total)
   - Triangular dome closure panels – 16 each per cover (32-total)
   - Batten Bars and Silicone Batten Seals – 28 each per cover (56-total)
   - Replacement 36-inch square hatch – 1 each per cover (2-total)
   - Gusset Covers – 12 each per cover (24-total)
   - 316SS Fasteners – As required for batten and appurtenances listed in Section A only
   - Aluminum Flashing – 8 each per cover (16-total)
   - Additional stiffeners per CST standard design – 16 each per cover (32-total)
   - Silicone Sealant – As required for components listed above

B. MISCELLANEOUS ITEMS INCLUDE THE FOLLOWING:

1. Crating and freight to jobsite.

C. PRICE IS BASED & CONTINGENT UPON

1. Tank(s) to be covered being out-of-service, drained and cleaned (by others) during the cover removal and installation.
2. Weather conditions that allow construction procedures to be performed. Temperatures below 40 degrees Fahrenheit and/or precipitation may interrupt the crew's ability to weatherseal (i.e., caulk) the dome(s). Persistent bad weather for any period longer than 48 hours may be grounds for a crew move-in/move-out, which will be charged to the purchaser at the rate stated in the Scope of Work.
3. The dome being considered as "water-tight," not "gas-tight".
4. The area being well drained with adequate space adjacent to the foundation for the storage of material and erection equipment. Area should be accessible and suitable for heavy trucks, cranes, and manlifts for the duration of the project and to allow sufficient bearing for unencumbered 360° access around the structure(s)

for construction equipment. This area must be for the exclusive use of CST Covers' crew and any additional work, not related to the dome (i.e., dike work, pipe racks, etc.), should be installed once the dome structure is in place.

5. Work area(s) not being considered confined space.
6. All walls being level and at a constant elevation (by others).
7. Shipping the materials for all structures at the same time. Should the Purchaser elect to stagger (or sequence) the delivery or installation of the covers, the contract price shall be adjusted to reflect the subsequent packing inefficiencies and resulting increased number of shipping containers and additional crew mobilizations.

D. INSTALLATION:

1. Based on performing the work on a continuous, uninterrupted basis for each cover with two move-in/move-out of equipment and crew. In the unlikely event that additional move-in/move-outs are required, they will be invoiced as contract extras at a rate of $4,500 each plus the cost of any additional equipment mobilization such as crane, scaffolding, man-lift, etc.
2. Groundwork on the dome will require CST Covers being provided with a clear, flat staging area that is at least dome diameter plus 20 feet in size.
3. Perimeter work on the tank will be performed using ladders if needed to access the flashing and anchors.
4. Price is based on Non-Union/Non-Prevailing Wage

E. GENERAL NOTES

1. If the project is tax-exempt, the purchaser must provide CST Covers with a tax-exempt certificate. If the project is not tax-exempt, the purchaser must furnish CST Covers with a resale certificate. Otherwise, CST Covers will charge applicable sales and use taxes to the purchaser as a contract extra.
2. Because CST Covers is not a local contractor, the punch list for the aluminum cover (if any) shall be provided to CST Covers for action while we are still mobilized at the site. Additional mobilizations for punch list(s) generated after we have demobilized shall be considered a contract extra per Section D.1.

F. BASIC ITEMS NOT INCLUDED

1. Supply of any appurtenances not specified herein.
2. Crane, man lifts, and rental equipment for removal/reinstallation of domes. Any required equipment will be coordinated with owner, provided by others, and available for use on site as needed to avoid downtime for CST crew.
3. Replacement hardware and pins for the shoe mounting location.
4. Removal and reinstallation of any materials not provided by CST or specified in this proposal.
5. Extra labor and materials required if the tank dimensions or conditions are different than specified.
6. Existing tank must be level and flat for dome to anchor and seal properly. Unacceptable top of tank conditions may result in additional charges.
7. Staging area, including crane pad, are excluded, and will be provided by others.
8. Building permits, bonds, or taxes other than specified herein.

9. Any work of any other trades, such as electrical, pipefitting, painting, ductwork, or miscellaneous metalwork (e.g., handrails, platforms, etc.) except as specifically noted herein.
10. All stairways, walkways, platforms, handrailing, walkway grating, stairway grating, checkered plate, etc.; (except as specifically noted).
11. Warranty for buyout items (non-CST Covers manufacture) such as louvers, vents, fans, motors, etc. are the responsibility of the manufacturer of the specific item and not included in CST Covers warranty agreement.
12. Field welding.
13. Earthwork or landscaping repair of area used for crane set-up and setting of the dome(s) after completion of the structure(s).

G. TOTAL LUMP SUM PRICE

Lump Sum Pricing for Full Scope as specified above for (2) 30' Domes - Materials & Install: $162,842

Optional Deduct – Second Mobilization: $4,500 *

* Available if work is scheduled to avoid the 2-week delay between each cover. This should be requested prior to initial mobilization to avoid last minute schedule conflicts for the crew.

Optional Deduct – Working in Place: $12,000 **

** Available if parts identified in section A can be replaced with the cover in place on the tank. This deduct avoids labor for CST and additional cost by owner for cranes, matting, ground prep, etc. for the cover removal and reinstallation. This must be exercised at time of issuance of the PO for planning purposes.

H. DESIGN CONSIDERATIONS:

1. Per original cover design

I. VALIDITY:

1. This proposal is offered for your acceptance not later than 90 days after the proposal offer date.
2. The prices quoted are based on the current material costs of metals. Due to the current unprecedented volatility in the metals market, we reserve the right to review pricing for orders received and adjust our price accordingly.

J. TERMS OF PAYMENT:

1. See "CST Industries Terms and Conditions of Sale for CST Industries Product Lines" included with this proposal.

K. SHIPPING INFORMATION:

Point of origin is Conroe, Texas.

L. SCHEDULE: (Subject to workload at time of order.)

Material delivery and installation as mutually agreed after CST Covers has reviewed the customer's proposed CPM schedule for the project. (Note: Delivery is contingent upon availability of materials at the time of order)

CST will provide a tentative completion date of August 6, 2021 with the following condition and clarifications:

- CST will have to receive and execute a purchase order no later than May 10, 2021.
- CST tentative completion date is based on current inventory of raw material extrusions. Inventory is subject to change and completion may be impacted by other orders received and executed prior to this order. Current lead time for batten extrusion is 12 weeks.

M. WARRANTY

CST guarantees the material and installation for the replacement parts per "CST Industries Limited Warranty" included with this proposal.

CST's inability to install per the original design due to non-replaced material that is inconsistent with the original design cannot be covered under warranty nor can fit up be guaranteed. If this occurs, CST will provide documentation and request guidance while on site.

Respectfully Submitted,

Heath Dykes, PMP
Project Manager

713-351-3786 direct
816-787-3611 mobile
hdykes@cstindustries.com
www.cstcovers.com

CST Industries

Terms and Conditions of Sale for CST Industries Product Lines

1. **Offer and Price Increases**. This offer shall constitute an offer to sell goods described herein by CST Industries (Seller). This offer shall be construed as inviting acceptance by Buyer in any reasonable manner. If Seller's steel or other material supplier increases its prices materially to Seller prior to delivery of goods, Seller may increase selling price of the goods by an amount equal to the percentage increase in the cost of Seller's steel or other materials from date of Buyer's acceptance of Seller's offer and the effective date of steel or other material increase to Seller. Seller shall give Buyer 30 days written notice of any such increase; and, unless Buyer shall within such period notify Seller in writing that it is unwilling to accept any such increase, the increased price shall be paid on all goods shipped after such 30-day period. If Buyer shall notify Seller in writing of its dissent, Seller shall have the right to cancel this Offer by giving to Buyer written notice within ten days after receipt by Seller of Buyer's notice. Stenographic and clerical errors are subject to correction by Seller.

2. **Acceptance**. The terms and conditions of this Offer shall apply and become a part of the contract between Seller and Buyer unless specifically changed in writing and signed by an executive officer of Seller. The terms and conditions of this Offer shall in all cases, without exception, control and take precedence over any terms and conditions in Buyer's acceptance. Buyer's acceptance of this Offer shall be prima facie evidence of acceptance by Buyer of Seller's terms and conditions as controlling. Any conflicting terms and conditions in any purchase order, acknowledgement or other document utilized by Buyer in this transaction, are expressly rejected by Seller.

3. **Delivery**. Unless otherwise stated on the face hereof, the price and delivery of all goods, are FOB Seller's factory. Title to the goods shall pass to Buyer when the goods are duly delivered to Carrier at Seller's factory, except where Buyer requests a delay in shipment, in which case the title shall pass to the Buyer when the goods are ready for shipment. If Buyer requests a delay in shipment, then Buyer shall pay Seller's standard storage charges for the period from the scheduled shipment date to the actual date of shipment. Such storage charges shall include insurance coverage for the buyer's stored product.

4. **Risk or Loss**. The risk of loss to the goods shall pass to Buyer when the goods are duly delivered to the Carrier at Seller's factory, except where the Buyer requests a delay in shipment as described above. The processing of freight claims or loss claims is the responsibility of Buyer.

5. **Seller's Limited Warranty.** Refer to the attached Limited Warranty (Tanks and Covers), Document # 283970-000.

6. **Method of Shipment and Freight Charges**. Orders specifically including freight or other transportation charges are based on rates in effect on date of acceptance of this Offer and on the routing of shipment arranged by Seller. Seller will ship goods in accordance with Buyer's routing whenever such routing will not result in an increase in freight or other transportation charges. In the event of such increases, the payment of any additional freight or other transportation charges is guaranteed by Buyer to Seller's satisfaction. The goods shall be packaged for shipment at the lowest acceptable rate by common or other carrier, or any other method deemed necessary or advisable by Seller. Marking shall be in accordance with ordinary commercial practice at place of shipment, unless otherwise designated by Buyer and accepted by Seller.

7. **Force Majeure**. Shipping and delivery dates are approximate and are based upon Seller's ability to obtain all necessary labor, materials and parts and, where applicable, the receipt of all necessary information, plans or specifications from Buyer. Seller shall not be liable for damages resulting from any delay or failure to deliver the goods, or otherwise perform under this Offer, due to circumstances beyond its control and not occasioned by its fault or negligence, including but not being limited to, any act of government, inability to obtain materials, failure of vendors, strikes, labor disputes, civil commotion, acts of God, or other occurrences rendering Seller's performance commercially impracticable, regardless of whether such occurrences are foreseeable. In the event of a production shortage, Seller shall have the right to allocate its available goods among its customers in such a manner as Seller shall desire.

8. **Invoice & Hold**. Due to the custom nature of Seller's products and equipment, the Buyer accepts title on the later of when the units are completed or the promised ship date. Buyer will be invoiced immediately and accept responsibility for payment and any applicable storage fees.

   Storage Fees – Two (2) weeks "grace period" from agreed upon promised ship date – no charge. A charge of $250/tank/week for bolted tanks will be assessed for weeks 3-8. A charge of $750/tank/week for welded tanks will be assessed for weeks 3-8. The maximum storage period is eight (8) weeks. Arrangements must be made for shipments so that the maximum storage period is not exceeded.

9. **Terms of Payment.** Subject to satisfactory credit approval, as set forth in paragraph 11, the following terms apply:

   Negotiated Payment Terms
   * 40% - Material Delivery
   * 25% - Complete Installation Cover #1
   * 25% - Complete Installation Cover #2
   * 10% - Final Acceptance

   Note: Freight invoices are due upon receipt of invoice. A late charge of 1.5% per month will be charged on invoices not paid at maturity.

INTERNATIONAL SALES

Payment - 100% Irrevocable Letter of Credit confirmed by a major U.S. bank, payable at sight upon presentation of clean on-board Bill of Lading (ocean or air) and other shipping documents as required.

10. **Credit Approval**. This Offer is subject to (a) execution by Buyer of such additional contract documents, security agreements, notes or other instruments as Seller shall deem necessary or desirable and (b) Seller's review and acceptance of the financial condition of Buyer. If the financial condition of Buyer at any time does not in the sole judgment of Seller, justify continuance of shipment under the terms of this Offer, Seller reserves the right to ship under reservation, or to require full payment before shipment, delivery or erection. Additionally, Seller may at its discretion file such notices for financial protection under the lien or bond statutes of each state.

11. **Duty Drawback.** The manufacturer reserves all drawback rights for materials it produces and sells to Buyer. If Buyer exports the product which Seller manufactures, it is agreed that evidence of exportation shall be supplied to Seller to facilitate its claim of drawback upon request and without charge to Seller.

12. **Security Interest.** To secure payment for goods, Buyer grants to Seller a security interest in the goods and agrees that Seller shall have the rights and remedies of a secured party under the Uniform Commercial Code. Buyer designates Seller as its attorney-in-fact to execute any financing statements on behalf of Buyer necessary to perfect such security interest.

13. **Taxes.** Seller's prices do not include sales, excise or similar taxes levied by government authority, either foreign or domestic. Consequently, in addition to the prices specified herein, the amount of any present or future sales, use, excise or other similar tax applicable to this transaction, shall be paid by Buyer as part of this sale, or in lieu thereof, Buyer shall provide Seller with a tax exemption certificate acceptable to taxing authorities of the Shipped-To state. On any material picked up by Buyer at the plant, the tax jurisdiction of the FOB state is applicable.

14. **Additional Work and Inspection.** No extra labor, materials or parts will be furnished under this Offer, unless it has been ordered by Buyer on Seller's sales order form, and the prices and terms of sales are approved by Seller. Seller may at its option subcontract labor, material and parts required by this Offer without Buyer's consent. The goods shall be, at Seller's option, subject to inspection and testing during manufacture. Any inspection by Buyer shall be made prior to shipment at Seller's factory or point of shipment. Unless otherwise agreed to, Seller shall not be responsible for unpacking, storage, field assembly of goods, or construction of foundations. Furthermore, Seller shall not be responsible for the choice of use or linings, sealants, and gasket materials not sold hereunder; or the installation, attachment, or connection of piping, conveying and ventilating equipment, or other attachment of accessories or components not sold hereunder.

15. **Infringement.** Seller, at is own expense, shall defend the Buyer against any claims which may be instituted against the Buyer alleging infringement of United States Patents relating to the subject matter of the accompanying sales proposal, provided the Buyer gives Seller immediate notice in writing of any such alleged patent infringement claim and permits Seller, through its own counsel, to defend such claim. In such cases, Buyer shall furnish Seller with all needed information and assistance. The obligations of Seller hereunder shall not extend to any infringement claims arising as a result of the use of the equipment as part of any combination of other devices, machinery or parts.

16. **Cancellation, etc.** Buyer's cancellation of any order is required to be in writing, and Buyer is subject to pay a cancellation fee equal to 25% of the total purchase price plus all non-recoverable costs and expenses.

17. **Law.** The rights and obligations of the parties shall be governed by the domestic laws of the State of Kansas without regard to its conflict of law rules or the United Nations Convention for the International Sale of Goods.

18. **Arbitration**. Any dispute, controversy or claim arising under this agreement shall be settled by arbitration in Kansas City, Kansas, pursuant to the American Arbitration Association rules.

19. **Entire Agreement**. This Offer contains the entire agreement between Seller and Buyer, and no modification of this Offer shall be binding upon Seller unless evidenced by an agreement in writing signed by an executive officer of Seller after the date hereof. No oral or written statements by Seller's sales representatives, or other agents, made after the date hereof shall modify or vary the express terms hereof unless evidenced by an agreement in writing signed by an executive officer of Seller after the date hereof. To the extent any advertising or promotional material of Seller contradicts or disagrees with the terms hereof, Seller and Buyer agree that the terms hereof shall control and that such advertising and/or promotional materials are not part of the agreement between Seller and Buyer.

20. **Confidentiality of Proposal.** All terms and conditions of this Offer shall be held in strict confidentiality by the Buyer and shall not be divulged by the Buyer to any other person or entity without the express prior written approval of Seller.

LIMITED WARRANTY
(Tanks & Covers)

All of the following provisions on this page constitute CST Industries, Inc.'s LIMITED WARRANTY for its products, all of which are part of the terms and conditions of sale.

LIMITED WARRANTY: CST warrants to the original buyer that our products will be free from defects in material and workmanship under normal conditions and use for a period of 12 months from the date of installation or 14 months from the date of shipment, whichever is earlier. This warranty may not be transferred or assigned to any other person or entity other than the original owner of the Project if different from the Buyer. This warranty does not contemplate any future performance by us. This Warranty is contingent upon and will be invalidated by our failure to receive full and timely payment of all invoices relating to the Project.

EXCLUSIONS: This Warranty does not cover products or materials that are not manufactured or sold by us. This warranty does not cover products that have been altered or repaired by anyone other than us without our written consent.
This Warranty excludes damage to or the failure of our products or systems as a result of:

1. Material defects or failures of products not manufactured by us;
2. Fire, flood, high winds, earthquake, lightning strikes, or other catastrophic events or other Acts of God;
3. Vandalism, physical abuse, misuse, neglect, accident, or other physical damage to the products or systems;
4. Exposure to chemicals or other substances, materials, or temperatures that are not anticipated;
5. Physical damage to the integrity of the products including but not limited to, penetrations, crushing, breaking, or other destruction;
6. Any change in use of the products or the project not expressly acknowledged and agreed to by us, including without limitation, the storage of materials with different composition, maximum bulk densities or flow characteristics, or a change in the process;
7. Structural design and operating performance issues, problems or consequences attributable in whole or in part to the correctness of design and operating parameters provided by Buyer or the correctness of interfacing work, material or services provided by Buyer (such as foundations or attached process or control equipment); and
8. Any failure to handle, store, transport, install, maintain, or operate our products in accordance with our instructions, applicable building codes, and standard industry practices. This includes, but is not limited to, proper operation and maintenance, filling and emptying. Ventilation and pressure/vacuum relief devices must be maintained by Buyer to assure that design pressures and vacuums are not exceeded. Grouting, if required, must be installed and properly maintained by Buyer. Tanks, covers, lining/coatings, cover structure or sheeting/panels, sealers and gaskets, etc. must be maintained by Buyer as necessary to protect against damage, wear and corrosion. Buyer must perform tank and cover inspections in accordance with Seller's guidelines and provide written inspection reports to Seller within two (2) months of each required maintenance period. All evidence of tank, cover, or tank lining damage, both internal and external, is to be repaired by Buyer using repair methods specified by Seller.

REMEDY: Your sole and exclusive remedy is limited to our providing you a replacement product or part, repairing the defective product or part, or paying you the prorated value of the defective product or part, at our sole discretion. We will not pay for the labor or other costs to remove or replace the defective product or part, including labor or other costs to remove the contents and/or clean a structure or obtain access to the defective product or part, or freight for shipment of the defective product or part. There may be certain circumstances where we will elect to repair the condition rather than provide you a replacement product or part, as an alternative remedy. In addition, there may be other circumstances that we elect to pay you the prorated value of the defective product or part based on the time remaining on the warranty, as an alternative remedy. This Warranty shall not have failed its essential purpose as long as we are willing to provide comparable replacement product or part or elect one of the alternative remedies.

LIMITATION OF LIABILITY: THE WARRANTY DESCRIBED ABOVE IS THE ONLY WARRANTY MADE BY US AND SHALL BE IN LIEU OF ANY OTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. WE SHALL NOT BE LIABLE FOR ANY OTHER DAMAGE OF ANY KIND, INCLUDING BUT NOT LIMITED TO, LOSS OF REVENUES OR PROFITS, LOST SALES, LOSS OF CONTENTS, LOSS OF USE, ANY INABILITY OF BUYER TO PROVIDE PRODUCT OR SERVICES TO A CUSTOMER, INJURY TO PERSON OR PROPERTY (INCLUDING DAMAGE TO THE BUILDING OR ITS CONTENTS AS A RESULT OF FIRE, EXPLOSION OR OTHERWISE), ENVIRONMENTAL INJURIES, OR ANY OTHER INCIDENTAL OR CONSEQUENTIAL LOSS OR DAMAGE. THE TOTAL LIABILITY OF SELLER TO BUYER IN CONTRACT, TORT (INCLUDING FAULT, NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE RESULTING FROM OR ARISING OUT OF ANY CAUSE WHATSOEVER IN CONNECTION WITH THIS SALE SHALL UNDER NO CIRCUMSTANCES EXCEED THE EX-WORKS MATERIAL AMOUNTS ACTUALLY PAID TO US. This limitation of liability shall apply to any claim against us to the fullest extent permitted by law, including without limitation any claim of breach of contract, negligence, misrepresentation, nondisclosure, breach of any duty of good faith and fair dealing, violation of any consumer protection statute, or any tort claims.

CLAIM PROCESS: To make a claim under this Warranty you must follow the claims process set forth in the Warranty Online service, which is available at www.partsonline.cstindustries.com. CST must be notified of all warrantable conditions within ninety (90) days of discovery. For reimbursement, all claims must be filed within forty-five (45) days after you discover the problem. Any action brought by you arising out of or in connection with breach of this Limited Warranty shall be commenced within ninety (90) days after the expiration of Warranty. Once a claim has been made, we have the right to perform an on-site inspection of our products.

File #: 21-269, **Version:** 1

CITY COUNCIL AGENDA ITEM

Memo Date: March 29, 2021
Agenda Date: April 27, 2021
Prepared By: Sean B. McFarland, Water Treatment Manager
Through: John A. Walsh, P.E., Utilities Director
Requested Action:
To Approve a Resolution Waiving the Competitive Bidding Process for the Purpose of Making a Sole Source Purchase from CST Industries, Inc. of Conroe, Texas, to Replace the Aluminum Dome Cover Parts for Both Sulfureator Tanks at the Wewahootee Water Treatment Plant; To Approve a Resolution Amending the FY2021 Budget; BAF #21-059-A

BACKGROUND:

The two aluminum domes covering the two sulfuraetors at the Wewahootee Plant have reached the end of their useful life due to corrosion/deterioration and are in critical need of replacement. The current condition of the aluminum domes leave the sulfuraetors vulnerable to weather-related damage especially as hurricane season approaches. Should weather-related damage occur, this will result in the shutdown of one or both sulfuraetors which will negatively impact the Wewahootee plant's operating capacity.

The aluminum domes were originally designed, manufactured, and installed by CST Industries, Inc. After researching several options for procurement, City staff have determined that CST Industries, Inc. is in the best position to ensure the proper fit and function and are able to provide the correct parts for future maintenance projects related to the domes. Pursuing a new design, manufacturer, and installer would be cost prohibitive for the City.

Staff recommends the approval of a sole source purchase with CST Industries, Inc. in an amount not to exceed $162,842.

STRATEGIC PLAN CONNECTION:

N/A

BUDGETARY IMPACT:

Budgeted	No
If not budgeted, is amendment/transfer attached?	Yes BAF # 21-059-A
Amount Requested	$162,842

Account Number	424-4020-536.63-00, WS21WS
Account Name	Infrastructure
Source of Funds (Transfers):	421-4020-536.46-00, WS21SW; 421-4020-536.46-00, DY20GN

PREVIOUS ACTION:

None.

RECOMMENDED MOTION:

To Approve a Resolution Waiving the Competitive Bidding Process for the Purpose of Making a Sole Source Purchase from CST Industries, Inc. of Conroe, Texas, to Replace the Aluminum Dome Cover Parts for Both Sulfureator Tanks at the Wewahootee Water Treatment Plant; To Approve a Resolution Amending the FY2021 Budget; BAF #21-059-A.

Embedded Secure Document

The file *https://cocoa.legistar.com/View.ashx?M=F&ID=9937682&GUID=F9FEE1A4-AF1E-4344-A4FA-1A927C9533A9* is a secure document that has been embedded in this document. Double click the pushpin to view.



March 8, 2021

Wewahootee WTP
Cocoa, FL

To Whom It May Concern:

CST Industries, Inc. acquired Coservatek Industries, Inc. in 2008.

CST Industries, Inc. maintains the original equipment drawings and Bills of Material to provide such equipment. This information allows CST to produce the required OEM replacement components insuring accurate fit, function and maintenance procedures. No other manufacturer or business enterprise is legally authorized to claim this advantage.

Please be advised the CST Industries, Inc. is the sole OEM authorized to provide parts and services pertaining to the Wewahootee WTP in Cocoa, Florida. Our Construction subcontractors are authorized by CST Industries, Inc. to install these components.

Respectfully,

Heath Dykes

Project Manager
CST Industries, Inc.
Direct: (713) 351-3786
hdykes@cstindustries.com

Legislation Details (With Text)

File #:	21-729	**Version:**	1	**Name:**	
Type:	Resolution			**Status:**	Consent Agenda
File created:	11/2/2021			**In control:**	City Council
On agenda:	11/9/2021			**Final action:**	
Title:	Approve a change order to Tech Systems, Inc. related to the roof replacement at the new Police Department Substation in Provost Park. Approve A Resolution Amending the FY22 Budget, BAF #22-021-T. (Public Works Director)				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	78450.pdf 400 S. Varr Ave Roof - $49,800.pdf Tech Systems CO $2,832.00.pdf Budget Resolution FY 2022- ADA Compliant.docx BAF 22-021-T-PW-Varr Building Wood Replacement for Roof (11-9-21)Agenda 21-707.pdf				

Date	Ver.	Action By	Action	Result

CITY COUNCIL AGENDA ITEM

Memo Date: November 2, 2021
Agenda Date: November 9, 2021
Prepared By: Frank Mirabito, Project Manager
Through: Bryant Smith III, P.E., CFM, Public Works Director/City Engineer
Requested Action:
Approve a change order to Tech Systems, Inc. related to the roof replacement at the new Police Department Substation in Provost Park. Approve A Resolution Amending the FY22 Budget, BAF #22-021-T.

BACKGROUND:

On August 24, 2021, Council approved the Police Department's request to utilize the vacant building located at 400 S. Varr Avenue, within Provost Park, as a new Police Department Substation. This building was previously slated for minor renovations as part of the Provost Park Improvements Project, previously approved by Council. Upon approval by Council as a substation, Public Works began a more in-depth assessment of the building regarding the change in occupancy and use.

The roof was deficient for occupancy and required a complete upgrade. Tech Systems Inc., under a piggyback agreement through Brevard County RFP 4-18-12 Continuing Roofing Services, quoted a new modified roofing system with a 20-year warranty for a total cost of $49,800.05. Unencumbered Fiscal Year 2020 funds were utilized in an effort to maximize the renovation capabilities since a defined user was established. The City issued purchase order #78450 on September 20, 2021.

During the installation of the new roofing system, unforeseen damages were found to the existing system. This required the additional replacement of wood decking at a cost of $2,832.00, moving the total cost to $52,632.05.

STRATEGIC PLAN CONNECTION:

This new substation will enhance the City of Cocoa's image, safety and security.

BUDGETARY IMPACT:

Budgeted	No
If not budgeted, is amendment/transfer attached?	Yes

BAF# 22-021-T

Amount Requested	$2,832.00
Account Number	001-3560-519.62-00
Account Name	Facilities - Capital - Buildings PWFBPP

Funding Source: 001-3560-519.46-00

If a P.O. Change Order is involved please complete the following:

Change Order Amount $ 2,832

Original Purchase Order 78450
Original P.O. Amount $49,800.05

For this Agenda Item note Prior Change Order Information:
Total number of change orders to date 0
Total amount in change orders to date $0

PREVIOUS ACTION:

On August 24, 2021, Council approved the Police Department's request to utilize the vacant building located at 400 S. Varr Avenue and situated within Provost Park as a new substation.

RECOMMENDED MOTION:

Approve a change order to Tech Systems, Inc. related to the roof replacement at the new Police Department Substation in Provost Park. Approve A Resolution Amending the FY22 Budget, BAF #22 -021-T

SERVICE

PURCHASE ORDER

City of Cocoa
65 Stone Street
Cocoa, Florida 32922
(321) 433-8844

THIS NO. 78450

MUST BE SHOWN ON DELIVERY TICKET, INVOICE, AND STATEMENT

VENDOR NO.: 9824
VENDOR FAX NO.: 321-255-0291
VENDOR PH NO.: 321-259-2246

DATE 9/20/2021
DATE REQUIRED 9/30/2021

DELIVER TO:

City of Cocoa

LOCATIONS AND QUANTITIES SPECIFIED FOLLOWING ITEM

TECH SYSTEMS INC
1801 N WICKHAM RD
SUITE 3
MELBOURNE FL 32935

Florida Sales Tax Exemption No. 85-8012621548C-8

BUYER/REQ. # CS 0000043288 F.O.B.
C MEISENZAHL/3560/GP

Line#	Quantity	UM	Description	Unit Cost	Ext Cost
1	49800.05	SUM	POLICE SUBSTATION ROOF In accordance with Brevard County Continuing Roofing Contracting Services, RFP-4-18-12, Term: 7/12/19 through 7/11/20; Renewal Term: 7/12/20 through 7/11/2021; 3rd Renewal Term: 7/12/21 through 7/11/22. Tech Systems Quote dated September 1, 2021. 400 S. Varr Ave, Police Department Substation Building Scope of Work: Remove and discard existing edge metal and deteriorated T1-11 fascia/siding. Clean and prep existing roof surface to receive new roof system (upper roof system only). Mechanically attach a roof coverboard over the existing roof surface. Install a 20-year two-ply modified roof system consisting of a mechanically attached base sheet and a torch applied granulated surface cap sheet per manufacturer's specifications. Complete all corner, curb, wall flashing, and field-flashing details to meet or exceed manufacturer's specifications. Install new cleated, aluminum edge metal along perimeter on	1.0000	49800.05

*** CONTINUED ***

1. Do not invoice prior to shipment.
2. Partial shipments must be covered by separate invoices.
3. The right is reserved to cancel order if not filled by specified date.
4. Acceptance of order includes acceptance of all terms, prices, delivery instructions, specifications and conditions.
5. **IMPORTANT: Invoices and packing slips must bear our Order No.**

ACCOUNT NUMBER

00135605196200

CITY OF COCOA

MAIL INVOICES TO: or E-MAIL INVOICES TO:

City of Cocoa
Accounting Division
65 Stone Street
Cocoa, Florida 32922

accountspayable@cocoafl.org

Rebecca Bardon

Purchasing Agent

PURCHASE ORDER

City of Cocoa
65 Stone Street
Cocoa, Florida 32922
(321) 433-8844

THIS NO. 78450

MUST BE SHOWN ON DELIVERY TICKET, INVOICE, AND STATEMENT

VENDOR NO.: 9824
VENDOR FAX NO.: 321-255-0291
VENDOR PH NO.: 321-259-2246

DATE 9/20/2021
DATE REQUIRED 9/30/2021

TECH SYSTEMS INC

DELIVER TO:

City of Cocoa
LOCATIONS AND QUANTITIES

Florida Sales Tax Exemption No. 85-8012621548C-8

F.O.B.

Line#	Quantity	UM	Description	Unit Cost	Ext Cost
1			POLICE SUBSTATION ROOF the upper roof. Install new HarieBord siding along perimeter, properly fastened and sealed per manufacturer's specifications. Painting to be done by others Labor: Foreman: 96 hours @ $24.50/hr. = $2,352.00, Roofer: 768 hours @ $22.50/hr. = $17,28000. Total Labor: $19,632.00 Cost of Material: $29,576.52, 2% mark-up: $591.53. Total Materials: $49,800.05		
	49800.05	TO:	*** SHIPPING INSTRUCTIONS *** POLICE DEPARTMENT 1226 WEST KING ST. COCOA FL 32922		
				TOTAL	49800.05

1. Do not invoice prior to shipment.
2. Partial shipments must be covered by separate invoices.
3. The right is reserved to cancel order if not filled by specified date.
4. Acceptance of order includes acceptance of all terms, prices, delivery instructions, specifications and conditions.
5. **IMPORTANT: Invoices and packing slips must bear our Order No.**

MAIL INVOICES TO: or E-MAIL INVOICES TO:

City of Cocoa
Accounting Division
65 Stone Street
Cocoa, Florida 32922

accountspayable@cocoafl.org

ACCOUNT NUMBER

00135605196200

CITY OF COCOA

Rebecca Bardon

Purchasing Agent

TERMS AND CONDITIONS

1. **AGREEMENT**: Except as provided in Paragraph 22 below, this purchase order, including these terms, conditions, the referenced bid package, and the specifications hereto, constitute the sole and entire agreement between the parties hereto (hereinafter "Agreement" or "Purchase Order"). Seller's acceptance of this Agreement is limited to the terms and conditions hereof and written confirmation, commencing performance, or making deliveries hereunder constitutes such acceptance, notwithstanding Seller's proposal or terms additional to or different from those set forth in this Agreement. The Seller's quotation is incorporated in and made a part of this Agreement only to the extent of specifying the nature and description of the goods and services ordered and then only to the extent that such items are consistent with the other terms of this Agreement. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any of the terms or conditions hereof. The Buyer is the City of Cocoa, Florida, (hereinafter referred to as the "City" or "Buyer").

2. **TIME IS OF THE ESSENCE**: Failure to perform services or deliver goods of the quality and quantity and within the time limit(s) specified by this Purchase Order shall, at the option of the City, relieve it of any obligation to accept and pay for such goods or services, including any undelivered shipments of goods. Upon failure to deliver as specified, the City may buy like goods or services elsewhere and charge the Seller with any increased cost or other loss incurred thereon, pursuant to applicable law, unless defective shipment of goods, or performance of defective services, as applicable, is agreed to by the City in writing. Any failure by the City to exercise its option with respect to any shipment of goods or performance of services shall not be deemed to constitute a waiver with respect to subsequent shipments of goods or performance of services. This provision is not in lieu of, and the City does not waive any remedies provided by law.

3. **WARRANTY**: With respect to services, Seller warrants unto the City that Seller has the competence and abilities to complete the services set forth herein. Seller will perform the services with due and reasonable diligence consistent with sound professional practices. With respect to goods, Seller warrants to City (a) that the goods shall be of the quality specified or of the test grade of their respective kinds if no quality is specified; shall conform to the specifications, drawings, samples and other descriptions contained herein, and to representations made by Seller or its representatives; be fit for City's particular purpose; and (b) that at the time the goods are accepted by the City, the goods shall have been produced, sold, delivered, and furnished in compliance with all applicable Federal and State laws, including but not limited to the Consumer Product Safety Act, the Federal Occupational Safety and Health Act, the Fair Employment Practices Act and the Equal Pay Act, and all applicable municipal ordinances, regulations, rules, labor agreements, and working conditions to which the goods are subject, (c) that the goods furnished hereunder are free of any claims or liens of whatever nature whether rightful or otherwise of any person, corporation, partnership or association.

4. **MODIFICATIONS**: Except as provided in Paragraph 22, this Agreement can be modified or rescinded only in writing and if signed by both parties, or their duly authorized agents.

5. **WAIVER**: The failure of the City to enforce any provision of this Agreement or exercise any right or privilege granted to the City hereunder shall not constitute or be construed as a waiver of any such provision or right and the same shall continue in full force.

6. **CITY OPTIONS**: City reserves the right to change specifications and delivery dates. Any difference in price required by such changes shall be equitably adjusted and the Agreement shall be modified in writing accordingly. City further reserves the right to terminate all or part of the work to be performed pursuant to this Agreement. In such event, City shall be liable only for materials or work done within the authorization of this Agreement. In no event shall City be liable for incidental or consequential damages by reason of such termination.

7. **INDEMNIFICATION**: Seller agrees to protect, indemnify, save and hold harmless City, its elected and appointed officials, officers, attorneys, and employees, from and against all losses, costs and expenses and from and against all claims, demands, suits and actions for damages, losses, costs, attorneys fees, expenses and from and against all liability awards, judgements, and decrees of whatsoever nature for any and all damages to property of the City or others of whatsoever nature and for any and all injury to any person (including death) arising out of or resulting from negligence of Seller, breach of this Purchase Order in the performance of services or the manufacture of goods, from any defect in materials or workmanship, from the failure of the goods to perform to its full capacity as specified in the Purchase Order, specifications of other data, or from the breach of any express or implied warranty.

8. **PATENT INDEMNIFICATION**: Seller represents and warrants that it has the right to use any and all intellectual property, either by licensure or ownership, that is supplied, indirectly or directly, under this Purchase Order. Further, the Seller agrees that the City is relying on this representation and warranty to issue this Purchase Order. Seller agrees to hold harmless and to defend City against any claims of patent or copyright infringement occasioned by the manufacturer, sale or use of material supplied under this Purchase Order and to indemnify City, and its elected and appointed officials, officers, attorneys, and employees, against any damages occasioned by such claims whether justified or unjustified.

9. **INSPECTION**: City shall have a reasonable time after delivery or performance within which to inspect the goods or services. Goods rejected will, at Seller's expense, be returned to Seller or otherwise disposed of as Seller shall reasonably request. The cost of inspection of goods or services rightfully rejected shall be charged to the Seller. If reasonable inspection disclosed that part of the goods received or services performed are defective or nonconforming, City shall have the right to cancel any unshipped portion of the order or unperformed portion of the services. Payment for the goods or services on this Purchase Order prior to inspection shall not constitute acceptance thereof, and is without prejudice to any and all claims that City may have against Seller. The making or failure to make any inspection of, or payment for acceptance of, the goods or services, shall in no way impair City's right to reject nonconforming goods or services, recover damages or exercise any other remedy to which City may be entitled; notwithstanding City's knowledge of the nonconformity, its substantiality or the ease of its discovery.

10. **TAXES**: The City government is a non-profit operation and not subject to tax.

11. **CONTINGENCIES**: Performance of any obligation under this Agreement may be suspended by either party without liability, to the extent that an act of God, war, riot, fire, explosion, accident, flood, sabotage, inability to obtain fuel or power, governmental laws, regulations, or orders, or any other cause beyond the reasonable control of such party, or labor trouble, strike, lockout or injunction (whether or not such labor event is within the reasonable control of such party) delays, prevents, restricts or limits the performance of this Agreement or the consumption, sale, use or end use of goods or services. The affected party shall invoke this provision by promptly notifying the other party in writing of the nature and estimated duration of the suspension period. At City's option, either the Agreement period shall be extended by the term of any such suspension, or the total Agreement quantity hereunder shall be reduced by the quantity not delivered or performed during the term of such suspension, and, in either event, the Agreement shall otherwise remain unaffected. In such event that Seller's performance is suspended for more than sixty (60) days during the term hereof, City may, at its option, terminate this Agreement upon written notice to the Seller.

12. **PRICE PROTECTION**: Seller warranties that the price(s) set forth herein are equal to the lowest net price, and the terms and conditions of sale as favorable as the price(s), terms and conditions afforded by the Seller to any other customer for goods or services of compatible grade or quality during the terms hereof. Should City be able to purchase goods or services of the same or comparable quality from another source at a lower delivered cost then in effect hereunder, and City gives Seller written notice hereto, City may purchase such goods or services from such other sources at such lower delivered cost unless within fifteen days of receipt by Seller of said notice, Seller meets such lower delivered cost for such quantity of goods or services. Any quantity of goods or services so purchased from another source by City shall be deducted from the total quantity offered on this Agreement, but the Agreement shall otherwise remain unaffected.

13. **PACKAGING AND CARTAGE**: No charge will be allowed for packing, boxing or cartage unless agreed upon at the time of purchase, but damage to any goods not packed to insure proper protection to same will be charged to Seller. City's order number and quantity shipped will be marked or tagged on each package. City's count will be accepted as final and conclusive on any shipment not accompanied by itemized packing slip. Delay in or non-receipt of packing lists, statements or invoices in the number of copies specified or errors or omissions of any of these will be just cause for withholding payment.

14. **HAZARD**: Seller shall notify City of any inherent hazard and applicable precautions and protective measures and provide any additional relevant information, including but not limited to Material Data Safety Sheets, for the goods being purchased herein.

15. **QUANTITY**: The quantities of goods or duration of services as indicated on the face hereof, must not be exceeded without prior written authorization from City. Excess quantities may be returned to Seller at Seller's expense.

16. **ASSIGNMENT**: No right or interest in this Agreement shall be assigned by Seller without the prior written permission of the City and no delegation of any obligation owed by either City or Seller shall be made without the prior written permission of either party. Any attempted assignment or delegation shall be wholly void and totally ineffective for all purposes.

17. **CHOICE OF LAW; VENUE**: The validity, interpretation, and performance of this Agreement shall be governed and construed in accordance with the laws of the State of Florida. In the event of any dispute under this Purchase Order, venue shall be in Brevard County, Florida for any state action and Orlando, Florida, for any federal action.

18. **PUBLIC RECORDS; RIGHT TO AUDIT RECORDS**: Written documents prepared by either the Seller or City in furtherance of this Agreement shall constitute a public record. Any such instrument maintained by Seller hereunder shall be delivered to the City upon request. The City shall also be entitled to audit the books and records of the Seller to the extent that such books and records relate to the performance of this Agreement. Such books and records shall be maintained by the Seller for a period of three (3) years from the date of final payment under this Agreement unless a shorter period is otherwise authorized in writing by the City.

19. **FISCAL YEAR FUNDING APPROPRIATION**: (a) Specified Period. Unless otherwise provided by law, a purchase order for supplies or services may be entered into for any period of time deemed to be in the best interest of the City, provided the term of the purchase order and conditions of renewal or extension, if any, are included in the solicitation and funds are available for the initial fiscal period of the purchase order. Payment and performance obligations for succeeding fiscal periods shall be subject to the annual appropriation by City Council. (b) Cancellation Due to Unavailability of Funds in Succeeding Fiscal Periods. When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year period, the purchase order shall be cancelled and the contractor shall be entitled to reimbursement for the reasonable value of any work performed to the date of cancellation.

20. **FAILURE TO EXECUTE PURCHASE ORDER**: Failure of the successful bidder to accept the Purchase Order as specified may be cause for cancellation of the award. In the event that the order is cancelled, the award may then be made to the second lowest responsive and responsible bidder, and such bidder shall fulfill every stipulation embraced herein as if he were the original party to whom the bid award was made, or all bids may be rejected and made void by the City.

21. **INDEPENDENT CONTRACTOR**. The Seller shall perform the obligations of this Purchase Order as an independent contractor and under no circumstances shall it be considered as agent or employee of the City.

22. **OTHER RELATED AGREEMENTS.** In conjunction with, or prior to issuing this Purchase Order, the City may require the Seller to execute a full written agreement that is approved by the City Manager or City Council and executed by the City Manager or Mayor ("Master Agreement"). The Master Agreement shall take precedence over the terms and conditions set forth in this Purchase Order to the extent there are any conflicting terms and conditions. Otherwise, the Master Agreement and this Purchase Order shall be deemed supplemental to each other.

23. **SOVEREIGN IMMUNITY.** Nothing contained in this Purchase Order shall be construed as a waiver of the City's right to sovereign immunity under section 768.28, Florida Statutes, or other limitations imposed on the City's potential liability under state or federal law. The provisions of §768.28, Florida Statutes, and any other limitations or restrictions in the City's liability shall be deemed incorporated herein by this reference.

24. **INSURANCE.** If this Purchase Order requires the Seller to perform services on the City's premises or at any place where the City conducts operations, or requires the Seller to perform professional consulting services, the Seller shall request insurance coverage requirements from the City's Purchasing Manager. In circumstances where insurance is required by the City, Seller shall provide proof of insurance or insurance certificates with the City listed as an additional named insured prior to performing under this Purchase Order. Noncompliance with this Paragraph shall place the Seller in default and subject this Purchase Order to immediate cancellation.

INVOICE: 18068

TECH SYSTEMS

City of Cocoa
65 Stone Street
Cocoa, FL 32922

DATE	DESCRIPTION	AMOUNT
10/14/2021	**PO #78450** 100% completion of roof replacement per contract dated 9/1/2021. 400 S Varr Avenue Cocoa FL 32922	

Labor	Rate	Hours		
Foreman	$ 24.50	96	$	2,352.00
Roofer	$ 22.50	768	$	17,280.00
Total Labor			*$*	*19,632.00*
Material				
Cost of Material			$	29,576.52
2% mark-up			$	591.53
Total Materials			*$*	*30,168.05*

Total Amount Due **$49,800.05**

Tech Systems Inc.
1801 North Wickham Road, Suite #3
Melbourne, FL 32935
Phone: 321.259.2246 | Fax: 321.255.0291
www.techsystemsflorida.com

INVOICE: 18069

TECH SYSTEMS

City of Cocoa
65 Stone Street
Cocoa, FL 32922

DATE	DESCRIPTION	AMOUNT
10/14/2021	Wood Replacement 400 S Varr Avenue Cocoa, FL 32922	

	Unit Price	Quantity	
2x4 (lineal foot)	$ 11.25	192	$ 2,160.00
plywood (square foot)	$ 5.25	128	$ 672.00

Total Amount Due **$2,832.00**

Tech Systems Inc.
1801 North Wickham Road, Suite #3
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INVOICE: 18069

TECH SYSTEMS

City of Cocoa
65 Stone Street
Cocoa, FL 32922

DATE	DESCRIPTION	AMOUNT
10/14/2021	Wood Replacement 400 S Varr Avenue Cocoa, FL 32922	

	Unit Price	Quantity	
2x4 (lineal foot)	$ 11.25	192	$ 2,160.00
plywood (square foot)	$ 5.25	128	$ 672.00

Total Amount Due **$2,832.00**

RECEIVED
By Susan Young at 11:18 am, Oct 14, 2021

PO#:

REQ#:

Tech Systems Inc.
1801 North Wickham Road, Suite #3
Melbourne, FL 32935
Phone: 321.259.2246 | Fax: 321.255.0291
www.techsystemsflorida.com

Susan Young

From: Jennifer Hillhouse <jennifer.hillhouse@techsystemsflorida.com>
Sent: Thursday, October 21, 2021 3:40 PM
To: Susan Young
Subject: Re: invoices

EXTERNAL MESSAGE - USE CAUTION WITH LINKS AND ATTACHMENTS!

The wood was replaced in October.

On Oct 21, 2021, at 12:40 PM, Susan Young <syoung@cocoafl.org> wrote:

I need to know the date the wood was replacement was completed as we are at the end of our fiscal year and I need to know where to put the expense?

Thanks.



Susan Young
Senior Accounts Payable Clerk
65 Stone St., Cocoa, FL 32922
(321) 433--8633 I syoung@cocoafl.org
accountspayable@cocoafl.org

Stay Connected:

www.CocoaFL.org

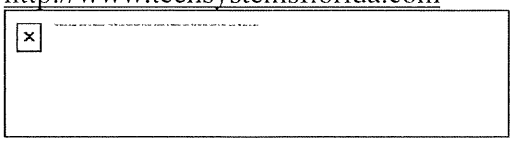
From: Jennifer Hillhouse <jennifer.hillhouse@techsystemsflorida.com>
Sent: Thursday, October 14, 2021 11:13 AM
To: Accounts Payable <accountspayable@cocoafl.org>
Subject: invoices

EXTERNAL MESSAGE - USE CAUTION WITH LINKS AND ATTACHMENTS!

Please see the attached invoices.

Thank you,

Jennifer C. Hillhouse
Tech Systems Inc.
1801 North Wickham Road, Suite 3
Melbourne, Florida 32935
Phone: 321.259.2246 / Fax: 321.255.0291
http://www.techsystemsflorida.com



PLEASE NOTE: Florida has a very broad public records law. Most written communications (including contents of emails and email addresses) to or from City of Cocoa officials and employees regarding public business are public records available to the public and media upon request. Your written and e-mail communications may be subject to public disclosure. If you do not want your written and email communications released in response to a public records request, do not send written or email communications to City of Cocoa officials and employees. Instead, contact this office by phone.
<400SVarr.pdf>

City of Cocoa Budget Adjustment Form FY 2022 - 22-021-T

SELECT ADJUSTMENT TYPE: BUDGET TRANSFER | REQUESTING DEPARTMENT #: 3560 | DATE PREPARED: 11/01/21

'FROM' ACCOUNT(S)

ADJUSTMENT AMOUNT	ACCOUNT NUMBER	PROJECT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	AMENDED BUDGET	ADJUSTED BUDGET	UNENCUMBERED BALANCE
($ 2,832)	001-3560-519.46-00		Repairs & Maintenance	$ 62,300	$ 62,300	$ 59,468	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
($ 2,832)	TOTAL						

'TO' ACCOUNT(S)

ADJUSTMENT AMOUNT	ACCOUNT NUMBER	PROJECT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	AMENDED BUDGET	ADJUSTED BUDGET	UNENCUMBERED BALANCE
$ 2,832	001-3560-519.62-00	PWFBPP	Other Gen Govt Services/Building	$ 0	$ 0	$ 2,832	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 2,832	TOTAL						

REASON/JUSTIFICATION FOR ADJUSTMENT:

While replacing the roof for the 400 S Varr Ave Police Substation, it was discovered that some wood was damaged and needed to be replaced in order to properly install new roof. This work has already been completed. This transfer is needed to do a change order to PO 78450. The Balance of PO budget will roll with the PO Roll 11-30. Agenda 21-729.

Council/Board APPROVAL REQUIRED? *YES* (●) *NO* ( ) *DATE APPROVED:* 11/09/21 *RESOLUTION #:*

City Council approval is needed for all transfers greater than $50,000 and transfers between Departments / Funds. All CRA adjustments are required to go their respective boards.

11/1/21	Cheryl Meisenzahl Digitally signed by Cheryl Meisenzahl Date: 2021.11.01 10:56:42 -04'00'	11/2/21	Lora Howell Digitally signed by Lora Howell Date: 2021.11.02 13:40:49 -04'00'		
Date	Requestor's Signature	Date	Finance Approval Signature	Date	Finance Director's Signature
	Bryant Smith Digitally signed by Bryant Smith Date: 2021.11.01 11:21:39 -04'00'	11/2/21	Lora Howell Digitally signed by Lora Howell Date: 2021.11.02 13:41:15 -04'00'		
Date	Department Director's Signature	Date	Deputy Fin. Director's Signature	Date	City Manager's Signature

FINANCE USE ONLY:

Date Entered: _____ Entered By: _____ Group #: _____

Legislation Details (With Text)

File #:	21-730	**Version:**	1	**Name:**	
Type:	Contract			**Status:**	Consent Agenda
File created:	11/2/2021			**In control:**	City Council
On agenda:	11/9/2021			**Final action:**	
Title:	Approve Change Order #1 for P.O. 78584 in the Amount of $70,000 as the Original Purchase Order Exceeds the City Manager's Signing Authority. (Utilities Director)				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Contract Extension Agmt_ ITB B-19-02-COC.pdf 09-28-2021 Journal.pdf Agenda File 21-636.pdf 78584.pdf Genesis Alkali COI exp. 1.1.22.pdf				

Date	Ver.	Action By	Action	Result

CITY COUNCIL AGENDA ITEM

Memo Date: November 2, 2021
Agenda Date: November 9, 2021
Prepared By: Sean B. McFarland, Water Treatment Manager
Through: John A. Walsh, P.E., Utilities Director
Requested Action:
To Approve Change Order #1 for P.O. 78584 in the Amount of $70,000 as the Original Purchase Order Exceeds the City Manager's Signing Authority

BACKGROUND:

The Dyal Water Treatment Plant (WTP) operates and maintains a water treatment facility that provides potable water to the City of Cocoa, other surrounding municipal customers, Port Canaveral, and three local federal government installations. The WTP utilizes certain chemicals during the water treatment process in order to remain in compliance with federal, state, and local regulations. One of the chemicals used during the treatment process is Soda Ash which increases the alkalinity and stabilizes the pH of the finished water.

Due to contract expirations and the end of the fiscal year, Staff extending the FY2021 contract while the new contract for FY 2022 is awarded. The use of soda ash is estimated to exceed the original amount authorized and a change order is necessary. Staff recommends approval of Change Order #1 to P.O. 78584 in the amount of $70,000 for the purchase of Soda Ash as the original purchase order exceeds the City Manager's signing authority.

STRATEGIC PLAN CONNECTION:

N/A

BUDGETARY IMPACT:

Budgeted	Yes
If not budgeted, is amendment/transfer attached?	N/A
Amount Requested	$70,000
Account Number	421-4020-536.52-09, DYCH09
Account Name	Chemicals
Source of Funds:	Operating Revenue
Change Order Amount	$70,000
Original Purchase Order	78584
Original P.O. Amount	$86,000
Total number of change orders to date	1
Total amount in change orders to date	$70,000

PREVIOUS ACTION:

On September 28, 21, City Council approved Agenda File #21-636, Item V.9, for addendum for an additional 60 days estimated chemical use; on October 7, 2021, Purchase Order 78584 was issued in the amount $86,000.

RECOMMENDED MOTION:

To Approve Change Order #1 for P.O. 78584 in the amount of $70,000 as the original Purchase Order exceeds the City Manager's signing authority.

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City of Cocoa

CONTRACT EXTENSION AGREEMENT

ITB B-19-02-COC

Soda Ash

This CONTRACT EXTENSION AGREEMENT dated as of October 1, 2020 (the "Effective Date")

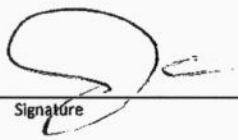
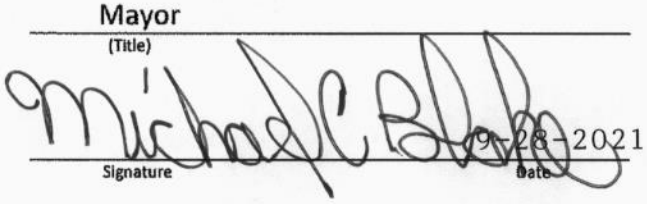
BETWEEN: **City of Cocoa**
65 Stone Street, Cocoa, Florida 32922

AND **Genesis Alkali LLC**
1735 Market Street, Philadelphia, PA 19103

WHEREAS the Parties hereby agree to extend the term of the original bid documents in accordance with the terms of the Original Contract with the exception of a change in the pricing of soda ash to $430/ton delivered. All other the terms provided herein are applicable.

WHEREIN said extension Agreement expires on September 30, 2021 and both parties desire to extend and continue said Agreement, it is provided that said Agreement shall be extended for an additional term of two (2) months commencing upon the expiration date of the original term and expiring on November 30, 2021.

The extension shall be at the same terms and conditions as contained in the original Agreement. A new rate for the term of this Contract Extension Agreement is set at $430/ton for soda ash effective October 1, 2021. The parties hereto duly execute this extension to become effective as of the date and year first above written.

Genesis Alkali LLC	**CITY OF COCOA**
Jonathan Kuhn (Name) Printed	**By:** Michael C. Blake (Name) Printed
Sales & Marketing Manager (Title)	Mayor (Title)
 9-21-21 Signature Date	 9-28-2021 Signature Date

CC: Carie Shealy, City Clerk
Sean McFarland, Water Treatment Manager

Diane Kozlak, Senior Buyer & Contract Agent

JOURNAL
City of Cocoa
Regular Meeting of The City Council

September 28, 2021

I. Opening Matters:

- **Mayor Blake called the meeting to order at 6:00 p.m.**

II. Approval of Agenda and Minutes:

1. **Agenda:** Regular Meeting of September 28, 2021. (21-634)
2. **Minutes:** N/A

- **The Agenda for the Regular meeting of September 28, 2021 was approved as amended to remove Item VII.1; and to move Public Hearing Item VI.3 up to VI.1. All other items would move down under Public Hearings.**

III. Awards and Presentations:

1. Presentation of a plaque by Theresa Clifton with the Brevard Humane Society to Officer Dan Rhoades and K9 Bear. (21-635). (Theresa Clifton)
2. Proclamation: "Get Vaccinated Brevard". (21-643). (Mayor Blake)
3. Proclamation: declaring the month of October 2021 as "National Cybersecurity Awareness Month". (21-644). (Chief Technology Officer)

- **Awards & Presentations were conducted as printed above.**

IV. Delegations:

- **No formal actions were taken under Delegations. Speakers were: Paul Kamus, Cocoa resident.**

V. Consent Agenda:

(A) General Consent Items:

1. Approve Task Order No. 2021-17 to Jacobs Engineering Group, Inc. to Provide Program Management/ Administration, Design Management and Construction Project Support Services for Operating Revenue funded Cocoa Utilities Capital Improvement Plan Program Projects related to Water Supply and Water Treatment; Pending the Approval of the FY2022 Budget. (21-574). (Utilities Director)

    - **Approved. Task Order to be executed and distributed as necessary.**

2. Approve Task Order No. 2021-21 to Jacobs Engineering Group, Inc. to Provide Engineering Services for the Design and Permitting of a New Ammonium Sulfate Storage and Feed System at the Viera Booster Station, Project No. WS21VP. (21-575). (Utilities Director)

    - **Approved. Task Order to be executed and distributed as necessary.**

3. Authorize the City Manager to approve the annual purchase orders for electrical utilities as they relate to electrical consumption only and Verizon for the Police Department for FY2022, pending the approval of the FY22 Budget. (21-606). (Finance Director)

    - **Approved.**

4. Approval for the City to apply for the Florida Department of Environmental Protection's Division of Water Restoration Assistance (DWRA) Nonpoint Source Grant funds in the amount of $650,000 for the Riverfront Park Drain Field Improvements Project with 50% match. (21-609). (Public Works Director)

    - **Approved.**

5. Approve a Resolution Waiving the Competitive Bidding Process for the Purpose of Making Sole Source Purchase of Cal Flo Liquid Lime from Burnett Lime Co., Inc., Campobello, SC and LT27 Polymer from Fort Bend Services, Inc., Stafford, TX for the Dyal Water Treatment Plant and the Jerry Sellers Water Reclamation Facility for FY2022; To Approve the Second Amendment to Purchase Agreement with 1) Matheson Tri-Gas, Inc., Irving, TX for Carbon Dioxide, 2) Kemira Water Solutions, Inc., Bartow, FL for Ferric Sulfate, and 3) Allied Universal Corp., Miami, FL for

Sodium Hypochlorite; To Authorize the City Manager to Approve Change Orders in an Amount not to Exceed the Total FY2022 Budget for Chemicals; Pending Approval of the FY2022 Budget. (21-610). (Utilities Director)

- **Approved. Addendum to be executed and distributed as necessary.**

6. Approve Task Order 2022-22 with Jacobs Engineering Group (Jacobs) for the Sea Ray Drive Bridge 36-Inch Water Main Crossing Relocation Design and Permitting Services; Pending Approval of the FY2022 Budget. (21-611). (Utilities Director)

- **Approved. Task Order to be executed and distributed as necessary.**

7. Approve Task Order 2022-22 with Carollo Engineers, Inc., Orlando, Florida, for the SCADA Design at the Jerry Sellers Water Reclamation Facility; Pending Approval of the FY22 Budget. (21-622). (Utilities Director)

- **Approved. Task Order to be executed and distributed as necessary.**

8. Approve and authorize the City Manager to execute a Changer Order to the Space Coast Auto Supply Purchase Order #77828 for the NAPA IBS Operational Services and Inventory Management Solutions. (21-630). (Public Works Director)

- **Approved.**

9. Approve an Addendum to the Current Soda Ash Chemical Contract the City of Cocoa has with Genesis Alkali LLC located at 1735 Market Street, Philadelphia, PA 19103, for the Purchase of Soda Ash for an Additional Sixty (60) Days for the convenience of the City of Cocoa. (21-636). (Utilities Director)

- **Approved. Addendum to be executed and distributed as necessary.**

(B) Multi-Year Contracts:

10. Approve entering into a multi-year piggyback agreement for an initial 3 year term from 2021-2024 (with two (1) year renewals), with East Coast Fence and Guardrail of Brevard, LLC., utilizing Brevard County Contract B# 21-452-B-JW for on demand fencing and guardrail services. Authorize the City Manager to sign the

contract(s) and renewal(s) for each subsequent fiscal year. (21-569). (Public Works Director)

- **Approved. Contract to be executed and distributed as necessary.**

11. Approve Staff's recommended ranking of bidders for Contract Mowing RFP 21-26-COC and award an initial three-year multi-year agreement to the highest two ranked bidders beginning in Fiscal Year 2022, U.S. Lawns in the amount of $210,944 for Mowing Areas #2 and #3; and Perfection Lawn & Tree Service in the amount of $195,047 for Areas #1 and #4. Authorize the City Manager to sign the contracts and issue the related purchase orders. Approve a Contingency Resolution and Authorize the City Manager to issue related contingency change orders as necessary not to exceed 9.7% of the total contract value, $39,381.13. Pending the approval of the FY2022 Budget. (21-599). (Public Works Director)

- **Approved. Contracts and Resolution to be executed and distributed as necessary.**

12. Approval of the renewed multi-year agreement with Target Solutions Learning, LLC for a city-wide Learning Management System effective October 1, 2021 through September 30, 2024, with approval to waive competitive quote requirement, and authorize the City Manager to approve the final terms and conditions of the agreement and execute the final agreement upon final approval by the City Attorney as to legal form and sufficiency. (21-642). (Administrative Services Director)

- **Approved.**

VI. Public Hearings:

1.~~3.~~ Approve a Settlement Implementation Agreement between Beachline Partners, LLC and the City of Cocoa including a preliminary site plan, amenities and amenities schedule, construction timeline, utilities requirements and other development matters for a residential subdivision, commonly known as the former "Barrera Shores" or "Silvestri Property", to implement that Stipulated Settlement Agreement, made and entered into December 11, 2007 and recorded in the Brevard County Official Records Book 5837, Page 2226: Parcel #: 24-35-10-00-502; To the extent necessary, authorize the City Manager and City Attorney to complete any outstanding technical issues and record the Agreement. (21-645). (Interim Community Services Director)

- **Approved.**

2. ~~1.~~ Ordinance No. 13-2021/2nd and Final Reading: Regarding updates to the Special Events Ordinance. (21-631). (Asst. to the CM/PIO)

- **Ordinance No. 13-2021 approved on 2nd and Final Reading.**

3.~~2.~~ Approve Resolution 2021-087 adopting the Final Millage Rate of 6.4532 mills for the City of Cocoa Fiscal Year 2022 commencing on October 1, 2021 and ending on September 30, 2022, which represents an increase of 9.84% over the rolled-back rate of 5.8749.

Approve Resolution 2021-088 adopting the Final Budget and CIP for the City of Cocoa for the Fiscal Year 2022 commencing on October 1, 2021 and ending on September 30, 2022. (21-640). (Finance Director)

- **Approved.**

VII. Council Business:

~~1. Request approval of the Council appointments for the City Districting Commission. (21-620). (Interim Community Services Director)~~

- **This item was removed from the agenda.**

2. Staff is requesting direction related to the budgetary requests in the draft Operations and Maintenance Lease and Agreement between Brevard Museum and Sciences Center Inc. and the City of Cocoa. (21-633). (Public Works Director)

- **Approved. Motion to approve $70,000 out of the Sustainability Fund, with a one-year lease; to authorize Finance to make all necessary budget amendments/transfers; and to authorize the City Manager to finalize and sign the lease and to work in conjunction with the City Attorney's office.**

VIII. City Business:

1. Approve the contract revisions effective Fiscal Year 2022 for the three-year contract between the City of Cocoa and the Teamsters Local Union 769 Cocoa Fire District Chiefs for the contract term of October 1, 2020 through September 30, 2023. (21-626). (Administrative Services Director)

- **Approved. Contract to be executed and distributed as necessary.**

2. Approve the contract revisions for the three-year contract between the City of Cocoa and the Coastal Florida Police Benevolent Association (CFPBA) Lieutenants for the contract term of October 1, 2020 through September 30, 2023, modifying Article 15 Wages to provide annual wage increases for Fiscal Year 2022. (21-627). (Administrative Services Director)

    - **Approved. Contract to be executed and distributed as necessary.**

3. Staff recommends the approval of the following resolutions: (1) Resolution No. 2021-094 adopting a revised Master Fee Schedule for City Facility Rentals, Special Events and Parades; (2) Resolution No. 2021-093 approving a revised form contract as the City of Cocoa Special Events Permit Application and Agreement; and (3) Resolution No. 2021-092 approving a revised form contract as the City of Cocoa Facility Use Application and Agreement. (21-632). (Asst. to the CM/PIO)

    - **Approved. Resolutions to be executed and distributed as necessary.**

~~4. Approval of Ordinance No. 12-2021/first reading: Amending Chapter 2, Administration, Article VIII, Firefighters' Retirement Plan of the Code by amending: Section 2-271, Definitions, adding definition of death in the line of duty; Section 2-324, Disability, amending the benefit for a service incurred disability; Section 2-325, Preretirement Death, amending to create a new pre-retirement death benefit for members killed in the line-of-duty. (21-614). (Administrative Services Director)~~

- **This item was removed from the agenda after the agenda was approved.**

Multi-Year Contracts:

- **None.**

IX. Informational Agenda:

1. Cumulative purchase approvals over $35,000 and under $50,000 for period 10/01/2020 to 8/31/2021. (21-613). (Finance Director)

2. Calls for service provided by the Cocoa Fire Rescue Department for the month of August 2021. (21-615). (Fire Chief)

3. Approved change orders to construction contracts that the City Council has authorized the City Manager, by resolution, to approve in excess of the City Manager's spending authority. (21-637). (Finance Director)

4. FY 2021 Budget Adjustment Report. (21-638). (Finance Director)

5. Data showing the relation between the estimated and actual income and expenses to date. (21-639). (Finance Director)

6. Indian River Drive Septic to Sewer. (21-646). (Utilities Director)

- **No formal actions were taken under the Informational Agenda.**

X. Reports:

- **It was determined that the city would host the Annual Space Coast League of Cities Holiday Dinner on December 13, 2021 at the Cocoa Civic Center.**

XI. Adjournment:

- **The Regular City Council meeting of September 28, 2021 adjourned at 10:25 p.m.**

File #: 21-636, **Version:** 1

CITY COUNCIL AGENDA ITEM

Memo Date: September 17, 2021
Agenda Date: September 28, 2021
Prepared By: Sean B. McFarland, Water Treatment Manager
Through: John A. Walsh, P.E., Utilities Director
Requested Action:
To Approve an Addendum to the Current Soda Ash Chemical Contract the City of Cocoa has with Genesis Alkali LLC located at 1735 Market Street, Philadelphia, PA 19103, for the Purchase of Soda Ash for an Additional Sixty (60) Days for the convenience of the City of Cocoa.

BACKGROUND:

The Dyal Water Treatment Plant (WTP) operates and maintains a water treatment facility that provides potable water to the City of Cocoa, other surrounding municipal customers, Port Canaveral, and three local federal government installations. The WTP utilizes certain chemicals during the water treatment process in order to remain in compliance with federal, state, and local regulations. One of the chemicals used during the treatment process is Soda Ash which increases the alkalinity and stabilizes the pH of the finished water.

The City of Cocoa currently has an approved contract to purchase Soda Ash, with Genesis Alkali, which will expire on September 30, 2021. The Dyal Staff is asking that the contract between Genesis Alkali and the City of Cocoa be extended for an additional sixty (60) days with a price increase of $430 per ton from $391.40 per ton, for the convenience of the City of Cocoa. After the sixty (60) day extension expires, the City will have entered into a new multi-year contract agreement with Genesis Alkali LLC under Invitation to Bid # ITB B-21-31-COC.

Staff recommends the approval of the sixty (60) day Addendum so the Dyal WTP can continue to purchase Soda Ash between the transition of contracts.

STRATEGIC PLAN CONNECTION:

N/A

BUDGETARY IMPACT:

Budgeted	Yes
If not budgeted, is amendment/transfer attached?	N/A

Amount Requested	$86,000.00
Account Number	421-4020-536.52-09, DYCH09
Account Name	Chemicals
Source of Funds:	Operating Revenue

PREVIOUS ACTION:

(Bid No. B-19-02-COC) On September 5, 2018, The City of Cocoa entered into a 1-year agreement with two 1-year renewals for the Purchase of Soda Ash with Genesis Alkali LLC.

RECOMMENDED MOTION:

To Approve an Addendum to the Current Soda Ash Chemical Contract the City of Cocoa has with Genesis Alkali LLC located at 1735 Market Street, Philadelphia, PA 19103, for the Purchase of Soda Ash for an Additional Sixty (60) days for the convenience of the City of Cocoa.

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PURCHASE ORDER

City of Cocoa
65 Stone Street
Cocoa, Florida 32922
(321) 433-8844

THIS NO. 78584

MUST BE SHOWN ON DELIVERY TICKET, INVOICE, AND STATEMENT

VENDOR NO.: 9920
VENDOR FAX NO.:
VENDOR PH NO.: 215-845-4500

DATE 10/07/2021
DATE REQUIRED 9/30/2022

GENESIS ALKALI WYOMING, LP
1735 MARKET STREET
PHILADELPHIA PA 19103

DELIVER TO:

City of Cocoa
DYAL WATER PLANT
28400 STATE RD# 520
(E. ORANGE COUNTY)
CHRISTMAS FL 32709

Florida Sales Tax Exemption No. 85-8012621548C-8

BUYER/REQ. #
CS 0000043503 F.O.B.
SWESTON/4020

Line#	Quantity	UM	Description	Unit Cost	Ext Cost
1	86000.00	SUM	PURCHASE OF SODA ASH FOR DYAL WTP Reference Bid B-19-02-COC approved by City Council on 9/25/18. 2nd renewal effective 10/1/2020 through 9/30/2021. Addendum for additional 60 (sixty) days estimated chemical use approved by City council on 9/28/21. Item V.9 Agenda 21-636	1.0000	86000.00
				TOTAL	86000.00

1. Do not invoice prior to shipment.
2. Partial shipments must be covered by separate invoices.
3. The right is reserved to cancel order if not filled by specified date.
4. Acceptance of order includes acceptance of all terms, prices, delivery instructions, specifications and conditions.
5. **IMPORTANT: Invoices and packing slips must bear our Order No.**

ACCOUNT NUMBER

42140205365209

CITY OF COCOA

MAIL INVOICES TO:

City of Cocoa
Accounting Division
65 Stone Street
Cocoa, Florida 32922

or

E-MAIL INVOICES TO:

accountspayable@cocoafl.org

Rebecca Bowden

Purchasing Agent

TERMS AND CONDITIONS

1. **AGREEMENT**: Except as provided in Paragraph 22 below, this purchase order, including these terms, conditions, the referenced bid package, and the specifications hereto, constitute the sole and entire agreement between the parties hereto (hereinafter "Agreement" or "Purchase Order"). Seller's acceptance of this Agreement is limited to the terms and conditions hereof and written confirmation, commencing performance, or making deliveries hereunder constitutes such acceptance, notwithstanding Seller's proposal or terms additional to or different from those set forth in this Agreement. The Seller's quotation is incorporated in and made a part of this Agreement only to the extent of specifying the nature and description of the goods and services ordered and then only to the extent that such items are consistent with the other terms of this Agreement. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any of the terms or conditions hereof. The Buyer is the City of Cocoa, Florida, (hereinafter referred to as the "City" or "Buyer").

2. **TIME IS OF THE ESSENCE**: Failure to perform services or deliver goods of the quality and quantity and within the time limit(s) specified by this Purchase Order shall, at the option of the City, relieve it of any obligation to accept and pay for such goods or services, including any undelivered shipments of goods. Upon failure to deliver as specified, the City may buy like goods or services elsewhere and charge the Seller with any increased cost or other loss incurred thereon, pursuant to applicable law, unless defective shipment of goods, or performance of defective services, as applicable, is agreed to by the City in writing. Any failure by the City to exercise its option with respect to any shipment of goods or performance of services shall not be deemed to constitute a waiver with respect to subsequent shipments of goods or performance of services. This provision is not in lieu of, and the City does not waive any remedies provided by law.

3. **WARRANTY**: With respect to services, Seller warrants unto the City that Seller has the competence and abilities to complete the services set forth herein. Seller will perform the services with due and reasonable diligence consistent with sound professional practices. With respect to goods, Seller warrants to City (a) that the goods shall be of the quality specified or of the test grade of their respective kinds if no quality is specified; shall conform to the specifications, drawings, samples and other descriptions contained herein, and to representations made by Seller or its representatives; be fit for City's particular purpose; and (b) that at the time the goods are accepted by the City, the goods shall have been produced, sold, delivered, and furnished in compliance with all applicable Federal and State laws, including but not limited to the Consumer Product Safety Act, the Federal Occupational Safety and Health Act, the Fair Employment Practices Act and the Equal Pay Act, and all applicable municipal ordinances, regulations, rules, labor agreements, and working conditions to which the goods are subject, (c) that the goods furnished hereunder are free of any claims or liens of whatever nature whether rightful or otherwise of any person, corporation, partnership or association.

4. **MODIFICATIONS**: Except as provided in Paragraph 22, this Agreement can be modified or rescinded only in writing and if signed by both parties, or their duly authorized agents.

5. **WAIVER**: The failure of the City to enforce any provision of this Agreement or exercise any right or privilege granted to the City hereunder shall not constitute or be construed as a waiver of any such provision or right and the same shall continue in full force.

6. **CITY OPTIONS**: City reserves the right to change specifications and delivery dates. Any difference in price required by such changes shall be equitably adjusted and the Agreement shall be modified in writing accordingly. City further reserves the right to terminate all or part of the work to be performed pursuant to this Agreement. In such event, City shall be liable only for materials or work done within the authorization of this Agreement. In no event shall City be liable for incidental or consequential damages by reason of such termination.

7. **INDEMNIFICATION**: Seller agrees to protect, indemnify, save and hold harmless City, its elected and appointed officials, officers, attorneys, and employees, from and against all losses, costs and expenses and from and against all claims, demands, suits and actions for damages, losses, costs, attorneys fees, expenses and from and against all liability awards, judgements, and decrees of whatsoever nature for any and all damages to property of the City or others of whatsoever nature and for any and all injury to any person (including death) arising out of or resulting from negligence of Seller, breach of this Purchase Order in the performance of services or the manufacture of goods, from any defect in materials or workmanship, from the failure of the goods to perform to its full capacity as specified in the Purchase Order, specifications of other data, or from the breach of any express or implied warranty.

8. **PATENT INDEMNIFICATION**: Seller represents and warrants that it has the right to use any and all intellectual property, either by licensure or ownership, that is supplied, indirectly or directly, under this Purchase Order. Further, the Seller agrees that the City is relying on this representation and warranty to issue this Purchase Order. Seller agrees to hold harmless and to defend City against any claims of patent or copyright infringement occasioned by the manufacturer, sale or use of material supplied under this Purchase Order and to indemnify City, and its elected and appointed officials, officers, attorneys, and employees, against any damages occasioned by such claims whether justified or unjustified.

9. **INSPECTION**: City shall have a reasonable time after delivery or performance within which to inspect the goods or services. Goods rejected will, at Seller's expense, be returned to Seller or otherwise disposed of as Seller shall reasonably request. The cost of inspection of goods or services rightfully rejected shall be charged to the Seller. If reasonable inspection disclosed that part of the goods received or services performed are defective or nonconforming, City shall have the right to cancel any unshipped portion of the order or unperformed portion of the services. Payment for the goods or services on this Purchase Order prior to inspection shall not constitute acceptance thereof, and is without prejudice to any and all claims that City may have against Seller. The making or failure to make any inspection of, or payment for acceptance of, the goods or services, shall in no way impair City's right to reject nonconforming goods or services, recover damages or exercise any other remedy to which City may be entitled; notwithstanding City's knowledge of the nonconformity, its substantiality or the ease of its discovery.

10. **TAXES**: The City government is a non-profit operation and not subject to tax.

11. **CONTINGENCIES**: Performance of any obligation under this Agreement may be suspended by either party without liability, to the extent that an act of God, war, riot, fire, explosion, accident, flood, sabotage, inability to obtain fuel or power, governmental laws, regulations, or orders, or any other cause beyond the reasonable control of such party, or labor trouble, strike, lockout or injunction (whether or not such labor event is within the reasonable control of such party) delays, prevents, restricts or limits the performance of this Agreement or the consumption, sale, use or end use of goods or services. The affected party shall invoke this provision by promptly notifying the other party in writing of the nature and estimated duration of the suspension period. At City's option, either the Agreement period shall be extended by the term of any such suspension, or the total Agreement quantity hereunder shall be reduced by the quantity not delivered or performed during the term of such suspension, and, in either event, the Agreement shall otherwise remain unaffected. In such event that Seller's performance is suspended for more than sixty (60) days during the term hereof, City may, at its option, terminate this Agreement upon written notice to the Seller.

12. **PRICE PROTECTION**: Seller warranties that the price(s) set forth herein are equal to the lowest net price, and the terms and conditions of sale as favorable as the price(s), terms and conditions afforded by the Seller to any other customer for goods or services of compatible grade or quality during the terms hereof. Should City be able to purchase goods or services of the same or comparable quality from another source at a lower delivered cost then in effect hereunder, and City gives Seller written notice hereto, City may purchase such goods or services from such other sources at such lower delivered cost unless within fifteen days of receipt by Seller of said notice, Seller meets such lower delivered cost for such quantity of goods or services. Any quantity of goods or services so purchased from another source by City shall be deducted from the total quantity offered on this Agreement, but the Agreement shall otherwise remain unaffected.

13. **PACKAGING AND CARTAGE**: No charge will be allowed for packing, boxing or cartage unless agreed upon at the time of purchase, but damage to any goods not packed to insure proper protection to same will be charged to Seller. City's order number and quantity shipped will be marked or tagged on each package. City's count will be accepted as final and conclusive on any shipment not accompanied by itemized packing slip. Delay in or non-receipt of packing lists, statements or invoices in the number of copies specified or errors or omissions of any of these will be just cause for withholding payment.

14. **HAZARD**: Seller shall notify City of any inherent hazard and applicable precautions and protective measures and provide any additional relevant information, including but not limited to Material Data Safety Sheets, for the goods being purchased herein.

15. **QUANTITY**: The quantities of goods or duration of services as indicated on the face hereof, must not be exceeded without prior written authorization from City. Excess quantities may be returned to Seller at Seller's expense.

16. **ASSIGNMENT**: No right or interest in this Agreement shall be assigned by Seller without the prior written permission of the City and no delegation of any obligation owed by either City or Seller shall be made without the prior written permission of either party. Any attempted assignment or delegation shall be wholly void and totally ineffective for all purposes.

17. **CHOICE OF LAW; VENUE**: The validity, interpretation, and performance of this Agreement shall be governed and construed in accordance with the laws of the State of Florida. In the event of any dispute under this Purchase Order, venue shall be in Brevard County, Florida for any state action and Orlando, Florida, for any federal action.

18. **PUBLIC RECORDS; RIGHT TO AUDIT RECORDS**: Written documents prepared by either the Seller or City in furtherance of this Agreement shall constitute a public record. Any such instrument maintained by Seller hereunder shall be delivered to the City upon request. The City shall also be entitled to audit the books and records of the Seller to the extent that such books and records relate to the performance of this Agreement. Such books and records shall be maintained by the Seller for a period of three (3) years from the date of final payment under this Agreement unless a shorter period is otherwise authorized in writing by the City.

19. **FISCAL YEAR FUNDING APPROPRIATION**: (a) Specified Period. Unless otherwise provided by law, a purchase order for supplies or services may be entered into for any period of time deemed to be in the best interest of the City, provided the term of the purchase order and conditions of renewal or extension, if any, are included in the solicitation and funds are available for the initial fiscal period of the purchase order. Payment and performance obligations for succeeding fiscal periods shall be subject to the annual appropriation by City Council. (b) Cancellation Due to Unavailability of Funds in Succeeding Fiscal Periods. When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year period, the purchase order shall be cancelled and the contractor shall be entitled to reimbursement for the reasonable value of any work performed to the date of cancellation.

20. **FAILURE TO EXECUTE PURCHASE ORDER**: Failure of the successful bidder to accept the Purchase Order as specified may be cause for cancellation of the award. In the event that the order is cancelled, the award may then be made to the second lowest responsive and responsible bidder, and such bidder shall fulfill every stipulation embraced herein as if he were the original party to whom the bid award was made, or all bids may be rejected and made void by the City.

21. **INDEPENDENT CONTRACTOR**. The Seller shall perform the obligations of this Purchase Order as an independent contractor and under no circumstances shall it be considered as agent or employee of the City.

22. **OTHER RELATED AGREEMENTS.** In conjunction with, or prior to issuing this Purchase Order, the City may require the Seller to execute a full written agreement that is approved by the City Manager or City Council and executed by the City Manager or Mayor ("Master Agreement"). The Master Agreement shall take precedence over the terms and conditions set forth in this Purchase Order to the extent there are any conflicting terms and conditions. Otherwise, the Master Agreement and this Purchase Order shall be deemed supplemental to each other.

23. **SOVEREIGN IMMUNITY.** Nothing contained in this Purchase Order shall be construed as a waiver of the City's right to sovereign immunity under section 768.28, Florida Statutes, or other limitations imposed on the City's potential liability under state or federal law. The provisions of §768.28, Florida Statutes, and any other limitations or restrictions in the City's liability shall be deemed incorporated herein by this reference.

24. **INSURANCE.** If this Purchase Order requires the Seller to perform services on the City's premises or at any place where the City conducts operations, or requires the Seller to perform professional consulting services, the Seller shall request insurance coverage requirements from the City's Purchasing Manager. In circumstances where insurance is required by the City, Seller shall provide proof of insurance or insurance certificates with the City listed as an additional named insured prior to performing under this Purchase Order. Noncompliance with this Paragraph shall place the Seller in default and subject this Purchase Order to immediate cancellation.

CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY) 12/30/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME:	
Aon Risk Services Southwest, Inc. Houston TX Office 5555 San Felipe Suite 1500 Houston TX 77056 USA	PHONE (A/C. No. Ext): (866) 283-7122	FAX (A/C. No.): (800) 363-0105
	E-MAIL ADDRESS:	

INSURED	INSURER(S) AFFORDING COVERAGE	NAIC #
Genesis Alkali, LLC 919 Milam Suite 2100 Houston TX 77002 USA	INSURER A: Zurich American Ins Co	16535
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** 570085518685 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. **Limits shown are as requested**

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY			GL0930098019 General Liability SIR applies per policy terms & conditions	01/01/2021	01/01/2022	EACH OCCURRENCE	$2,000,000
	CLAIMS-MADE [X] OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$100,000
							MED EXP (Any one person)	Excluded
	GEN'L AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY	$2,000,000
	X POLICY [ ] PRO-JECT [ ] LOC						GENERAL AGGREGATE	$2,000,000
	OTHER:						PRODUCTS - COMP/OP AGG	$2,000,000
							SIR	$500,000
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	
	ANY AUTO						BODILY INJURY (Per person)	
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	
	UMBRELLA LIAB OCCUR						EACH OCCURRENCE	
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	
	DED RETENTION							
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N						PER STATUTE OTH-ER	
	ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? N/A						E.L. EACH ACCIDENT	
	(Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE-EA EMPLOYEE	
							E.L. DISEASE-POLICY LIMIT	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The City of Cocoa is included as Additional Insured in accordance with the policy provisions of the General Liability policy as required by written contract.

CERTIFICATE HOLDER

City of Cocoa
375 N Cocoa Blvd
Cocoa FL 32922 USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Aon Risk Services Southwest, Inc.

Holder Identifier :

Certificate No : 570085518685

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Legislation Details (With Text)

File #:	21-696	**Version:**	1	**Name:**	
Type:	Resolution			**Status:**	Multi-Year Contract
File created:	10/13/2021			**In control:**	City Council
On agenda:	11/9/2021			**Final action:**	
Title:	Approve a Resolution waiving the competitive bidding process by reason of sole source vendor for a four (4) year multi-year contract between the City of Cocoa and Tyler Technologies, Inc. providing a services agreement supporting the Socrata software subscription amendment. Approve Budget Adjustment form 22-011-T and authorize the City Manager to approve and sign the amendment between The City of Cocoa and Tyler Technologies. (Chief Technology Officer)				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Tyler Technologies Socrata Sole Source Resolution.doc Tyler Socrata Sole Source Letter 101821-signed.pdf Cocoa FL Socrata Amendment_Tyler 092121-Final.pdf ECP-PD-Tyler Socrata $50320 Agenda 21-696 (11-9-2021).pdf Budget Resolution FY 2022- ADA Compliant.docx BAF 22-011-T-PD-Tyler Socrata Agrmnt (11-9-21) Agenda 21-696.pdf				

Date	Ver.	Action By	Action	Result

CITY COUNCIL AGENDA ITEM

Memo Date: October 13, 2021
Agenda Date: November 9, 2021
Prepared By: Susan L. Lambert, CAP-OM, Administrative Assistant
Through: Evander Collier IV, Chief of Police
Requested Action:
Approve a Resolution waiving the competitive bidding process by reason of sole source vendor for a four (4) year multi-year contract between the City of Cocoa and Tyler Technologies, Inc. providing a services agreement supporting the Socrata software subscription amendment. Approve Budget Adjustment form 22-011-T and authorize the City Manager to approve and sign the amendment between The City of Cocoa and Tyler Technologies.

BACKGROUND:

The City of Cocoa has utilized Tyler Aegis Public Safety Software suite since 2010 that provides Computer Aided Dispatch and Records Management. The Police Department has also been using the Tyler Brazos mobile citation solution since May of 2020.

The Tyler Socrata platform allows the Department to use its data in the delivery of programs and as a decision making tool. It would allow for the data to be used for resident engagement, financial

insights and operational intelligence and it provides a single source of trusted data.

The annual cost for the amendment to the agreement would be $12,000 per year with a one-time cost of $2,320. The total cost of the four year term is $50,320, project number PD22TS.

STRATEGIC PLAN CONNECTION:

Operational

BUDGETARY IMPACT:

Budgeted	No
If not budgeted, is amendment/transfer attached?	Yes

Amount Requested	$50,320 - total request over four years.
Account Number	_001-2100-521.56-15
Account Name	_IT Related Operating Supplies

Source of Funds: __x__ Transfer Acct #:_001-2100-521.12-00

BAF#22-011-T moves $14,320 from Salaries to 001-2100-521.12-00

FY2022:	$14,320	001-2100-521.56-15
FY2023	$12,000	001-2100-521.56-15
FY2024	$12,000	001-2100-521.56-15
FY2025	$12,000	001-2100-521.56-15

PREVIOUS ACTION:

None.

RECOMMENDED MOTION:

Approve a Resolution waiving the competitive bidding process by reason of sole source vendor for a four (4) year multi-year contract between the City of Cocoa and Tyler Technologies, Inc. providing a services agreement supporting the Socrata software subscription amendment. Approve Budget Adjustment form 22-011-T and authorize the City Manager to approve and sign the amendment between The City of Cocoa and Tyler Technologies.

tyler technologies

One Tyler Drive
Yarmouth, ME 04096

P: 800.772.2260
F: 207.781.2459

www.tylertech.com

October 18, 2021

City of Cocoa
65 Stone St.
Cocoa, FL 32922-7982

RE: Sole Source for Procurement

Dear Sir or Madam:

Please accept this letter to confirm that Socrata software is a product of Tyler Technologies, which we develop and license to our customers. Tyler is the sole source of the development, implementation, maintenance and support of the Socrata software.

Tyler appreciates the trust that the City of Cocoa has placed in our company and products, and we will continue to work diligently to ensure your complete satisfaction with our software, service and support throughout the life of this partnership.

Please do not hesitate to contact me with any questions regarding the foregoing.

Regards,

Sherry Clark

Sherry Clark
Senior Corporate Attorney

AMENDMENT

This amendment ("Amendment") is effective as of the date of signature of the last party to sign as indicated below ("Amendment Effective Date") by and between Tyler Technologies, Inc., a Delaware corporation with offices at 840 West Long Lake Road, Troy, MI 48098 ("Tyler") and City of Cocoa, with offices at 65 Stone St., Cocoa, FL 32922-7982 ("Client").

WHEREAS, Tyler and the Client are parties to a Software as a Service Agreement with an effective date of May 27, 2020 (the "Agreement"); and

WHEREAS, Tyler and Client now desire to amend the Agreement.

NOW THEREFORE, in consideration of the mutual promises hereinafter contained, Tyler and the Client agree as follows:

1. The items set forth in the sales quotation attached as Exhibit 1 to this Amendment (the "Amendment investment Summary") are hereby added to the Agreement as of the first day of the first month following the Amendment Effective Date, and notwithstanding anything to the contrary in Exhibit 1, ending coterminous with the SaaS Term as defined in the Agreement.

2. *Socrata Terms and Conditions*. Tyler and Client agree to perform and be bound by all covenants, terms, and conditions of the Socrata Terms and Conditions, which are attached hereto as Exhibit 2 ("Socrata Agreement") with respect to the Socrata Public Safety Law Enforcement Analytics software as more particularly described in Exhibit 1 attached hereto, and all such covenants, terms, and conditions are incorporated by reference as if set forth at length herein.

3. The following payment terms, as applicable, shall apply to Socrata Public Safety Law Enforcement Analytics:

    a. Your annual SaaS fees as set forth in the Investment Summary, for the initial term of the Socrata Agreement as set forth in Section D(1) of Exhibit 2, will be invoiced on January 1, 2022. Subsequent SaaS Fees shall be invoiced in accord with the terms of the Agreement.
    b. Socrata Implementation fixed price services as set forth in the Investment Summary will be invoiced upon complete delivery of the service.

4. This Amendment shall be governed by and construed in accordance with the terms and conditions of the Agreement and if the Agreement terminates so does Client's access to the Socrata Public Safety Law Enforcement Analytics software.

5. Specific to the Socrata items added to the Agreement by this Amendment, in the event of a conflict between any term or provision in the Amendment and any term or provision in the Agreement, the terms of the Amendment shall govern. The Agreement shall otherwise remain

and continue in full force and effect and apply to the Socrata items added by this Amendment.

IN WITNESS WHEREOF, a duly authorized representative of each party has executed this Amendment as of the date of signature of the last party to sign as indicated below.

Tyler Technologies, Inc.	City of Cocoa, FL
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____



Exhibit 1
Amendment Investment Summary

The following Amendment Investment Summary details the software, products, and services to be delivered by us to you under the Agreement. This Amendment Investment Summary is effective as of the Amendment Effective Date.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

INVESTMENT SUMMARY

Tyler Software	$ 0
Services	$ 2,320
Third-Party Products	$ 0
Travel	$ 0
Total One-Time Cost	$ 2,320
Annual Recurring Fees/SaaS	$ 12,000
Tyler Software Maintenance	$ 0

Quoted By:	Jared Hager
Quote Expiration:	2/1/22
Quote Name:	Cocoa Data Analytics

Sales Quotation For:
City of Cocoa Police Department
1226 King St
Cocoa FL 32922-8620
Phone: +1 (321) 639-7620

Annual / SaaS

Description	Fee	Discount	Annual
New World Public Safety			
Analytics			
Law Enforcement Analytics (includes Crime Trending, Geo-Analytics and Citizen Connect)	$ 12,000	$ 0	$ 12,000
TOTAL			**$ 12,000**

Services

Description	Quantity	Unit Price	Discount	Total	Maintenance
New World Public Safety					
Law Enforcement Analytics Implementation Services	1	$ 2,320	$ 0	$ 2,320	$ 0
TOTAL				**$ 2,320**	**$ 0**

Summary	One Time Fees	Recurring Fees
Total Tyler Software	$ 0	$ 0
Total Annual	$ 0	$ 12,000
Total Tyler Services	$ 2,320	$ 0
Total Third-Party Hardware, Software, Services	$ 0	$ 0
Summary Total	**$ 2,320**	**$ 12,000**
Contract Total	**$ 14,320**	

Assumptions

Personal Computers must meet the minimum hardware requirements for New World products. Microsoft Windows 7 64-bit with Extended Security Updates and Windows 10 64-bit is required for all client machines. Windows Server 2012/2012 R2/2016/2019 and SQL Server 2012 SP4/2014 SP2/2016 SP2/2017/2019 are required for the Application and Database Server(s).
New World product requires Microsoft Windows Server 2012/2012 R2/2016/2019 and SQL Server 2012 SP4/2014 SP2/2016 SP2/2017/2019, including required User or Device Client Access Licenses (CALs) for applicable Microsoft products. Servers must meet minimum hardware requirements provided by Tyler. The supported Microsoft operating system and SQL versions are specific to Tyler's release versions.
New World product requires Microsoft Excel or Windows Search 4.0 for document searching functionality; Microsoft Word is required on the application server for report formatting.
Tyler recommends a 100 Mbps/1 Gbps Ethernet network for the local area network. Wide area network requirements vary based on system configuration, Tyler will provide further consultation for this environment.
Does not include servers, workstations, or any required third-party hardware or software unless specified in this Investment Summary. Client is responsible for any third-party support.
Licensed Software, and third-party software embedded therein, if any, will be delivered in a machine readable form to Client via an agreed upon network connection. Any taxes or fees imposed are the responsibility of the purchaser and will be remitted when imposed.

Tyler's GIS implementation services are to assist the Client in preparing the required GIS data for use with the Licensed New World Software. Depending upon the Licensed Software the Client at a minimum will be required to provide an accurate street centerline layer and the appropriate polygon layers needed for Unit Recommendations and Run Cards in an industry standard Esri file format (Personal Geodatabase, File Geodatabase, Shape Files). Client is responsible for having clearly defined boundaries for Police Beats, EMS Districts and Fire Quadrants. If necessary Tyler will assist Client in creating the necessary polygon layers (Police Beats, EMS Districts and Fire Quadrants) for Unit Recommendations and Run Cards. Tyler is not responsible for the accuracy of or any ongoing maintenance of the GIS data used within the Licensed New World Software.

Client is responsible for any ongoing annual maintenance on third-party products, and is advised to contact the third-party vendor to ensure understanding of and compliance with all maintenance requirements.

All Tyler Clients are required to use Esri's ArcGIS Suite to maintain GIS data. All maintenance, training and ongoing support of this product will be contracted with and conducted by Esri. Maintenance for Esri's ArcGIS suite of products that are used for maintaining Client's GIS data will be contracted by Client separately with Esri.

When Custom interface is included, Custom interface will be operational with existing third-party software. Any subsequent changes to third-party applications may require additional services.

When State/NCIC is included, Client is responsible for obtaining the necessary State approval and any non-Tyler hardware and software. Includes state-specific standard forms developed by Tyler. Additional forms can be provided for an additional fee.

A Comprehensive Public Safety Software Solution

Computer Aided Dispatch

- CAD Mapping
- Call Entry
- Call Control Panel
- Unit Recommendations
- Unit Status/Control Panel
- Call Stacking
- CAD Messaging
- Call Scheduling
- Dispatch Questionnaire
- Fire Equipment Search
- GIS/Geo-File Verification
- Hazard and Location Alerts
- Hazmat Search
- Hydrant Inventory
- Note Pads
- Proximity Dispatch
- Rip-N-Run Printing
- Run Cards/Response Plans
- Rapid SOS

Additional Modules

- BOLOS
- CAD Auto Routing
- CAD AVL
- Service Vehicle Rotation
- Unit Management
- Web CAD Monitor

Available Interfaces

- Alarm
- CAD to CAD
- CAD Paging
- E-911
- NG911
- CAD NCIC
- Pictometry
- ASAP
- Pre-Arrival Questionnaire
- Encoder
- CAD CFS Export
- ePCR
- Fire Records
- Out-of-Band AVL
- Telestaff
- PulsePoint
- Twitter
- PEMA Knowledge Center

Law Enforcement Records Management

- Arrests
- Buildings
- Businesses
- Case Management
- Case Processing
- Citations
- Dynamic Reporting
- Field Interviews
- IBR/Clery Reporting
- Impounded Vehicles
- Incidents
- Investigations
- Order of Protection
- Personnel
- Property and Evidence
- Records Request
- Registered Offenders
- Standard Reporting
- Training
- Wants and Warrant

Additional Modules

- Alarms
- Animal Licensing
- Bicycle Registration
- Bookings
- Briefing Notes
- Crash
- Stop Data
- Equipment and Inventory
- Gangs
- Hazardous Materials
- Multi-Server Search
- Narcotics
- Pawn Shops
- Permits
- Scheduling
- Tyler Content Manager
- Use of Force
- Vehicle Tracking

Available Interfaces

- Livescan
- Ticket Writer
- NCIC
- Citizen Reporting
- COPLINK
- Accurint Crime Analysis
- LINX
- Evidence
- SECTOR
- MiDEx
- LACRIS

Fire Records Management

- Activity Reporting/ Scheduling
- Investigations
- Business Registry
- Hazardous Materials
- Hydrant Inventory
- Incident Tracking
- Personnel/Education
- Pre-Plans
- Station Activity Log
- BLS/ALS

Additional Modules

- NFIRS Reporting
- Data Analysis/Mapping
- Equipment Tracking
- Fire Permits
- Inventory
- LOSAP Tracking
- Vehicle Tracking

Corrections Management

- Bookings
- D/L Swipe for Visitors
- Incident Tracking
- Inmate Property Tracking
- Inmate Classification
- Inmate Housing
- Mass Move
- Inmate Scheduling/ Tracking
- Inmate Contact
- Inmate Programs
- Inmate Activity Log
- Trustee
- Case Management
- Corrections Officer Log
- Financial Management
- Jacket Processing
- Business Registry
- Personnel/Education
- State Reporting

Additional Modules

- Inmate Tracking Bar Coding
- Property Room
- Commissary Accounting
- Data Analysis/Mapping
- Officer Activity Reporting
- Officer Equipment Tracking
- Grievance Tracking
- Mugshots
- Web Inmate Inquiry

Available Interfaces

- Livescan
- Booking Export
- Northpointe
- VINE
- CorEMR

Mobile Computing

- Dispatch/Messaging/ State/NCIC
- Fire Dispatch/Messaging
- DL Swipe Mugshot
- Download
- In-Car Mapping/AVL
- In-Car Routing
- Stop Data
- Use of Force
- LE Field Reporting
- LE Accident Field Reporting
- Field Investigations
- Ticket Writer

Mobility Software

- ShieldForce LE Dispatch
- CrewForce Fire Dispatch
- SceneCollect

Analytics

- Data Marts
- Dashboard
- Law Enforcement Analytics

Exhibit 2
Socrata Terms and Conditions

SECTION A – DEFINITIONS

Capitalized terms not otherwise defined will have the meaning assigned to such terms in the Agreement.

- **"Socrata Agreement"** means this Socrata Software as a Service Terms and Conditions.
- **"Alert"** means a message that is delivered when Client-defined thresholds are exceeded**.**
- **"API"** means application-programming interface.
- **"External API Calls"** means any request made by a user that is not logged in against a SaaS Service. If applicable, the number of External API calls that are authorized are identified in the Investment Summary, attached as Exhibit 1.
- **"Client Data"** means data, datasets, files, information, content, and links uploaded or provided by Client through the use of the SaaS Services, but excluding Third Party Services.
- **"Confidential Information"** means nonpublic information that a reasonable person would believe to be confidential and includes, without limitation, personal identifying information (*e.g.*, Social Security numbers) and trade secrets, each as defined by applicable state law.
- **"Dataset"** means physical collection of information, typically modeled as a table of rows and columns of data.
- **"Data Storage"** means the contracted amount of storage capacity for your Data identified in the Investment Summary.
- **"Users"** means a user that is logged in and accesses the SaaS Services.
- **"SaaS Fees"** means the fees for the SaaS Services identified in the Investment Summary. SaaS Fees may be listed or referred to as Recurring Fees in Exhibit 1.
- **"SaaS Services"** means Socrata's off the shelf, cloud-based software service and related services, including support services, as specified under this Socrata Agreement. SaaS Services do not include support of an operating system or hardware, support outside of our normal business hours, or training, consulting, or other professional services.
- **"Service Level Terms"** means the service level terms described in Section C of this Socrata Agreement.
- **"Third-Party Services"** means if any, third-party web-based services, or platforms, including but not limited to third party stock photos and third-party map location services which are provided at no additional charge to you through this Socrata Agreement.
- **"Socrata"** means Socrata, a wholly owned subsidiary of Tyler Technologies, Inc., a Delaware corporation.
- **"we", "us", "our"** and similar terms mean Tyler.
- **"you"** and similar terms mean Client.

SECTION B – SAAS SERVICES

1. Rights Granted. Tyler grants to Client the non-exclusive, non-assignable limited right to use the Socrata GeoAnalytics and Transparency product on a subscription basis according to the terms of

this Socrata Agreement and the Service Level Terms. Client may access updates and enhancements to the product in accordance with the Maintenance and Support Agreement.

2. SaaS Fees. Client agrees to pay Tyler the SaaS Fees. Those amounts are payable in accordance with Tyler's Invoicing and Payment Policy. Client acknowledges that continued access to the SaaS Services is contingent upon your timely payment of SaaS Fees. If you fail to timely pay an undisputed invoice for the SaaS Fees, we may discontinue your access to the SaaS Services within fifteen (15) days of notice to Client of our intent to do so. We may also terminate this Socrata Agreement if you don't cure such failure to pay within forty-five (45) days of receiving written notice of our intent to terminate.

3. Ownership.

3.1 Tyler retains all ownership and intellectual property rights to the SaaS Services.

3.2 The SaaS Services may provide Client with functionality to make all or part of Client Data available to the general public through one or more public facing websites. If applicable, Client determines which Client Data is shared publicly, and Client is solely responsible for determining the online terms of use and licenses relative to the use by public users ("Public User") of Client Data, and the enforcement thereof. Once a User makes Client Data publicly available using the SaaS Services, Tyler has no control over a Public User's use, distribution, or misuse of Client Data. Tyler has no liability or obligation to indemnify for such usage. Users have the ability within the SaaS Services to remove the public permissions applied to Customer Data. When Client uploads or provides Client Data to the Socrata SaaS platform, Client elects whether the data is publicly available or private. In accordance with this election, Client grants to Tyler a perpetual non-exclusive, worldwide, royalty-free, sub-licensable, and transferable license to use, reproduce, publicly display (when applicable), distribute, modify, create derivative works of, and translate the Client Data only as needed in response to a User's use of the SaaS Services. Tyler agrees to not make publicly-available data that Client initially elects to make private. Client acknowledges that if Client uploads or provides Client Data to the Socrata SaaS platform and elects to make it publicly-available, that election is permanent, and that data can no longer be private.

3.3 Tyler reserves the right to develop derivative data assets based on Client's publicly available data. These uses might include but are not necessarily limited to: aggregating and summarizing data; normalizing, standardizing and concatenating data to create new regional or national data assets; and developing key performance indicators and benchmarks.

3.4 Tyler agrees to never commercially sell Client's data, however, we reserve the right to commercially sell derivative data assets we create based on Client's public data.

3.5 Tyler may develop derivative data assets and insights based on aggregated, anonymized views of Client's internally accessible private data for the purposes of the enhancement of the SaaS Services, aggregated statistical analysis, technical support, and other internal business purposes.

3.6 Socrata may access Client's internally accessible private data for the purposes of providing maintenance and support.

3.7 Client retains all ownership and intellectual property rights to the Client Data. Client expressly

recognizes that except to the extent necessary to carry out our obligations contained in this Socrata Agreement, Tyler does not create or endorse any data used in connection with the SaaS Services. During the term of the Socrata Agreement, Client may export Client Data as allowed by the functionality within the SaaS Services.

3.8 If Client provides feedback, information, and/or or suggestions about the SaaS Services, or any other services provided hereunder, then Tyler (and those it allows to use its technology) may use such feedback, information, and/or suggestions under a royalty-free, paid-up, and irrevocable license without obligation to Client.

4. Restrictions.

4.1 You may not: (a) except as explicitly provided for herein, make the SaaS Services or Documentation resulting from the SaaS Services available in any manner to any third party for use in the third party's business operations, except as required by Florida's public records laws; (b) modify, make derivative works of, disassemble, reverse compile, or reverse engineer any part of the SaaS Services; (c) access or use the SaaS Services in order to build or support, and/or assist a third party in building or supporting, products or services competitive to us; (d) license, sell, rent, lease, transfer, assign, distribute, display, host, outsource, disclose, permit timesharing or service bureau use, or otherwise commercially exploit or make the SaaS Services or Documentation available to any third party other than as expressly permitted by this Socrata Agreement; (e) use the SaaS Services to store or transmit infringing, unsolicited marketing emails, libelous, or otherwise objectionable, unlawful or tortious material, or to store or transmit material in violation of third party rights; (f) interfere with or disrupt the integrity or performance of the SaaS Services (including without limitation, vulnerability scanning, penetration testing or other manual or automated simulations of adversarial actions, without Tyler's prior written consent); or (g) attempt to gain unauthorized access to the SaaS Services or its related systems or networks.

4.2 Client acknowledges and understands that the Socrata SaaS Services are not designed to serve as the system of record and shall not be used in a manner where the interruption of the SaaS Services could cause personal injury (including death) or property damage. The SaaS Services are not designed to process or store CJIS, PHI or other sensitive data, and by using the Socrata SaaS Services, you acknowledge and agree that you are using the Socrata SaaS Services at your own risk and that you are solely responsible for use of data with the SaaS Services in any manner that is contrary to the uses for which the Socrata SaaS Services are designed and offered for use in this Agreement.

4.3 Although we have no obligation to screen, edit or monitor the Client Data or Public User content posted on SaaS Services, if, in our reasonable judgment, we discover your use of the SaaS Services threatens the security, integrity, stability, or availability of the SaaS Services, or is otherwise in violation of this Socrata Agreement, we may temporarily suspend the SaaS Services, or Monthly Active Users' access thereto. Unless Client has conducted penetration testing or unscheduled performance testing, Tyler will use commercially reasonable efforts to provide Client with notice and an opportunity to remedy such violation or threat prior to such suspension. Any penetration testing or unscheduled performance testing conducted by Client will result in immediate suspension of the SaaS Services.

5. Reservation of Rights. The SaaS Services, other services, workflow processes, user interface, designs,

and other technologies provided by Tyler pursuant to this Socrata Agreement are the proprietary property of Tyler and its licensors. All right, title, and interest in and to such items, including all associated intellectual property rights, remain only with Tyler. Client may not remove or modify any proprietary marking or restrictive legends from items or services provided under this Socrata Agreement. Tyler reserves all rights unless otherwise expressly granted in this Socrata Agreement.

6. Access and Usage by Internal Client Users and Contractors. You may allow your internal users and third party contractors to access the SaaS Services and any technical or policy controls, in compliance with the terms of this Socrata Agreement, which access must be for your sole benefit. You are responsible for the compliance with this Socrata Agreement by your internal users and contractors.

7. Your Responsibilities. Client (a) must keep its passwords secure and confidential; (b) is solely responsible for all activity occurring under its account; (c) must use commercially reasonable efforts to prevent unauthorized access to its account and notify Tyler promptly of any such unauthorized access; (d) may use the SaaS Services only in accordance with the Documentation; and (e) shall comply with all federal, state and local laws, regulations and policies of Client, as to its use of the SaaS Services, Client Data, and instructions to Tyler regarding the same.

8. Client Data Backup. Client is providing Socrata a copy of Client Data. Any laws and regulations governing Client for retention of Client Data remains Client's responsibility. CLIENT IS SOLELY RESPONSIBLE FOR BACKING UP CLIENT DATA unless otherwise specially agreed in writing between Tyler and Client.

9. Return of Client Data. Tyler will make the SaaS Services available to Client to export Client Data for a period of sixty (60) days following the termination of this Socrata Agreement. After such sixty (60) day period has expired, we have no obligation to maintain Client Data and may destroy the Client Data.

10. APIs. Tyler will provide access to the applicable application-programming interface ("API") as part of the SaaS Services under the terms of this Socrata Agreement. Subject to the other terms of this Socrata Agreement, Tyler grants Client a non-exclusive, nontransferable, terminable license to interact only with the SaaS Services as allowed by the current APIs.

    a. Client may not use the APIs in a manner--as reasonably determined by Tyler--that constitutes excessive or abusive usage, or fails to comply with any part of the APIs. If any of these occur, Tyler can suspend or terminate Client's access to the APIs on a temporary or permanent basis.

    b. Tyler may change or remove existing endpoints or fields in API results upon at least 30 days' notice to Client, but Tyler will use commercially reasonable efforts to support the previous version of the APIs for at least 6 months from deprecation notice. Tyler may add new endpoints or fields in API results without prior notice to Client.

    c. The APIs may be used to connect the SaaS Services to certain hosted or on premise software applications not provided by Tyler ("Non-Tyler Applications"). Client is solely responsible for development, license, access to and support of Non-Tyler Applications, and Client's obligations under this Socrata Agreement are not contingent on access to or

availability of any Non-Tyler Application.

d. Any open source code provided is provided as a convenience to you. Such open source code is provided AS IS and is governed by the applicable open source license that applies to such code; provided, however, that any such open source licenses will not materially interfere or prohibit Client's limited right to use the SaaS Services for its internal business purposes.

11. Data Security Measures. In order to protect your Confidential Information, we will: (a) implement and maintain all reasonable security measures appropriate to the nature of the Confidential Information including without limitation, technical, physical, administrative and organizational controls, and will maintain the confidentiality, security and integrity of such Confidential Information; (b) implement and maintain industry standard systems and procedures for detecting, mitigating, and responding to attacks, intrusions, or other systems failures and regularly test or otherwise monitor the effectiveness of the safeguards' key controls, systems, and procedures; (c) designate an employee or employees to coordinate implementation and maintenance of its Security Measures (as defined below); and (d) identify reasonably foreseeable internal and external risks to the security, availability, confidentiality, and integrity of Confidential Information that could result in the unauthorized disclosure, misuse, alteration, destruction or other compromise of such information, and assess the sufficiency of any safeguards in place to control these risks (collectively, Security Measures). Client acknowledges and agrees that Tyler's obligations with respect to Security Measures is subject to Section B(4.2) above.

SECTION C – OTHER SERVICES

1. Service Level Terms & Warranty.

1.1 Service Warranty. Tyler warrants to Client that the functionality or features of the SaaS Services will substantially perform as communicated to Client in writing, or their functional equivalent, but Tyler has the right to update functionality. The support policies may change but will not materially degrade during the term. Tyler may deprecate features upon at least 30 days' notice to Client, but Tyler will use commercially reasonable efforts to support the previous features for at least 6 months following the deprecation notice. The deprecation notice will be posted at https://support.socrata.com.

1.2 Uptime Service Level Warranty. We will use commercially reasonable efforts to maintain the online availability of the SaaS Service for a minimum of availability in any given month as provided in the chart below (excluding maintenance scheduled downtime, outages beyond our reasonable control, and outages that result from any issues caused by you, your technology or your suppliers or contractors, Service is not in the production environment, you are in breach of this Socrata Agreement, or you have not pre-paid for SaaS Fees for the Software as a Service in the month in which the failure occurred).

Availability	Credit
99.9%	3% of monthly fee for each full hour

of an outage that adversely impacted Client's access or use of the SaaS Services (beyond the warranty).

Maximum amount of the credit is 100% of the prorated SaaS Service Fees for such month, or $1,800.00, whichever is less, and the minimum credit cannot be less than $100.00.

1.3 Limited Remedy. Your exclusive remedy and our sole obligation for our failure to meet the warranty under Section C(1.2) is the provision by us of the credit for the applicable month, as provided in the chart above (if this Socrata Agreement is not renewed then a refund in the amount of the credit owed); provided that you notify us of such breach of the warranty within thirty (30) days of the end of that month.

SECTION D – TERM

1. Term. The initial term of this Socrata Agreement is prorated beginning on the Amendment Effective Date and ending on the same date as the term for Tyler Software under the Client's Agreement, unless earlier terminated as set forth below. Upon expiration of the initial term, this Socrata Agreement may be renewed by mutual agreement of the parties for one (1) additional one (1) year renewal term at our then-current SaaS fees. Your right to access or use the SaaS Services will terminate at the end of this Socrata Agreement.

Embedded Secure Document

The file *https://cocoa.legistar.com/View.ashx?M=F&ID=9937657&GUID=4E7D8BD1-246C-4181-A923-C5A5104ED881* is a secure document that has been embedded in this document. Double click the pushpin to view.



City of Cocoa Budget Adjustment Form FY 2022 - 22-011-T

SELECT ADJUSTMENT TYPE: BUDGET TRANSFER | REQUESTING DEPARTMENT #: 2100 | DATE PREPARED: 10/28/21

'FROM' ACCOUNT(S)

ADJUSTMENT AMOUNT	ACCOUNT NUMBER	PROJECT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	AMENDED BUDGET	ADJUSTED BUDGET	UNENCUMBERED BALANCE
($ 3,633)	001-2100-521.34-00	PD14IN	Law Enforcement/Contract Services	$ 99,305	$ 99,305	$ 95,672	$ 20,726
($ 1,481)	001-2100-521.34-00	PD14RI	Law Enforcement/Contract Services	$ 95,905	$ 95,905	$ 94,424	$ 20,726
($ 130)	001-2100-521.34-00	PD15PE	Law Enforcement/Contract Services	$ 94,424	$ 94,424	$ 94,294	$ 20,726
($ 7,894)	001-2100-521.43-00		Law Enforcement/Electic/Water/Sewer	$ 71,594	$ 71,594	$ 63,700	$ 11,808
($ 1,182)	001-2100-521.52-07		Operating Supplies/Janitorial Supplies	$ 6,106	$ 6,106	$ 4,924	$ 5,959
$ 0				$ 0	$ 0	$ 0	$ 0
($ 14,320)	TOTAL						

'TO' ACCOUNT(S)

ADJUSTMENT AMOUNT	ACCOUNT NUMBER	PROJECT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	AMENDED BUDGET	ADJUSTED BUDGET	UNENCUMBERED BALANCE
$ 14,320	001-2100-521.56-15	PD22TS	IT Related Operating Expenses	$ 37,039	$ 37,039	$ 51,359	($ 20,599)
$ 0				$ 0	$ 0	$ 0	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 14,320	TOTAL						

REASON/JUSTIFICATION FOR ADJUSTMENT:

This BAF is necessary in order to enter into the Tyler Socrata multi-year agreement. $2,320 is a one time payment and $12,000 is the recurring payment through FY2025. Agenda 21-696.

Council/Board APPROVAL REQUIRED? YES (●) NO ( ) DATE APPROVED: 11/09/21 RESOLUTION #:

City Council approval is needed for all transfers greater than $50,000 and transfers between Departments / Funds. All CRA adjustments are required to go their respective boards.

10/28/21	Susan L. Lambert Digitally signed by Susan L. Lambert Date: 2021.10.28 14:13:05 -04'00'	10/29/21	Colleen Campbell Digitally signed by Colleen Campbell Date: 2021.10.29 15:28:56 -04'00'		
Date	Requestor's Signature	Date	Finance Approval Signature	Date	Finance Director's Signature
	Evander Collier IV Digitally signed by Evander Collier IV Date: 2021.10.29 08:49:37 -04'00'	10/29/21	Lora Howell Digitally signed by Lora Howell Date: 2021.10.29 15:47:03 -04'00'		
Date	Department Director's Signature	Date	Deputy Fin. Director's Signature	Date	City Manager's Signature

FINANCE USE ONLY:

Date Entered: _____ Entered By: _____ Group #: _____

Legislation Details (With Text)

File #:	21-706	**Version:** 1	**Name:**		
Type:	Contract		**Status:**	Multi-Year Contract	
File created:	10/20/2021		**In control:**	City Council	
On agenda:	11/9/2021		**Final action:**		
Title:	Amending Original Agenda Item #21-523 to Include Approval as a Multi-Year Contract with Ace Flow Control, Longwood, Florida for a Total of Three (3) Years with Four (4) One-Year Renewals; Approval of Amendment #1 to the Service Level Agreement with Ace Flow Control Dated 9-14-21 with an Annual Cost not to Exceed the Bid Amount of $983,640 Per Year and Approval for the City Manager to Execute Any Renewals under the Original Contract Not to Exceed a Total of Seven (7) Years. (Public Works Director)				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	B 21-22-COC Ace Flow Control 09_14_2021 Service Level Agmt_ Cont.pdf 21-22-COC 1st Amendment signed by AFC.pdf				

Date	Ver.	Action By	Action	Result

CITY COUNCIL AGENDA ITEM

Memo Date: October 20, 2021
Agenda Date: November 9, 2021
Prepared By: Melinda M. Keesee, Field Operations Technician
Prepared By: Donnie Howard, Field Operations Manager
Through: Chris M. Collier, Assistant Utilities Director
Through: John A. Walsh, P.E., Utilities Director
Requested Action:

Amending Original Agenda Item #21-523 to Include Approval as a *Multi-Year Contract* with Ace Flow Control, Longwood, Florida for a Total of Three (3) Years with Four (4) One-Year Renewals; Approval of Amendment #1 to the Service Level Agreement with Ace Flow Control Dated 9-14-21 with an *Annual Cost not to Exceed the Bid Amount of $983,640 Per Year* and Approval for the City Manager to Execute Any Renewals under the Original Contract Not to Exceed a Total of Seven (7) Years

BACKGROUND:

The City of Cocoa Utilities Department maintains a comprehensive cross-connection control program utilizing a combination of internal staff and contracted work (i.e. testing, repair, replacement, etc.). Based on the needs and regulatory requirements of the system, costs to successfully complete the required work will vary each fiscal year. For FY22, the anticipated budget amount was established at $680,000 and as included in the Adopted Budget. As additional work is identified, changes to the original purchase order amount for the annual budget may be required, not to exceed the total of the annual bid amount of $983,640 per fiscal year. Should any changes to the original budgeted purchase amount be required, staff will prepare any necessary budget amendments and bring the

request for an increase back to Council for approval.

On Agenda # 215-523 at the September 14, 2021 City Council meeting, City Council approved a Service Level Contract under Bid Number B-21-22-COC, with Ace Flow Control, Longwood, Florida for an initial contract length of three (3) years with two (2), 2-year renewals making the contract a multi-year contract; however, this was not stated in the requested action. In addition, the original contract stated that the total contract award was $983,640. It should have read that it was an amount not-to exceed of $983,640 *per year* for each year in the three-year contract and in each year of any contract extensions. This error has necessitated Amendment # 1 to the original contract.

Staff requests approval of the *multi-year contract* with Ace Flow. Staff is also requesting approval of Amendment #1 to the original contract which corrects the previously mentioned error.

STRATEGIC PLAN CONNECTION:

N/A

BUDGETARY IMPACT:

Budgeted		Yes
If not budgeted, is amendment/transfer attached?		N/A
Amount Requested FY2022:	$680,000	
Amount Requested FY2023:	TBD	
Amount Requested FY2024:	TBD	
Account Number:		421-4025-536.46-00, WS13BC
Account Name:		Repairs and Maintenance
Source of Funds		Operating Revenue

PREVIOUS ACTION:

On September 14, 2021, City Council approved Bid Number B-21-22-COC, with Ace Flow Control, Longwood, Florida for an initial contract length of three (3) years with two (2), 2-year renewals.

RECOMMENDED MOTION:

Amending Original Agenda Item #21-523 to Include Approval as a *Multi-Year Contract* with Ace Flow Control, Longwood, Florida for a Total of Three (3) Years with Four (4) One-Year Renewals; Approval of Amendment #1 to the Service Level Agreement with Ace Flow Control Dated 9-14-21 with an *Annual Cost not to Exceed the Bid Amount of $983,640 Per Year* and Request City Manager Approval for any Change Orders to the Annual Purchase Order up to the Annual Not-to Exceed Amount and Approval for the City Manager to Execute Any Renewals under the Original Contract Not to Exceed a Total of Seven (7) Years

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CITY OF COCOA
SERVICE LEVEL AGREEMENT
(Contract No. 21-22-COC)

This Agreement made and entered into on the 14th day of September by and between **Nils Humberg Enterprises, LLC – dba: Ace Flow Control** authorized and duly licensed to do business in the State of Florida, hereinafter called the CONTRACTOR, with an address of **845 Waterway Place, Suite 101, Longwood, FL 32750**, and the City of Cocoa, a municipal corporation organized and existing under the Laws of the State of Florida, and located in Brevard County, Florida, hereinafter called the CITY or OWNER, with an address of 65 Stone Street, Cocoa, Florida 32922.

Witnessed that the Contractor and the City, for the Consideration herein-after named, agree as follows:

1. **DESCRIPTION OF SERVICES** - CONTRACTOR shall provide, testing, surveying and/or repair as needed of a minimum of ten thousand (10,000) Cross Connection Control (CCC) devices per year, including CCC devices associated with fire suppression water lines. The Contractor shall be prepared to expand their services to meet or exceed any future regulatory requirements or growth should expansion of services be required.

   Contractor (Niles Humberg Enterprises, LLC referred to as registered dba "Ace Flow Control") must comply with the following specifications:

   Contractor shall provide technical services on their CCC Program as regulated by the FDEP and as described in the City of Cocoa's Cross Connection Control Manual meeting or exceeding the CCC regulations as established by FDEP. The Contractor shall provide installation services within a two (2) week period of notice.

   CCC devices in the City of Cocoa potable water distribution system are associated with and, typically, located adjacent to the customer's water meter. Typical residential water meters are ¾-inch diameter. Commercial water meters can range in size from ¾-inch to 10-inch diameter. An estimate of the breakdown by diameter of commercial water meters is as shown in Exhibit 1 below.

Exhibit 1. Commercial Potable Water Meter Sizes

Commercial Meter Size	Estimated % of Total Commercial Meters
3/4"	62%
1"	15%
1.5"	10%
2"	10%
3"	0.8%
4"	1%
6"	1%
8"	0.2%
10"	0.1%

CITY OF COCOA
SERVICE LEVEL AGREEMENT
(Contract No. 21-22-COC)

DEFINITIONS:

The following words and expressions used in this agreement shall be construed as follows, except when it is clear from the context that another meaning is intended:

1. The word "City" to mean the City of Cocoa, a political subdivision of the State of Florida.
2. The words "WFO Project Manager" to mean the City of Cocoa Water Field Operations (WFO) Manager or designee who is responsible for ensuring that the Cross-Connection Control Program is meeting the City's expectations and who possesses the ability to determine/assign the areas of operation.
3. The word "Contractor" to mean the vendor contracted from the City of Cocoa as a result of this award, also to be known as "the prime Contractor."
4. The word "Subcontractor" to mean any person, firm, entity, or organization, other than the employees of the Contractor, who contracts with the Contractor to furnish labor and/or materials, in connection with the Services to the City, whether directly or indirectly, on behalf of the Contractor.
5. The words "Scope of Services" to mean the details of the work to be performed by the Contractor.
6. The words "Work", "Services", "Program", or "Project" to mean all matters and things that will be required to be done by the Contractor in accordance with the Scope of Services and the terms and conditions of this agreement and the resulting Contract.
7. The acronym "ITB" is an abbreviation for Invitation To Bid.
8. The acronym "WFO" is an abbreviation for the City of Cocoa Utilities Department Water Field Operations.
9. The acronym "ASSE" is an abbreviation for the American Society of Sanitary Engineers.
10. The acronym "FDEP" is an abbreviation for the Florida Department of Environmental Protection.
11. The acronym "CCC" is an abbreviation for Cross Connection Control.
12. The acronym "AWWA" is an abbreviation for American Water Works Association

The following is a description of the services discussed herein:

1. CCC site survey shall include, but not be limited to, identification of meter number and address, the hazard assessment level (as defined in the City of Cocoa's Cross Connection Control Manual and AWWA Manual M14) and any recommended CCC device upgrades. The contractor is responsible for notifying and scheduling site inspections to ascertain the hazard level when necessary.
2. CCC device testing shall include, but not be limited to, the following services: on-site testing customer notification, device testing by certified staff and certified Fire Inspector (when required), identification of meter number and address, submission of executed test report, and documentation of all testing data. All testing shall meet the requirements of FDEP, AWWA, ASSE, City of Cocoa and device manufacturer's recommendations.
3. CCC device repair shall include, but not be limited to, the following items: repair notification, on-site repair of device, documentation of all repair data, and a successful

testing of the device once the repair is complete. Any repair of CCC devices, 2 ½" and larger, shall include all rubber parts, unless repairs kits are required by City. Repair kits or replacement devices shall be previously approved by City. All replaced parts of CCC devices, 2 ½" and larger, shall be bagged and tagged in the field and returned to WFO. All repairs shall include a one-year warranty on parts and labor.

4. Replacement/ Installation of CCC devices shall include, but not be limited to, the following items: replacement/ installation notification to City and customer, on-site replacement/ installation of CCC device, coordination with WFO regarding new CCC device, flushing through newly installed device, delivery of removed CCC device to WFO, documentation of all replacement/ installation data, and submission of device test report as defined above. All replacement shall include a one-year warranty on parts and labor.
5. Replacement/ Installation of water meters shall include, but not be limited to, the following items: replacement/ installation notification to City and customer, on-site replacement/ installation of device, coordination with WFO to obtain new water meter or metering appurtenances, flushing through newly installed meter, delivery of removed water meter to WFO, documentation of meter readings (new and replaced), meter number (new and replaced), meter labels (new and replaced) and submission of certification of proper installation. All replacement shall include a one-year warranty on parts and labor.

2. SCOPE OF SERVICES

Contractor shall comply with all current applicable requirements established by the City's Cross Connection Control Manual, AWWA, FDEP, Florida Building Code, and Federal, State and Local laws, rules, regulations, permits, codes, ordinances, and statutes which govern this type of service. In case of conflict between authorities having jurisdiction, the most stringent requirement shall govern.

The Contractor shall provide the City with the following service components as required:

a. Participate in monthly project review meetings with the City of Cocoa WFO Cross Connection Control/Backflow Prevention Project Staff. Provide required documentation to City and City's representative to be included as part of the meeting agenda.
b. Provide electronic reports every month to select WFO staff that include, at a minimum, the following information:
    1. Number of tests, surveys, and repairs of City CCC devices conducted both during the previous month and cumulatively.
    2. Results of all surveys and tests conducted over the past month including any suggested cross connection control improvements.
    3. A minimum of two digital photograph of each inspection and/or repair of a cross control connection device will be submitted with the results of all surveys and tests conducted. Photographs shall be geocoded with longitude, latitude, and elevation included in the properties of each photo. The photos will be delivered in jpg form at minimal file size to be specified by the City. The photos will clearly show the meter serial number and validate the reports.

4. List of sub-contractors employed by the Contractor during the past month.
5. List of outstanding Contractor invoices.
6. List of outstanding Contractor issues awaiting WFO resolution.
7. Three-week look ahead on anticipated work, including CCC device assessments, database transfers, and software coordination activities.
8. A minimum of two digital photograph of each meter replacement/ installation, before and after the job was performed. Photographs must be dated and geo-tagged to a minimum precision of 30 meters and must referenced on the work orders using a universal unique identifier (UUID) 128-bit format. The photos will be delivered in jpg form at minimal file size to be specified by the City. The photos will clearly show the meter serial number and validate the reports.

c. Contractor's software system shall allow the transfer of data from their system to the City's Flat File Exchange (FFX) file data transfer format and as a tab delimited text file that can be appended directly to the water meter records contained in the City's existing GIS database. Contractor shall facilitate a weekly transmittal of data as determined by the WFO Project Manager. See appendix A for data transfer formatting for site survey files, testing files, repair or replace files, and water meter replace and installation.
d. Contractor shall be able to report the data through a web browser interface from the site of CCC field services, including transfer of geocoded photographs.
e. Contractor shall provide data on all surveys including the following minimum information: location ID, Device Serial Number, survey date, water meter number, business name (commercial surveys only), address of customer, location of meter on site, hazard level with associated explanation, equipment model number, make, equipment type, equipment size, recommended backflow device for site, and any recommended cross connection control improvements.
f. Contractor shall provide data on all testing including the following minimum information: location ID, Device Serial Number, testing date, water meter number, business name (commercial surveys only), address of customer, location of meter on site, equipment model number, make, equipment type, equipment size, special flags, test results, certified technician name and certification number and any cross-connection control repairs performed at the site.
g. Contractor shall provide data on all field repairs including the following minimum information: location ID, repair date, Device Serial Number, water meter number, business name (commercial testing only), address of customer, location of meter on site, equipment model number, make, equipment type, equipment size, test results, certified technician name and certification number and type of repairs performed at the site. All repaired devices shall be retested at time of repair. Repairs shall be schedule within 90 days of being placed on a "Fail" status. All replaced parts on CCC devices, 2 ½" or larger, shall be tagged and bagged in the field and returned to WFO prior to invoicing for these repairs.
h. Contractor shall provide data on all CCC device replacements including the following minimum information: location ID, replacement date, device serial number, unique identifier, water meter number, business name (commercial testing only), address of customer, location of meter on site, type of CCC

device installed, equipment model number, make, equipment size, certified technician name and certification number, and certified test results. Contractor shall return replaced device to WFO. Contractor shall coordinate replacement needs with WFO Project Manager. WFO may provide or request that the Contractor purchase replacement devices. The Contractor shall be reimbursed for these devices at cost.

i. Contractor shall provide data on all water meter replacements including the following minimum information: water meter number and meter reading of meter being replaced, water meter number and meter reading of meter being installed, business name (commercial replacements only), address of customer, location of meter on site, and verification of proper installation, certified technician name and certification number. WFO will provide water meters for replacement. Contractor shall return replaced meter to WFO.
j. Contractor shall coordinate water meter and/or CCC replacement needs with WFO Project Manager.
k. Contractor shall maintain oversight, quality assurance, insurance, and security for all employees and sub-contractors.
l. Contractor employees and sub-contractors shall have identification badges, or other source of identification, when performing any services to the City.
m. Contractor shall coordinate with WFO to determine which CCC assemblies will be surveyed and/or tested.
n. Contractor shall be prepared to provide services outside of regularly scheduled work hours when requested by the Customer or by the WFO Project Manager at no additional costs. These requests shall not exceed 2% of total CCC devices to be surveyed, tested, and/or repaired.
o. Contractor may choose to provide services outside of regularly scheduled work hours at no additional cost to the Owner. Contractor shall provide written notification to Owner two (2) weeks prior to modifying work hours. Regularly scheduled work hours are defined as Monday through Friday, 7:00 a.m. to 3:30 p.m., excluding City Holidays.
p. Contractor shall provide public relations assistance to WFO through customer on-site communications
q. Contractor shall provide a draft monthly invoice for review by the WFO Project Manager. This draft invoice shall be supported by data that has been approved and accepted by the WFO Project Manager.
r. This draft invoice shall be supported by data that has been approved and accepted by the WFO Project Manager.
s. Contractor shall provide warranty services on all repaired CCC devices for one year following the date of repair.

3. **CONTRACT DOCUMENTS** - The Contract Documents consist of this Agreement; the service requirements prepared by City of Cocoa, Utilities Department – Water Field Operations (WFO), dated March 25, 2021 ; Bid Documents (ITB# B-21-22-COC) issued by the City, dated March 25, 2021; Contractor's Bid Submittal, dated June 24, 2021, General Conditions, if any; Supplemental Terms and Conditions by the City. The CONTRACTOR represents and agrees that it has carefully examined and understands this Agreement and has investigated the nature,

locality, and site of delivery under which it is to be performed and that it enters into this Agreement on the basis of its own examination, investigation and evaluation of all such matters and not in reliance upon any opinions or representations of the OWNER, or of any of their respective officers, agents, servants, or employees.

4. **ORDER OF PRECEDENCE** - In case of any inconsistency in any of the documents bearing on the Agreement between the OWNER and the CONTRACTOR, the inconsistency shall be resolved by giving precedence in the following order:

   a. Change Orders

   b. Agreement, Exhibits and Addenda

   c. Supplemental Terms and Conditions

   d. General Terms and Conditions

   e. Issued Bid Documents

   f. Contractor's Bid Proposal

   g. [OTHER] N/A

Any inconsistency in services to be provided shall be clarified by the OWNER and performed by the CONTRACTOR.

5. **AGREEMENT INTERPRETATION** - At its discretion, during the course of the work, should any errors, ambiguities, or discrepancies be found in the Contract Documents, the OWNER at its sole discretion will interpret the intent of the Contract Documents and the CONTRACTOR hereby agrees to abide by the OWNER's interpretation and agrees to carry out the work in accordance with the decision of the OWNER.

6. **BRAND NAME MATERIALS** – Whenever materials are specified or described in the scope of work or any exhibits by using the name of a proprietary item or the name of a particular Supplier, the naming of the item is intended to establish the type, function and quality required. The CONTRACTOR will be responsible for all coordination necessary to accommodate the materials being provided without additional cost to the OWNER. Unless the name is followed by words indicating that no substitution is permitted, a substitute material is allowed if it is reasonably equivalent to the brand name specified and CONTRACTOR certifies in writing that the proposed substitute will perform adequately the functions called for and of equal substance to that specified and be suited to the same use and capable of performing the same function as that specified. The OWNER has full discretion to decide whether a substitute is reasonably equivalent. CONTRACTOR must notify the OWNER in writing prior to use of the substitute

for a specified brand name and allow the OWNER to make a determination before CONTRACTOR uses the substitute.

7. **CONTRACT TIME** -

a. All provisions regarding Contract Time are essential to the delivery of services specified upon receipt of approved purchase order.

b. The CONTRACTOR will be required to provide installation services within a two (2) week period of notice. All provisions regarding quality of supply and delivery of aid products are essential to the performance of this Contract.

8. **CONTRACT PRICE, UNIT PRICE CONTRACT** - The OWNER will pay the CONTRACTOR in current funds for the services and materials rendered in accordance with the Contract Documents, subject to additions and deductions approved by Change Order. The Total contract award of **Nine-Hundred Eighty-Three Thousand Six-Hundred Forty Thousand dollars ($983,640.00) for a term of three (3) years with two (2) option years to renew and two (2) additional years should it be in the best interest of the City not to exceed a total of seven (7) years.** CONTRACTOR agrees to accept the Contract Price as full compensation for the agreed upon services, terms and conditions embraced in the Contract Documents.

The CONTRACTOR acknowledges that CONTRACTOR studied, considered, and included in CONTRACTOR's Total Bid all costs of any nature relating to: (1) Required products specified within the scope of work; (2) applicable law; (3) the terms and conditions of the Contract Documents, including, but not limited to the indemnification provisions of the Contract Documents.

(1) In addition to the acknowledgments previously made, the CONTRACTOR acknowledges that the CONTRACTOR's Total Bid (original Contract Price) specifically considered and relied upon CONTRACTOR's own study of the required services and any conflicts relating to providing such.

(2) The CONTRACTOR acknowledges that CONTRACTOR's Total Bid (original Contract Price) considered and included all of CONTRACTOR's costs relating to CONTRACTOR's responsibilities to coordinate and sequence of required services with the OWNER, if any, with its own forces, the work of other contractors, if any, and the delivery at the City's Utilities - Water Field Operations sites.

(3) Payments will be made to the CONTRACTOR for actual services rendered on the basis of the Schedule of Unit Prices included as a part of the Bid, which shall be as fully a part of the Contract as if attached or repeated herein. Where the Contract Documents provide for Unit Price, the Contract Price stated in the Agreement will include for all Unit Price an amount equal to the sum of the Unit Prices for each item of Unit Price times the estimated quantity of product delivered as indicated in the Contract

Documents. Each Unit Price will be deemed to include an amount considered by CONTRACTOR to be adequate to cover all costs, including supplemental and administrative costs, and profit.

9. **TERMINATION; DEFAULT BY CONTRACTOR AND OWNER'S REMEDIES** - The OWNER reserves the right to revoke and terminate this Agreement and rescind all rights and privileges associated with this Agreement, without penalty, for convenience. Further, the OWNER reserves the right to revoke and terminate this Agreement in the following circumstances, each of which shall represent a default and breach of this Agreement:

a. CONTRACTOR defaults in the performance of any material covenant or condition of this Agreement and does not cure such other default within seven (7) calendar days after written notice from the OWNER specifying the default complained of, unless, however, the nature of the default is such that it cannot, in the exercise of reasonable diligence, be remedied within seven (7) calendar days, in which case the CONTRACTOR shall have such time as is reasonably necessary to remedy the default, provided the CONTRACTOR promptly takes and diligently pursues such actions as are necessary.

In addition, CONTRACTOR may terminate this Agreement if OWNER fails to perform any material covenant or condition of this Agreement and does not cure such breach within seven (7) calendar days after written notice from the CONTRACTOR specifying breach.

b. CONTRACTOR is adjudicated bankrupt or makes any assignment for the benefit of creditors or CONTRACTOR becomes insolvent, or is unable or unwilling to pay its debts; or

c. CONTRACTOR has acted negligently, as defined by general and applicable law, in performing the Work hereunder; or

d. CONTRACTOR has committed any act of fraud upon the OWNER; or

e. CONTRACTOR has made a material misrepresentation of fact to the OWNER while performing its obligations under this Agreement; or

f. CONTRACTOR is experiencing a labor dispute, which threatens to have a substantial, adverse impact upon performance of this Agreement without prejudice to any other right, or remedy OWNER may have under this Agreement.

Notwithstanding the aforementioned, in the event of a default by CONTRACTOR, the OWNER shall have the right to exercise any other remedy the OWNER may have by operation of law, without limitation, and without any further demand or notice. In the event of such termination, OWNER shall be liable only for the payment of all unpaid charges, determined in accordance with the provisions of this Agreement, for Work properly performed prior to the effective date of termination.

10. **FORCE MAJEURE** - Any delay or failure of either party in the performance of its required obligations hereunder shall be excused if and to the extent caused by acts of God; fire; flood; windstorm; explosion; riot; war; sabotage; strikes (except involving CONTRACTOR's labor force); extraordinary breakdown of or damage to OWNER 's affiliates' generating plants, their equipment, or facilities; court injunction or order; federal and/or state law or regulation; order by any regulatory agency; or cause or causes beyond the reasonable control of the party affected; provided that prompt notice of such delay is given by such party to the other and each of the parties hereunto shall be diligent in attempting to remove such cause or causes. If any circumstance of Force Majeure remains in effect for sixty days, either party may terminate this Agreement.

11. **SEVERABILITY** - In the event any portion or part thereof of this Agreement is deemed invalid, against public policy, void, or otherwise unenforceable by a court of law, the parties, at the sole discretion and option of the OWNER, shall negotiate an equitable adjustment in the affected provision of this Agreement. The validity and enforceability of the remaining parts of this Agreement shall otherwise be fully enforceable

12. **INVOICING -**

OWNER hereby identifies the City of Cocoa, Finance Department – Accounts Payable (accountspayable@cocoafl.org) as the agent or office to which the CONTRACTOR must submit payment requests or invoices.

13. **DESIGNATION OF PROJECT REPRESENTATIVE -** The duties and authority of the OWNER are as follows:

a. **General Administration of Contract**. The primary function of the OWNER is to provide the general administration of the contract. In performance of these duties, Water Field Operations Representative or an authorized representative is the OWNER's Project Manager during the entire period of required services. The OWNER (CITY) may change the Project Manager during the term of this contract.

b. **Inspections, Opinions, and Progress Reports.** The OWNER shall be kept familiar with the progress and quality of services rendered by CONTRACTOR and may conduct periodic reviews. The OWNER will not be responsible for the means of the services provided, or for the sequences, methods, and procedures used therein, or for the CONTRACTOR's failure to perform the services in accordance with the Contract Documents.

c. **Interpretation of Contract Documents: Decisions on Disputes.** The OWNER will be the initial interpreter of the contract document requirements and make decisions on claims and disputes between Contractor and Owner.

d. **Rejection and Stoppage of Services.** The OWNER shall have authority to reject services which in its opinion does not conform to the Contract Documents, and in this connection may stop the services or a portion thereof, when necessary.

e. **Payment Certificates.** The OWNER will determine the amounts owing to CONTRACTOR as the services progress, based on CONTRACTOR's approved invoice and OWNER's inspections and observations of satisfactory services, and will issue certificates for payments in accordance with the terms of the Contract Documents.

14. **RESPONSIBILITIES OF CONTRACTOR** - CONTRACTOR's duties and rights in connection with the project herein are as follows:

a. **Responsibility for Supervision**. CONTRACTOR shall be solely responsible for all services rendered under this contract, including the techniques, sequences, procedures and means, for the coordination of all delivery and any such repairs under warranty as required. CONTRACTOR shall supervise and direct the services and give it all attention necessary for such proper supervision and direction.

b. **Furnishing of Labor, Materials, etc.** CONTRACTOR shall provide and pay for all labor, materials and testing equipment, including any additional materials required for the required services necessary to meet the requirements in accordance with the Contract Documents.

c. **Guarantee.** The CONTRACTOR hereby guarantees the services to the full extent provided in the Specifications, General Conditions, Special Conditions, and other Contract Documents. Without limiting the generality of the foregoing, the CONTRACTOR warrants to the OWNER, that all services delivered under this Agreement will be of first-class quality and new, unless otherwise required or permitted by the other Contract Documents, that the services performed pursuant to this Agreement will be free from defects and that the services strictly conform with the requirements of the Contract Documents. Products or Services not conforming to such requirements, including substitutions not properly approved and authorized, shall be considered unacceptable.

15. **ASSIGNMENT** - CONTRACTOR shall not assign or subcontract this Agreement, or any rights or any monies due or to become due hereunder without the prior, written consent of the OWNER.

a. If upon receiving written approval from OWNER, any part of this Agreement is subcontracted by CONTRACTOR, CONTRACTOR shall be fully responsible to OWNER for all acts and/or omissions performed by the subcontractor as if no subcontract had been made.

b. If OWNER determines that any subcontractor is not performing in accordance with this Agreement, OWNER shall so notify CONTRACTOR who shall take immediate steps to remedy the situation.

c. If CONTRACTOR, prior to the commencement of any services, subcontracts any part of this Agreement by the subcontractor, CONTRACTOR shall require the subcontractor to provide OWNER and its affiliates with insurance coverage as set forth by the OWNER.

d. If upon receiving written approval from OWNER, any part of this Agreement is subcontracted by CONTRACTOR, CONTRACTOR and subcontractors shall make prompt payments to subcontractors in accordance with s. 218.735, Florida Statutes.

16. **THIRD PARTY RIGHTS** - Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than OWNER and CONTRACTOR.

17. **PROHIBITION AGAINST CONTINGENT FEES** - CONTRACTOR warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the CONTRACTOR, to solicit or secure this Agreement, and that it has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the CONTRACTOR, any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this Agreement.

18. **NO JOINT VENTURE** - Nothing herein shall be deemed to create a joint venture or principal-agent relationship between the parties and neither party is authorized to, nor shall either party act toward third persons or the public in any manner which would indicate any such relationship with the other party.

19. **INDEMNIFICATION** – CONTRACTOR shall indemnify and hold harmless the OWNER, its officers, employees, agents, and city attorneys (individually and in their official capacity, from liability, losses, damages, and costs, including, but not limited to, reasonable attorney's fees, to the extent caused by the negligence, recklessness or intentional wrongful misconduct of CONTRACTOR and persons employed or utilized by CONTRACTOR in the performance of this Agreement.

CONTRACTOR specifically assumes potential liability for actions brought by CONTRACTOR'S own employees against the OWNER and, solely for the purpose of this indemnification and defense, CONTRACTOR specifically waives its entitlement, if any, to immunity under Section 440.11, Florida Statutes. This waiver has been specifically and mutually negotiated by the parties.

The indemnification provided above shall obligate the CONTRACTOR to defend at its own expense or to provide for such defense, at the option of the OWNER, as the case may be, of any and all claims of liability and all suits and actions of every name and description that may be brought against the OWNER or its officers, employees, and city attorneys which may covered

by this indemnification. In all events the OWNER and its officers, employees, and city attorneys shall be permitted to choose legal counsel of its sole choice, the fees for which shall be reasonable and subject to and included with this indemnification provided herein.

In consideration of the CONTRACTOR's indemnity obligations, OWNER specifically agrees to pay the CONTRACTOR the sum of TWO HUNDRED FIFTY AND NO/100 DOLLARS ($250.00) or ONE PERCENT (1%) OF THE CONTRACT SUM WHICHEVER IS GREATER. The CONTRACTOR acknowledges receipt of the specific consideration for CONTRACTOR's indemnification of OWNER and that the specific consideration is included in the original Contract Price allocated by CONTRACTOR among all pay items - receipt of which is acknowledged.

The indemnity provisions set forth in this Paragraph shall survive termination of this Agreement.

20. **SAFETY** - CONTRACTOR shall be solely and absolutely responsible and assume all liability for the safety and supervision of its principals, employees, contractors, and agents while performing any services on City property.

21. **CORPORATE REPRESENTATIONS BY CONTRACTOR** - CONTRACTOR hereby represents and warrants to the OWNER the following:

a. CONTRACTOR is duly registered and licensed to do business in the State of Florida and is in good standing under the laws of Florida and is duly qualified and authorized to carry on the functions and operations set forth in this Agreement.

b. The undersigned signatory for CONTRACTOR has the power, authority, and the legal right to enter into and perform the obligations set forth in this Agreement and all applicable exhibits thereto, and the execution, delivery, and performance hereof by CONTRACTOR has been duly authorized by the board of directors and/or president of CONTRACTOR. In support of said representation, CONTRACTOR agrees to provide a copy to the OWNER of a corporate certificate of good standing provided by the State of Florida prior to the execution of this Agreement.

c. CONTRACTOR is duly licensed under all local, state and federal laws to provide the work stated in paragraph 1.0 herein. In support of said representation, CONTRACTOR agrees to provide a copy of all said licenses to the OWNER prior to the execution of this Agreement.

22. **INSURANCE** - During the term of this Agreement, CONTRACTOR shall be responsible for providing the types of insurance and limits of liability as applicable and set forth under this Paragraph. Additionally, all independent contractors or agents employed by CONTRACTOR to perform any services hereunder shall fully comply with the insurance provisions contained in these Contract Documents.

a. The CONTRACTOR shall maintain comprehensive general liability insurance in the minimum amount of $2,000,000 as the combined single limit for each occurrence with a deductible not less than $5,000 unless otherwise approved in writing by the City Manager to protect the CONTRACTOR from claims of property damages which may arise from any Work performed under this Agreement whether such Work are performed by the CONTRACTOR or by anyone directly employed by or contracting with the CONTRACTOR.

b. The CONTRACTOR shall maintain comprehensive automobile liability insurance in the minimum amount of $1,000,000 combined single limit bodily injury and minimum $1,000,000 property damage as the combined single limit for each occurrence to protect the CONTRACTOR from claims for damages for bodily injury, including wrongful death, as well as from claims from property damage, which may arise from the ownership, use, or maintenance of owned and non-owned automobiles, including rented automobiles whether such operations be by the CONTRACTOR or by anyone directly or indirectly employed by the CONTRACTOR.

c. The CONTRACTOR shall maintain, during the life of this Agreement, adequate Workers' Compensation Insurance in at least such amounts as are required by law and Employer's Liability Insurance in the minimum amount of $2,000,000 for all of its employees performing Work for the OWNER pursuant to this Agreement. It is required that firms employing four or more people who contract with the City of Cocoa maintain Workers' Compensation Insurance at the statutory limits and submit proof of same in the form of a certificate of insurance before work is begun. It is required that firms employing less than four people who contract with the City of Cocoa comply with the exemption and notice provisions of F.S. 440 and maintain employer liability insurance and submit proof of same in the form of a certificate of insurance before work is begun.

d. Current, valid insurance policies meeting the requirements herein identified shall be maintained during the term of this Agreement. A copy of a current Certificate of Insurance shall be provided to the OWNER by CONTRACTOR upon the Effective Date of this Agreement which satisfied the insurance requirements of this Paragraph 25. Renewal certificates shall be sent to the OWNER 30 days prior to any expiration date. There shall also be a 30-day advance written notification to the OWNER in the event of cancellation or modification of any stipulated insurance coverage. **The OWNER shall be an additional named insured on all stipulated insurance policies as its interest may appear, from time to time, excluding worker's compensation and professional liability policies**.

23. **MEDIATION/VENUE** - The parties agree that should any dispute arise between them regarding the terms or performance of this Agreement, both parties will participate in mediation. The parties agree to equally share the cost of the mediator. Should the parties fail to resolve their differences through mediation, then any cause of action filed hereunder shall be filed in the Circuit or County Court for Brevard County, Florida.

24. **GOVERNING LAW & VENUE** - This Agreement is made and shall be interpreted, construed, governed, and enforced in accordance with the laws of the State of Florida. Venue for any state action or litigation shall be Brevard County, Florida. Venue for any federal action or litigation shall be Orlando, Florida.

25. **ATTORNEY'S FEES** - Should either party bring an action to enforce any of the terms of this Agreement, each party shall bear its own costs and expenses of such action including, but not limited to, reasonable attorney's fees, whether at settlement, trial or on appeal.

26. **NOTICES** - Any notice or approval under this Contract shall be sent, postage prepaid, to the applicable party at the address shown on the first page of this Contract.

27. **WORK IS A PRIVATE UNDERTAKING** - With regard to any and all Work performed hereunder, it is specifically understood and agreed to by and between the parties hereto that the contractual relationship between the OWNER and CONTRACTOR is such that the CONTRACTOR is an independent contractor and not an agent of the OWNER. The CONTRACTOR, its contractors, partners, agents, and their employees are independent contractors and not employees of the OWNER. Nothing in this Agreement shall be interpreted to establish any relationship other than that of an independent contractor, between the OWNER, on one hand, and the CONTRACTOR, its contractors, partners, employees, or agents, during or after the performance of the Work under this Agreement.

28. **DOCUMENTS** - **Public Records**: It is hereby specifically agreed that any record, document, computerized information and program, audio or video tape, photograph, or other writing of the CONTRACTOR and its independent contractors and associates related, directly or indirectly, to this Agreement, may be deemed to be a Public Record whether in the possession or control of the OWNER or the CONTRACTOR. Said record, document, computerized information and program, audio or video tape, photograph, or other writing of the CONTRACTOR is subject to the provisions of Chapter 119, Florida Statutes, and may not be destroyed without the specific written approval of the OWNER's City Manager. Upon request by the OWNER, the CONTRACTOR shall promptly supply copies of said public records to the OWNER. All books, cards, registers, receipts, documents, and other papers in connection with this Agreement shall at any and all reasonable times during the normal working hours of the CONTRACTOR be open and freely exhibited to the OWNER for the purpose of examination and/or audit. Failure by CONTRACTOR to grant such access and comply with public records laws and/or requests shall be grounds for immediate unilateral cancellation of this Agreement by the OWNER upon delivery of a written notice of cancellation. If CONTRACTOR fails to comply with this Section, and the OWNER must enforce this Section, or the OWNER suffers a third party award of attorney's fees and/or damages for violating Chapter 119, Florida Statutes, due to CONTRACTOR's failure to comply with this Section, the OWNER shall collect from CONTRACTOR prevailing party attorney's fees and costs, and any damages incurred by the City, for enforcing this Section against CONTRACTOR. And, if applicable, the OWNER shall also be entitled to reimbursement of all attorneys' fees and damages which the OWNER had to

pay a third party because of the CONTRACTOR's failure to comply with this Section. The terms and conditions set forth in this Section shall survive the termination of this Agreement.

The CONTRACTOR acknowledges that the OWNER is a Florida municipal corporation and subject to the Florida Public Records Law. CONTRACTOR agrees that to the extent any document produced by CONTRACTOR under this Agreement constitutes a Public Record; CONTRACTOR shall comply with the Florida Public Records Law.

29. **SOVEREIGN IMMUNITY** - The OWNER intends to avail itself of the benefits of Section 768.28, Florida Statutes and any other statutes and common law fully governing sovereign immunity possible. Neither this provision nor any other provision of this Agreement shall be construed as a waiver of the OWNER's right to sovereign immunity under Section 768.28, Florida Statutes, or other limitations imposed on the OWNER's potential liability under state or federal law. CONTRACTOR agrees that OWNER shall not be liable under this Agreement for punitive damages or interest for the period before judgment. Further, OWNER shall not be liable for any claim or judgment, or portion thereof, to any one person for over two hundred thousand dollars ($200,000.00), or any claim or judgment, or portion thereof, which, when totaled with all other claims or judgments paid by the State or its agencies and subdivisions arising out of the same incident or occurrence, exceeds three hundred thousand dollars ($300,000.00). Nothing in this Agreement is intended to inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred under the doctrine of sovereign immunity or by operation of law. This paragraph shall survive termination of this Agreement.

30. **HEADINGS** - Paragraph headings are for the convenience of the parties only and are not to be construed as part of this Agreement.

31. **INTEGRATION; MODIFICATION** - The drafting, execution, and delivery of this Agreement by the Parties has been induced by no representations, statements, warranties, or agreements other than those expressed herein. This Agreement embodies the entire understanding of the parties, and there are no further or other agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof unless expressly referred to herein. Modifications of this Agreement shall only be made in writing signed by both parties.

32. **WAIVER AND ELECTION OF REMEDIES** - Waiver by either party of any terms, or provision of this Agreement shall not be considered a waiver of that term, condition, or provision in the future. No waiver, consent, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of each party hereto. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be considered an original agreement; but such counterparts shall together constitute but one and the same instrument.

33. **NOTICE** - Any notices required to be given by the terms of this Agreement shall be delivered by hand or mailed, certified mail, return receipt requested, postage prepaid to:

For CONTRACTOR:

Nils Humberg Enterprises, LLC dba Ace Flow Control
Attn: Niles Humberg / President
845 Waterway Pl., Suite 101, Longwood, Florida 32751
P: 407-574-7208/ E: nhumberge@aceflowcontrol.com

For OWNER:

City of Cocoa
Attn: City Manager and Utilities - Water Field Operations Manager
65 Stone Street, Cocoa, FL 32922

Either party may change the notice address by providing the other party written notice of the change. Any Notice given as provided herein shall be deemed received as follows: if delivered by personal service, on the date so delivered; if delivered to an overnight courier service, on the business day immediately following delivery to such service; and if mailed, on the third business day after mailing.

34. **CONFLICT OF INTEREST**.

a. The CONTRACTOR agrees that it will not engage in any action that would create a conflict of interest in the performance of its obligations pursuant to this Contract with the OWNER or which would violate or cause others to violate the provisions of Part III, Chapter 112, Florida Statutes, relating to ethics in government and the OWNER's Personnel Policies.

b. The CONTRACTOR hereby certifies that no officer, agent or employee of the OWNER has any material interest (as defined in Section 112.312 (15), Florida Statutes, as over five percent (5%) either directly or indirectly, in the business of the CONTRACTOR to be conducted here, and that no such person shall have any such interest at any time during the term of this CONTRACT.

c. Pursuant to Section 216.347, Florida Statutes, the CONTRACTOR hereby agrees that monies received from the OWNER pursuant to this Agreement will not be used for the purpose of lobbying the Legislature or any other State or Federal Agency.

35. **ADDITIONAL ASSURANCES**.

a. No principal (which includes officers, directors, or executive) or individual holding a professional license and performing Work under this Agreement is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from

participation in any Work required by this Agreement by any Federal, State, or local governmental commission, department, corporation, subdivision, or agency;

b. No principal (which includes officers, directors, or executive), individual holding a professional license and performing Work under this Agreement, employee, or agent has employed or otherwise provided compensation to, any employee or officer of the OWNER; and

c. No principal (which includes officers, directors, or executive), individual holding a professional license and performing Work under this Agreement, employee or agent has willfully offered an employee or officer of the OWNER any pecuniary or other benefit with the intent to influence the employee or officer's official action or judgment.

36. **FEDERALLY FUNDED PROJECTS (As Applicable)** – For Work that will be funded in whole or in part by federal funds, the following provisions shall apply, as required by Section 200.326, Code of Federal Regulations:

a. *Equal Employment Opportunity.* During the performance of this contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, or national origin.

(3) The Contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to

such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.

(4) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(5) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(6) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(7) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions as may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The Contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

b. *Compliance with the Davis-Bacon Act*

(1) The Contractor will comply with the David-Bacon Act (40 U.S.C. 3141 – 3144 and 3146 – 3148) as supplemented by the Department of Labor Regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"), which are incorporated herein by reference.

(2) In accordance with the statute, the Contractor shall pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. The Contractor shall pay wages not less than once a week.

(3) Subcontracts. The Contractor agrees to include these requirements in each subcontract financed in whole or in part with Federal assistance.

(4) The Contractor agrees to report each suspected or reported violation to the City and understands and agrees that the City will, in turn, report each violation as required to assure notification to the State of Florida, the federal awarding agency, and as otherwise appropriate.

c. *Compliance with the Copeland "Anti-Kickback" Act*

(1) The Contractor will comply with the Copeland "Anti-Kickback" Act (40 U.S.C 3145) as supplemented by the Department of Labor Regulations (29 CFR Part 3, "Contractors or Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"), which are incorporated herein by reference.

(2) The Contractor and each subcontractor shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled.

(3) Subcontracts. The Contractor agrees to include these requirements in each subcontract financed in whole or in part with Federal assistance.

(4) The Contractor agrees to report each suspected or reported violation to the City and understands and agrees that the City will, in turn, report each violation as required to assure notification to the State of Florida, the federal awarding agency, and as otherwise appropriate.

d. *Compliance with the Contract Work Hours and Safety Standards Act*

(1) Overtime requirements. No Contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (1) of this section the Contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The City shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the Contractor or subcontractor under any such contract or any other Federal contract with the same prime Contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.

(4) Subcontracts. The Contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime Contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.

e. *Rights to Inventions Made Under a Contract or Agreement.*

If the Federal award meets the definition of "funding agreement" under 37 CFR § 401.2(a) and the City or Contractor wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the City or Contractor must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the federal awarding agency.

f. *Clean Air Act*

(1) The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.

(2) The Contractor agrees to report each violation to the City and understands and agrees that the City will, in turn, report each violation as required to assure notification to the State of Florida, the federal awarding agency, and as otherwise appropriate.

(3) The Contractor agrees to include these requirements in each subcontract exceeding $100,000 financed in whole or in part with Federal assistance.

g. *Federal Water Pollution Control Act*

(1) The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.

(2) The Contractor agrees to report each violation to the City and understands and agrees that the City will, in turn, report each violation as required to assure notification to the State of Florida, the federal awarding agency, and as otherwise appropriate.

(3) The Contractor agrees to include these requirements in each subcontract exceeding $150,000 financed in whole or in part with Federal assistance.

h. *Suspension and Debarment*

(1) This contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such the contractor is required to verify that none of the contractor, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

(2) The Contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

(3) This certification is a material representation of fact relied upon by the City. If it is later determined that the Contractor did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the State of Florida, and the City, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

(4) The bidder or proposer agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

i. *Byrd Anti-Lobbying Amendment*

Contractors who apply or bid for an award of $100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to

influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient.

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APPENDIX A, 44 C.F.R. PART 18 – CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements *(If applicable)*

(To be submitted with each bid or offer exceeding $100,000)

The undersigned [Contractor] certifies, to the best of his or her knowledge, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure. The Contractor, **ACE FLOW CONTROL.**, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. § 3801 et seq., apply to this certification and disclosure, if any.

Signature of Contractor's Authorized Official

Nile Humberg / President
Name and Title of Contractor's Authorized Official

07-06-21
Date

j. *Procurement of Recovered Materials*

(1) In the performance of this contract, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired—

(i) Competitively within a timeframe providing for compliance with the contract performance schedule;

(ii) Meeting contract performance requirements; or

(iii) At a reasonable price.

(2) Information about this requirement, along with the list of EPA-designate items, is available at EPA's Comprehensive Procurement Guidelines web site, https://www.epa.gov/smm/comprehensiveprocurement-guideline-cpg-program.

k. *Access to Records*

The following access to records requirements applies to this contract:

(1) The Contractor agrees to provide the City, the State of Florida, the federal awarding agency, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions.

(2) The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

(3) The Contractor agrees to provide the federal awarding agency Administrator or his authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.

l. *Compliance with Federal Law, Regulations, and Executive Orders*

This is an acknowledgement that federal financial assistance will be used to fund the contract only. The Contractor will comply will all applicable federal law, regulations, executive orders, federal awarding agency policies, procedures, and directives.

m. *No Obligation by Federal Government*

The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the non-Federal entity, contractor, or any other party pertaining to any matter resulting from the contract.

n. *Program Fraud and False or Fraudulent Statements or Related Acts*

The Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor's actions pertaining to this contract.

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CITY OF COCOA
SERVICE LEVEL AGREEMENT
(Contract No. 21-22-COC)

IN WITNESS WHEREOF, the parties have hereunto set their hands and seal on the date first above written.

CITY OF COCOA

By: _____
Stockton Whitten, City Manager

Date: 9-14-2021

ATTEST:

_____
Carie Shealy, City Clerk

City of Cocoa CORPORATE SEAL FLORIDA

CONTRACTOR

Niles Humberg Enterprises, LLC dba Ace Flow Control

By: _____
Print name/title: Niles Humberg / President

Date: 07-06-2021

STATE OF Florida
COUNTY OF Seminole

The foregoing instrument was acknowledged before me by means of (✓) physical presence or (___) online notarization, this 6th day of July, 2021 by Nils Humberg, the President of Nils Humberg Enterprises, who is personally known to me or who produced FL DL as identification and who did take an oath.

SANDTORIA H. RUFFIN MY COMMISSION EXPIRES AUGUST 21, 2022 #GG 245336 Bonded thru Troy Fain Insurance NOTARY PUBLIC, STATE OF FLORIDA

_____
(Notary Public Signature)
Sandtoria H. Ruffin
(Print Name)
Notary Public, State of Florida
Commission No.: #GG245336
My Commission Expires: 8/21/2022

FIRST AMENDMENT TO SERVICE LEVEL AGREEMENT (CONTRACT NO. 21-22-COC) WITH NILS HUMBERG ENTERPRISES D/B/A ACE FLOW CONTROL

This **First Amendment ("the Amendment")** to Service Level Agreement (Contract No. 21-22-COC) dated September 14, 2021 is made and entered into as of November 9, 2021 by the City of Cocoa and Nils Humberg Enterprises, LLC d/b/a Ace Flow Control, parties (collectively referred to as "the Parties") to the Service Level Agreement.

WITNESSETH:

WHEREAS, The Parties entered into a Service Level Agreement dated September 14, 2021 whereby the City of Cocoa and Nils Humberg Enterprises, LLC d/b/a Ace Flow Control set forth their agreements with respect to certain services and materials to be provided by Nils Humberg Enterprises, LLC d/b/a Ace Flow Control to the City of Cocoa; and

WHEREAS The Parties desire to amend the Service Level Agreement regarding the total contract amount.

NOW, THERFORE, The Parties agree to the following:

Article 8. The first paragraph of Article 8 is hereby deleted and replaced with the following:

The OWNER will pay the CONTRACTOR in current funds for the services and materials rendered in accordance with the Contract Documents, subject to additions and deductions approved by Change Order. The total contract award shall be in an amount not-to-exceed Nine Hundred Eighty-Three Thousand Six Hundred Forty Thousand dollars ($983,640) per year for an initial term of three (3) years with four (4) additional one-year options to renew should it be in the best interest of the City, not to exceed a total of seven (7) years. CONTRACTOR agrees to accept the Contract Price as full compensation to the agreed upon services, terms and conditions embraced in the Contract Documents.Except as set forth in this Amendment, the remainder of the Agreement is unaffected and shall continue in full force and effect in accordance with its terms. If there is a conflict between this Amendment and the Agreement or any earlier amendment, the terms of this Amendment will prevail.

CITY OF COCOA

By: _____
Stockton Whitten, City Manager Control

Attest

_____

Carie Shealy, City Clerk

CONTRACTOR

Nils Humber Enterprises, LLC d/b/a Ace Flow Comtrol CONTROL

By: _____

Nils Humberg/President

Legislation Details (With Text)

File #:	21-708	**Version:**	1	**Name:**	
Type:	Resolution			**Status:**	Multi-Year Contract
File created:	10/20/2021			**In control:**	City Council
On agenda:	11/9/2021			**Final action:**	
Title:	To Approve Task Order 2022-23 with Carollo Engineers, Inc. for Engineering Services During Construction (SDC) for the Lift Station Replacement, Project No. WS21LS, in the amount of $54,360; To Approve as a Multi-Year Contract from FY2022 through FY2023. Approve a Resolution Amending the FY22 Budget, BAF#22-019-A. (Utilities Director)				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	TO-CAROLLO 2022-23 $54,360.00 - UT-ENGIN.pdf 2021.10.14_TO21_Cocoa_Lift Station 1 Phase 3.pdf 1st Amendment to RFQ 18-10-COC.pdf 07_24_18_ Continuing Services Agreement.pdf Cocoa Lift Station 1 OPCC April 2021.pdf COI -Carollo - Expires 07.04.2022.pdf Budget Resolution FY 2022- ADA Compliant.docx BAF 22-019-A-UT-Lift Station 1 (11-9-21)-Agenda 21-708.pdf				

Date	Ver.	Action By	Action	Result

CITY COUNCIL AGENDA ITEM

Memo Date: October 20, 2021
Agenda Date: November 9, 2021
Prepared By: Katherine D. Ennis, PE, Deputy Utilities Director
Through: John A. Walsh, P.E., Utilities Director
Requested Action:
To Approve Task Order 2022-23 with Carollo Engineers, Inc. for Engineering Services During Construction (SDC) for the Lift Station Replacement, Project No. WS21LS, in the amount of $54,360; To Approve as a Multi-Year Contract from FY2022 through FY2023. Approve a Resolution Amending the FY22 Budget, BAF#22-019-A.

BACKGROUND:

Lift Station 1 is located just feet from the Indian River Lagoon with finished elevations well below the lagoon and flood surface serving approximately 700 customers. During Hurricanes Matthew and Irma, influent flooded the dry well which housed electronics, pumps and associated equipment required for normal operations. This lift station does not have a generator and during relief efforts a portable generator has to be parked on the street to provide power. It will be demolished and replaced with a submersible pumping system incorporated in the wet well which will eliminate the

need for confined space entry and improve worker safety as the pumps will be accessible via slide rail system. The scope also includes the addition of an emergency generator.

Staff is requesting City Council approval of Task Order 2022-23 with Carollo Engineers, Inc. as a multi-year contract from FY2022 through FY2023 to provide engineering services during the construction phase of the Lift Station Replacement Project WS21LS and, Project No. GR2102 (Grant/Construction). Under this task order, Carollo will provide services for overall construction contract administration, submittal review, responding to requests for information, reviewing field/change orders, reviewing pay applications, observation of on-site construction, attendance of the substantial and final walkthroughs, as-built review, assistance with grant paperwork, and permitting closeout.

STRATEGIC PLAN CONNECTION:

NA

BUDGETARY IMPACT:

Budgeted	Yes FY21
If not budgeted, is amendment/transfer attached?	YES

BAF# 22-019-A

Amount Requested	$54,360
Account Number	424-0000-389.99-50
Account Name	Fund Balance
Amount Requested	$54,360
Account Number	424-4055-536.63-00, WS21LS
Account Name	Infrastructure
Source of Funds	Reserves

PREVIOUS ACTION:

None.

RECOMMENDED MOTION:

To Approve Task Order 2022-23 with Carollo Engineers, Inc. for Engineering Services During Construction (SDC) for the Lift Station Replacement, Project No. WS21LS, in the amount of $54,360; To Approve as a Multi-Year Contract from FY2022 through FY2023. To Approve a Resolution Amending the FY22 Budget, BAF#22-019-A.

Task Order Request Form

P-Form 2021.09 Revised 08/17/2021

Engineering Services WW	2022-23
Name of CSA (Continuing Service Agreement)	TASK ORDER NUMBER

Date: 10/15/21 City Bid Number: RFQ-18-10-COC AMOUNT: $ 54,360.00

Vendor Name: Carollo Engineers, Inc. Quote/Proposal Number: 2022-23

Dept. Number/Division Name: 424-4055-536.63-00

Project Name: Lift Station #1 Replacement Project Number: WS21LS

Please use this section only if you are revising the original task order, which will generate a change order.

AMENDMENT

Amendment to Original Task Order No. : _____ Requested Amendment Amount: _____

Original Task Order Amount: _____ Total Revised Amount including all Amendments: _____

Total number of Amendments including this one: _____

Scope of Services; Justification for Amendment

Engineering Services During Construction to include project management, inspections, and assistance with grant paperwork. This is anticipated to be approved at the 11/9/21 council meeting.

Design is Construction Related: ☑ YES ☐ NO ☐ N/A Good Faith Estimate of Construction Value: $ 750,000.00

Documentation for Good Faith Estimate Attached and Valid: ☑ YES ☐ NO ☐ N/A

Reference if applicable: Florida Statutes 287.055, Consultants Competitive Negotiation Act (CCNA)

_____ Requestor

_____ Department Director

********** DO NOT WRITE BELOW THIS LINE - AUTHORIZED PERSONNEL ONLY **********

Task Order : ☐ Approved ☐ Disapproved

Refer to this Task # on all documentation: 2022-23

Council Approval Required: ☑ YES ☐ NO

Reason Disapproved:

_____ Purchasing & Contracts Division Manager

_____ City Manager (Purchases not to exceed $50K)

_____ Mayor (Purchases that exceed $50K)

1) Requestor: Completes form and forwards all supporting documentation to Department Director.

2) Dept. Director reviews and approves, forwards Task Order and all supporting documentation to purchasing@cocoafl.org. (Subject Line to read: TO-VENDOR NAME Task # (if previously requested) PRICE-DEPT-DIV.)

3) Purchasing assigns Task Order Number and emails link that contains Task Order and all supporting documentation to the Purchasing Manager.

4) Purchasing Manager reviews and approves, uploads approved Task Order Form.

5) Task Order and all supporting documentation is forwarded to the City Manager for review and approval for Purchases not exceeding $50K. Approved Task Order by City Manager will be returned back to purchasing@cocoafl.org. If over $50K, Task Order and all documentation is forwarded back to Requestor who must then initiate an agenda item for City Council Approval. Once approved by City Council the City Clerk will have the Mayor sign both the Task Order Form and the Proposal if applicable and forward copies to purchasing@cocoafl.org.

6) Purchasing logs, the Task Order in the database and forwards fully executed Task Order and all supporting documentation back to Requestor.

TASK ORDER NO. 2022-23

CITY OF COCOA

AND

CAROLLO ENGINEERS, INC.

This Task Order is issued by the OWNER and accepted by ENGINEER pursuant to the mutual promises, covenants, and conditions in the Agreement between the above-named parties dated the 14th day of October 2021, in connection with: the Lift Station No. 1 Improvements Project Phase III (PROJECT).

PROJECT UNDERSTANDING

The City of Cocoa owns and operates Lift Station No. 1, located at 210 Riverside Drive, Cocoa, FL 32922. The existing structure and mechanical components require replacement due to meeting the end of their useful life and severe corrosion. CDM Smith, Inc, previously designed this project. The OWNER has requested the services of Carollo Engineers, Inc. to provide a new design of this Lift Station due to the dissolution of their prior continuing services contract. Carollo Engineers, Inc. provided design services under P.O. 76691 for Lift Station No. 1.

This Task Order is for the ENGINEER and its subconsultants to provide bidding and construction services for the Lift Station No. 1 Improvement, including:

- Review and respond to request for information.
- Review of Shop Drawings.
- Weekly site visits by the Engineer of Record or authorized staff for inspection.
- Review of change orders.
- FDEP Permit closeout.
- Lift station start-up documentation.

SCOPE OF WORK

The following tasks summarize the scope of services to be provided as part of this project:

Task 1 – Construction Services
Task 2 – Grant Application Assistance and Communication Management

Task 1 – Construction Services

The ENGINEER will receive, review, and evaluate, and distribute shop drawings as submitted by the CONTACTOR. An estimated twenty-five (25) shop-drawing submittals are anticipated at this time. The estimated number of submittals includes the initial review and resubmittals.

The ENGINEER shall review for conformance with the bid documents and compliance with the contract documents. Such review or other action shall not extend to means, methods, sequences, techniques, or procedures of construction selected by the CONTRACTOR or to safety precautions and programs.

ENGINEER shall receive and review (for general contents as required by the construct documents) operation and maintenance manuals, guarantees, and certifications of inspection, which are to be assembled by the CONTRACTOR.

The ENGINEER will review and return shop drawings and operation and maintenance manuals within 14 calendar days of receipt.

The ENGINEER will work with the OWNER and CONTRACTOR to issue necessary interpretations and clarify contract documents to ensure consistency with the OWNER standards. Prior to construction, the ENGINEER will work with the OWNER and CONTRACTOR to ensure the quality meets the OWNER requirements. The ENGINEER shall render all interpretations or decisions in good faith and per the contract documents' provisions.

Additional activities as part of this task:

- Prepare meeting agenda and attend the pre-construction meeting.
- Review applications for payment.
- Conduct weekly site visits to observe the progress and quality of construction.
- Attend monthly construction progress meetings.
- Attend the substantial completion inspection.

The ENGINEER will produce record drawings based on the CONTRACTOR's as-built submittal.

The following deliverables will be provided as part of this task:

- Electronic pre-construction meeting minutes.
- Electronic weekly site visit status memos.
- Electronic monthly progress meeting minutes.
- Electronic punch list based on the substantial completion inspection meeting.
- Two (2) sets of 11" x17" Record drawings
- One (1) set of 22" x34" Record drawings
- Electronic PDF and AutoCAD drawings of the Record design drawings

Task 2 – Grant Application Assistance and Communication Management

The ENGINEER will receive, review, and evaluate documentation to ensure the OWNER is in compliance with Grant 4337-232-R Hazard Mitigation Grant Program (HMGP) number H0477 awarded by the Florida Division of Emergency Management. The ENGINEER will perform the following tasks to ensure compliance with the grant application:

- Monitoring of the construction schedule and provide updates per the grant requirements.
- Notification to the following parties: CONTRACTOR, grant agency and OWNER in writing if there is evidence or opinion that the CONTRACTOR may not meet the proposed schedule.
- Notification to the following parties: OWNER and grant agency if there will be any significant changes in the scope or cost from the original approved cost.
- Compliance assistance with the David Bacon Act and Buy American conformance requirements.
- Monthly transmittal letter listing all compliance documents submitted by the CONTRACTOR and originals.
- Quarterly reports, as well as close out documentation for the project, will be submitted to both the grant agency and the OWNER

TIME OF PERFORMANCE

The time periods for ENGINEER's services performance will commence upon the issuance of an executed Purchase Order (P.O.) and end upon Owner acceptance of the construction's final completion. It is assumed that It is expected that the Owner will accept final completion within 240 calendar days of the CONTRACTOR's written issuance of the notice to proceed (NTP).

PAYMENT

Compensation for ENGINEERING Services described in this Task Order will be billed as a lump sum fee of $54,360.00.

Refer to Exhibit 1 and Exhibit 2.

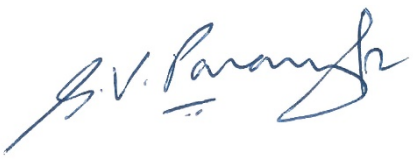
The subcontractor's proposals are included as Appendix A.

EFFECTIVE DATE

This Task Order No. 2022-23 is effective as of the 14th day of October 2021.

IN WITNESS WHEREOF, duly authorized representatives of the OWNER and of the ENGINEER have executed this Task Order No. 2022-23 evidencing its issuance by OWNER and acceptance by ENGINEER.

CAROLLO ENGINEERS, INC.	OWNER
Accepted this 14th day of October 2021.	
By: Larry E. Elliott	By:
Larry Elliott, Senior Vice President	Stockton Whitten, City Manager

By: 

Sudhanva Paranjape, Vice President

Appendix A

EXHIBIT 1 - CAROLLO ENGINEERING SERVICES FEE

CAROLLO ENGINEERS INC. - Engineering Services Fee **Lift Station No. 1 Improvements - Bidding and Construction Services** **Engineering Services**		**Assistant Professional ES II**	**Professional ES III**	**Professional ES IV**	**Senior Professional ES VIII**	**Admin/Clerical**	**Word Processing**	**Total Hours**	**Total Labor Cost (Not-to-Exceed)**
	Labor Rate	$ 126.00	$ 133.59	$ 156.00	$ 225.00	$ 70.96	$ 90.00		
TASK	TASK DESCRIPTION								
1	CONSTRUCTION SERVICES								
1.1	General Construction Services and Site Visits		40	16				56	$ 7,840
1.2	Review Shop Drawings		8					8	$ 1,069
1.3	Request for Information	8	8	8				24	$ 3,325
	Subtotal Task 2	**8**	**56**	**24**	**0**	**0**	**0**	**88**	**$ 12,233.04**
TASK									
2	GRANT COMPLIANCE ASSISTANCE AND COMMUNICATION MANAGEMENT								
2.1	Constuction Schedule Monitoring		4	4	3			11	$ 1,833
2.2	Compliance Assistance and Reporting		6	4	2			12	$ 1,876
	Subtotal Task 3		**10**	**8**	**5**	**0**	**0**	**23**	**$ 3,708.90**
	Travel and ODCs								$ 156
	Total Project Hours and Labor Costs (CAROLLO ENGINEERS INC.)	**8**	**66**	**32**	**5**	**-**	**-**	**111**	**$ 15,941.94**
	TOTAL NOT-TO-EXCEED FEE								**$ 16,097.94**

EXHIBIT 2 - OVERALL ENGINEERING SERVICES FEE

CAROLLO ENGINEERS INC. - Overall Engineering Services Fee **Lift Station No. 1 Improvements - Bidding and Construction Services** **Preliminary Design Engineering Services**		**Carollo Engineers Inc.**	**Wekiva Engineering, LLC**	**BESH-Halff, Inc.**	**Bailey Engineering**	**Total Project Not-to-Exceed Costs**
TASK	TASK DESCRIPTION					
1	CONSTRUCTION SERVICES	$12,233.04	$2,985.84	$15,960.00	$9,315.00	$40,493.88
2	GRANT COMPLIANCE ASSISTANCE AND COMMUNICATION MANAGEMENT	$3,708.90		$10,000.00		$13,708.90
	Travel and ODCs	$156.00	$0.00	$0.00	$0.00	$156.00
	Total Project Hours and Labor Costs	$16,097.94	$2,985.84	$25,960.00	$9,315.00	$54,202.78
	TOTAL NOT-TO-EXCEED COSTS					**$54,360.00**

June 16, 2021

Kunal Nayee, P.E., Senior Engineer
Carollo Engineers
200 E. Robinson St., Suite 1400
Orlando, Florida 32801
knayee@carollo.com

RE: City of Cocoa – Phase 3- Lift Station No. 1 Construction Administration
Scope of Services – BESH Halff, Inc.

Introduction:

BESH Halff is pleased to present this draft scope of services related to the City of Cocoa's Lift Station No. 1 Improvements project. Specific tasks are outlined below:

TASK 001 Construction Administration Services

BESH Halff will advise and consult with Owner and act as its representative during construction. BESH Halff will make limited visits to the site. BESH Halff will review and approve shop drawings, results of tests and inspections and other data that the contractor is required to submit. Carollo will manage shop dwg log, RFI log, and distribution of these.

Based upon the on-site observations and signed/sealed survey as-builts to be provided by Contractor, BESH Halff will prepare and submit certifications of completions to FDEP and the City of Cocoa

BESH Halff will perform the follow activities as part of this task:

- Attend the pre-construction meeting.
- Review and approve shop drawings submittals.
- Review and respond to requests for information.
- Review application for payment.
- Conduct weekly site visits to observe the progress and quality of construction, and provide brief status memo with photos.
- Attend monthly construction progress meetings.
- Attend the substantial completion walk through.
- Issue field directives as necessary.
- Review of change orders.
- Electronic record drawings in AutoCAD format.
- FDEP Form 62-604.300(8)(b) Request for Approval to Place a Domestic Wastewater Collection/Transmission System into Operation.
- Other documentation as required for closeout of permits.

FEE: $15,960.00

TASK 002 Grant Compliance and Communication Management

BESH Halff will perform the follow activities as part of this task:

- Monitor Contractor's proposed construction schedule and ensure that updates are provided per the grant requirements. Delays or changes in completion dates will be submitted to the grant agency in writing.
- Notify the Contractor in writing, with copy to the grant agency, with facts supporting the opinion if it is the opinion of BESH Halff that the construction will not be completed on time.
- Notify the grant agency of any changes in scope or cost from the original approval and obtain approval for such changes.
- Provide compliance assistance with Davis Bacon Act and Buy American conformance requirements, including submittal of documentation to the grant agency.
- Provide a monthly transmittal letter listing compliance documents submitted by the Contractor and the original documents.
- Submittal of quarterly reports and close out report to the grant agency.

FEE: $10,000.00

SUMMARY FEE SCHEDULE

TASK 002	$	15,960.00
TASK 003	$	10,000.00
TOTAL	$	**25,960.00**

THIS PROPOSAL DOES NOT INCLUDE THE FOLLOWING ITEMS:

1. Survey
2. Design
3. Field Testing
4. Electrical, Structural, Geotechnical or Instrumentation Services

HOURLY RATE SCHEDULE
(2020)

Professional Services shall be charged at the following rate schedule:

ENGINEERING

PROFESSIONAL ENGINEER (PRINCIPAL)	$180.00/HOUR
PROFESSIONAL ENGINEER	$150.00/HOUR
PROJECT ENGINEER	$120.00/HOUR
ENGINEER TECHNICIAN I	$110.00/HOUR
ENGINEER TECHNICIAN II	$85.00/HOUR
BUILDING INSPECTOR	$75.00/HOUR
CONSTRUCTION ENGINEER	$95.00/HOUR
EXPERT TESTIMONY PROFESSIONAL ENGINEER	$300.00/HOUR

SURVEYING

PROFESSIONAL SURVEYOR (PRINCIPAL)	$160.00/HOUR
PROFESSIONAL SURVEYOR	$125.00/HOUR
4 MAN FIELD CREW	$195.00/HOUR
3 MAN FIELD CREW	$155.00/HOUR
2 MAN FIELD CREW	$130.00/HOUR
SURVEY TECHNICIAN I	$100.00/HOUR
SURVEY TECHNICIAN II	$80.00/HOUR
EXPERT TESTIMONY PROFESSIONAL SURVEYOR	$300.00/HOUR

June 22, 2021

Mr. Kunal Nayee, P.E.
Carollo Engineers, Inc.
200 E. Robinson Street Suite 1400
Orlando, FL 32801

Re: Cocoa Lift Station No. 1
City of Cocoa, Florida

Dear Mr. Nayee:

We are pleased to submit our proposal for general services during construction for the above project. Our services shall be for the electrical and instrumentation work shown on our contract documents and shall consist of the following:

Task 1 - Shop Drawing Review

Review and approve (or take other appropriate action in respect of) Shop Drawings and samples, the results of tests and inspections and other data which each Contractor is required to submit, but only for conformance with the design concept of the Project and compliance with the information given in the Contract Documents (but such review and approval or other action shall not exceed to means, methods, sequences, techniques or procedures of construction or to safety precautions and programs incident thereto); and receive and review (for general content as required by the Specifications) maintenance and operating schedules and instruction, guarantees, bonds and certificates of inspection which are to be assembled by Contractor(s) is in accordance with the Contract Documents.

Task 2 - Issue Clarifications

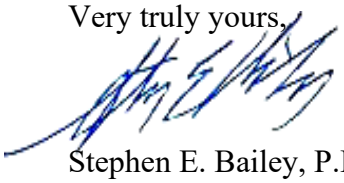
Issue all instructions of OWNER to Contractor(s); issue necessary interpretations and clarifications of the Contract Documents; have authority, as OWNER's representative to require special inspection or testing of the work; act as initial interpreter of the requirements of the Contract Documents and judge of the acceptability of the work thereunder, and make decisions on all claims of OWNER and Contractor(s) relating to the acceptability of the work or the interpretation of the requirements of the Contract Documents pertaining to the execution and progress of the work. The ENGINEER shall render all interpretations or decisions in good faith and in accordance with the requirements of the Contract Documents.

Task 3 - Site Visits

Make visits to the site at start up and final walk through (substantial completion) to observe and provide an electrical, instrumentation and controls related punch list, as an experienced and qualified professional, the progress and quality of the executed work of Contractor(s) and to determine in general if such work is proceeding in accordance with the Contract Documents. Prepare trip reports to document observations made during these inspections. ENGINEER shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by Contractor(s) or the safety precautions and programs incident to the work of Contractor(s). ENGINEER's efforts will be directed toward providing a greater degree of confidence for OWNER that the completed work of Contractor(s) will conform to the Contract Drawings, but ENGINEER shall not be responsible for the failure of Contractor(s) to perform the work in accordance with the Contract Drawings. During such visits and on the basis of on-site observations, ENGINEER shall keep OWNER informed of the progress of the work, shall endeavor to guard OWNER against defects and deficiencies in such work and may disapprove or reject work failing to conform to the Contract Documents.

The above work will be performed on a lump sum amount of $9,315.00. Our fee will be billed at monthly intervals. Direct costs are included in our overhead rate and will not be billed as a separate line item.

Very truly yours,



Stephen E. Bailey, P.E.

ACCEPTED_____DATE_____

CE-21-007G.doc

Cocoa Lift Station No. 1
City of Cocoa, Florida

TASK 1 -SHOP DRAWING REVIEW

Task	Man-Hours	Billing Rate/Hour	Cost
Sr. Electrical Engineer	10	$ 180.00	$ 1,800.00
Electrical Engineer	15	$ 95.00	$ 1,425.00
Subtotal			$ 3,225.00

TASK 2 - ISSUE CLARIFICATIONS

Task	Man-Hours	Billing Rate/Hour	Cost
Sr. Electrical Engineer	10	$ 180.00	$ 1,800.00
Electrical Engineer	15	$ 95.00	$ 1,425.00
Subtotal			$ 3,225.00

TASK 3 -SITE VISITS

Task	Man-Hours	Billing Rate/Hour	Cost
Sr. Electrical Engineer	8	$ 180.00	$ 1,440.00
Field Supervisor	15	$ 95.00	$ 1,425.00
Subtotal			$ 2,865.00

Task 1 - Shop Drawing Review	$ 3,225.00
Task 2 - Issue Clarifications	$ 3,225.00
Task 3 - Site Visits	$ 2,865.00
Total	$ 9,315.00

711 N Orange Ave, Suite A
Winter Park, FL 32789
Phone: (321) 972-4989

Wekiva Project Number: 19-200

June 17, 2021

Kunal Nayee, P.E.
Carollo Engineers, P.C.
200 East Robinson Street, Suite 1400
Orlando, FL 32801

Re: Proposal for Structural Engineering Services
Lift Station 1 Improvements
City of Cocoa, Florida

Dear Mr. Nayee,

Wekiva Engineering, LLC (Wekiva) is pleased to submit this proposal to provide structural engineering services to Carollo Engineers (Carollo) for the above referenced project. Wekiva's design scope for the project has currently been designed to a 100% design level.

SCOPE OF SERVICES

Wekiva proposes the following scope to assist during the bidding and construction phases:

Task 1: Construction Services: Wekiva will perform the following:

- Answer RFIs
- Perform one (1) site visit to view the construction progress.
- Review shop drawings and provide responses.
- Issue clarifications on the design as needed. This will consist of revised drawings.

COST AND SCHEDULE

Wekiva proposes to undertake the work described above on a time and expense fee basis for a total not-to-exceed fee of **$2,985.84**, where the attached Table 1 indicates the fee per task.

TERMS AND CONDITIONS

Wekiva will begin work immediately upon your notice to proceed. We will issue monthly invoices for the work accomplished during the calendar month. We appreciate the opportunity to submit this proposal to Carollo and we look forward to a successful collaboration on this project. If you have any questions or need further information, please call.

Sincerely,



John Sobczak, P.E.
Member

Table 1 - Structural Engineering Services Fee

Fee Estimate: Structural Engineering Services
City of Cocoa LS No 1
Date: June 2021

Task	*Task*	*Man-hours By Category*					*Totals*		
No	*Description*	Principal $185.90	Project Engineer $137.28	Engineer $108.68	Drafting $68.64	Clerical $51.48	Hrs		Cost
1	*Construction Services*	8	4	7	2	1	22	$	2,985.84
	Total Cost							**$**	**2,985.84**

City of Cocoa

AMENDMENT TO PURCHASE AGREEMENT

1st AMENDMENT

RFQ 18-10-COC

This FIRST Amendment to the purchase agreement for **Engineering Services for Wastewater Collection, Treatment, and Disposal Systems (RFQ-18-10-COC)** is made and entered into as of March 3, 2021 by and between the **City of Cocoa** and **Carollo Engineers, Inc. 2700 Ygnacio Valley Road, Suite 300, Walnut Creek, CA 94598.**

The agreement entered into on July 24, 2018, is hereby amended to renew for the 1st of two renewal options available under the original contract documents for twelve (12) additional months, at the same rates, terms, and conditions commencing on July 24, 2021 and terminating on July 23, 2022.

The parties hereto duly execute this FIRST Amendment to become effective as of the date and year first above written.

Carollo Engineers, Inc.

By: Larry Elliott
(Name) Printed

Senior Vice President
(Title)

Larry E. Elliott March 3, 2021
Signature Date

CITY OF COCOA

By: Michael C. Blake
(Name) Printed

Mayor
(Title)

Michael C Blake 3/23/2021
Signature Date

CC: Carie Shealy, City Clerk
Katherine D. "Katie" Ennis, P.E., Utilities Deputy Director

Office of the City Clerk
65 Stone Street I Cocoa, FL 32922
Phone: (321) 433-8480 I Fax: (321) 433-8455

July 25, 2018

Carollo Engineers, Inc.
ATTN: Larry Elliott
200 E. Robinson Street, Suite 1400
Orlando, FL 32801

Re: Continuing Services Agreement

Dear Mr. Elliott:

Enclosed is a fully executed, certified copy of the Continuing Services Agreement with the City of Cocoa for your records.

If you have any questions or need further assistance, please contact my office at (321) 433-8484.

Sincerely,

Carie Shealy

Carie Shealy, MAA, MMC
City Clerk

CONTINUING SERVICES AGREEMENT

Engineering Services for Wastewater Collection, Treatment, and Disposal Systems

THIS CONTINUING SERVICES AGREEMENT ("Agreement") is made and entered into this 24th day of July 2018, by and between the **City of Cocoa,** a Florida municipal corporation ("City"), located at 65 Stone Street, Cocoa, Florida 32922, and **Carollo Engineers, Inc.,** a foreign corporation authorized to do business in Florida ("Engineer"), whose principal address is 2700 Ygnacio Valley Road, Suite 300, Walnut Creek, CA 94598.

WITNESSETH:

WHEREAS, City desires to obtain engineering design, permitting and services for construction of projects for the Wastewater System from time to time on an as-needed, task oriented basis; and

WHEREAS, the City has followed the selection and negotiation process set forth in the Florida's Consultants' Competitive Negotiation Act, Section 287.055, Florida Statutes; and

WHEREAS, Engineer participated in the selection and negotiation process; and

WHEREAS, Engineer is willing to provide such utility engineering services to the City under the terms and conditions stated herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties covenant and agree as follows:

1.0 TERM AND DEFINITIONS

1.1 Unless sooner terminated by either Party pursuant to the terms and conditions herein, this Agreement shall terminate on the third (3rd) anniversary of the Effective Date. The Parties shall have the option to extend the term for two (2) additional one (1) year terms. Any such extension shall only be by written amendment to this Agreement executed by both parties hereto.

1.2 The terms and conditions of any Task Order, as described in Section 2.0 hereof, shall be as set forth in such Task Order. Any Task in effect at the termination of this Agreement shall remain in effect until completion of said Task Order, and all of the terms and conditions of this Agreement shall survive until completion of all Task Orders.

1.3 Definitions. The following words and phrases used in this Agreement shall have the following meaning ascribed to them unless the context clearly indicates otherwise:

a. "Agreement" or "Contract" shall be used interchangeably and shall refer to this Continuing Services Agreement, as may be amended from time to time, which shall constitute authorization for the Engineer to provide the engineering services approved by Task Order by the City and is also sometimes referred to herein to include all Task Orders approved hereunder.

b. "Effective Date" shall be the date on which the last signatory hereto shall execute this Agreement, and it shall be the date on which this Agreement shall go into effect. The Agreement shall not go into effect until said date.

c. "Engineer" shall mean Carollo Engineers, Inc., a Delaware corporation, and its principals, employees, resident project representatives (and assistants).

d. "Public Record" shall have the meaning given in Chapter 119, Florida Statutes.

e. "Reimbursable Expenses" shall mean the actual expenses incurred by Engineer or Engineer's independent professional associates and consultants which are directly related to travel and subsistence at the rates, and under the requirements of, Section 112.061, Florida Statutes, or any other actual and direct expenses the City agrees to reimburse by Task Order.

f. "Work" or "Services" shall be used interchangeably and shall include the performance of the work agreed to by the parties in a Task Order.

g. "Task Order" shall mean a written document approved by the parties pursuant to the procedure outlined in Section 2.0 of this Agreement, and any amendments thereto approved pursuant to the procedures outlined in Section 3.0 herein, which sets forth the Work to be performed by Engineer under this Agreement, and shall include, without the necessity of a cross-reference, the terms and conditions of this Agreement.

1.4 Engagement. The City hereby engages the Engineer and Engineer agrees to perform the Services outlined in this agreement for the stated fee arrangement. No prior or present representations shall be binding upon any of the parties hereto unless incorporated in this Agreement.

2.0 DESCRIPTION OF SERVICES

2.1 The City shall make request of Engineer to perform engineering services on a "task" basis. The City will communicate with Engineer, verbally or in writing, a general description of the task to be performed. The Engineer will generate a detailed Scope of Work document, prepare a Schedule, add a Not-to-Exceed-Budget or Lump Sum Fee to accomplish the task with a detailed cost breakdown based on the hourly rate schedule attached hereto as **Attachment "A"**, and send the thus developed "Task Proposal" to the City. The detailed cost breakdown of the lump sum fee shall

consist of a list of major sub-tasks and a man-hour breakdown for all work to be performed. The cost breakdown shall include all sub-consultant work and the Task Proposal shall include the written price proposals from all sub-consultants. The detailed cost breakdown shall include a line item for Reimbursable Expenses and the list of the expenses proposed to be eligible for reimbursement. The City will review the Task Proposal, and if the description is mutually acceptable, the parties will enter into a written "Task Order". The Scope of Services generally to be provided by the Engineer through a Task Order may include any engineering services for any City Wastewater project and may contain written terms and conditions which are deemed supplemental to this Agreement.

The City will issue a notice to proceed to the Engineer in the form of a letter and an executed City purchase order. Upon receipt of the signed Task Order and the written notice to proceed from the City, the Engineer shall perform the services set forth in the Task Order.

2.2 The City reserves the right, at its discretion, to perform any services related to this Agreement or to retain the services of other engineering companies to provide professional engineering services. Further, the City does not guarantee that any Work will be assigned to Engineer under this Agreement. The City reserves the right to assign or contract for engineering services with any party at its sole discretion. No provision of this Agreement shall be construed to require the City to assign any Work or task to Engineer under this Agreement.

2.3 The Engineer may be asked to perform any engineering services related to the Wastewater System. The Services that are required for conveyance projects shall include, but are not limited to, the following:

1. Engineering evaluation and design of disposal methods, supplemental wells, biosolids disposal, electrical components, SCADA and telemetry, treatment facility components and processes, expansions, and other improvements
2. Design Services
    a. 30 percent design completion submittals
    b. 60 percent design completion submittals
    c. 90/100 percent design completion submittals
3. Bidding Support Services
4. Construction Phase Services
    a. Engineering Services during construction such as shop drawing review, responses to requests for information, and progress meeting attendance/management
    b. Periodic site visits
    c. Testing
    d. Certification of Construction
    e. Record Drawings
    f. Resident Engineer, if required

g. Construction Management and Inspection, if required
h. Startup assistance/training

5. SCADA services and telemetry support per the City's Control Systems Configuration Standards. The Plant is currently using VTSCADA for their SCADA platform.
6. Planning to include; long-term master planning and CIP development for the wastewater system, validation, prioritization, scheduling, probable cost determinations, and coordination with various planning agencies
7. Permitting Services to include items like:
   a. Permit compliance related to wastewater, reclaimed water, supplemental ground water, and surface/storm water supplies
   b. Plant Operating Permit Renewals and/or Updates as needed
8. Environmental impact assessments, including wetlands monitoring, associated with the development and operation of wastewater facilities
9. Assistance in regulatory negotiations with the St. Johns River Water Management District, the Florida Department of Environmental Protection, and other regulatory agencies associated with the development and operation of wastewater facilities
10. Plant process assessments and investigation services
11. Asset management and condition assessment assistance including operation and maintenance studies. The plant utilizes a computerized maintenance management system and the Field Operations group utilizes GIS software to track asset management and maintenance functions
12. Cost Estimating Services. In providing opinions of cost, financial analyses, economic feasibility projections, and schedules for potential projects as a service deliverable, the Engineer has no control over cost or price of labor and material; unknown or latent conditions of existing equipment or structures that may affect operation and maintenance costs; competitive bidding procedures and market conditions; time or quality of performance of third parties; quality, type, management, or direction of operating personnel; and other economic and operational factors that may materially affect the ultimate project cost or schedule. Therefore, the Engineer makes no warranty that the City's actual project costs, financial aspects, economic feasibility, or schedules will not vary from the Engineer's opinions, analyses, projections, or estimates.
13. Planning Evaluations/Studies
14. O&M Manual Preparation, if required
15. GIS Support
16. Materials Testing
17. Bench/Pilot testing when necessary
18. Geotechnical Investigations
19. Land Surveying/Aerial Photography
20. Assistance in communication with equipment vendors and suppliers and analysis of equipment recommendations/evaluation
21. Grants Assistance and state/federal funding assistance

22. Miscellaneous services including public relations assistance, design review, and program management services
23. Additional services as requested

2.4 The maximum hourly rates and certain direct charges or unit prices, as applicable, that can be charged under this Agreement by Engineer, unless otherwise agreed by the City in writing, are set forth in **Exhibit "A"** and fully incorporated herein by this reference.

2.5 City-Provided Information and Services. The City shall furnish the Engineer available studies, reports and other data pertinent to the Engineer's services; obtain or authorize the Engineer to obtain or provide additional reports and data as required; furnish to the Engineer services of others required for the performance of the Engineer's services hereunder, and the Engineer shall be entitled to use and rely upon all such information and services provided by the City or others in performing the Engineer's services under this Agreement.

3.0 CHANGES IN THE SCOPE OF WORK

3.1 City may make changes in the Services at any time by giving written notice to Engineer. If such changes increase (additional services) or decrease or eliminate any amount of Work, City and Engineer will negotiate any change in total cost or schedule modifications. If the City and the Engineer approve any change, the Task Order will be modified in writing to reflect the changes; and Engineer shall be compensated for said services in accordance with the terms of Section 5.0 herein. All change orders shall be authorized in writing by City's and Engineer's designated representative.

3.2 All of City's said Task Orders and amendments thereto shall be performed in strict accordance with the terms of this Agreement insofar as they are applicable.

4.0 SCHEDULE

4.1 Engineer shall perform services in conformance with the mutually agreed schedule set forth in the negotiated Task Order. Engineer shall complete all of said services in a timely manner and will keep City apprised of the status of work on at least a monthly basis or as otherwise reasonably requested by the City. Should Engineer fall behind the agreed upon schedule, it shall employ such resources so as to comply with the agreed-upon schedule.

4.2 No extension for completion of services shall be granted to Engineer without City's prior written consent, except as provided in Sections 3.1 and 19.1 herein.

4.3 Any cost caused by defective or ill-timed services shall be borne by the party

responsible therefore.

5.0 METHODS OF PAYMENT FOR SERVICES AND EXPENSES OF ENGINEER

5.1 General Services. For basic and additional Services performed by Engineer's principals, employees, and resident project representatives (and assistants) pursuant to paragraphs 2.0 and 3.0, the City agrees to pay the Engineer an amount equal to that agreed upon by the parties for a particular Task Order. However, payment terms must be consistent with the terms and conditions in this Agreement. To the extent that the payment terms in any Task Order conflict with the payment terms set forth in this Agreement, the conflicting provisions of this Agreement shall prevail.

5.2 Additional Services Performed by Professional Associates and Consultants. For additional Services and Reimbursable Expenses of independent professional associates and consultants employed by Engineer to render additional Services pursuant to paragraphs 2.0 and 3.0, the City agrees to pay the Engineer an amount equal to that billed Engineer by the independent professional associates and consultants. Prior to payment by the City, the Engineer shall submit to the City a copy of any written invoice received by Engineer from all independent professional associates and consultants which clearly evidences the amount billed by the independent professional associates and consultants for additional Services and any Reimbursable Expenses.

5.3 Witness Services. For witness or expert services rendered by Engineer's principals, employees, resident project representatives (and assistants), and independent professional associates and consultants on behalf of the City in any litigation, arbitration, or other legal or interested administrative proceeding in which the City is a named interested party, City agrees to pay the Engineer or independent professional associate or consultant, which is used as a witness or expert, an amount equal to that agreed upon by the party for a particular Task Order.

5.4 Florida Prompt Payment Act. Payment shall be due and payable as provided by the Florida Prompt Payment Act, Section 218.70 et. seq., Florida Statutes.

5.5 Miscellaneous. Under no circumstances shall actual or direct costs under this Agreement include costs associated with inefficiency, offsite or home office overhead, loss of productivity, consequential damages, legal or consulting costs, or costs associated with delays caused in whole or in part by the Engineer.

5.6 Errors and Deficiencies. Engineer shall not invoice the City or seek any compensation from the City to correct or revise any errors or deficiencies in Engineer's services provided under this Agreement.

5.7 Payment Offsets. To the extent that Engineer owes the City any money under this or

any other Agreement with the City, the City shall have the right to withhold payment and otherwise back charge the Engineer for any money owed to the City by Engineer.

5.8 Payment not Waiver. The City's payment of any invoice under this Agreement shall not be construed or operate as a waiver of any rights under this Agreement or any cause of action arising out of the performance of this Agreement and Engineer shall remain liable to the City in accordance with applicable law for all damages to the City caused by Engineer's performance of any services provided under this Agreement.

5.9 Delay Remedy. The risk of any monetary damages caused by any delays in performing the Services under this Agreement and any Task Order are accepted and assumed entirely by the Engineer, and in no event shall any claim relating thereto for an increase in compensation be made or recognized. Engineer shall not make any claim nor seek any damages of any kind against the City for any delays, impacts, disruption or interruption caused by any delay. Engineer's remedy for a delay shall be an equitable extension of time to perform the Services for each day of such delay that impacts the critical path of the schedule established under this Agreement or specific Task Order.

5.10 Acceptance of Payment. Acceptance of final payment by the Engineer for a specific Task Order shall constitute a release of all claims for payment which the Engineer may have against the City for that Task Order unless such claims are specifically reserved in writing and transmitted to the City by the Engineer prior to its acceptance. Said final payment shall not, however, be a bar to any claims that the City may have against the Engineer or to any remedies the City may pursue with respect to such claims.

5.11 Payment Adjustments. It is agreed that payment by the City of any billing will not constitute agreement as to the appropriateness of any item and that at the time of any final audit, all required adjustments will be made and reflected in a final payment. In the event that such final audit reveals an overpayment to the Engineer, the Engineer agrees to refund such overpayment to the City within ninety (90) days of notice of any such overpayment. Such refund shall not constitute a waiver by the Engineer for any claims relating to the validity of a finding by the City of overpayment.

5.12 Partial Payments. Payment made to the Engineer shall not constitute acceptance of the work or any portion thereof which is not in accordance with this Agreement. The City retains the right to pay only that percentage of the total contract amount that equals the same percentage that work completed bears to the total amount of work required to be performed under this Agreement. If the City objects to all or any portion of any invoice, it shall notify the Engineer of the same within five (5) days from the date of receipt and shall pay that portion of the invoice not in dispute. The parties shall immediately make every effort to settle the disputed portion.

6.0 RIGHT TO INSPECTION

6.1 City or its affiliates shall at all times have the right to review or observe the Services performed by Engineer.

6.2 No inspection, review, or observation shall relieve Engineer of its responsibility under this Agreement.

7.0 PROGRESS MEETING

7.1 City's designated Project Manager may hold periodic progress meetings on a monthly basis, or more frequently if required by the City, during the term of any Task Order entered into under this Agreement. Engineer's Project Manager and all other appropriate personnel shall attend such meetings as designated by City's Project Manager.

8.0 SAFETY

8.1 Engineer shall be solely and absolutely responsible and assume all liability for the safety and supervision of its principals, employees, resident project representatives (and assistants) while performing Services provided hereunder.

9.0 REASONABLE ACCESS

9.1 During the term of this Agreement, City shall grant Engineer reasonable access to the City's premises, records, and files for purposes of fulfilling its obligations under this Agreement. The City shall arrange for access to and make all provisions for Engineer to enter upon public and private property as required for Engineer to perform services hereunder.

10.0 INSURANCE

10.1 Liability Amounts. During the term of this Agreement, Engineer shall be responsible for providing the types of insurance and limits of liability as set forth below.

a. Professional Liability. Proof of professional liability insurance shall be provided to the City for the minimum amount of $3,000,000.00 per occurrence and in the aggregate with a deductible not greater than $50,000.00.

b. The Engineer shall maintain comprehensive general liability insurance in the minimum amount of $1,000,000.00 as the combined single limit for each occurrence, with a deductible no greater than $5,000.00, to protect the Engineer from claims of property damages and personal injury which may arise from any Services performed under this Agreement, whether such Services are performed by the Engineer or by anyone directly employed by or contracting with the Engineer.

c. The Engineer shall maintain comprehensive automobile liability insurance in the minimum amount of $1,000,000.00 combined single limit bodily injury and minimum $50,000.00 property damage as the combined single limit for each occurrence to protect the Engineer from claims for damages for bodily injury, including wrongful death, as well as from claims from property damage, which may arise from the ownership, use, or maintenance of owned and non-owned automobiles, including rented automobiles whether such operations be by the Engineer or by anyone directly or indirectly employed by the Engineer.

d. The Engineer shall maintain, during the life of this Agreement, adequate Workers' Compensation Insurance and Employers' Liability Insurance in at least such amounts as are required by law for all of its employees performing Work for the City pursuant to this Agreement.

10.2 Special Requirements. Current, valid insurance policies meeting the requirements herein identified shall be maintained during the term of this Agreement. Renewal certificates shall be sent to the City thirty (30) days prior to any expiration date. There shall also be a thirty (30) day advance written notification to the City in the event of cancellation or modification of any stipulated insurance coverage. **The City shall be an additional named insured on stipulated insurance policies included in article l0.l.b and l0.l.c herein, as its interest may appear, from time to time.**

10.3 The insurance required by this Agreement shall include the liability and coverage provided herein, or as required by law, whichever requirements afford greater coverage. All of the policies of insurance so required to be purchased and maintained shall contain a provision or endorsement that the coverage afforded will not be canceled, reduced or renewal refused until at least thirty (30) days' prior written notice has been given to the City, and the Engineer by mail. All such insurance shall remain in effect until final payment. In the event that the Engineer shall fail to comply with the foregoing requirement, the City is authorized, but in no event shall be obligated, to purchase such insurance, and the City may bill the Engineer. The Engineer shall immediately forward funds to the City in full payment for said insurance. It is expressly agreed that neither the provision of the insurance referred to in this Agreement nor the City's acceptance of the terms, conditions or amounts of any insurance policy shall be deemed a warranty or representation as to adequacy of such coverage. All insurance coverage shall be with insurer(s) rated as A+ by Best's Rating Guide (or equivalent rating and rating service as reasonably determined by the City Manager) and licensed by the State of Florida to engage in the business of writing of insurance or provided through the London Market for Professional Liability Insurance. The Engineer shall cause its insurance carriers, prior to the effective date of this agreement to furnish insurance certificates specifying the types and amounts of coverage in effect pursuant hereto, the expiration dates of such policies, and a statement that no insurance under such policies will be canceled without thirty (30) days' prior written notice to the City in compliance with other provisions of this Agreement. Further copies of all relevant policies will be provided to the City within thirty (30) days of the effective date of this agreement. If the City has any objection to the coverage afforded by or other provision of the

insurance required to be purchased and maintained by the Engineer in accordance with this Article on the basis of its not complying with the Agreement, the City shall notify the Engineer in writing thereof within thirty (30) days of the date of delivery of such certificates to the City. For all Work performed pursuant to this Agreement, the Engineer shall continuously maintain such insurance in the amounts, type, and quality as required by the Agreement.

10.4 Independent Associates and Consultants. All independent associates and consultants employed by Engineer to perform any Services hereunder shall fully comply with the insurance provisions contained in this paragraph.

11.0 COMPLIANCE WITH LAWS AND REGULATIONS

11.1 Engineer shall comply with all requirements of federal, state, and local laws, rules, regulations, standards, and/or ordinances applicable to the performance of Services under this Agreement.

12.0 REPRESENTATIONS

12.1 Engineer represents that the Services provided hereunder shall conform to all requirements of this Agreement and any Task Order, shall be consistent with recognized and sound engineering practices and procedures; and shall conform to the customary standards of care, skill, and diligence appropriate to the nature of the Services rendered. Engineer shall perform as expeditiously as is consistent with professional skill and care and the orderly progress of the Services performed hereunder. Engineer's services shall be consistent with the time periods established under this Agreement or the applicable Task Order. Engineer shall provide City with a written schedule for services performed under each Task Order and such schedule shall provide for ample time for the City to review, for the performance of consultants (if any), and for the approval of submissions by authorities having jurisdiction over the services. The Engineer's designated representative shall have the authority to act on Engineer's behalf with respect to the Services. In addition, Engineer's representative shall render decisions in a timely manner in order to avoid unreasonable delay in the orderly and sequential progress of the Services. Except with the City's knowledge and consent, the Engineer shall not engage in any activity, or accept any employment, interest or contribution that would reasonably appear to compromise the Engineer's professional judgment with respect to the Services. The Engineer shall review laws, codes, and regulations applicable to Engineer's Services. The Engineer's services and design shall comply with all applicable requirements imposed by all public authorities. The Engineer represents and warrants that it is familiar with, and accepts that it will perform the Services hereunder in a manner that complies with all applicable requirements of law, codes, and regulations. Engineer shall be responsible for the professional quality, technical accuracy and the coordination of all plans, studies, reports and other services furnished to the City under this Agreement. Unless this Agreement is terminated by the City, or terminated by Engineer

for nonpayment of any proper invoices, or the City exercises its rights to perform the Services pursuant to Section 2.2 herein, Engineer shall be responsible for the satisfactory and complete execution of the Services described in this Agreement and any Task Order. The Engineer represents that it will carefully examine the scope of services required by the City in and Task Order, that it will investigate the essential requirements of the services required by the Task Order, and that it will have sufficient personnel, equipment, and material at its disposal top complete the services set forth in the Task Order in a good professional and workmanlike manner in conformance with the requirements of this Agreement.

12.2 Engineer represents that all principals, employees, and other personnel furnishing such Services shall be qualified and competent to perform the Services assigned to them and that such guidance given by and the recommendations and performance of such personnel shall reflect their best professional knowledge and judgment.

13.0 GUARANTEE AGAINST INFRINGEMENT

13.1 Engineer guarantees that all Services performed under this Agreement shall be free from claims of patent, copyright, and trademark infringement. Notwithstanding any other provision of this Agreement, Engineer shall indemnify, hold harmless, and defend City, its officers, directors, employees, agents assigns, and servants from and against any and all liability, including expenses, legal or otherwise, for actual or alleged infringement of any patent, copyright, or trademark resulting from the use of any goods, Services, or other item provided under this Agreement. Notwithstanding the foregoing, Engineer may elect to provide non-infringing services.

14.0 DOCUMENTS

14.1 Public Records. Pursuant to Section 119.0701, Florida Statutes and other applicable public records laws, Engineer agrees that any records, documents, transactions, writings, papers, letters, computerized information and programs, maps, books, audio or video tapes, films, photographs, data processing software, writings or other material(s), regardless of the physical form, characteristics, or means of transmission, of Engineer related, directly or indirectly, to the services provided to the City under this Agreement and made or received pursuant to law or ordinance or in connection with the transaction of official business by the City, may be deemed to be a public record, whether in the possession or control of the City or the Engineer. Said records, documents, transactions, writings, papers, letters, computerized information and programs, maps, books, audio or video tapes, films, photographs, data processing software, writings or other material(s), regardless of the physical form, characteristics, or means of transmission of Engineer are subject to the provisions

of Chapter 119, Florida Statutes, and may not be destroyed without the specific written approval of the City's designated custodian of public records.

IF THE ENGINEER HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE ENGINEER'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS, THE CITY CLERK, AT (321) 433-8484, cshealy@cocoafl.org, City Clerk's Office, 65 Stone Street, Cocoa, FL 32922.

Engineer is required to and agrees to comply with public records laws. Engineer shall keep and maintain all public records required by the City to perform the services as agreed to herein. Engineer shall provide the City, upon request from the City Clerk, copies of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided by law. Engineer shall ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Agreement term. Upon completion of the Agreement, Engineer shall transfer to the City, at no cost, all public records in possession of the Engineer, provided the transfer is requested in writing by the City Clerk. Upon such transfer, Engineer shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. However, if the City Clerk does not request that the public records be transferred, the Engineer shall continue to keep and maintain the public records upon completion of the Agreement and shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request from the City Clerk, in a format that is compatible with the information technology systems of the City. Should the City not possess public records relating to this Agreement which are requested to be inspected or copied by the City or any other person, the City shall immediately notify Engineer of the request and the Engineer shall then provide such records to the City or allow the records to be inspected or copied within a reasonable time. If the Engineer does not comply with a public records request, the City may enforce this Section to the extent permitted by law. Engineer acknowledges that if the Engineer does not provide the public records to the City within a reasonable time, the Engineer may be subject to penalties under Section 119.10, Florida Statutes. The Engineer acknowledges that if a civil action is filed against the Engineer to compel production of public records relating to this Agreement, the court may assess and award against Engineer the reasonable costs of enforcement, including reasonable attorney fees. All public records in connection with this Agreement shall, at any and all reasonable times during the normal business hours of the Engineer, be open and freely exhibited to the City for the purpose of examination, audit, or otherwise. Failure by Engineer to grant such public access and comply with public records laws and/or requests shall be grounds for immediate unilateral cancellation of this Agreement by the City upon delivery of a written notice of cancellation. If the Engineer fails to comply with this Section, and the City must enforce this Section, or the City suffers a third party award of attorney's fees and/or damages for violating Chapter 119, Florida Statutes, due to Engineer's failure to comply with this Section, the City shall collect from Engineer prevailing

party attorney's fees and costs, and any damages incurred by the City, for enforcing this Section against Engineer. And, if applicable, the City shall also be entitled to reimbursement of all attorneys' fees and damages which the City had to pay a third party because of the Engineer's failure to comply with this Section. The terms and conditions set forth in this Section shall survive the termination of this Agreement.

a. Reuse of Documents. All documents, including but not limited to, drawings, specifications, and data, or programs stored electronically or otherwise, prepared by the Engineer and its independent contractors and associates pursuant to this Agreement or related exclusively to the Services described herein shall be owned by the City and may be reused by the City for any reason or purpose at anytime. However, the City agrees that the aforesaid documents are not intended or represented to be suitable for reuse by the City or others on any undertaking other than the Work outlined in this Agreement. Any reuse for an undertaking other than for the Work without verification or adaptation by the Engineer, or its independent contractors and associates if necessary, to specific purposes intended will be at the City's sole risk and without liability or legal exposure to the Engineer.

b. Ownership of Documents. The City and the Engineer agree that upon payment of fees due to the Engineer by the City for a particular design, report, inventory list, compilation, drawing, specification, model, recommendation, schedule or otherwise, said design, report, inventory list, compilation, drawing, specification, technical data, recommendation, model, schedule and other instrument produced by the Engineer in the performance of this Agreement, or any Work hereunder, shall be the sole property of the City, and the City is vested with all rights therein. The Engineer waives all rights of copyright in said design, report, inventory list, compilation, drawing, specification, technical data, recommendation, model, schedule and other instrument produced by the Engineer in the performance of this Agreement, and hereby assigns and conveys the same to the City whether in the possession or control of the Engineer or not.

c. Preexisting Ownership Rights to Documents. Notwithstanding any provisions to the contrary contained in this Agreement, Engineer shall retain sole ownership to its preexisting information not produced and paid for by the City under this Agreement including, but not limited to computer programs, software, standard details, figures, templates and specifications.

15.0 ASSIGNMENT

15.1 Engineer shall not assign or subcontract this Agreement, any Task Order hereunder, or any rights or any monies due or to become due hereunder without the prior, written consent of City.

15.2 If, upon receiving written approval from City, any part of this Agreement is subcontracted by Engineer, Engineer shall be fully responsible to City for all acts and/or omissions performed by the subcontractor as if no subcontract had been made.

15.3 If City determines that any subcontractor is not performing in accordance with this Agreement, City shall so notify Engineer, which shall take immediate steps to remedy the situation.

15.4 If any part of this Agreement is subcontracted by Engineer, prior to the commencement of any Work by the subcontractor, Engineer shall require the subcontractor to provide City and its affiliates with insurance coverage as set forth by the City.

16.0 INDEPENDENT CONTRACTOR

16.1 At all times during the term of this Agreement, Engineer shall be considered an independent contractor and not an employee of the City.

17.0 DEFAULT BY ENGINEER AND CITY'S REMEDIES

17.1 The City reserves the right to revoke and terminate this Agreement, without incurring penalty, and to rescind all rights and privileges associated with this Agreement in the following circumstances, each of which shall represent a default and breach of this Agreement:

a. Engineer defaults in the performance of any material covenant or condition of this Agreement and does not cure such other default within thirty (30) calendar days after written notice from the City specifying the default complained of, unless, however, the nature of the default is such that it cannot, in the exercise of reasonable diligence, be remedied within thirty (30) calendar days, in which case the Engineer shall have such time as is reasonably necessary to remedy the default, provided the Engineer promptly takes and diligently pursues such actions as are necessary therefor; or

b. Engineer is adjudicated bankrupt or makes any assignment for the benefit of creditors or Engineer becomes insolvent, or is unable or unwilling to pay its debts; or

c. Engineer has acted grossly negligent, as defined by general and applicable law, in performing the Services hereunder; or

d. Engineer has committed any act of fraud upon the City; or

e. Engineer has made a material misrepresentation of fact to the City while performing its obligations under this Agreement; or

f. Engineer has assigned this Agreement or any Task Order without the City's prior written consent.

17.2 Notwithstanding the aforementioned, in the event of a default by Engineer, the City shall have the right to exercise any other remedy the City may have by operation of law, without limitation, and without any further demand or notice.

17.3 In the event of such termination upon default and breach of this Agreement, any completed services performed by the Engineer under this Agreement shall, at the option of the City, become the City's property and the Engineer shall be entitled to receive equitable compensation for any work completed to the satisfaction of the City. The Engineer, however, shall not be relieved of liability to the City for damages sustained by the City by reason of any breach of the Agreement, and the City may withhold any payments to the Engineer for the purpose of setoff until such time as the amount of damages due to the City from the Engineer can be determined.

18.0 TERMINATION

18.1 Notwithstanding any other provision of this Agreement, City may, upon written notice to Engineer, terminate this Agreement, without penalty, if: (a) Engineer is in default pursuant to Section 17.0; (b) Engineer fails to comply with any condition or provision of this Agreement; or (c) Engineer is experiencing a labor dispute which threatens to have a substantial, adverse impact upon performance of this Agreement, without prejudice to any other right or remedy City may have under this Agreement.

18.2 In addition, either party may terminate for convenience without penalty at any time upon thirty (30) days advance written notice.

18.3 In the event of termination, City shall be liable only for the payment of all unpaid charges, determined in accordance with the provisions of this Agreement, for Work properly performed prior to the effective date of termination.

19.0 FORCE MAJEURE

19.1 Any delay or failure of either party in the performance of its required obligations hereunder shall be excused if and to the extent caused by acts of God; fire; flood; windstorm; explosion; riot; war; sabotage; strikes (with the exception of Engineer's labor force); extraordinary breakdown of or damage to City's affiliates' generating plants, their equipment, or facilities; court injunction or order; federal and/or state law or regulation; order by any regulatory agency; or cause or causes beyond the reasonable control of the party affected; provided that prompt notice of such delay

is given by such party to the other and each of the parties hereunto shall be diligent in attempting to remove such cause or causes. If any circumstance of Force Majeure remains in effect for 60 days, either party may terminate this Agreement.

20.0 GOVERNING LAW & VENUE

20.1 This Agreement is made and shall be interpreted, construed, governed, and enforced in accordance with the laws of the State of Florida. Venue for any state action or litigation shall be Brevard County, Florida. Venue for any federal action or litigation shall be Orlando, Florida.

21.0 HEADINGS

21.1 Paragraph headings are for the convenience of the parties only and are not to be construed as part of this Agreement.

22.0 SEVERABILITY

22.1 In the event any portion or part of thereof this Agreement is deemed invalid, against public policy, void, or otherwise unenforceable by a court of law, the parties shall negotiate an equitable adjustment in the affected provision of this Agreement. The validity and enforceability of the remaining parts of this Agreement shall otherwise by fully enforceable.

23.0 WAIVER AND ELECTION OF REMEDIES

23.1 Waiver by either party of any term, condition or provision of this Agreement shall not be considered a waiver of that term, condition, or provision in the future.

23.2 No waiver, consent, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of each party hereto.

24.0 THIRD PARTY RIGHTS

24.1 Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than City and Engineer. No person or entity not a signatory to this Agreement shall be entitled to rely on the Engineer's performance of its services hereunder, and no right to assert a claim against the Engineer by assignment of indemnity rights or otherwise shall accrue to a third party as a result of this Agreement or the performance of the Engineer's services hereunder.

25.0 PROHIBITION AGAINST CONTINGENT FEES

25.1 Engineer warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Engineer, to solicit or secure this Agreement, and that it has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the Engineer, any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For the breach or violation of this provision, the City shall have the right to terminate the agreement without liability and, at its discretion, to deduct from the contract price, or otherwise recover, the full amount of such fee, commission, percentage, gift, or consideration.

26.0 ENTIRE AGREEMENT

26.1 This Agreement, including any Task Orders and Schedules, Attachments, Appendix's and Exhibits attached hereto, constitute the entire agreement between City and Engineer with respect to the Services specified and all previous representations relative thereto, either written or oral, are hereby annulled and superseded.

27.0 NO JOINT VENTURE

27.1 Nothing herein shall be deemed to create a joint venture or principal-agent relationship between the parties and neither party is authorized to, nor shall either party act toward third persons or the public in any manner which would indicate any such relationship with the other.

28.0 ATTORNEY'S FEES

28.1 Should any litigation arise concerning this Agreement between the parties, the parties agree to bear their own costs and attorney's fees, whether at settlement, trial or on appeal.

29.0 COUNTERPARTS

29.1 This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be considered an original agreement; but such counterparts shall together constitute but one and the same instrument.

30.0 DRAFTING

30.1 City and Engineer each represent that they have both shared equally in drafting this Agreement and no party shall be favored or disfavored regarding the interpretation of this Agreement in the event of a dispute between the parties.

31.0 NOTICE

31.1 Any notices required to be given by the terms of this Agreement shall be delivered by hand or mailed, postage prepaid to:

For Engineer:

Carollo Engineers, Inc.
Attention: Larry Elliott
200 E. Robinson Street Suite 1400
Orlando, FL 32801
Work: (407) 377-4329
Fax: (407) 478-4643

For City:
City of Cocoa
Attention: City Manager
65 Stone Street
Cocoa, FL 32922
(321) 433-8688 Phone
(321) 433-8698 Fax

31.2 Either party may change the notice address by providing the other party written notice of the change.

31.3 Any Notice given as provided herein shall be deemed received as follows: if delivered by personal service, on the date so delivered; if delivered to an overnight courier service, on the business day immediately following delivery to such service; and if mailed, on the third business day after mailing.

32.0 SOVEREIGN IMMUNITY

32.1 The City intends to avail itself of the benefits of Section 768.28, Florida Statutes and any other statutes and common law governing sovereign immunity to the fullest extent possible. Neither this provision nor any other provision of this Agreement shall be construed as a waiver of the City's right to sovereign immunity under Section 768.28, Florida Statutes, or other limitations imposed on the City's potential liability under state or federal law. Engineer agrees that City shall not be liable under this Agreement for punitive damages or interest for the period before judgment. Further, City shall not be liable for any claim or judgment, or portion thereof, to any one person for over two hundred thousand dollars ($200,000.00), or any claim or judgment, or portion thereof, which, when totaled with all other claims or judgments paid by the State or its agencies and

subdivisions arising out of the same incident or occurrence, exceeds three hundred thousand dollars ($300,000.00). Nothing in this Agreement is intended to inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred under the doctrine of sovereign immunity or by operation of law. This paragraph shall survive termination of this Agreement.

33.0 CORPORATE REPRESENTATIONS BY ENGINEER

33.1 Engineer hereby represents and warrants to the City the following:

a. Engineer is duly registered and licensed to do business in the State of Florida and is in good standing under the laws of Florida, and is duly qualified and authorized to carry on the functions and operations set forth in this Agreement.

b. The undersigned representative of Engineer has the power, authority, and legal right to execute and deliver this Agreement on behalf of Engineer.

34.0 INDEMNIFICATION AND LIMITATION OF LIABILITY

34.1 The Engineer shall defend, indemnify and hold harmless the City, its officers, employees, agents, and volunteers, from liabilities, damages, losses, and costs, including, but not limited to, reasonable attorneys' fees, to the extent caused by the negligence, recklessness, or intentionally wrongful conduct of the Engineer and other persons employed or utilized by the Engineer in the performance of this Agreement, including any Task Order.

The Engineer specifically assumes potential liability for actions brought by the Engineer's own employees against the City and, solely for the purpose of this indemnification and defense, the Engineer specifically waives its entitlement, if any, to immunity under Section 440.11, Florida Statutes. This waiver has been specifically and mutually negotiated by the parties.

The indemnity provisions set forth in this Paragraph shall survive termination of this Agreement.

34.3 For other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Engineer expresses its willingness to enter into this Agreement with the knowledge that the Engineer's recovery from the City to any action or claim arising from the Agreement is limited to a maximum amount of the sum of any Agreement amount that is owed by the City for services actually performed by the Engineer to the City's complete satisfaction, and in no case shall exceed the amount provided in article 32.1 herein. Nothing contained in this paragraph or elsewhere in this Agreement is in any way intended either to be a waiver of the limitation placed upon the City's liability as set forth in Section 768.28 Florida Statutes, or to extend the City's liability beyond the limits established in said Section 768.28 Florida Statutes; and no claim or award

against the City shall include attorney's fees, investigative costs, expert fees, suit costs or pre-judgment interest.

34.4 The Engineer shall not be responsible for warranties, guarantees, fitness for a particular purpose, breach of fiduciary duty, loss of anticipated profits or for economic, incidental or consequential damages to the City or any third party arising out of breach of contract, termination, or for any other reason whatsoever. Additionally, the Engineer shall not be responsible for acts and decisions of third parties, including governmental agencies, other than the Engineer's subconsultants, that impact project completion and/or success.

34.5 PURSUANT TO SECTION 558.0035, FLORIDA STATUTES, AN INDIVIDUAL EMPLOYEE OR AGENT OF THE ENGINEER MAY NOT BE HELD INDIVIDUALLY LIABLE FOR ECONOMIC DAMAGES RESULTING FROM NEGLIGENCE UNDER THIS AGREEMENT IF THE CONDITIONS OF SECTION 558.0035 ARE SATISFIED.

35.0 ENGINEER'S PERSONNEL AT CONSTRUCTION SITE

35.1 The presence or duties of Engineer's personnel at a construction site, whether as onsite representatives or otherwise, do not make Engineer or Engineer's personnel in any way responsible for those duties that belong to City and/or the construction contractors or other entities, and do not relieve the construction contractors or any other entity of their obligations, duties, and responsibilities, including, but not limited to, all construction methods, means, techniques, sequences, and procedures necessary for coordinating and completing all portions of the construction work in accordance with the applicable construction contract documents and any health or safety precautions required by such construction work. Engineer and Engineer's personnel have no authority to exercise any control over any construction contractor or other entity or their employees in connection with their work or any health or safety precautions and have no duty for inspecting, noting, observing, correcting, or reporting on health or safety deficiencies of the construction contractor(s) or other entity or any other persons at the site except Engineer's own personnel.

35.2 The presence of Engineer's personnel at a construction site is for the purpose of providing to City a greater degree of confidence that the completed work will conform generally to the applicable contract documents and that the integrity of the design concept as reflected in the contract documents has been implemented and preserved by the construction contractor(s). Engineer neither guarantees the performance of the construction contractor(s) nor assumes responsibility for construction contractor's failure to perform work in accordance with the contract documents. For this Agreement only, construction sites include places of manufacture for materials incorporated into the construction work, and construction contractors include manufacturers of materials incorporated into the construction work.

35.3 The parties agree that, in the City's contract with the construction contractor, the Engineer shall be indemnified to the fullest extent permitted by law for all claims, damages, losses and expense including attorney's fees arising out of or resulting from the construction contractor's performance of work including injury to any worker on the job site. Additionally, the Engineer shall be named as additional primary insured(s) by the construction contractor's General Liability and Builders All Risk insurance policies without offset and be included in any waivers of subrogation, and all contract documents and insurance certificates shall include wording acceptable to the parties herein with reference to such provisions.

36.0 RECORD DRAWINGS

36.1 Record drawings, if required, will be prepared, in part, on the basis of information compiled and furnished by others, and may not always represent the exact location, type of various components, or exact manner in which the project was finally constructed. Engineer is not responsible for any errors or omissions in the information from others that is incorporated into the record drawings.

37.0 ADDITIONAL ASSURANCES

37.1 The Engineer for itself and its Sub-consultants, if any, certifies that:

a. No principal (which includes officers, directors, or executive) or individual holding a professional license and performing work under this Agreement is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in any architecture, landscape architecture, engineering, or surveying activity by any Federal, State, or local governmental commission, department, corporation, subdivision, or agency;

b. No principal (which includes officers, directors, or executive) or individual holding a professional license and performing work under this Agreement, employee, or agent has employed or otherwise provided compensation to, any employee or officer of the City;

c. No principal (which includes officers, directors, or executive) or individual holding a professional license and performing work under this Agreement, employee, or agent has willfully offered an employee or officer of the City any pecuniary or other benefit with the intent to influence the employee or officer's official action or judgment; and

d. The undersigned is authorized to execute this Agreement on behalf of the Engineer and said signature shall bind the Engineer to this Agreement. No further action is required by the Engineer to enter into this Agreement other than Engineer's undersigned representative's execution of the Agreement.

IN WITNESS WHEREOF, the parties hereto caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

CITY:

CITY OF COCOA

By: _____

Print Name/Title: John Titkanich, Jr. City Manager

ATTEST:

By: _____
Carie Shealy, City Clerk

ENGINEER:

CAROLLO ENGINEERS, INC.

By: _____

Print Name/Title: LARRY ELLIOTT SR VICE PRESIDENT

By: _____

Print Name/Title: Sudhanva V. Paranjape
Associate Vice President

EXHIBIT A

Attachment A
HOURLY RATES SCHEDULE

CAROLLO ENGINEERS INC.
ENGINEERING SERVICES FOR WASTEWATER COLLECTION,
TREATMENT, AND DISPOSAL SYSTEM

As requested, the following is our information regarding the personnel hourly rates for our continuing services contractor with the City of Cocoa.

Individual classification for personnel hourly rates are as follows:

Labor Classification	Billable Hourly Rate	Description	Typical Years of Experience
Engineers/Scientists			
Assistant Professional ES I	$106.17	E.I.	0-2
Assistant Professional ES II	$126.00	E.I.	3-4
Professional ES III	$133.59	P.E.	5-6
Professional ES IV	$156.00	P.E.	7-8
Project Professional ES V	$161.67	P.E.	9-10
Project Professional ES VI	$181.47	P.E.	11-12
Lead Project Professional ES VII	$204.75	P.E.	13-14
Senior Professional ES VIII	$225.00	P.E.	15+
Engineering Technicians			
Technician ET I	$65.57		
Technician ET II	$75.36		
Technician ET III	$76.47		
Technician ET IV	$90.00		
Senior Technician ET V	$103.76		
Senior Technician ET VI	$112.60		
Senior Technician ET VII	$130.48		
Senior Technician ET VIII	$144.46		
Construction Inspection			
Inspector	$115.00		0-4
Resident Engineer	$165.00		5-10
Construction Manager	$190.00		11+
Office Staff			
Admin/Clerical	$70.96		
Word Processing	$90.00		
Marketing/PC	$106.84		

Notes:

1. All copies, reproduction, subconsultant work, materials or equipment purchased or other direct costs shall be pass-thru cost only without mark-up.
2. Travel is reimbursable at IRS rate for employees and specialists outside the Orlando office only.

7/20/18

carollo

TRANSMITTAL

CONTINUING SERVICES AGREEMENT FOR WASTEWATER COLLECTION, TREATMENT, AND DISPOSAL SYSTEM

City of Cocoa

Date: July 18, 2018
Subject: Continuing Services
Project No.: RFQ # RQS18-0120
Copies To:

200 East Robinson Street, Suite 1400
Orlando, Florida 32801
P. 407.478.4642
F. 407.478.4643

Address: City of Cocoa
351 Shearer Blvd.
Cocoa, FL 32922

Attention: John Walsh, P.E.

The following items are:

☐ Requested	☐ Report	☐ Cost Estimate	☐ Calculation
☒ Enclosed	☐ Test Result	☐ Check Print	☐ Other
☐ Sent Separately	☐ Specification	☐ Progress Est.	

Via: Hand Delivery

No. of Copies	Description
1	Engineer Executed Continuing Services Agreement

These data are submitted:

☐ At your request	☐ For your review	☐ For your files
☐ For your approval	☒ For your action	☐ For your information

Please contact me if you have any questions or concerns.

Sincerely,

CAROLLO ENGINEERS, INC.

Larry E. Elliott

Larry Elliott
Project Manager
LE: tb

City of Cocoa
Lift Station No. 1
Opinion of Probable Construction Cost

Item #	Description	Quantity	Unit	Unit Price	Total Price
1	Mobilization	1	LS	$40,000	$40,000
2	110% Payment and Performance Bond	1	LS	$8,000	$8,000
3	Survey/As-builts	1	LS	$8,000	$8,000
4	12" SDR 35 PVC Gravity Sewer	45	LF	$45	$2,025
5	8" SDR 35 PVC Gravity Sewer	35	LF	$35	$1,225
6	2" SCH 80 PVC Reclaimed Water Main	80	LF	$20	$1,600
7	8" Ductile Iron Force Main	30	LF	$50	$1,500
8	4" SCH 40 Type 316 Stainless Steel Pipe	35	LF	$120	$4,200
9	4' Diameter Sanitary Sewer Manhole	1	EA	$6,000	$6,000
10	Precast Concrete Valve Vault	1	LS	$10,000	$10,000
11	4" Gate Valves	4	EA	$2,000	$8,000
12	4" Check Valves	2	EA	$2,000	$4,000
13	2" Gate Valves	1	EA	$1,500	$1,500
14	1" Gate Valves	1	EA	$1,200	$1,200
15	6' X 6' Hatch	1	EA	$2,500	$2,500
16	Bollards	4	EA	$150	$600
17	6' Diameter Wet Well	1	LS	$15,000	$15,000
18	4' X 3' Hatch	1	EA	$1,500	$1,500
19	Submersible Pumps	1	LS	$50,000	$50,000
20	Control Panel & RTU	1	LS	$75,000	$75,000
21	Generator & Automatic Transfer Switch	1	LS	$50,000	$50,000
22	Electrical & Instrumentation	1	LS	$200,000	$200,000
23	Concrete Driveway	60	SY	$120	$7,200
24	Open Cut and Repair Asphalt Roadway	12	SY	$50	$600
25	Landscaping and Restoration	1	LS	$30,000	$30,000
26	Pressure Testing	1	LS	$5,000	$5,000
27	Density Testing	1	LS	$10,000	$10,000
28	Demolition	1	LS	$50,000	$50,000
29	Dewatering	1	LS	$30,000	$30,000
	Subtotal				**$625,000**
	Contingency @ 20%				$125,000
	Estimated Total				$750,000

Please note that any opinion of the construction cost estimate prepared by BESH HALFF represents its judgement as a design professional and is supplied solely for the general guidance of the client, since BESH HALFF has no control over the actual cost of labor and materials, or over competetive bidding, or market conditions. BESH HALFF does not guarantee the accuracy of such opinion as compared to contractor bids or actual costs to the client.

Embedded Secure Document

The file *https://cocoa.legistar.com/View.ashx?M=F&ID=9937634&GUID=3B77DB7F-6D95-4707-AEA2-C135B4F39B02* is a secure document that has been embedded in this document. Double click the pushpin to view.



City of Cocoa Budget Adjustment Form FY 2022 - 22-019-A

SELECT ADJUSTMENT TYPE: BUDGET AMENDMENT | REQUESTING DEPARTMENT #: 4055 | DATE PREPARED: 10/28/21

'REVENUE' ACCOUNT(S)

ADJUSTMENT AMOUNT	ACCOUNT NUMBER	PROJECT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	AMENDED BUDGET	ADJUSTED BUDGET	UNENCUMBERED BALANCE
$ 54,360	424-0000-389.99-50		Fund Balance	$ 0	$ 2,500,000	$ 2,554,360	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 54,360	TOTAL						

'EXPENSE' ACCOUNT(S)

ADJUSTMENT AMOUNT	ACCOUNT NUMBER	PROJECT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	AMENDED BUDGET	ADJUSTED BUDGET	UNENCUMBERED BALANCE
$ 54,360	424-4055-536.63-00	WS21LS	Infrastructure	$ 1,715,000	$ 4,679,910	$ 4,734,270	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 0				$ 0	$ 0	$ 0	$ 0
$ 54,360	TOTAL						

REASON/JUSTIFICATION FOR ADJUSTMENT:

This budget adjustment is for Task Order 2022-23 Carollo Engineers, Inc. for engineering Services related to the construction of Lift Station 1. The construction component will be grant funded. Agenda 21-708

Council/Board APPROVAL REQUIRED? YES (●) NO ( ) DATE APPROVED: 11/09/21 RESOLUTION #:

City Council approval is needed for all transfers greater than $50,000 and transfers between Departments / Funds. All CRA adjustments are required to go their respective boards.

10/29/21 Katherine Ennis Digitally signed by Katherine Ennis Date: 2021.10.29 08:27:44 -04'00'	10/29/21 Colleen Campbell Digitally signed by Colleen Campbell Date: 2021.10.29 15:03:36 -04'00'	
Date Requestor's Signature	Date Finance Approval Signature	Date Finance Director's Signature
John "Jack" Walsh Digitally signed by John "Jack" Walsh Date: 2021.10.29 08:58:57 -04'00'	10/29/21 Lora Howell Digitally signed by Lora Howell Date: 2021.10.29 15:26:47 -04'00'	
Date Department Director's Signature	Date Deputy Fin. Director's Signature	Date City Manager's Signature

FINANCE USE ONLY:

Date Entered: _____ Entered By: _____ Group #: _____

Approved 07/13

Revised eform 9/23/21 - IT

Legislation Details (With Text)

File #:	21-709	**Version:**	1	**Name:**	
Type:	Contract			**Status:**	Multi-Year Contract
File created:	10/20/2021			**In control:**	City Council
On agenda:	11/9/2021			**Final action:**	

Title: Approve a multi-year agreement (36 Months) with Microsoft through CDW-G, Inc. for Microsoft Software, Licenses and Maintenance under the terms and conditions of the Florida NVP Software 43230000-NASPO-16-ACS-SVAR (ADSPO16-130652) government cooperative agreement, authorize the City Manager to finalize the terms of and sign the agreements, and authorize the City Manager to approve potential future additional licenses to be added to the Enterprise Agreement through the annual True-Up program up to $25,000 per year. (Chief Technology Officer)

Sponsors:

Indexes:

Code sections:

Attachments:
Amendment-M97 (New).pdf
City of Cocoa - EA Renewal Quote - 10.12.2021.pdf
Enterprise Agreement.docx
Enterprise Enrollment (Indirect).docx
Previous EnrollmentAgreement Form.docx
Product Selection Form-1126660.006 (PSF).pdf
Signature Form.docx
1471916688_CDW Master Agreement ADSPO16-130652 (1).pdf
1471916712_CDW Master Price Agreement.pdf
1548858778_CDWG Master Contract Amendment 2 Fully Executed.pdf
1548858837_CDWG Master Contract Amendment 3 Fully Executed (2).pdf
1582745868_ADSPO16-130652_Amend_4_CDW_Extension_4_7_2021.pdf
1612664019_ADSPO16-130652_Amend_5_CDW_Extension_1_7_2022_exec (1).pdf
City of Cocoa - EA Renewal Quote - 10.12.2021.pdf
SIGNED_E-Verify Contractor Affidavit.pdf
Standard form for New Piggyback Contract - July 2021.pdf

Date	Ver.	Action By	Action	Result

CITY COUNCIL AGENDA ITEM

Memo Date: October 20, 2021
Agenda Date: November 9, 2021
Prepared By: Robert Beach, Chief Technology Officer
Requested Action:
Approve a multi-year agreement (36 Months) with Microsoft through CDW-G, Inc. for Microsoft Software, Licenses and Maintenance under the terms and conditions of the Florida NVP Software 43230000-NASPO-16-ACS-SVAR (ADSPO16-130652) government cooperative agreement, authorize the City Manager to finalize the terms of and sign the agreements, and authorize the City

Manager to approve potential future additional licenses to be added to the Enterprise Agreement through the annual True-Up program up to $25,000 per year.

BACKGROUND:

In October of 2009, the City originally entered into an Enterprise Agreement (EA) with Microsoft Corporation for licensing and maintenance of Microsoft products. This agreement is reviewed annually for minor modifications and every three years, a new agreement is created. City staff has been working with Microsoft and CDW-G to finalize an agreement prior to the current agreement's expiration date of November 30, 2021. This agreement lists every Microsoft desktop and server operating system and application that is used throughout the City. Licensing quantities have been updated based on the current number of users, computers, servers, and other metrics such as processor cores and databases. The quantity of the various licenses can change year-to-year based on the operational need. This Agreement is for a 36-month term and annually the license quantities are updated by Microsoft and executed by the City Manager consistent with this agenda item.

Once the Enterprise Agreement is fully executed, the City will be licensed for all current Microsoft products in use at the time of execution. The EA allows the City to install additional licenses at any time during the term of the agreement through it's True-Up process. Licenses can be added at any time and then reported to Microsoft once per year and a flat rate is paid to add the licenses to the EA through the remainder of the agreement. This process provides great flexibility to City staff to provide services as needed.

Staff is requesting approval of the multi-year agreement with Microsoft through CDW-G, Inc. for Microsoft Software, Licenses and Maintenance under the terms and conditions of the Florida NVP Software 43230000-NASPO-16-ACS-SVAR (ADSPO16-130652) government cooperative agreement and to authorize the City Manager to execute the agreement documents and to approve potential future additional licenses to be added to the Enterprise Agreement through the True-Up program up to $25,000 per year.

STRATEGIC PLAN CONNECTION:

Microsoft software is utilized for every aspect of City operations including public safety, utilities, and general administration. This Enterprise Agreement renewal will allow the City to continue utilizing existing Microsoft products and make additions as operational needs dictate.

BUDGETARY IMPACT:

Budgeted	Yes
Amount Requested	$167,450.11
Account Number	001-1203-516.52-00
Account Name	Operations (Information Technology)
Source of Funds	Revenues

FUTURE FISCAL YEAR IMPACTS:

FY 2020 Amount Required	$167,450.11 (Acct. 001-1203-516.52-00) Operations
FY 2021 Amount Required	$167,450.11 (Acct. 001-1203-516.52-00) Operations

PREVIOUS ACTION:

In October of 2009, the City entered into an Enterprise Agreement with Microsoft Corporation for licensing and maintenance of Microsoft products. This agreement was renewed in November of 2012, November of 2015, and November of 2018.

RECOMMENDED MOTION:

Approve a multi-year agreement (36 Months) with Microsoft through CDW-G, Inc. for Microsoft Software, Licenses and Maintenance under the terms and conditions of the Florida NVP Software 43230000-NASPO-16-ACS-SVAR (ADSPO16-130652) government cooperative agreement, authorize the City Manager to finalize the terms of and sign the agreements, and authorize the City Manager to approve potential future additional licenses to be added to the Enterprise Agreement through the annual True-Up program up to $25,000 per year.

Microsoft Volume Licensing

Amendment to Contract Documents

Enrollment Number		5-0000007718443

This amendment ("Amendment") is entered into between the parties identified on the attached program signature form. It amends the Enrollment or Agreement identified above. All terms used but not defined in this Amendment will have the same meanings provided in that Enrollment or Agreement.

Enterprise Enrollment (Indirect)
Invoice for Quoted Price
Amendment ID M97

The price quoted to Enrolled Affiliate's Reseller is a fixed price based on an estimated order submission date. Microsoft will invoice Enrolled Affiliate's Reseller based on this fixed price quote. If this order is submitted later than the estimated order submission date, Enrolled Affiliate's Reseller will be charged for net new Monthly Subscriptions (including Online Services) for the period during which these services were not provided. Pricing to Enrolled Affiliate is agreed between Enrolled Affiliate and Enrolled Affiliate's Reseller.

SKU Number	SKU Description	Existing Quantity	Incremental quantities
4ZF-00019	WINVDAPerDvc ALNG SubsVL MVL PerDvc	100	
AAD-32907	EntMobandSecE3Full GCC ShrdSvr ALNG SubsVL MVL PerUsr		250
AAD-34700	M365 E3 FromSA GCC Unified ShrdSvr ALNG SubsVL MVL PerUsr		100
AAD-34704	M365 E3 GCC Unified ShrdSvr ALNG SubsVL MVL PerUsr		100
U4S-00002	O365GCCE1 ShrdSvr ALNG SubsVL MVL PerUsr	250	
P3U-00001	VisioPlan2GCC ShrdSvr ALNG SubsVL MVL PerUsr		11
LK3-00001	AudioConfGCC ShrdSvr ALNG SubsVL MVL PerUsr	20	
MQN-00001	AzureActiveDrctryPremP2GCC ShrdSvr ALNG SubsVL MVL PerUsr	1	
AAD-63092	M365 F3 GCC Unified ShrdSvr ALNG SubsVL MVL PerUsr		75

SKU Number	SKU Description	Existing Quantity	Incremental quantities
7E7-00001	Project Plan3 frmSA GCC Shared All Lng Subs VL MVL Per User	12	

Except for changes made by this Amendment, the Enrollment or Agreement identified above remains unchanged and in full force and effect. If there is any conflict between any provision in this Amendment and any provision in the Enrollment or Agreement identified above, this Amendment shall control.

This Amendment must be attached to a signature form to be valid.

Microsoft Internal Use Only:

(M97)EnrAmend(Ind)(InvoiceforQuotedPrice)(WW)(ENG)(Oct2020)(IU).docx		M97	B

CDW Government, LLC
Microsoft Enterprise 6.6 Agreement Pricing

Enterprise Quote for

City of Cocoa

Date 10/13/21
Account Manager John Vrablik

VSL Specialist Dan Field

Channel Price Sheet Month Oct.

Unless otherwise noted, All Quotes expire upon current month's end

EA Renewal Quote

Customer to make three annual payments to CDW•G

				Year 1		Year 2		Year 3	
Microsoft Part #	**Description**	**Level**	**Quantity**	**Price**	**Extended**	**Price**	**Extended**	**Price**	**Extended**
9GS-00135	Core Infrastructure Svr Ste DC 2 Core SA Only	D	116	$ 172.37	$ 19,994.92	$ 172.37	$ 19,994.92	$ 172.37	$ 19,994.92
LK3-00001	AudioConfGCC ShrdSvr ALNG SubsVL MVL PerUsr	D	20	$ 42.24	$ 844.80	$ 42.24	$ 844.80	$ 42.24	$ 844.80
U4S-00002	O365 GCC E1- Per user	D	250	$ 80.39	$ 20,097.50	$ 80.39	$ 20,097.50	$ 80.39	$ 20,097.50
AAD-32907	EntMobandSecE3Full GCC ShrdSvr ALNG SubsVL MVL	D	250	$ 106.60	$ 26,650.00	$ 106.60	$ 26,650.00	$ 106.60	$ 26,650.00
KV3-00368	WIN ENT per DVC- Per Device SA Only	D	150	$ 45.99	$ 6,898.50	$ 45.99	$ 6,898.50	$ 45.99	$ 6,898.50
4ZF-00033	WIN VDA Per Device- Per Device	D	100	$ 93.11	$ 9,311.00	$ 93.11	$ 9,311.00	$ 93.11	$ 9,311.00
AAD-34704	M365 E3 GCC Unified ShrdSvr ALNG SubsVL MVL PerUsr	D	100	$ 362.00	$ 36,200.00	$ 362.00	$ 36,200.00	$ 362.00	$ 36,200.00
AAD-34700	M365 E3 FromSA GCC Unified ShrdSvr ALNG SubsVL MVL	D	100	$ 302.65	$ 30,265.00	$ 302.65	$ 30,265.00	$ 302.65	$ 30,265.00
AAD-63092	M365 F3 GCC Unified ShrdSvr ALNG SubsVL MVL PerUsr	D	75	$ 86.06	$ 6,454.50	$ 86.06	$ 6,454.50	$ 86.06	$ 6,454.50
7E7-00001	Project Plan 3 fromSA GCC - Per user	D	12	$ 240.41	$ 2,884.92	$ 240.41	$ 2,884.92	$ 240.41	$ 2,884.92
7NQ-00292	SQL Svr Standard 2 Core Pack SA Only	D	6	$ 607.95	$ 3,647.70	$ 607.95	$ 3,647.70	$ 607.95	$ 3,647.70
P3U-00001	Visio Online P2 - Per User	D	11	$ 141.37	$ 1,555.07	$ 141.37	$ 1,555.07	$ 141.37	$ 1,555.07
77D-00111	Visual Studio Pro Sub MSDN- Per user	D	1	$ 318.40	$ 318.40	$ 318.40	$ 318.40	$ 318.40	$ 318.40
6VC-01254	Win Rmt Dsktp Svcs CAL - per user SA Only	D	100	$ 22.43	$ 2,243.00	$ 22.43	$ 2,243.00	$ 22.43	$ 2,243.00
MQN-00001	AzureActiveDrctryPremP2GCC ShrdSvr ALNG SubsVL MVL	D	1	$ 84.80	$ 84.80	$ 84.80	$ 84.80	$ 84.80	$ 84.80
				Year 1 Total	**$ 167,450.11**	**Year 2 Total**	**$ 167,450.11**	**Year 3 Total**	**$ 167,450.11**

Three Year Total $ 502,350.33

Notes

Green= E3 users
Yellow = E1 users
Blue = F3 users

No Tax Referenced
Current Enrollment# 5460331
Agreement End Date: 11/30/2021

Contract: Florida NVP Software 43230000-NASPO-16-ACS-SVAR (ADSPO16-130652)

Terms & Conditions

Terms and Conditions of sales and services projects are governed by the terms at:

http://www.cdwg.com/content/terms-conditions/product-sales.aspx

Proposal ID

1126660.006

Enrollment Number

Language: English (United States)

Enrolled Affiliate's Enterprise Products and Enterprise Online Services summary for the initial order:					
Profile	Qualified Devices	Qualified Users	Device / User Ratio	Enterprise Product Platform	CAL Licensing Model
Enterprise	350	450	1.0	No	User Licenses

Products	Enterprise Quantity
Windows Desktop	
Windows Enterprise OS Upgrade	150
Enterprise Mobility and Security (EMS)	
Enterprise Mobility and Security USL	250
Microsoft 365 Enterprise	
Microsoft 365 E3 USL	200
Office 365 Plans	
O365 GCC E1	250

Enrolled Affiliate's Product Quantities:				
Price Group	1	2	3	4
Enterprise Products	Office Professional Plus + Office 365 ProPlus + Office 365 (Plans E3 and E5) + Microsoft 365 Enterprise	Client Access License + Office 365 (Plans E1, E3 and E5) + Microsoft 365 Enterprise	Client Access License + Windows Intune + EMS USL + Microsoft 365 Enterprise	Win E3 + Win E5 + Win VDA + Microsoft 365 Enterprise
Quantity	200	450	450	350

Enrolled Affiliate's Price Level:	
Product Offering / Pool	**Price Level**
Enterprise Products and Enterprise Online Services USLs: Unless otherwise indicated in associated contract documents, Price level set using the highest quantity from Groups 1 through 4.	D
Additional Product Application Pool: Unless otherwise indicated in associated contract documents, Price level set using quantity from Group 1.	D
Additional Product Server Pool: Unless otherwise indicated in associated contract documents, Price level set using the highest quantity from Group 2 or 3.	D
Additional Product Systems Pool: Unless otherwise indicated in associated contract documents, Price level set using quantity from Group 4.	D

NOTES	
Unless otherwise indicated in the associated contract documents, the price level for each Product offering / pool is set as described above, based upon the quantity to price level mapping below:	
Quantity of Licenses and Software Assurance	**Price Level**
2,399 and below	A
2,400 to 5,999	B
6,000 to 14,999	C
15,000 and above	D
Note 1: Enterprise Online Services may not be available in all locations. Please see the Product List for a list of locations where these may be purchased.	
Note 2: Enrolled Affiliate acknowledges that in order to use a third party to reimage the Windows Operating System Upgrade,Enrolled Affiliate must certify that it has acquired qualifying operating system licenses. The requirement applies to Windows Enterprise OS Upgrade.See Product Terms for details.	
Note 3: If Enrolled Affiliate does not order an Enterprise Product or Enterprise Online Service associated with an applicable Product pool, the price level for Additional Products in the same pool will be price level “A” throughout the term of the Enrollment. Refer to the Qualifying Government Entity Addendum pricing provision for more details on price leveling.	

NASPO ValuePoint

formerly WSCA-NASPO

Software Value-Added Reseller (SVAR) Services
MASTER PRICE AGREEMENT

with

CDW Government LLC
Contract No. ADSPO16-130652

State of Arizona
Lead State

Effective: April 8, 2016 to April 7, 2018

	Offer and Acceptance		State of Arizona State Procurement Office 100 North 15th Avenue, Suite 201 Phoenix, AZ 85007
	SOLICITATION NO.: ADSPO16-00005829	PAGE 70	
	OFFFEROR: CDW Government LLC	OF 76	

OFFER

TO THE STATE OF ARIZONA:

The Undersigned hereby offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, specifications and amendments in the Solicitation and any written exceptions in the offer. Signature also certifies Small Business status.

CDW Government LLC
Company Name

230 N Milwaukee Ave
Address

Vernon Hills | IL | 60061
City | State | Zip

Christina V. Rother
Signature of Person Authorized to Sign Offer

Christina V. Rother
Printed Name

President, CDW Government LLC
Title

Phone: 312.705.6285

Fax: 847.465.6800

E-Mail: ellharr@cdw.com

By signature in the Offer section above, the Offeror certifies:

1. The submission of the Offer did not involve collusion or other anticompetitive practices.
2. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 2009-9 or A.R.S. §§ 41-1461 through 1465.
3. The Offeror has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. The Offeror certifies that the above referenced organization ___ IS/ X IS NOT a small business with less than 100 employees or has gross revenues of $4 million or less.

ACCEPTANCE OF OFFER

The Offer is hereby accepted.

The Contractor is now bound to sell the materials or services listed by the attached contract and based upon the solicitation, including all terms, conditions, specifications, amendments, etc., and the Contractor's Offer as accepted by the State.

This Contract shall henceforth be referred to as Contract No. Available upon Posting.

The effective date of the Contract is April 8, 2016.

The Contractor is cautioned not to commence any billable work or to provide any material or service under this contract until Contractor receives purchase order, contract release document or written notice to proceed.

State of Arizona
Awarded this 5th **day of** April 20 16

Procurement Officer

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EXECUTED OFFER AND ACCEPTANCE FORM....2

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SECTION 2: SCOPE OF WORK....7

SECTION 3: NASPO ValuePoint Master Agreement Terms and Conditions....22

SECTION 4: Lead State (State of Arizona) Terms and Conditions....37

State of Arizona Special Terms and Conditions....37

State of Arizona Uniform Terms and Conditions....50

1.1 Purpose

The State of Arizona, State Procurement Office, is requesting proposals for Software Value-Added Reseller (SVAR) services in furtherance of the NASPO ValuePoint Cooperation Purchasing Program (NASPO ValuePoint). The purpose of this Request for Proposal (RFP) is to establish Master Agreements with qualified Offerors so that NASPO ValuePoint Cooperative Members may acquire Commercial off the Shelf Software (COTS) and related services from Software Value-Added Resellers.

The objective of this RFP is to obtain best value, and in some cases achieve more favorable pricing, than is obtainable by an individual state or local government entity because of the collective volume of potential purchases by numerous state and local government entities. The Master Agreement(s) resulting from this procurement may be used by state governments (including departments, agencies, institutions), institutions of higher education, political subdivisions (i.e., colleges, school districts, counties, cities, etc.), the District of Colombia, territories of the United States, and other eligible entities subject to approval of the individuals state procurement director and compliance with local statutory and regulatory provisions, as explained in section 3 of the NASPO ValuePoint Master Agreement Terms and Conditions. The initial term of the Master Agreement shall be two (2) years with renewal provisions as outlined in Section 3 of the NASPO ValuePoint Master Terms and Conditions (Section 4).

1.2 Lead State, Solicitation Number and Lead State Contract Administrator (LSCA)

The State of Arizona, State Procurement Office (SPO) is the Lead State and issuing office for this document and all subsequent addenda relating to it. This solicitation (RFP) is a competitive process, in accordance with the Arizona Procurement Code available at https://spo.az.gov/ . The Arizona Procurement Code is a compilation in one place of Arizona Revised Statutes (ARS) 41-2501 et seq. and administrative rules and regulations A.A.C R2-7-1010 et.seq. The Solicitation #ADSPO16-00005829 must be referred to on all proposals, correspondence, and documentation relating to this RFP.

The Lead State Contract Administrator (LSCA) identified below is the single point of contact during this procurement process. Offerors and interested persons shall direct to the Lead State Contract Administrator all questions concerning the procurement process, technical requirements of this RFP, contractual requirements, requests for brand approval, change, clarification, protests, the award process, and any other questions that may arise related to this solicitation and the resulting Master Agreement. The Lead State Contract Administrator (LSCA) designated by the State of Arizona, State Procurement Office is:

Charlotte Righetti, CPPB, CTNS State Procurement Manager
State of Arizona, State Procurement Office
100 N. 15th Avenue, Suite 201
Phoenix, Arizona 85007
Phone: (602)542.9127

1.3 NASPO ValuePoint Background Information

NASPO ValuePoint (formerly known as WSCA-NASPO) is a cooperative purchasing program of all 50 states, the District of Columbia and the territories of the United States. The Program is facilitated by the NASPO Cooperative Purchasing Organization LLC, a nonprofit subsidiary of the National Association of State Procurement Officials (NASPO), doing business as NASPO ValuePoint. NASPO is a non-profit association dedicated to strengthening the procurement community through education, research, and communication. It is made up of the directors of the central purchasing offices in each

of the 50 states, the District of Columbia and the territories of the United States. NASPO ValuePoint facilitates administration of the cooperative group contracting consortium of state chief procurement officials for the benefit of state departments, institutions, agencies, and political subdivisions and other eligible entities (i.e., colleges, school districts, counties, cities, some nonprofit organizations, etc.) for all states, the District of Columbia, and territories of the United States. For more information consult the following websites: www.naspovaluepoint.org and www.naspo.org .

1.4 Participating States

In addition to the Lead State conducting this solicitation, the Participating States listed below have requested to be named in this RFP as potential Users of the resulting Master Agreement. Other entities may become Participating Entities after award of the Master Agreement. State specific terms and conditions will govern each state's Participating Addendum that will govern each state's Participating Addendum. A listing of the Participating States can be found in Exhibit I.

1.5 Definitions – all capitalized terms in this document have the meaning as defined in AAC R2-7-101. Any capitalized term not defined in AAC R2-7-101 has the meaning defined below.

"Appliance" means a separate and discrete hardware device with integrated software (firmware), specifically designed to provide a specific computing resource. For the purposes of this solicitation only an "Appliance" which is the sole means of obtaining the Software product is allowable.

"Attachment" means any item the Solicitation requires an Offeror to submit as part of the Offer.

"Best and Final Offer (BAFO)" means a revision to an Offer submitted after negotiations are completed that contains the Offeror's most favorable terms for price, service, and products to be delivered.

"Commercial Off the Shelf" ("COTS") for the purposes of this solicitation means non-developmental software which has been created for specific uses and is available to the general public in the commercial marketplace. COTS products are designed to be implemented easily into existing systems without the need for customization.

"End-User License Agreement (EULA)" is a legal contract between the manufacturer (publisher) and the end User of an application that details how the software can and cannot be used.

"eProcurement (Electronic Procurement)" means conducting all or some of the procurement function over the Internet. Point, click, buy and ship Internet technology is replacing paper-based procurement and supply management business processes. Elements of eProcurement also include Invitation for Bids, Request for Proposals, and Request for Quotations.

"Excluded Software Publishers" means a Software Publisher who is unwilling to do business with a Reseller.

"Exhibit" means any document or object labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.

"Lead State Contract Administrator" ("LSCA") means the Procurement Officer for the Master Agreement.

"Master Agreement" ("MPA") means the contractual agreement executed between the winning (awarded) contractor (s) and the Lead State conducting the procurement on behalf of NASPO ValuePoint.

"Non-perpetual license" or Subscription License" is a temporary license that provides the right to use a particular licensed product until the end of the license-agreement term.

"Participating State Contract Administrator" ("PSCA") means the Procurement Officer for the Participating State.

"Perpetual license" means a license which is everlasting and valid if the software is being used in accordance with the license-agreement requirements.

"Person" means any corporation, business, individual, union, committee, club, or other organization or group of individuals

"Publisher" means a software manufacturer (e.g., Microsoft)

"Reseller" means a Software Value-Added Reseller who is awarded under this solicitation, and who has a fully-executed (MPA and PA-s) contract.

"Reseller Cost" means the price that the Reseller pays the Publisher or Distributor to purchase software on behalf of the Participating State. Reseller Cost should not include any administrative or other mark-up costs.

"Software" means the computer program, including media and associated documentation.

"Software Licensing" means allowing an individual or group to use a piece of software.

"Software Maintenance and Support" means any software upgrades, annual updates, patches and fixes needed to improve functionality and keep the software in working order.

"Solicitation Amendment" means a change to the Solicitation issued by the Procurement Officer.

"Volume License Agreements (VLAs)" means an agreement with a Software Publisher wherein the Participating State's total expected purchasing over a period of time is considered in establishing the discount level.

2.1 Software Value-Added Reseller ('Reseller' – "SVAR")

2.1.1 Software Value-Added Reseller ('Reseller' – "SVAR") shall be a large account reseller authorized to sell products direct from Key Software Publishers or authorized Distributors.

2.1.2 SVAR shall do the following:

2.1.2.1 Provide Commercial Off-the-Shelf-Software (COTS).

2.1.2.2 Honor existing Volume or Enterprise license agreements.

2.1.2.3 Offer maintenance and support packages on licenses already owned by the Participating State and other Purchasing Entities.

2.1.2.4 Advise the LSCA, each PSCA, and other Purchasing Entities of SVAR's channel partner status with Key Software Publishers.

2.1.2.5 Retain or enhance reseller certifications with software publishers - At a minimum, maintain Reseller certification levels held at time of award.

If Reseller's certification or reseller status is withdrawn or reduced, Reseller is required to immediately notify, in writing, the Lead State Contract Administrator (LSCA), each PSCA and other Purchasing Entities explaining:

- The change;
- The impact on their costs to obtain the product;
- Limitations on the products or services they may provide; and,
- The reasons for the change.

Failure to provide the required notification, regarding significant negative changes in their reseller status, may be grounds for suspension or cancellation of the MPA and PA's.

2.1.2.6 Provide Pre-Sale Advisement - **There shall be no charge for these services**:

2.1.2.6.1 Advise the Purchasing Entity in making strategic software application decisions by providing evaluation copies, product comparisons, needs analysis, product information and application recommendations.

2.1.2.6.2 Act as liaison between the Purchasing Entity and individual publishers in identifying best approaches and cost savings opportunities for the Purchasing Entity.

2.1.1.6.3 Examples of such advice would be:

- In selecting appropriate software;
- In explaining Volume License Agreements with complicated rules;
- In determining the most cost-effective buying strategies;
- In ensuring that Participating States and other Purchasing Entities are in compliance with licensing requirements; and,
- In finding software options to meet a specific need, for example, a flow-charting package.

2.1.2.7 Reseller shall negotiate to reduce Reseller Cost, to pass on savings to the Participating State and other Purchasing Entitites.

2.1.2.8 Provide assistance in explaining and developing Volume License and Enterprise Agreements.

2.1.2.9 Provide Software Installation Assistance.

2.1.2.9.1 Provide, at no additional cost, assistance or advice in basic installation or implementation of COTS product.

2.1.2.8.2 If the Purchasing Entity encounters difficulty in downloading or installing the software, the Reseller must provide assistance within eight (8) business hours of being informed of the problem.

2.1.2.10 Provide Software De-Installation Assistance.

2.1.2.11 Provide Tracking, Management, Usage Monitoring and Reporting of Licenses

2.1.2.11.1 Reseller shall have in place a product license inventory and asset management system, which will include an accurate inventory record of product licenses purchased under this Contract.

2.1.2.11.2 Reseller must also have the capability tracking maintenance renewal and other significant due dates.

2.1.2.11.3 At a minimum, this system shall be able to provide this information by Participating State and Purchasing Entity.

2.1.2.11.4 Reseller shall work with Participating State, other Purchasing Entities, publishers, previous and subsequent contract software resellers, and hardware computer contractors to ensure the most comprehensive record of licenses is created, maintained, and the information transferrable.

2.1.2.11.5 States may choose to award multiple PA's under this Agreement. Details on how licenses are to be tracked and managed under multiple awards will be determined by that awarding State.

2.1.2.11.6 As may be required by a Participating State, or other Purchasing Entity, Reseller shall work with NASPO ValuePoint computing equipment contractors, or a Participating State's comparable computer hardware contractor, to see that any software acquired under those contracts can be tracked through this contract.

2.1.2.12 Notify Participating State and Purchasing Entities of publisher publicly announced changes pertinent to User licensing.

2.1.3 SVAR shall Develop and Maintain Website

2.1.3.1 *For Participating States*, Reseller shall develop and support a website specific to that State, with content approved from the LSCA or PSCA as appropriate based on content.

2.1.3.1.1 This web site information shall be available through the Internet without the use of additional software or licenses.

2.1.3.1.2 Website should be User friendly to allow for quick and easy access and use.

2.1.3.1.3 Website shall be available 24 x 7, except for scheduled maintenance.

2.1.3.1.4 Website shall be ADA compliant.

2.1.3.1.5 No costs or expenses associated with providing this information shall be charged to the States.

2.1.3.1.6 Universal Resource Locator (URL) for the website must be supplied to the PSCA and the LSCA within sixty (60) days of the execution of the PA.

2.1.3.1.7 The website will include contract information, product information/catalog, the capability to generate online reports, and other pertinent information as may be reasonably requested by States, such as copies of VLAs.

2.1.3.1.8 *Publisher Notifications and Other Industry Information*. In the event that a publisher publicly announces changes that are pertinent to User licensing, the Reseller shall assist Users by posting the information on the state websites.

2.1.3.1.9 Reseller shall provide, at no additional cost, training on how to use their website and how to use this contract in obtaining quotes and placing orders. Online training should be available on the website, but supplementary electronic (e.g. Webinars, emails), telephone or on-site training should be provided, as needed, during standard working hours.

2.1.3.2 *Contract and General Information*. The website shall provide contract and ordering information to include, at a minimum:

2.1.3.2.1 The contract number(s) (MPA and PA);

2.1.3.3.2 The Reseller primary contact and contacts to whom incidents are to be escalated:

- Name(s and titles
- Areas of responsibility for each contact name;
- Phone number(s); and,
- Email address(es).

2.1.3.3.3 Information on use of website,

2.1.3.3.4 Quote and ordering information; and,

2.1.3.3.5 Notifications regarding publishers and products, such as pending key product changes or upgrades.

2.1.3.3 *Online Catalog*

2.1.3.3.1 Reseller shall provide COTS software, and software maintenance of new or existing licensed software, under this contract. Information on approved products, customized by Participating State, will be available through an online catalog and through Reseller's representatives either through email or telephone inquiry during the standard working hours of the Participating State. The online catalog shall provide an expansive list

of products allowed per the contracts, particularly those products of itemized publishers.

2.1.3.3.2 The website shall provide contract and ordering information to include, at a minimum: publishers, product names, standard product pricing, and product descriptions (photos optional or links to access product literature). Regardless of the number and types of links to the Reseller's electronic catalog, the Reseller shall ensure that all eligible agencies purchasing under one PA are accessing the same current base version of the product catalog. Online information shall include purchases of Volume or Enterprise License Agreement software as well as individual COTS software licenses.

2.1.3.3.3 Online catalog shall be restricted to just software. Non-authorized products or groups of products shall not be on the website. Reseller shall not use this proposed website to cross sell or cross advertise other products and or services the Reseller may be able to offer.

2.1.3.4 *Product Searching Capability*. At a minimum, the online catalog should be searchable by Purchasing Entity and their VLAs, Software Publisher, Product name, OEM product number, and software description (e.g., GIS, Security). The online category can be modified as Users' needs dictate, such as including products obtained through a distributor (non-itemized publisher products) that are frequently purchased.

2.1.3.5 *Online Product Quotes*. Product price displayed online is a 'not-to-exceed' product price quote based on contract rate and real time Reseller Cost. For high dollar purchases, or quantity purchases, Purchasing Entity should request a quote by contacting Reseller representative off-line. The online pricing should allow for overrides when a quote with a negotiated better price has been offered and is being placed online. Website should have capability to track all quotes by Purchasing Entity and be easily accessible for viewing by quote number. Website shall include a shopping cart feature that allows Purchasing Entities to provide shipping instructions. Purchasing Entities can place orders on the web either via credit card or purchase order. Specifics regarding an individual state's requirements for placing an order may be included in that State's Participating Addendum (PA).

2.1.3.6 *User Differentiation*. Catalog should be designed so as to provide a means to identify the Participating State (state agency or other eligible Purchasing Entity). This method used must not require any administrative tasks on the part of the LSCA for the MPA, the PSCA for the individual PSCA. Website should allow Users to develop personal lists and profiles, including an option to securely store and maintain procurement card information. Catalog should have the capability of being used as a 'Punch Out' to an individual state's electronic purchasing system.

2.1.3.7 *Online Reports*. Website shall have capability to provide order history, as well as order status and order tracking.

2.1.3.8 *Other*. Other information may be added to the website as may be required by State (such as copies of volume license agreements) or enhancements that may be proposed by Reseller and approved by State.

2.2 COTS Products

2.2.1 Software which requires little or no services

	IN SCOPE Offerings		OUT OF SCOPE Offerings
LICENSING TYPE	COTS	Individual Licensing Volume Licensing Enterprise Licensing	Custom/Customized
LICENSING PERIOD	Perpetual	Subscription	*none*
Delivery	Shrink-Wrap	Download	*none*
HOSTING as part of delivery & use.	On Premise	Off Premise	*Managed Service* *Managed Services means the proactive management of an IT (Information Technology) asset or object, by a third party typically known as a MSP, on behalf of a customer* *mspalliance.com/**definition**-of-**managed-services**/*

2.2.1.1 Most Current Version - Purchase orders shall be deemed to reference a manufacturer's most recent release model or version of the product at the time of the order, unless the Purchasing Entity specifically requests in writing an earlier model or version and the Reseller is willing to provide such model or version.

2.2.1.2 Licenses and Maintenance Agreements

2.2.1.2.1 *Volume License Agreements (VLA) and Enterprise License Agreements (ELA)*

The Reseller will honor existing Participating State's VLA's or ELA's with publishers and include those licenses as part of the Reseller's license tracking service. Following an executed PA with a Participating State, and if so required by the Participating State, the Purchasing Entity and/or an individual publisher, the Reseller will identify itself to software publishers as Reseller for that Participating State or Purchasing Entity. If so required by the Publisher and Participating State, Reseller will execute a change of channel partner agreement with the Publisher. Resellers will sell additional seats consistent with Purchasing Entities' Enterprise or Volume Agreements. Reseller will work with Participating State, Purchasing Entity(ies) and Publishers as needed to establish new VLAs or ELAs. The Reseller will work with the Publisher and Participating State as necessary to ensure the Participating State receives timely and pertinent license information, such as: license or agreement renewals, or opportunities based on actual volume.

Reseller will work directly with Purchasing Entity(ies) in establishing, signing and maintaining enrollment agreements. If Reseller is sole SVAR contractor in a State, Reseller will aggregate all enrollments together for

Master Agreement reporting purposes. If a PSCA elects to have multiple SVAR contractors, Reseller's responsibilities will be delineated in that State's PA. Resellers shall monitor and be able to report on the current levels of software ordered towards any of the Participating State's VLA required sales levels to ensure the Participating State does not fall short and thereby incur Publisher penalties. The Reseller shall be responsible for providing license usage information to the Publishers, if such information is required by the Publishers, in a timely manner (e.g., for 'true up' assessments)

2.2.1.2.2 *Individual Software Licenses*. Purchasing Entities can purchase individual COTS licenses, such as perpetual and non-perpetual licenses, through the Reseller.

2.2.1.3 Software Maintenance and Support Agreements.

Purchasing Entities can purchase maintenance agreements, including upgrade protection, through the Reseller. Resellers will sell software maintenance agreements, even if the software was not purchased under this agreement, such as on-going support for a User's existing perpetual license. As requested, Reseller will explain what product support or services are included in a publisher's maintenance agreement.

2.2.1.3.1 *Software Maintenance and Support***.** Reseller to provide needed services to support maintenance products such maintenance agreements, software upgrades, annual updates, patches and fixes needed to improve functionality and keep the software in working order. Such services may include providing recommendations on most cost-effective or appropriate long-term maintenance plan. Reseller will provide such support, not only to maintenance packages purchases under this agreement, but in support of any existing and current agreements.

2.2.1.3.2 *Software Updates*.

2.2.1.3.2.1 Users are eligible to receive, from the Publisher, all new releases and updates of the software, at no additional charge, while under a maintenance agreement. A "Release" means any collection of enhancements or updates which the Publisher generally makes available to its installed base of customers of such programs. The Reseller shall assist the Purchasing Entity to obtain such releases or updates for their Users from the Publisher.

2.2.1.3.2.2 Should a User not want to receive the next upgrade, the User shall so notify the respective Publisher.

2.2.1.3.3 *License Confirmations*
For licenses ordered under the contract by Purchasing Entity(ies), Reseller shall be able to provide:

(i) Certified Licensing Confirmation Certificates for all software licenses;
(ii) Reseller's certified license confirmation certificates in the name of such Licensee; or,
(iii) Written confirmation from the Reseller or Publisher accepting the Eligible Participating State's contract or purchase order as proof of license.

The form of "Proof of License" provided must be acceptable proof to the Publisher, and in the format requested by the Purchasing Entity. The Proof of License shall be provided as an electronic file and/or a hardcopy document, as required by the Purchasing Entity. Reseller will retain an electronic file of Participating State's Proof of Licenses and provide copies to the Participating State as requested.

2.2.1.3.4 *Transitioning License Tracking Information at Contract Termination*
The license information data acquired and retained by Reseller will be stored as sortable data fields so the license information can be transferred to the Participating State upon contract termination. Reseller will work with States and Participating Entities, or their designees, to ensure that the license information data has been successfully transferred in a usable format.

2.2.1.4 Leases
Lease purchase and term leases are allowable only for Purchasing States whose rules and regulations permit leasing of software. Individual Purchasing Entities may enter into a lease agreement for the products covered in this Master Agreement, if they have the legal authority to enter into these types of agreements without going through a competitive process. No lease agreements will be reviewed or evaluated as part of this RFP evaluation process.

2.2.1.5 Software Publishers, Categories. The identified software product needs under this solicitation have been divided into three tiers: Key Itemized Publishers, Other Itemized Publishers, and Non-Itemized Publishers. See descriptions and chart which follow. As indicated, it is most desirable for Reseller to have a direct reseller agreement with the itemized software publishers. If a direct reseller agreement is not already in place between itemized software publishers and the Reseller, the Reseller is expected to enter into a direct reseller agreement and submit a rate for that itemized publisher that is better than the rate for a Non-Itemized Publisher**.** Over the life of this contract, product needs or volumes may change and new publishers may be added by amendment to the itemized publishers' lists.

2.2.1.5.1 *Itemized Highest Volume Publishers (Highest Volume, Itemized Lines).*
The products of the publishers in this category represent the highest tier of sales volume identified for this solicitation, of those publishers who sell through resellers. This category is the one most likely to include a Participating State's enterprise or high volume agreements with a publisher. Resellers shall be certified direct resellers for publishers in this

category. The preferred pricing that a Reseller receives based on their reseller certification status, in conjunction with the anticipated considerable volume of purchases through these Contracts, is the expected foundation for a very competitive base Reseller Cost, with further reductions of Reseller Cost as they are achieved through ongoing Reseller negotiations. A percentage rate above or below Reseller Cost is to be provided for each itemized publisher. Specific requirements may be required for some publishers in this category in an individual State's PA.

2.2.1.5.2 *Other Itemized Publishers (High Volume, Itemized Lines).* The products of the publishers in this category represent a high level of sales volume as identified for this solicitation. This category may include a Participating State's high volume agreements or VLAs with a publisher. It is desirable for Resellers to be certified direct resellers for publishers in this category. A percentage rate above or below Reseller Cost is to be provided for each itemized publisher

2.2.1.5.3 *Non-Itemized Publishers (all other distributed software purchases).* This category is defined to include all other distributed computer software not specifically itemized. Enterprise or Volume Licensing Agreements are not anticipated in this category. New or existing software products can be added to this category at any time during the term of the Contract without the written consent of the LSCA and may be itemized in the online catalog, if volume justifies the addition. There should be one percentage rate above or below Reseller cost covering all products in this category

KEY ITEMIZED PUBLISHERS Certification as Direct Reseller.	**OTHER ITEMIZED PUBLISHERS** Certification as direct reseller desirable. If not certified, the percentage rate should be no greater than Non-Itemized rate	**NON-ITEMIZED PUBLISHER** One 'not to exceed' rate
ADOBE	AI SQUARED	
CITRIX	AIRWATCH MOBILE DEVICE MANAGEMENT VMWARE	
MICROSOFT	ALLIANCE ENTERPRISES	
NOVELL	APPLE	
SYMANTEC	ATTACHMATE – MICROFOCUS	
VMWARE	AUTODESK	
	AUTONOMY – HP	
	BAKBONE – DELL	
	BARRACUDA	
	BOMGAR REMOTE SOFTWARE	
	CA TECHNOLOGIES	
	CISCO	
	COMPUTRONIX USA	

	COMPUWARE	
	COREL	
	DOUBLETAKE	
	EMC	
	ENCHOICE	
	ESET	
	ESRI	
	FREEDOM SCIENTIFIC	
	GUARDIAN EDGE – SYMANTEC	
	GW MICRO	
	IBM	
	ICM CONVERSIONS	
	INFOR	
	INTERMEDIX EMSYSTEMS	
	HP	
	HUMANWARE	
	INFORMATION BUILDERS	
	KRONOS SOFTWARE	
	LANDESK	
	LASERFISCHE	
	LIQUIDWARE STATUSPHERE	
	MICROFOCUS INC	
	MINJET	
	MPS	
	MQSOFTWARE – BMC SOFTWARE	
	NCIRCLE	
	NETOP	
	NUANCE	
	ORACLE	
	OSAM	
	PASSPORT	
	PATCHLINK	
	PROOFPOINT	
	RSA SECURITY	
	REFERENCIA SYSTEMS	
	SAP AMERICA	
	SAS	
	SOLUTIONS SOFTWARE	
	SOPHOS	
	SPLUNK SOFTWARE	
	STASEEKER NETWORK INFRASTRUCTURE MONITORING	
	STELLENT – ORACLE	

	SUNGUARD	
	SYBASE	
	TECHSMITH	
	TREND MICRO	
	TRUSTWARE	
	ULTRABAC	
	VORMETRIC	
	WEBSENSE	

2.2.1.6 Software Publishers, General Representation.

2.2.1.6.1 *Excluded Software Publishers*. The Reseller must agree that there are no software publishers with whom they will refuse to do business if the Software Publisher is willing to do business with them. Resellers shall advise the LSCA or designee of any Excluded Software Publishers and provide explanations for the non-representation.

2.2.1.6.2 *Expanded Representation*. The Reseller is expected to continue to work towards reseller certifications with publishers not currently represented, particularly with those publishers whose sales volume merit classification into the itemized publisher lines. Similarly, Reseller is expected to continue to work towards a higher certification level with current publishers

2.2.1.7 Price Quote, General**.** Pricing is submitted in the MPA as a percentage of Reseller Cost. Individual PA's will use the MPA pricing as a base and may negotiate an adjusted rate. Any negotiated PA rates, exclusive of taxes or any individual state's administrative fee, shall not exceed the MPA rates. As requested by Purchasing Entity, for example on a high volume single order, Reseller shall negotiate to reduce Reseller Cost, to pass on savings to the Participating State. Firm individual order quotes shall be provided to Purchasing Entity prior to order submittal.

2.2.1.7.1 *Telephone or Email Quote Support*. Reseller shall accept requests for quotes by telephone, fax, email, or online. Reseller shall accept collect telephone calls and/or provide and maintain a toll-free number for eligible agency use. Reseller shall provide an email address for receipt of requests for price quotes. Reseller shall provide written quotes by fax, email or online as requested by the Participating State.

2.2.1.7.2 *Quoted Delivery Method*. The quote must clearly indicate the method of delivery, whether via media, download, or **3.3 Services** below.

2.2.1.7.3 *Timely Quotes*. Reseller agrees to work with publishers and distributors to obtain quotes and deliver software in a timely fashion. Expected response should be within twenty-four (24) hours but no more than three (3) business days. If, after three (3) business days, the Reseller has been unable to obtain the quote or assurances that

they can obtain the software, the Reseller shall contact the Participating State or other Purchasing Entity with a status report. The Reseller and the Participating State/Purchasing Entity will mutually agree as to whether the Reseller shall continue to pursue a quote and within what timeframe, or whether the Reseller will provide the Participating State/Purchasing Entity with a written statement that the Reseller cannot supply the software. If the Reseller has been unable to obtain a quote within ten (10) days of the request for quote, the Reseller shall provide a written statement (email is sufficient) to Participating State/Purchasing Entity, and the LSCA as may be required under the PA, that the Reseller cannot supply the software, and the reason why.

2.2.1.7.4 *Guaranteed 30 Day Quote*. Reseller is required to honor all quotes for thirty (30) calendar days. If it is known that a price adjustment will occur during the thirty (30) calendar days following the quote, the Reseller may provide two quotes, based upon the date that the order is received.

2.2.1.7.5 *Sales Promotion*. The Reseller may conduct sales promotions involving specific products or groups of products for specified time periods. If electing to exercise this provision, the Reseller shall submit a formal request for approval to the LSCA. The request should include: the product or product groups, the promotional price as compared to the standard price and the Master Agreement price for the product or product groups, and the start and end dates of the sales promotion. LSCA's approval shall be in the form of an amendment to the MPA. Upon approval, the Reseller shall provide conspicuous notice of the promotion to all Participating Entities.

2.2.1.7.6 A Participating State or other Participating Entity may allow the Contractor to charge a credit card fee in their Participating Addendum.

2.2.1.8 Product Delivery and Returns

2.2.1.8.1 Media. The Reseller shall work with Participating State or other Purchasing Entity to provide media via any method available and as requested by the Participating State including, but not limited to: original Publisher media, CD copies of master media duplicated by the Reseller, electronic downloads, etc. In cases where original publisher's media is not available, the Reseller shall provide CD's copied from master disks of the software purchased under any volume or enterprise license agreement.

2.2.1.8.2 Delivery Period. Reseller to provide delivery no longer than ten (10) business days after receipt of a valid order unless conditions arise that are outside the control of the Reseller. If delivery cannot be within this time frame, Reseller is to notify Purchasing Entity of delay and anticipated

ship date. If this delayed delivery is unacceptable to Purchasing Entity, the order can be cancelled without penalty.

2.2.1.8.3 Product Returns. Unopened software can be returned with no restocking fee up to 30 days from date of receipt, if allowed by the software publisher. If the software publisher has a shorter timeframe for returns or requires a restocking fee, this must be stated on the quote. If that information is not provided to the Participating State by the Reseller, Reseller is responsible for the restocking fee. If delivered software is defective, or if the incorrect product was delivered, the Reseller must agree to accept returns. If delivered software is defective, the Reseller is responsible for return shipping and packaging costs and for restocking charges if applicable. The Reseller must agree that any defective or incorrectly delivered media will be replaced by overnight delivery at the Reseller's expense if requested by the Participating State or Purchasing Entity. If overnight delivery is not requested, all replacement products must be received by the Participating State or Purchasing Entity within seven (7) days of initial notification.

2.2.1.8.4 Shipping Charges. Items covered under this contract are FOB Destination and shipping charges are not to be included on any invoice unless the Purchasing Entity has ordered expedited shipment. For expedited shipment, Purchasing Entity would submit their order including related shipping charges, which may not exceed the cost of delivery by the carrier.

2.3 Services

	IN SCOPE		OUT OF SCOPE
SOFTWARE & LICENSING TYPE	COTS	Volume Licensing	Custom/Customized
LICENSING PERIOD	Perpetual	Subscription	Not Applicable
Delivery	Shrink-Wrap	Download	Not Applicable
Hosting as part of delivery & use	On-Premise	Off-Premise	Managed Services
SERVICES	Basic Installation, Training and Maintenance *Means that activity which does not require Consulting, Configuration, Engineering, Design or any other type of service specific to a Purchasing Entity requiring description of tasks and deliverables and agreement by the parties (Statement of Work).*		Consulting, configuration, engineering, design, etc., any type of service specific to a Purchasing Entity requiring description of tasks and deliverables and agreement by the parties

2.3.1 In Scope Services:
Basic Installation, Maintenance packages and Training (3.4) are considered to be within the Scope of this Solicitation. This Master Agreement is intended for the acquisition of distributed, commercial off the shelf software

2.3.2 (***RESERVED)***

2.3.3 A Participating State may include a statement in their Participating Addendum allowing state employees to purchase software licenses.

2.3.4 Individual Participating Addendums may further limit the Scope of this Solicitation.

2.3.5 This Master Agreement is not intended for the purchase of custom software applications.

2.4 Training.

2.4.1 Training shall be available in the form of tutorials for basic installation and web-based training for software operation, basic phone support.

2.4.2 Provision of information on how to access a Software Publisher's "Help Desk" (either telecom or web-based) for basic use questions.

2.5 Customer Service and Representation.

2.5.1 *Dedicated Representation and Timely Response*. Reseller shall provide a dedicated representative for each Participating State. Such representative will become familiar with the State and its cooperative partners, provide a single point as needed for quote assistance, offer software recommendations, track and report on renewal deadlines, and serve as a contact point for the LSCA. **Reseller must commit to returning phone calls or responding to emails within two (2) business days**.

2.5.2 *Problem Escalation*. The Reseller must provide an incident escalation path for each State, showing on that State's website, the name, contact information, and role of individuals to whom problems should be escalated if the problems are not resolved by primary assigned contacts.

2.5.3 *Product purchasing trends*. **The Reseller will speak with LSCA and sourcing team quarterly** to review usage and discuss possible revisions of the categorization of publishers based upon actual sales volume or other changes.

2.5.4 *Contract Reviews*.

2.5.4.1 Reseller is expected to conduct **quarterly reviews** of all sales volumes and report sales figures and savings from Publisher's list price, by Publisher and by PA, as well as observed trends or purchasing patterns, and **to present the information to the LSCA**.

2.5.4.2 At the discretion of the individual participating states, an equivalent review, limited to that state, will be presented to the PSCA.

2.5.4.3 **All awardees under this contract shall meet once a year with the LSCA and Sourcing Team** to review usage and discuss possible revisions of the categorization of publishers based upon actual sales volume, and to discuss any service concerns, industry trends, and the effectiveness of the contract.

2.5.4.3.1 Reseller is expected to **conduct a customer satisfaction survey** and an audit prior to this discussion and be prepared to discuss the results, and

provide reports, at this review. At a minimum, the audit will report address quoting and billing accuracy, and any Reseller Cost that exceeds a Publisher's List price for that item.

2.5.4.3.2 Based on historical sales volume information, Reseller should be prepared to discuss potential cost savings opportunities which could be passed through to Participating States.

2.5.4.3.2 In a renewal year, the annual review will take place prior to contract extensions.

2.6. Interactions with Software Publishers

2.6.1 *Best Interests of Participating State*. Reseller would represent the best interests of the Participating State and other Participating Entities in negotiating or otherwise working with Publishers for such items as: maximizing cost savings with best use of volume or enterprise license agreements, better pricing on individual volume buys, taking advantage of publishers' specials, promotions, coupons or other savings opportunities.

2.6.2 *Liaison with Publisher*. A State may establish, in their individual PA, a requirement for Reseller to arrange with the software publisher or software publisher's designee for implementation, customization, training, support, maintenance and other software related services. **The provision of said services must be under a separate agreement between the Participating State and the applicable parties**.

2.7 Reporting

2.7.1 Standard Reports
Individual participating states may require their own standard reports, such as report on savings. Reseller shall provide these reports at the intervals, and in the format, as reasonably requested by the States. Reseller shall advise of standard reports which they can provide, and work with participating states on additional standard reports.

2.7.2 Online Reports
The SVAR shall be able to provide online, real time, reporting capabilities using website established for the state. These reports may include Back Order or Current Order Status reports. In addition, the system shall be able to provide the ability for the User agency to create custom reports. The requesting Participating State shall be able to select specific fields and create a necessary report for their specific needs. Data Fields shall include, but not be limited to, purchasing entity, Purchase Order Number, Order date, Invoice date, Publisher, Publisher Part Number, Software Reseller's Part Number, Description, Quantity Shipped, Unit actual price, Extended Price, Sales Tax and order total. Reports shall be able to be shown online as well as emailed to the requesting Participating State, if requested. Examples of Reseller's standard and online reports shall be submitted with the offer.

2.7.3 Custom Reports

Participating State and SVAR may mutually agree to include terms and conditions and pricing for the development and provision of customized reports as an optional service in a Participating Addendum.

2.8 Other Value-Added Services

SVAR may propose other Value-Added Services, e.g., key escrow, in their response. Such services from an awarded Offeror, if consistent with this Statement of Work, recommended by the Evaluation Team, and accepted by the PSCA, would be added to the final awarded contract.



1. Master Agreement Order of Precedence

a. Any Order placed under this Master Agreement shall consist of the following documents:
(1) A Participating State's Participating Addendum ("PA");
(2) NASPO ValuePoint Master Agreement Terms & Conditions;
(3) A Purchase Order issued against the Master Agreement;
(4) The Statement of Work;
(5) The Solicitation; and
(6) Contractor's response to the Solicitation, as revised (if permitted) and accepted by the Lead State.

b. These documents shall be read to be consistent and complementary. Any conflict among these documents shall be resolved by giving priority to these documents in the order listed above. Contractor terms and conditions that apply to this Master Agreement are only those that are expressly accepted by the Lead State and must be in writing and attached to this Master Agreement as an Exhibit or Attachment.

2. Definitions

Acceptance is defined by the applicable commercial code, except Acceptance of a Product fo which acceptance testing is not required shall not occur before the completion of delivery in accordance with the Order, installation, if required, and a reasonable time for inspection of the Product.

Contractor means the person or entity delivering Products or performing services under the terms and conditions set forth in this Master Agreement.

Embedded Software means one or more software applications which permanently reside on a computing device.

Intellectual Property means any and all patents, copyrights, service marks, trademarks, trade secrets, trade names, patentable inventions, or other similar proprietary rights, in tangible or intangible form, and all rights, title, and interest therein.

Lead State means the State centrally administering any resulting Master Agreement(s).

Master Agreement means the underlying agreement executed by and between the Lead State, acting on behalf of the NASPO ValuePoint program, and the Contractor, as now or hereafter amended.

NASPO ValuePoint is the NASPO Cooperative Purchasing Organization LLC, doing business as NASPO ValuePoint, a 501(c)(3) limited liability company that is a subsidiary organization the National Association of State Procurement Officials (NASPO), the sole member of NASPO ValuePoint. NASPO ValuePoint facilitates administration of the NASPO cooperative group contracting consortium of state chief procurement officials for the benefit of state departments, institutions, agencies, and political subdivisions and other eligible entities (i.e., colleges, school districts, counties, cities, some nonprofit organizations, etc.) for all states and the District of Columbia. NASPO ValuePoint is identified in the Master Agreement as the recipient of reports and may perform contract administration functions relating to collecting and receiving reports as well as other contract administration functions as assigned by the Lead State.

Order or **Purchase Order** means any purchase order, sales order, contract or other document used by a Purchasing Entity to order the Products.

Participating Addendum means a bilateral agreement executed by a Contractor and a Participating State incorporating this Master Agreement and any other additional Participating State specific language or other requirements, e.g. ordering procedures specific to the Participating State, other terms and conditions.

Participating State means a state, or other legal entity, properly authorized to enter into a Participating Addendum.

Participating State means a state, the District of Columbia, or one of the territories of the United States that is listed in the Request for Proposal as intending to participate. A Participating State is not required to participate through execution of a Participating Addendum. Upon execution of the Participating Addendum, a Participating State becomes a Participating State.

Product means any equipment, software (including embedded software), documentation, service or other deliverable supplied or created by the Contractor pursuant to this Master Agreement. The term Products, supplies and services, and products and services are used interchangeably in these terms and conditions.

Purchasing Entity means a state, city, county, district, other political subdivision of a State, and a nonprofit organization under the laws of some states if authorized by a Participating Addendum, who issues a Purchase Order against the Master Agreement and becomes financially committed to the purchase.

3. Term of the Master Agreement

The initial term of this Master Agreement is for two (2) years. This Master Agreement may be extended beyond the original contract period for successive periods with a maximum aggregate, including all extensions, not to exceed five (5) years at the Lead State's discretion and by mutual agreement and upon review of requirements of Participating Entities, current market conditions, and Contractor performance.

4. Amendments

The terms of this Master Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever without prior written approval of the Lead State.

5. Assignment/Subcontracts

a. Contractor shall not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this Master Agreement, in whole or in part, without the prior written approval of the Lead State.

b. The Lead State reserves the right to assign any rights or duties, including written assignment of contract administration duties to NASPO Cooperative Purchasing Organization LLC, doing business as NASPO ValuePoint.

6. Price and Rate Guarantee Period

All prices and rates must be guaranteed for the initial term of the Master Agreement. Following the initial Master Agreement period, any request for price or rate adjustment must be for an equal guarantee period, and must be made at least ninety (90) days prior to the effective date. Requests for price or rate adjustment must include sufficient documentation supporting the request. Any adjustment or amendment to the Master Agreement shall not be effective unless approved by the Lead State. No retroactive adjustments to prices or

rates will be allowed.

7. Cancellation

Unless otherwise stated, this Master Agreement may be canceled by either party upon 60 days written notice prior to the effective date of the cancellation. Further, any Participating State may cancel its participation upon 30 days written notice, unless otherwise limited or stated in the Participating Addendum. Cancellation may be in whole or in part. Any cancellation under this provision shall not affect the rights and obligations attending orders outstanding at the time of cancellation, including any right of and Purchasing Entity to indemnification by the Contractor, rights of payment for Products delivered and accepted, and rights attending any warranty or default in performance in association with any Order. Cancellation of the Master Agreement due to Contractor default may be immediate.

8. Confidentiality, Non-Disclosure, and Injunctive Relief

Provisions governing confidentiality of information during performance of orders for the State of Arizona are governed by The State of Arizona Special Terms and Conditions. Except where a Participating Addendum prescribes otherwise, this section governs confidentiality and disclosure of information of other Purchasing Entities.

a. Confidentiality. Contractor acknowledges that it and its employees or agents may, in the course of providing a Product under this Master Agreement, be exposed to or acquire information that is confidential to Purchasing Entity's or Purchasing Entity's clients. Any and all information of any form that is marked as confidential or would by its nature be deemed confidential obtained by Contractor or its employees or agents in the performance of this Master Agreement, including, but not necessarily limited to (1) any Purchasing Entity's records, (2) personnel records, and (3) information concerning individuals, is confidential information of Purchasing Entity ("Confidential Information"). Any reports or other documents or items (including software) that result from the use of the Confidential Information by Contractor shall be treated in the same manner as the Confidential Information. Confidential Information does not include information that (1) is or becomes (other than by disclosure by Contractor) publicly known; (2) is furnished by Purchasing Entity to others without restrictions similar to those imposed by this Master Agreement; (3) is rightfully in Contractor's possession without the obligation of nondisclosure prior to the time of its disclosure under this Master Agreement; (4) is obtained from a source other than Purchasing Entity without the obligation of confidentiality, (5) is disclosed with the written consent of Purchasing Entity or; (6) is independently developed by employees, agents or subcontractors of Contractor who can be shown to have had no access to the Confidential Information.

b. Non-Disclosure. Contractor shall hold Confidential Information in confidence, using at least the industry standard of confidentiality, and shall not copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties or use Confidential Information for any purposes whatsoever other than what is necessary to the performance of Orders placed under this Master Agreement. Contractor shall advise each of its employees and agents of their obligations to keep Confidential Information confidential. Contractor shall use commercially reasonable efforts to assist Purchasing Entity in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the generality of the foregoing, Contractor shall advise Purchasing Entity, applicable Participating State, and the Lead State immediately if Contractor learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Master Agreement, and Contractor shall at its expense cooperate with Purchasing Entity in seeking injunctive or other equitable relief in the name of Purchasing Entity or Contractor against any such person. Except as directed by Purchasing Entity, Contractor will not at any time during or after the term of this Master Agreement disclose, directly or

indirectly, any Confidential Information to any person, except in accordance with this Master Agreement, and that upon termination of this Master Agreement or at Purchasing Entity's request, Contractor shall turn over to Purchasing Entity all documents, papers, and other matter in Contractor's possession that embody Confidential Information. Notwithstanding the foregoing, Contractor may keep one copy of such Confidential Information necessary for quality assurance, audits and evidence of the performance of this Master Agreement.

c. Injunctive Relief. Contractor acknowledges that breach of this section, including disclosure of any Confidential Information, will cause irreparable injury to Purchasing Entity that is inadequately compensable in damages. Accordingly, Purchasing Entity may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies that may be available. Contractor acknowledges and agrees that the covenants contained herein are necessary for the protection of the legitimate business interests of Purchasing Entity and are reasonable in scope and content.

d. Purchasing Entity Law. These provisions shall be applicable only to extent they are not in conflict with the applicable public disclosure laws of any Purchasing Entity.

9. Right to Publish

Throughout the duration of this Master Agreement, Contractor must secure from the Lead State prior approval for the release of any information that pertains to the potential work or activities covered by the Master Agreement. The Contractor shall not make any representations of NASPO ValuePoint's opinion or position as to the quality or effectiveness of the services that are the subject of this Master Agreement without prior written consent. Failure to adhere to this requirement may result in termination of the Master Agreement for cause.

10. Defaults and Remedies

a. The occurrence of any of the following events shall be an event of default under this Master Agreement:

(1) Nonperformance of contractual requirements; or

(2) A material breach of any term or condition of this Master Agreement; or

(3) Any certification, representation or warranty by Contractor in response to the solicitation or in this Master Agreement that proves to be untrue or materially misleading; or

(4) Institution of proceedings under any bankruptcy, insolvency, reorganization or similar law, by or against Contractor, or the appointment of a receiver or similar officer for Contractor or any of its property, which is not vacated or fully stayed within thirty (30) calendar days after the institution or occurrence thereof; or

(5) Any default specified in another section of this Master Agreement.

b. Upon the occurrence of an event of default, Lead State shall issue a written notice of default, identifying the nature of the default, and providing a period of 15 calendar days in which Contractor shall have an opportunity to cure the default. The Lead State shall not be required to provide advance written notice or a cure period and may immediately terminate this Master Agreement in whole or in part if the Lead State, in its sole discretion, determines that it is reasonably necessary to preserve public safety or prevent immediate public crisis. Time allowed for cure shall not diminish or eliminate Contractor's liability for damages, including liquidated damages to the extent provided for under this Master Agreement.

c. If Contractor is afforded an opportunity to cure and fails to cure the default within the period specified in the written notice of default, Contractor shall be in breach of its obligations under this Master Agreement and Lead State shall have the right to exercise any or all of the following remedies:

(1) Exercise any remedy provided by law; and

(2) Terminate this Master Agreement and any related Contracts or portions thereof; and

(3) Impose liquidated damages as provided in this Master Agreement; and

(4) Suspend Contractor from being able to respond to future bid solicitations; and

(5) Suspend Contractor's performance; and

(6) Withhold payment until the default is remedied.

d. Unless otherwise specified in the Participating Addendum, in the event of a default under a Participating Addendum, a Participating State shall provide a written notice of default as described in this section and have all of the rights and remedies under this paragraph regarding its participation in the Master Agreement, in addition to those set forth in its Participating Addendum. Unless otherwise specified in a Purchase Order, a Purchasing Entity shall provide written notice of default as described in this section and have all of the rights and remedies under this paragraph and any applicable Participating Addendum with respect to an Order placed by the Purchasing Entity. Nothing in these Master Agreement Terms and Conditions shall be construed to limit the rights and remedies available to a Purchasing Entity under the applicable commercial code.

11. Shipping and Delivery.

Section 3.2.1.8 of the solicitation prescribes requirements for product delivery and return.

12. Changes in Contractor Representation

The Contractor must notify the Lead State of changes in the Contractor's key administrative personnel, in writing within 10 calendar days of the change. The Lead State reserves the right to approve changes in key personnel, as identified in the Contractor's proposal. The Contractor agrees to propose replacement key personnel having substantially equal or better education, training, and experience as was possessed by the key person proposed and evaluated in the Contractor's proposal.

13. Force Majeure

Neither party to this Master Agreement shall be held responsible for delay or default caused by "force majeure," as that term is defined in and under conditions specified in section 6.4 of the State of Arizona Uniform Terms and Conditions.

14. Indemnification

a. Section 5.1X1.1 of the State of Arizona Special Terms and Conditions governs indemnification of the State of Arizona. With respect to other entities, the Contractor shall defend, indemnify and hold harmless NASPO, NASPO Cooperative Purchasing Organization LLC (doing business as NASPO ValuePoint), the Lead State, Participating Entities, and Purchasing Entities, along with their officers, agents, and employees as well as any person or entity for which they may be liable, from and against claims, damages or causes of action including reasonable attorneys' fees and related costs for any death, injury, or damage to property arising from act(s), error(s), or omission(s) of the Contractor, its employees or subcontractors or volunteers, at any tier, relating to the performance under the Master Agreement.

b. Indemnification – Intellectual Property. Section 6.3 of the State of Arizona Uniform Terms and Conditions governs indemnification of the State for intellectual property infringement claims. With respect to other entities the Contractor shall defend, indemnify and hold harmless NASPO, NASPO Cooperative Purchasing

Organization LLC (doing business as NASPO ValuePoint), Participating Entities, Purchasing Entities, along with their officers, agents, and employees as well as any person or entity for which they may be liable ("Indemnified Party"), from and against claims, damages or causes of action including reasonable attorneys' fees and related costs arising out of the claim that the Product or its use, infringes Intellectual Property rights ("Intellectual Property Claim").

(1) The Contractor's obligations under this section shall not extend to any combination of the Product with any other product, system or method, unless the Product, system or method is:

(a) provided by the Contractor or the Contractor's subsidiaries or affiliates;

(b) specified by the Contractor to work with the Product; or

(c) reasonably required, in order to use the Product in its intended manner, and the infringement could not have been avoided by substituting another reasonably available product, system or method capable of performing the same function; or

(d) It would be reasonably expected to use the Product in combination with such product, system or method.

(2) The Indemnified Party shall notify the Contractor within a reasonable time after receiving notice of an Intellectual Property Claim. Even if the Indemnified Party fails to provide reasonable notice, the Contractor shall not be relieved from its obligations unless the Contractor can demonstrate that it was prejudiced in defending the Intellectual Property Claim resulting in increased expenses or loss to the Contractor. If the Contractor promptly and reasonably investigates and defends any Intellectual Property Claim, it shall have control over the defense and settlement of it. However, the Indemnified Party must consent in writing for any money damages or obligations for which it may be responsible. The Indemnified Party shall furnish, at the Contractor's reasonable request and expense, information and assistance necessary for such defense. If the Contractor fails to vigorously pursue the defense or settlement of the Intellectual Property Claim, the Indemnified Party may assume the defense or settlement of it and the Contractor shall be liable for all costs and expenses, including reasonable attorneys' fees and related costs, incurred by the Indemnified Party in the pursuit of the Intellectual Property Claim. Unless otherwise agreed in writing, this section is not subject to any limitations of liability in this Master Agreement or in any other document executed in conjunction with this Master Agreement.

15. Independent Contractor

The Contractor shall be an independent contractor. Contractor shall have no authorization, express or implied, to bind the Lead State, Participating States, other Participating Entities, or Purchasing Entities to any agreements, settlements, liability or understanding whatsoever, and agrees not to hold itself out as agent except as expressly set forth herein or as expressly agreed in any Participating Addendum.

16. Individual Customers

Except to the extent modified by a Participating Addendum, each Purchasing Entity shall follow the terms and conditions of the Master Agreement and applicable Participating Addendum and will have the same rights and responsibilities for their purchases as the Lead State has in the Master Agreement, including but not limited to, any indemnity or right to recover any costs as such right is defined in the Master Agreement and applicable Participating Addendum for their purchases. Each Purchasing Entity will be responsible for its own charges, fees, and liabilities. The Contractor will apply the charges and invoice each Purchasing Entity individually.

17. Insurance

a. The insurance requirements of the State of Arizona are specified in section 5.1 X 1.2 of the State of Arizona Special Terms and Conditions. For performance in other states, unless otherwise agreed in a Participating Addendum, Contractor shall, during the term of this Master Agreement, maintain in full force and effect, the insurance described in this section. Contractor shall acquire such insurance from an insurance carrier or carriers licensed to conduct business in each Participating State's state and having a rating of A-, Class VII or better, in the most recently published edition of Best's Reports. Failure to buy and maintain the required insurance may result in this Master Agreement's termination or, at a Participating State's option, result in termination of its Participating Addendum.

b. Coverage shall be written on an occurrence basis. The minimum acceptable limits shall be as indicated below, with no deductible for each of the following categories:

1) Commercial General Liability (CGL) – Occurrence Form

Policy shall include bodily injury, property damage, and broad form contractual liability coverage.

General Aggregate $2,000,000

Products – Completed Operations Aggregate $1,000,000

Personal and Advertising Injury $1,000,000

Damage to Rented Premises $50,0000

Each Occurrence $1,000,000

2) Business Automobile Liability

Bodily injury and Property Damage for any owned, hired, and/or non-owned automobiles used in the performance of this Contract. Combined Single Limit (CSL) $1,000,000

3) Technology Errors & Omissions Insurance

Each Claim $2,000,000

Annual Aggregate $2,000,000

Such insurance shall cover any, and all errors, omissions, or negligent acts in the delivery of products, services, and/or licensed programs under this contract. Coverage shall include or shall not exclude services, and/or licensed programs under this contract. Coverage shall include or shall not exclude settlement and/or defense of claims involving intellectual property, including but not limited to patent or copyright infringement. In the event that Tech E&O insurance required by this Contact is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years, beginning at the time work under this contract is completed.

c. Contractor shall pay premiums on all insurance policies. Such policies shall also reference this Master Agreement and shall have a condition that they not be revoked by the insurer until thirty (30) calendar days

after notice of intended revocation thereof shall have been given to Purchasing Entity and Participating State by the Contractor.

d. Prior to commencement of performance, Contractor shall provide to the Lead State a written endorsement to the Contractor's general liability insurance policy or other documentary evidence acceptable to the Lead State that (1) names the Participating States identified in the Request for Proposal as additional insureds, (2) provides that no material alteration, cancellation, non-renewal, or expiration of the coverage contained in such policy shall have effect unless the named Participating State has been given at least thirty (30) days prior written notice, and (3) provides that the Contractor's liability insurance policy shall be primary, with any liability insurance of any Participating State as secondary and noncontributory. Unless otherwise agreed in any Participating Addendum, the Participating State's rights and Contractor's obligations are the same as those specified in the first sentence of this subsection. Before performance of any Purchase Order issued after execution of a Participating Addendum authorizing it, the Contractor shall provide to a Purchasing Entity or Participating State who requests it the same information described in this subsection.

e. Contractor shall furnish to the Lead State, Participating State, and, on request, the Purchasing Entity copies of certificates of all required insurance within thirty (30) calendar days of the execution of this Master Agreement, the execution of a Participating Addendum, or the Purchase Order's effective date and prior to performing any work. The insurance certificate shall provide the following information: the name and address of the insured; name, address, telephone number and signature of the authorized agent; name of the insurance company (authorized to operate in all states); a description of coverage in detailed standard terminology (including policy period, policy number, limits of liability, exclusions and endorsements); and an acknowledgment of the requirement for notice of cancellation. Copies of renewal certificates of all required insurance shall be furnished within thirty (30) days after any renewal date. These certificates of insurance must expressly indicate compliance with each and every insurance requirement specified in this section. Failure to provide evidence of coverage may, at sole option of the Lead State, or any Participating State, result in this Master Agreement's termination or the termination of any Participating Addendum.

f. Coverage and limits shall not limit Contractor's liability and obligations under this Master Agreement, any Participating Addendum, or any Purchase Order.

18. Laws and Regulations

Any and all Products offered and furnished shall comply with solicitation section 5.10, Compliance with Applicable Laws.

19. License of Pre-Existing Intellectual Property

Any rights to intellectual property shall be as prescribed in the Lead State's solicitation and resulting contract, and Purchasing Entities shall have the same rights as the Lead State under those provisions.

20. No Waiver of Sovereign Immunity

In no event shall this Master Agreement, any Participating Addendum or any contract or any Purchase Order issued thereunder, or any act of a Lead State, a Participating State, or a Purchasing Entity be a waiver of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any claim or from the jurisdiction of any court.

This section applies to a claim brought against the Participating State only to the extent Congress

has appropriately abrogated the Participating State's sovereign immunity and is not consent by the Participating State to be sued in federal court. This section is also not a waiver by the Participating State of any form of immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

21. Ordering

a. Master Agreement order and purchase order numbers shall be clearly shown on all acknowledgments, shipping labels, packing slips, invoices, and on all correspondence.

b. The resulting Master Agreements permit Purchasing Entities to define project-specific requirements and informally compete the requirement among companies having a Master Agreement on an "as needed" basis. This procedure may also be used when requirements are aggregated or other firm commitments may be made to achieve reductions in pricing. This procedure may be modified in Participating Addenda and adapted to Purchasing Entity rules and policies. The Purchasing Entity may in its sole discretion determine which Master Agreement Contractors should be solicited for a quote. The Purchasing Agency may select the quote that it considers most advantageous, cost and other factors considered.

c. Each Purchasing Entity will identify and utilize its own appropriate purchasing procedure and documentation. Contractor is expected to become familiar with the Purchasing Entities' rules, policies, and procedures regarding the ordering of supplies and/or services contemplated by this Master Agreement.

d. Contractor shall not begin work without a valid Purchase Order or other appropriate commitment document compliance with the law of the Purchasing Entity.

e. Orders may be placed consistent with the terms of this Master Agreement during the term of the Master Agreement.

f. All Orders pursuant to this Master Agreement, at a minimum, shall include:

(1) The services or supplies being delivered;
(2) The place and requested time of delivery;
(3) A billing address;
(4) The name, phone number, and address of the Purchasing Entity representative;
(5) The price per hour or other pricing elements consistent with this Master Agreement and the contractor's proposal;
(6) A ceiling amount of the order for services being ordered; and
(7) The Master Agreement identifier.

g. All communications concerning administration of Orders placed shall be furnished solely to the authorized purchasing agent within the Purchasing Entity's purchasing office, or to such other individual identified in writing in the Order.

h. Orders must be placed pursuant to this Master Agreement prior to the termination date thereof, but may have a delivery date or performance period up to 120 days past the then-current termination date of this Master Agreement. Contractor is reminded that financial obligations of Purchasing Entities payable after the current applicable fiscal year are contingent upon agency funds for that purpose being appropriated, budgeted, and otherwise made available.

i. Notwithstanding the expiration or termination of this Master Agreement, Contractor agrees to perform in accordance with the terms of any Orders then outstanding at the time of such expiration or termination. Contractor shall not honor any Orders placed after the expiration or termination of this Master Agreement, or

otherwise inconsistent with its terms. Orders from any separate indefinite quantity, task orders, or other form of indefinite delivery order arrangement priced against this Master Agreement may not be placed after the expiration or termination of this Master Agreement, notwithstanding the term of any such indefinite delivery order agreement.

22. Participants

a. Contractor may not deliver Products under this Master Agreement until a Participating Addendum acceptable to the Participating State and Contractor is executed. The NASPO ValuePoint Master Agreement Terms and Conditions are applicable to any Order by a Participating State (and other Purchasing Entities covered by their Participating Addendum), except to the extent altered, modified, supplemented or amended by a Participating Addendum. By way of illustration and not limitation, this authority may apply to unique delivery and invoicing requirements, confidentiality requirements, defaults on Orders, governing law and venue relating to Orders by a Participating State, indemnification, and insurance requirements. Statutory or constitutional requirements relating to availability of funds may require specific language in some Participating Addenda in order to comply with applicable law. The expectation is that these alterations, modifications, supplements, or amendments will be addressed in the Participating Addendum or, with the consent of the Purchasing Entity and Contractor, may be included in the ordering document (e.g. purchase order or contract) used by the Purchasing Entity to place the Order.

b. Use of specific NASPO ValuePoint cooperative Master Agreements by state agencies, political subdivisions and other Participating Entities (including cooperatives) authorized by individual state's statutes to use state contracts are subject to the approval of the respective State Chief Procurement Official. Issues of interpretation and eligibility for participation are solely within the authority of the respective State Chief Procurement Official.

c. Obligations under this Master Agreement are limited to those Participating Entities who have signed a Participating Addendum and Purchasing Entities within the scope of those Participating Addenda. Financial obligations of Participating States are limited to the orders placed by the departments or other state agencies and institutions having available funds. Participating States incur no financial obligations on behalf of political subdivisions. Contractor shall email a fully executed PDF copy of each Participating Addendum to PA@wsca-naspo.org to support documentation of participation and posting in appropriate data bases.

d. NASPO Cooperative Purchasing Organization LLC, doing business as NASPO ValuePoint, is not a party to the Master Agreement. It is a nonprofit cooperative purchasing organization assisting states in administering the NASPO cooperative purchasing program for state government departments, institutions, agencies and political subdivisions (e.g., colleges, school districts, counties, cities, etc.) for all 50 states, the District of Columbia and the territories of the United States.

e. State Participating Addenda or other Participating Addenda shall not be construed to amend the terms of this Master Agreement between the Lead State and Contractor.

f. Participating Entities who are not states may under some circumstances sign their own Participating Addendum, subject to the approval of participation by the Chief Procurement Official of the state where the Participating State is located.

g. Resale. "Resale" means any transfer of software for compensation or assignment of services for compensation. Subject to any specific conditions included in the solicitation or Contractor's proposal as accepted by the Lead State, or as explicitly permitted in a Participating Addendum, Purchasing Entities may not resell Products (the definition of which includes software and services that are deliverables). Absent any

such condition or explicit permission, this limitation does not prohibit: payments by employees of a Purchasing Entity for Products; sales of Products to the general public as surplus property; and fees associated with inventory transactions with other governmental or nonprofit entities under cooperative agreements and consistent with a Purchasing Entity's laws and regulations. Any sale or transfer permitted by this subsection must be consistent with license rights granted for use of intellectual property.

23. Payment

Payment for completion of a contract order is normally made within 30 days following the date the entire order is delivered or the date a correct invoice is received, whichever is later. After 45 days the Contractor may assess overdue account charges up to a maximum rate of one percent per month on the outstanding balance. Payments will be remitted by mail. Payments may be made via a State or political subdivision "Purchasing Card" with no additional charge.

Any prompt payment terms proposed by contractor shall be extended to all Purchasing Entities.

24. Public Information.

This Master Agreement and all related documents are subject to disclosure pursuant to the Purchasing Entity's public information laws.

25. Records Administration and Audit.

a. The Contractor shall maintain books, records, documents, and other evidence pertaining to this Master Agreement and orders placed by Purchasing Entities under it to the extent and in such detail as shall adequately reflect performance and administration of payments and fees. Contractor shall permit the Lead State, a Participating State, a Purchasing Entity, the federal government (including its grant awarding entities and the U.S. Comptroller General), and any other duly authorized agent of a governmental agency, to audit, inspect, examine, copy and/or transcribe Contractor's books, documents, papers and records directly pertinent to this Master Agreement or orders placed by a Purchasing Entity under it for the purpose of making audits, examinations, excerpts, and transcriptions. This right shall survive for a period of five (5) years following termination of this Agreement or final payment for any order placed by a Purchasing Entity against this Agreement, whichever is later, to assure compliance with the terms hereof or to evaluate performance hereunder.

b. Without limiting any other remedy available to any governmental entity, the Contractor shall reimburse the applicable Lead State, Participating State, or Purchasing Entity for any overpayments inconsistent with the terms of the Master Agreement or orders or underpayment of fees found as a result of the examination of the Contractor's records.

c. The rights and obligations herein right exist in addition to any quality assurance obligation in the Master Agreement requiring the Contractor to self-audit contract obligations and that permits the Lead State to review compliance with those obligations.

26. Administrative Fees

a. The Contractor shall pay to NASPO ValuePoint, or its assignee, a NASPO ValuePoint Administrative Fee of one-quarter of one percent (0.25% or 0.0025) no later than 60 days following the end of each calendar quarter. The NASPO ValuePoint Administrative Fee shall be submitted quarterly and is based on all sales of products and services under the Master Agreement (less any charges for taxes or shipping). The NASPO ValuePoint

Administrative Fee is not negotiable. This fee is to be included as part of the pricing submitted with proposal.

b. Additionally, some states, such as the State of Arizona, may require an additional fee be paid directly to the state only on purchases made by Purchasing Entities within that state. For all such requests, the fee level, payment method and schedule for such reports and payments will be incorporated into the Participating Addendum that is made a part of the Master Agreement. The Contractor may adjust the Master Agreement pricing accordingly for purchases made by Purchasing Entities within the jurisdiction of the state. All such agreements shall not affect the NASPO ValuePoint Administrative Fee percentage or the prices paid by the Purchasing Entities outside the jurisdiction of the state requesting the additional fee. The NASPO ValuePoint Administrative Fee in subsection 26a shall be based on the gross amount of all sales (less any charges for taxes or shipping) at the adjusted prices (if any) in Participating Addenda.

27. NASPO ValuePoint Summary and Detailed Usage Reports

In addition to other reports that may be required by this solicitation, the Contractor shall provide the following NASPO ValuePoint reports.

a. Summary Sales Data. The Contractor shall submit quarterly sales reports directly to NASPO ValuePoint using the NASPO ValuePoint Quarterly Sales/Administrative Fee Reporting Tool found at http://www.naspo.org/WNCPO/Calculator.aspx. Any/all sales made under the contract shall be reported as cumulative totals by state. Even if Contractor experiences zero sales during a calendar quarter, a report is still required. Reports shall be due no later than 30 day following the end of the calendar quarter (as specified in the reporting tool).

b. Detailed Sales Data. Contractor shall also report detailed sales data by: (1) state; (2) entity/customer type, e.g. local government, higher education, K12, non-profit; (3) Purchasing Entity name; (4) Purchasing Entity bill-to and ship-to locations; (4) Purchasing Entity and Contractor Purchase Order identifier/number(s); (5) Purchase Order Type (e.g. sales order, credit, return, upgrade, determined by industry practices); (6) Purchase Order date; (7) Ship Date; (8) and line item description, including product number if used. The report shall be submitted in any form required by the solicitation. Reports are due on a quarterly basis and must be received by the Lead State and NASPO ValuePoint Cooperative Development Team no later than thirty (30) days after the end of the reporting period. Reports shall be delivered to the Lead State and to the NASPO ValuePoint Cooperative Development Team electronically through a designated portal, email, CD-Rom, flash drive or other method as determined by the Lead State and NASPO ValuePoint. Detailed sales data reports shall include sales information for all sales under Participating Addenda executed under this Master Agreement. The format for the detailed sales data report is in shown in EXHIBIT III_Cooperative Contract Sales Reporting Data Requirements and Data Format.

c. Reportable sales for the summary sales data report and detailed sales data report includes sales to employees for personal use where authorized by the solicitation and the Participating Addendum. Report data for employees should be limited to ONLY the state and entity they are participating under the authority of (state and agency, city, county, school district, etc.) and the amount of sales. No personal identification numbers, e.g. names, addresses, **social security numbers or any other numerical identifier**, may be submitted with any report.

d. Contractor shall provide the NASPO ValuePoint Cooperative Development Coordinator with an executive summary each quarter that includes, at a minimum, a list of states with an active Participating Addendum, states that Contractor is in negotiations with and any PA roll out or implementation activities and issues. NASPO ValuePoint Cooperative Development Coordinator and Contractor will determine the format and content of the executive summary. The executive summary is due 30 days after the conclusion of each

calendar quarter.

e. Timely submission of these reports is a material requirement of the Master Agreement. The recipient of the reports shall have exclusive ownership of the media containing the reports. The Lead State and NASPO ValuePoint shall have a perpetual, irrevocable, non-exclusive, royalty free, transferable right to display, modify, copy, and otherwise use reports, data and information provided under this section.

28. Standard of Performance and Acceptance.

Determination of the acceptability of services shall be made by the sole judgement of the Purchasing Entity. Acceptance shall be in writing, verbal acceptance will not be allowed. Services shall be completed in accordance with the Scope of Work, agreed to and accepted schedules, plans, and agreed to performance standards. Acceptance shall be one hundred percent (100%) functionality, which will be determined by the Purchasing Entity. Acceptance criteria shall include, but not be limited to conformity to the scope of work, quality of workmanship, and successfully performing all required Tasks. Nonconformance to a stated acceptance and performance criteria of both services and or products, as required, shall result in a delay for payment. The warranty period will begin upon Acceptance.

29. Warranty

The Contractor warrants for a period of 90 days from the date of Acceptance in accordance with the provisions of section 7 of the State of Arizona Uniform Terms and Conditions and section 5.1 N. of the State of Arizona Special Terms and Conditions, with rights of the State available to other Purchasing Entities. Upon breach of the warranty, the Contractor will repair or replace (at no charge to the Purchasing Entity) the Product whose nonconformance is discovered and made known to the Contractor. If the repaired and/or replaced Product proves to be inadequate, or fails of its essential purpose, the Contractor will refund the full amount of any payments that have been made. The rights and remedies of the parties under this warranty are in addition to any other rights and remedies of the parties provided by law or equity, including, without limitation, actual damages, and, as applicable and awarded under the law, to a prevailing party, reasonable attorneys' fees and costs.

30. (RESERVED)

31. Title of Product

Upon Acceptance by the Purchasing Entity, Contractor shall convey to Purchasing Entity title to Product consisting of tangible media free and clear of all liens, encumbrances, or other security interests.

32. Waiver of Breach

Failure of the Lead State, Participating State, or Purchasing Entity to declare a default or enforce any rights and remedies shall not operate as a waiver under this Master Agreement or Participating Addendum. Any waiver by the Lead State, Participating State, or Purchasing Entity must be in writing. Waiver by the Lead State or Participating State of any default, right or remedy under this Master Agreement or Participating Addendum, or by Purchasing Entity with respect to any Purchase Order, or breach of any terms or requirements of this Master Agreement, a Participating Addendum, or Purchase Order shall not be construed or operate as a waiver of any subsequent default or breach of such term or requirement, or of any other term or requirement under this Master Agreement, Participating Addendum, or Purchase Order.

33. Assignment of Antitrust Rights

Contractor irrevocably assigns to a Participating State any claim for relief or cause of action which the Contractor now has or which may accrue to the Contractor in the future by reason of any violation of state or federal antitrust laws (15 U.S.C. § 1-15 or a Participating State's state antitrust provisions), as now in effect and as may be amended from time to time, in connection with any goods or services provided to the Contractor for the purpose of carrying out the Contractor's obligations under this Master Agreement or Participating Addendum, including, at a Participating State's option, the right to control any such litigation on such claim for relief or cause of action.

34. Debarment

The Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract) by any governmental department or agency. This certification represents a recurring certification made at the time any Order is placed under this Master Agreement. If the Contractor cannot certify this statement, attach a written explanation for review by the Lead State.

35. Governing Law and Venue

a. The procurement, evaluation, and award of the Master Agreement shall be governed by and construed in accordance with the laws of the Lead State sponsoring and administering the procurement. The construction and effect of the Master Agreement after award shall be governed by the law of the state serving as Lead State (in most cases also the Lead State). The construction and effect of any Participating Addendum or Order against the Master Agreement shall be governed by and construed in accordance with the laws of the Participating State's or Purchasing Entity's State.

b. Unless otherwise specified in the RFP, the venue for any protest, claim, dispute or action relating to the procurement, evaluation, and award is in the Lead State. Venue for any claim, dispute or action concerning the terms of the Master Agreement shall be in the state serving as Lead State. Venue for any claim, dispute, or action concerning any Order placed against the Master Agreement or the effect of a Participating Addendum shall be in the Purchasing Entity's State.

c. If a claim is brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for (in decreasing order of priority): the Lead State for claims relating to the procurement, evaluation, award, or contract performance or administration if the Lead State is a party; the Participating State if a named party; the Participating State state if a named party; or the Purchasing Entity state if a named party.

36. NASPO ValuePoint eMarket Center

In July 2011, NASPO ValuePoint entered into a multi-year agreement with SciQuest, Inc. whereby SciQuest will provide certain electronic catalog hosting and management services to enable eligible NASPO ValuePoint's customers to access a central online website to view and/or shop the goods and services available from existing NASPO ValuePoint Cooperative Contracts. The central online website is referred to as the NASPO ValuePoint eMarket Center.

The Contractor will have visibility in the eMarket Center through Ordering Instructions. These Ordering Instructions are available at no cost to the Contractor and provided customers information regarding the Contractors website and ordering information.

At a minimum, the Contractor agrees to the following timeline: NASPO ValuePoint eMarket Center Site Admin shall provide a written request to the Contractor to begin Ordering Instruction process. The Contractor shall have thirty (30) days from receipt of written request to work with NASPO ValuePoint to provide any unique information and ordering instructions that the Contractor would like the customer to have.

37. Contract Provisions for Orders Utilizing Federal Funds.
Pursuant to Appendix II to 2 Code of Federal Regulations (CFR) Part 200, Contract Provisions for Non-Federal Entity Contracts Under Federal Awards, Orders funded with federal funds may have additional contractual requirements or certifications that must be satisfied at the time the Order is placed or upon delivery. These federal requirements may be proposed by Participating Entities in Participating Addenda and Purchasing Entities for incorporation in Orders placed under this master agreement.

38. State Government Support
No support, facility space, materials, special access, personnel or other obligations on behalf of the states or other Participating Entity, other than payment, are required under the Master Agreement.

5.1 State of Arizona Special Terms and Conditions

A. Purpose

Pursuant to provisions of the Arizona Procurement Code, A.R.S. 41-2501 Et Seq., the State of Arizona intends to establish a Contract (Participating Addendum, PA) for the materials or services as listed herein in service to the State.

B. Term of Contract

The term of any resultant Contract shall commence on date of execution and shall be for an initial period of two (2) years, unless terminated, canceled or extended as otherwise provided herein.

C. Contract Extensions

The Contract term is for period stated in Item B. subject to additional successive periods with a maximum aggregate including all extensions not to exceed five (5) years.

D. Contract Type – Fixed Price

E. Eligible Agencies (STATEWIDE)

This Contract shall be for the use of all State of Arizona departments, agencies, commissions and boards. In addition, eligible State Purchasing Cooperative members may participate at their discretion. In order to participate in this contract, a cooperative member shall have entered into a Cooperative Purchasing Agreement with the Department of Administration, State Procurement Office as required by Arizona Revised Statues § 41-2632.

Membership in the State Purchasing Cooperative is available to all Arizona political subdivisions including cities, counties, school districts, and special districts. Membership is also available to all non-profit organizations, as well as State governments, the US Federal Government and Tribal Nations. Non-profit organizations are defined in A.R.S. § 41-2631(4) as any nonprofit corporation as designated by the internal revenue service under section 501(c)(3) through 501(c)(6).

F. Licenses

The Contractor shall maintain in current status, all federal, state and local licenses and permits required for the operation of the business conducted by the Contractor.

G. Volume of Work

The State does not guarantee a specific amount of work either for the life of the Contract or on an annual basis.

H. Key Personnel

It is essential that the Contractor provide adequate experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this Contract. The Contractor must agree to assign specific individuals to the key positions if required.

1. The Contractor agrees that, once assigned to work under this Contract, key personnel shall not be removed or replaced without written notice to the State.
2. Key personnel who are not available for work under this Contract for a continuous period exceeding thirty (30) calendar days, or are expected to devote substantially less effort to the work than initially anticipated, the Contractor shall immediately notify the State, and shall, subject to the concurrence of the State, replace such personnel with personnel of substantially equal ability and qualifications.

I. Changes

The State may at any time make changes within the general scope of this Contract. The Contractor shall respond to the Change Order with a proposal. If any such change causes an adjustment in the cost of, or the time required for the performance of any part of the work under this Contract, whether changed or not changed by the Change Order, the Procurement Officer shall modify the Contract in writing via a bilateral Contract Amendment.

J. Price Adjustment

Any price adjustment shall be within the confines of the awarded contract, or as negotiated in service to this Contract. Any negotiated price adjustments for this Contract shall be documented via a bilateral Contract Amendment.

K. Payment Procedures

The State will not make payments to any Entity, Group or individual other than the Contractor with the Federal Employer Identification (FEI) Number identified in the Contract. Contractor invoices requesting payment to any Entity, Group or individual other than the contractually specified Contractor shall be returned to the Contractor for correction.

The Contractor shall review and insure that the invoices for services provided show the correct Contractor name prior to sending them for payment.

If the Contractor Name and FEI Number change, the Contractor must complete an “Assignment and Agreement” form transferring contract rights and responsibilities to the new Contractor. The State must indicate consent on the form. A written Contract Amendment must be signed by both parties and a new W-9 form must be submitted by the new Contractor and entered into the system prior to any payments being made to the new Contractor.

L. Information Disclosure

The Contractor shall establish and maintain procedures and controls that are acceptable to the State for the purpose of assuring that no information contained in its records or obtained from the state or from others in carrying out its functions under the contract shall be used or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the Contract. Persons requesting such information should be referred to the State. The Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of

the Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the State.

M. Employees of the Contractor

All employees of the Contractor employed in the performance of work under the Contract shall be considered employees of the Contractor at all times, and not employees of the State. The Contractor shall comply with the Social Security Act, Workman's Compensation laws and Unemployment laws of the State of Arizona and all State, local and Federal legislation relevant to the Contractor's business.

N. Warranty

All services supplied under this Contract shall be fully guaranteed by the Contractor for a minimum period of ninety (90) days from the date of acceptance by the State. Any defects of design, workmanship, or delivered materials, that would result in non-compliance shall be fully corrected by the Contractor without cost to the State.

O. Compliance with Applicable Laws

The Materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable licenses and permit requirements.

Contractor represents and warrants to the State that Contractor has the skill and knowledge possessed by members of its trade or profession and Contractor will apply that skill and knowledge with care and diligence so Contactor and Contractor's employees and any authorized subcontractors shall perform the Services described in this Contract in accordance with the Statement of Work.

Contractor represents and warrants that the Materials provided through this Contract and Statement of Work shall be free of viruses, backdoors, worms, spyware, malware and other malicious code that will hamper performance of the Materials, collect unlawful personally identifiable information on Users or prevent the Materials from performing as required under the terms and conditions of this Contract.

P. Non-Exclusive Contract

Any Contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of the State of Arizona. The State reserves the right to obtain like goods or services from another source when necessary, or when determined to be in the best interest of the State.

Q. Administrative Fee/Usage Reports

1. In accordance with ARS § 41-2633 the Department of Administration, State Procurement Office includes an Administrative Fee, in the majority of its Statewide contracts – multiple agency, multiple government, cooperative contracts. The Administrative Fee is used by the State to defray the additional costs associated with soliciting, awarding and administering statewide contracts.

   In addition to the State agencies, boards and commissions, statewide contracts are available to members of the State Purchasing Cooperative including cities, counties, school districts, special districts, other state governments, agencies of the federal government, tribal nations, schools, medical institutions, and nonprofit organizations.

   The Administrative Fee is the responsibility of the contractor. The Administrative Fee is a part of the contractor's unit prices and is not to be charged directly to the customer in the form of a

separate line item. In accordance with Section 26 of the NASPO ValuePoint Master Agreement Terms and Conditions, the 0.25% NASPO ValuePoint Administrative fee shall be incorporated into the Offerors base price. Other states, including the State of Arizona, may negotiate additional Administrative Fees in their Participating Addenda following award of a Master Agreement.

Further, Statewide contracts maintain one set of pricing for all customers and not separate prices for State agency customers and State Purchasing Cooperative customers.

2. State of Arizona Fee Amount:
Unless defined differently within the contract, the Statewide Contracts Administrative Fee shall be one percent (1.0%) of quarterly sales receipts under an active Statewide contract, transacted by only the members of the State Purchasing Cooperative, minus any taxes or regulatory fees, minus any returns or credits, and minus any shipping charges not already included in the unit prices. The Administrative Fee percentage is only applicable to amounts actually received by the contractor during the quarter and is not applicable to amounts ordered by customers but not yet paid for. The administrative fee is not paid on transactions with state agency customers.

3. Method of Assessment
At the completion of each quarter, the contractor reviews all sales under their contract in preparation for submission of their Usage Report. The contractor identifies all sales receipts transacted by members of the State Purchasing Cooperative and assesses one percent (1.0%) of this amount in their Usage Report. An updated list of State Purchasing Cooperative members may be found at: https://spo.az.gov/state-purchasing-cooperative . At its option, the State may expand or narrow the applicability of this fee. The State shall provide thirty (30) written notice prior to exercising or changing this option. The contractor shall summarize all sales, along with all assessed Administrative Fee amounts within their Usage Report, including total amounts for the following:
    - Total sales receipts from State agencies, boards and commissions;
    - Total sales receipts from members of the State Purchasing Cooperative; and
    - Total Administrative Fee amount based on one percent (1.0%) of the sales receipts from members of the State Purchasing Cooperative.

4. Submission of Reports and Fees. Within thirty (30) days following the end of the quarter, the contractor submits their Usage Report and if applicable, a check in the amount of one percent (1%) of their sales receipts from members of the State Purchasing Cooperative, to the Department of Administration, State Procurement Office. Contractors are required to use the State's current report templates unless you have authorization from your contract officer to use a different format. You need to complete Form 799, which is a cover letter that gives the totals of your transactions; and Form 801, which is an Excel spreadsheet that details your transactions. Sales to state agencies and the cooperative members are to be totaled separately. The most current forms can be downloaded at https://spo.az.gov/statewide-contracts-administrative-fee.

    4.1 The submission schedule for Administrative Fees and Usage reports shall be as follows:

FY Q1, July through September	Due October 31
FY Q2, October through December	Due January 31
FY Q3, January through March	Due by April 30
FY Q4, April through June	Due by July 31

4.2 Usage Reports and any questions are to be submitted by email to the state's designated usage report email address: usage@azdoa.gov

4.3 Administrative Fees shall be made out to the "State Procurement Office" and mailed to:

Department of Administration
General Services Division
ATTN: "Statewide Contracts Administrative Fee"
100 N. 15th Avenue, Suite 202
Phoenix, AZ 85007

5. The Administrative Fee shall be a part of the Contractor's unit prices and is not to be charged directly to the customer in the form of a separate line item. Statewide contracts shall not have separate prices for State Agency customers and State Purchasing Cooperative customers.

6. Contractor's failure to remit administrative fees in a timely manner consistent with the contract's requirements may result in the State exercising any recourse available under the contract or as provided for by law.

R. Acceptance

Determination of the acceptability of services shall be made by the sole judgment of the State. Acceptance shall be in writing, verbal acceptance will not be allowed. Services shall be completed in accordance with the Scope of Work, agreed to and accepted schedules, plans, and agreed to performance standards. Acceptance shall be one hundred percent (100%) functionality, which will be determined by the State. Acceptance criteria shall include, but not be limited to conformity to the scope of work, quality of workmanship and successfully performing all required Tasks. Nonconformance to any of the stated acceptance and performance criteria of both services and or products as required shall result in a delay for payment. Payment shall not be made until nonconformance to the criteria is corrected as determined by the State.

T. Performance

Contractor agrees that, from and after the date that the applicable services commence, its performance of the Scope of Services will meet or exceed industry best practices subject to the limitations and in accordance with the provisions set forth in this Contract. If the Services provided pursuant to this Contract are changed, modified or enhanced (whether by Change Order or through the provision of new Services), The State and the Contractor will review the current performance experience and will in good faith determine whether such experience should be adjusted and whether additional services should be implemented or whether services be removed. The following requirements shall also apply:

1. Failure to Perform

   If Contractor fails to complete any deliverable, then Contractor shall:

   1.1 Promptly perform a root-cause analysis to identify the cause of such failure;

   1.2 Use commercially reasonable efforts to correct such failure and to begin meeting the requirements as promptly as practicable;

   1.3 Provide the State with a report detailing the cause of, and procedure for correcting, such

failure; and

1.4 If appropriate under the circumstances, take action to avoid such failure in the future.

2. Root-Cause Analysis

In the event of the Contractor's failure to perform required services or meet agreed upon service levels or other Contractor service standards as required by the State under this Contract, the Contractor shall perform an analysis of the cause of the service level problem and implement remediation steps as appropriate. The State shall have the right to review the analysis and approve the remediation steps prior to or subsequent to their implementation, as deemed appropriate by the State, if the remediation steps impact State assets or operational processes.

U. Compensation

Should the Contractor fail to provide all required services or deliver work products, as agreed upon by State and the Contractor, the State shall be entitled to invoke applicable remedies, including but not limited to, withholding payment to the Contractor and declaring the Contractor in material breach of the Contract. If the Contractor is in any manner in default of any obligation or the Contractor's work or performance is determined by the State to be defective, sub-standard, or if audit exceptions are identified, the State may, in addition to other available remedies, either adjust the amount of payment or withhold payment until satisfactory resolution of the default, defect, exception or sub-standard performance. The Contractor shall reimburse the State on demand, or the State may deduct from future payments, any amounts paid for work products or performance which are determined to be an audit exception, defective or sub-standard performance. The Contractor shall correct its mistakes or errors without additional cost to the State. The State shall be the sole determiner as to defective or sub-standard performance.

The Contractor shall fulfill their contractual requirements including the Deliverables identified in the Statement of Work and fulfill the roles and responsibilities described in the Statement of Work for a firm fixed price, inclusive of travel and travel-related expenses. The fixed amount shall be inclusive of any fees for the use of any third party products or services required for use in the performance of this Contract

V. Contractor Performance Reports

Program management shall document Contractor performance, both exemplary and needing improvements where corrective action is needed or desired. Copies of corrective action reports will be forwarded to the Procurement Office for review and any necessary follow-up. The Procurement Office may contact the Contractor upon receipt of the report and may request corrective action. The Procurement Office shall discuss the Contractor's suggested corrective action plan with the Procurement Specialist for approval of the plan.

W. Offshore Performance of Work Prohibited

Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or "overhead" services, redundant back-up

services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

X. Indemnification and Insurance

1.1 Indemnification Clause

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, and any jurisdiction or agency issuing permits for any work included in the project, and their respective directors, officers, officials, agents and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, costs, losses, or expenses, (including reasonable attorney's fees), (hereinafter collectively referred to as "Claims") arising out of actual or alleged bodily injury or personal injury of any person (including death) or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of Contractor's directors, officers, agents, employees, volunteers or subcontractors. This indemnity includes any claim or amount arising or recovered under the Workers' Compensation Law or arising out of the failure of Contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all Claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. This indemnification will survive the termination of the above listed contract with the Contractor.

This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

1.2 Insurance Requirements

1.2.1 Contractor and subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Contract, insurance against claims for injury to persons or damage to property arising from, or in connection with, the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

1.2.2 The Insurance Requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that arise out of the performance of the work under this Contract by the Contractor, its agents, representatives, employees or subcontractors, and the Contractor is free to purchase additional insurance.

1.3 Minimum Scope and Limits of Insurance

Contractor shall provide coverage with limits of liability not less than those stated below.

1.3.1 Commercial General Liability (CGL) – Occurrence Form

Policy shall include bodily injury, property damage, and broad form contractual liability coverage.

General Aggregate	$2,000,000
Products – Completed Operations Aggregate	$1,000,000
Personal and Advertising Injury	$1,000,000
Damage to Rented Premises	$50,000
Each Occurrence	$1,000,000

a. The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.
b. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

1.3.2 Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned automobiles used in the performance of this Contract.

- Combined Single Limit (CSL) $1,000,000

Policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Contractor involving automobiles owned, hired and/or non-owned by the Contractor.

c. Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

1.3.3 Workers' Compensation and Employers' Liability

- Workers' Compensation Statutory
- Employers' Liability
  - Each Accident $1,000,000
  - Disease – Each Employee $1,000,000
  - Disease – Policy Limit $1,000,000

d. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards,

commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

e. This requirement shall not apply to each Contractor or subcontractor that is exempt under A.R.S. § 23-901, and when such Contractor or subcontractor executes the appropriate waiver form (Sole Proprietor or Independent Contractor).

1.3.4 Technology Errors & Omissions Insurance

- Each Claim $2,000,000
- Annual Aggregate $2,000,000

f. Such insurance shall cover any, and all errors, omissions, or negligent acts in the delivery of products, services, and/or licensed programs under this contract.

g. Coverage shall include or shall not exclude settlement and/or defense of claims involving intellectual property, including but not limited to patent or copyright infringement.

h. In the event that the Tech E&O insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years, beginning at the time work under this Contract is completed.

1.3.5 Media Liability Coverage

- Each Claim $2,000,000
- Annual Aggregate $2,000,000

i. Such insurance shall cover any and all errors and omissions or negligent acts in the production of content, including but not limited to plagiarism, defamation, libel, slander, false advertising, invasion of privacy, and infringement of copyright, title, slogan, trademark, service mark and trade dress.

j. In the event that the Media Liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained, or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

1.4 Additional Insurance Requirements

The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:

1.4.1 The Contractor's policies, as applicable, shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by the Department, its agents,

officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).

1.4.2 Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract.

1.5 Notice of Cancellation

Applicable to all insurance policies required within the Insurance Requirements of this Contract, Contractor's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the State of Arizona. Within two (2) business days of receipt, Contractor must provide notice to the State of Arizona if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to the Department and shall be mailed, emailed, hand delivered or sent by facsimile transmission to (State Representative's Name, Address & Fax Number).

1.6 Acceptability of Insurers

Contractor's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

1.7 Verification of Coverage

Contractor shall furnish the State of Arizona with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) as required by this Contract. An authorized representative of the insurer shall sign the certificates.

1.7.1 All certificates and endorsements, as required by this written agreement, are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

1.7.2 All certificates required by this Contract shall be sent directly to the Department. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete copies of all insurance policies required by this Contract at any time.

1.8 Subcontractors

Contractor's certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum Insurance

Requirements identified above. The Department reserves the right to require, at any time throughout the life of this contract, proof from the Contractor that its subcontractors have the required coverage.

1.9 Approval and Modifications

The Contracting Agency, in consultation with State Risk, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by administrative action.

1.10 Exceptions

In the event the Contractor or subcontractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a certificate of self-insurance. If the Contractor or subcontractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

Y. Data Privacy and Security

Contractor shall treat all information obtained through performance of the contract, as confidential or sensitive information consistent with State and federal law and State Policy. Contractor or its agents shall not use any data obtained in the performance of the contract in any manner except as necessary for the proper discharge of its obligations and protection of its rights related to this agreement. Contractor shall establish and maintain procedures and controls acceptable to the State for the purpose of assuring that data in its or its agents' possession is not mishandled, misused, released, disclosed, or used in an inappropriate manner in performance of the contract. This includes data contained in Contractor's records obtained from the State or others, necessary for contract performance. Contractor and its agents shall take all reasonable steps and precautions to safeguard this information and data and shall not divulge the information or data to parties other than those needed for the performance of duties under the contract.

Z. Data Privacy/Security Incident Management

Contractor and its agents shall cooperate and collaborate with appropriate State personnel to identify and respond to an information security or data privacy incident, including a security breach.

1. Threat of Security Breach

   Contractor(s) agrees to notify the State Chief Information Officer (CIO), the State Chief Information Security Officer (CISO) and other key personnel as identified by the State of any perceived threats placing the supported infrastructure and/or applications in danger of breach of security. The speed of notice shall be at least commensurate with the level of threat, as perceived by the Contractor(s). The State agrees to provide contact information for the State CIO, CISO and key personnel to the Contractor(s).

2. Discovery of Security Breach

   Contractor agrees to immediately notify the State CIO, the CISO and key personnel as identified by the State of a discovered breach of security. The State agrees to provide contact information

for the State CIO, the CISO and key personnel.

AA. Security Requirements for Contractor Personnel

Each individual proposed to provide services through this contract agrees to security clearance and background check procedures, including fingerprinting, as defined by the Arizona Department of Administration in accordance with Arizona Revised Statutes §41-710. The results of the individual's background check procedures must meet all HIPAA and law enforcement requirements. Contractor is responsible for all costs to obtain security clearance for their consultants providing services through this contract. Contractor personnel, agents or sub-contractors that have administrative access to the State's networks may be subject to any additional security requirements of the State as may be required for the performance of the contract. The Contractor, its agents and sub-contractors shall provide documentation to the State confirming compliance with all such additional security requirements for performance of the contract. Additional security requirements include but are not limited to the following:

1. Identity and Address Verification – that verifies the individual is who he or she claims to be including verification of the candidate's present and previous addresses;
2. UNAX/confidentiality Training;
3. HIPAA Privacy and Security Training; and
4. Information Security Training.

BB. Access Constraints and Requirements

Contractor access to State facilities and resources shall be properly authorized by State personnel, based on business need and will be restricted to least possible privilege. Upon approval of access privileges, the Contractor shall maintain strict adherence to all policies, standards, and procedures. Policies / Standards, ADOA/ASET Policies / Procedures, and Arizona Revised Statues (A.R.S.) §28-447, §28-449, §38-421, §13-2408, §13-2316, §41-770.

Failure of the Contractor, its agents or subcontractors to comply with policies, standards, and procedures including any person who commits an unlawful breach or harmful access (physical or virtual) will be subject to prosecution under all applicable state and / or federal laws.

Any and all recovery or reconstruction costs or other liabilities associated with an unlawful breach or harmful access shall be paid by the Contractor.

CC. Health Insurance Portability and Accountability Act of 1996

The Contractor warrants that it is familiar with the requirements of HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH Act) of 2009, and accompanying regulations and will comply with all applicable HIPAA requirements in the course of this Contract. Contractor warrants that it will cooperate with the State in the course of performance of the Contract so that both the State and the Contractor will be in compliance with HIPAA, including cooperation and coordination with the Arizona Strategic Enterprise Technology (ASET) Group, Statewide Information Security and Privacy Office (SISPO), Chief Privacy Officer and HIPAA Coordinator and other compliance officials required by HIPAA and its regulations. Contractor will sign any documents that are reasonably necessary to keep the State and Contractor in compliance with

HIPAA, including but not limited to, business associate agreements.

If requested, the Contractor agrees to sign a "Pledge to Protect Confidential Information" and to abide by the statements addressing the creation, use and disclosure of confidential information, including information designated as protected health information and all other confidential or sensitive information as defined in policy. In addition, if requested, Contractor agrees to attend or participate in job related HIPAA training that is: (1) intended to make the Contractor proficient in HIPAA for purposes of performing the services required and (2) presented by a HIPAA Privacy Officer or other person or program knowledgeable and experienced in HIPAA and who has been approved by the ASET/SISPO Chief Privacy Officer and HIPAA Coordinator.

Suggested References:
https://www.cms.gov/Regulations-and-Guidance/HIPAA-Administrative-Simplification/HIPAAGenInfo/downloads/hipaalaw.pdf

http://www.hhs.gov/ocr/privacy/hipaa/understanding/

DD. Compliance Requirements for A.R.S. § 41-4401, Government Procurement: E-Verify Requirement

1. The Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A. (That subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.)
2. A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the Contract and the Contractor may be subject to penalties up to and including termination of the Contract.
3. Failure to comply with a State audit process to randomly verify the employment records of Contractors and subcontractors shall be deemed a material breach of the Contract and the Contractor may be subject to penalties up to and including termination of the Contract.
4. The State Agency retains the legal right to inspect the papers of any employee who works on the Contract to ensure that the Contractor or subcontractor is complying with the warranty under paragraph One (1).

5.2 State of Arizona Uniform Terms and Conditions

1. Definition of Terms

As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

1.1. *"Attachment"* means any item the Solicitation requires the Offeror to submit as part of the Offer.

1.2. *"Contract"* means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.

1.3. "*Contract Amendment"* means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.

1.4. *"Contractor"* means any person who has a Contract with the State.

1.5. *"Days"* means calendar days unless otherwise specified.

1.6. *"Exhibit"* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.

1.7. *"Gratuity"* means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.

1.8. "*Materials"* means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.

1.9. *"Procurement Officer"* means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.

1.10. *"Services"* means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.

1.11. *"Subcontract"* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.

1.12. *"State"* means the State of Arizona and Department or Agency of the State that executes the Contract.

1.13. *"State Fiscal Year"* means the period beginning with July 1 and ending June 30.

2. Contract Interpretation

2.1. Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.

2.2. Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.

2.3. Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:

2.3.1. Special Terms and Conditions;

2.3.2. Uniform Terms and Conditions;

2.3.3. Statement or Scope of Work;

2.3.4. Specifications;

2.3.5. Attachments;

2.3.6. Exhibits;

2.3.7. Documents referenced or included in the Solicitation.

2.4. Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.

2.5. Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.

2.6. No Parole Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.

2.7. No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3. Contract Administration and Operation

3.1. Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.

3.2. Non-Discrimination. The Contractor shall comply with State Executive Order No. 2009-09 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.

3.3. Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.

3.4. Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines non-compliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.

3.5. Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless

otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.

3.6. Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.

3.7. Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.

3.8. Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.

3.9. Federal Immigration and Nationality Act. The contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.

3.10 E-Verify Requirements. In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A.

3.11 Offshore Performance of Work Prohibited.
Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically

stated otherwise in the specifications, this paragraph does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

4. Costs and Payments

4.1. Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.

4.2. Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.

4.3. Applicable Taxes.

4.3.1. Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.

4.3.2. State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.

4.3.3. Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

4.3.4. IRS W9 Form. In order to receive payment the Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona, unless not required by law.

4.4. Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.

4.5. Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:

4.5.1. Accept a decrease in price offered by the contractor;

4.5.2. Cancel the Contract; or

4.5.3. Cancel the contract and re-solicit the requirements.

5. Contract Changes

5.1. Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is

not specifically authorized by the procurement officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.

5.2. Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.

5.3. Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6. Risk and Liability

6.1. Risk of Loss: The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.

6.2. Indemnification

6.2.1. Contractor/Vendor Indemnification (Not Public Agency) The parties to this contract agree that the State of Arizona, its departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its departments, agencies, boards and commissions shall be responsible for its own negligence. Each party to this contract is responsible for its own negligence.

6.2.2. Public Agency Language Only Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers."

6.3. Indemnification - Patent and Copyright**.** The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.

6.4. Force Majeure.

6.4.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in

default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term *"force majeure"* means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

6.4.2. Force Majeure shall not include the following occurrences:

6.4.2.1. Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

6.4.2.2. Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or

6.4.2.3. Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

6.4.3. If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

6.4.4. Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

6.5. Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

7. Warranties

7.1. Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.

7.2. Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:

7.2.1. Of a quality to pass without objection in the trade under the Contract description;

7.2.2. Fit for the intended purposes for which the materials are used;

7.2.3. Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;

7.2.4. Adequately contained, packaged and marked as the Contract may require; and

7.2.5. Conform to the written promises or affirmations of fact made by the Contractor.

7.3. Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.

7.4. Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.

7.5. Compliance With Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.

7.6. Survival of Rights and Obligations after Contract Expiration or Termination.

7.6.1. Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.

7.6.2. Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

8. State's Contractual Remedies

8.1. Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.

8.2. Stop Work Order.

8.2.1. The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

8.2.2. If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and

the Contract shall be amended in writing accordingly.

8.3. Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.

8.4. Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.

8.5. Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

9. Contract Termination

9.1. Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.

9.2. Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.

9.3. Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.

9.4. Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time when in the best interest of the State, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by

the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.

9.5. Termination for Default.

9.5.1. In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

9.5.2. Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.

9.5.3. The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.

9.6. Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

10. Contract Claims

All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

11. Arbitration

The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (Title 41).

12. Comments Welcome

The State Procurement Office periodically reviews the Uniform Terms and Conditions and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 201, Phoenix, Arizona, 85007.

Attachment A: Qualifications

1. Overall Company Information

Requirement

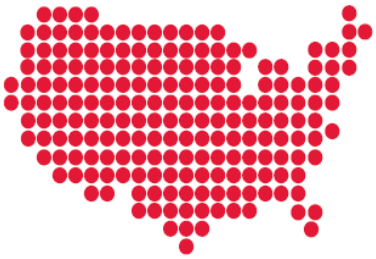
1.1 Business Operations
1.1.1 Provide a Brief overview of business operations, with an emphasis on the provision of services as a Software Value-Added Reseller.

Response

CDW was founded in 1984 as a home-based business, and has since grown tremendously through strategic partnerships, online and onsite inventories and services, and strong technical expertise to earn $12 billion in net sales in 2014. CDW partners with over 1,000 manufacturers to offer a portfolio of 100,000-plus products. Over 7,000 individuals constitute the CDW workforce, ranging from salespeople and field executives to administrative and service experts to highly skilled technology specialists and engineers.

Incorporated in 1998, CDW·G is the wholly owned subsidiary of CDW LLC that focuses on the public sector, including federal, state, and local government agencies, educational institutions, and healthcare facilities. With over 200 government and education contracts, we are the nation's largest direct response provider of multi-brand IT solutions. We are currently the largest value-added reseller in the United States, ranked #253 on the 2015 *Fortune 500* list.

CDW·G focuses on building strong customer relationships by leveraging our knowledgeable account managers and technical specialists to provide extensive pre- and post-award support. Our experts lead the industry in public-sector customer service and product knowledge, directly benefitting the various personnel of our public-sector customers.



Software Services

CDW is a market-leading software provider with $3 billion annually in software revenue. Through our distribution partner network, we offer nearly every software title available on the market today and have direct partnerships with over 300 software partners. As a company, we manage 25,000 software agreements and process over 180,000 annual software renewals. For the key itemized publishers named in this RFP, we maintain top-tier partnerships (e.g., Adobe Platinum Partner) and regularly receive annual awards (e.g., 2014 Microsoft O365 Sales Achievement Award).

Proof of Authorization

Our ability to supply NASPO ValuePoint members with the key and secondary itemized software publishers listed in the RFP rests on the strong partnerships forged with industry-leading manufacturers, whose solutions meet the needs of our public sector customers. Letters of authorization for each publisher can be provided upon request.

Key Itemized Publishers		
Publisher	**Relationship with CDW·G**	**Learn More**
Adobe	▪ Fully authorized Adobe Licensing Center (ALC) ▪ Platinum Channel Partner ▪ Adobe's largest and most successful reseller partner since 2001 ▪ CDW named **Adobe 2015 Consumer and Business Worldwide Partner of the Year** at Global Sales Conference (12/15/2015) ▪ Internal Adobe support team (8 licensing specialists, 1 Creative Cloud program specialists, 1 senior brand manager) ▪ The only Adobe reseller with multiple dedicated, onsite channel account managers (23 total)	www.cdwg.com/content/brands/adobe/
Citrix	▪ Citrix LAR Certified Partner certification ▪ Large Account Reseller Partner of the Year 2013, 2012, 2011 at Citrix Summit conference ▪ Internal Citrix specialist team (1 partner specialist, 3 technical specialists, 2 business development specialists, 1 brand manager) ▪ Hold over 400 Citrix certifications (e.g., CCA/Certified Administrator, CCEA/Certified Enterprise Administrator, CCSP/Certified Sales Professional)	www.cdwg.com/content/brands/citrix/
Microsoft	▪ Microsoft Gold Certified Partner, Software Asset Management (SAM) Partner, Authorized Direct Reseller (ADR) for Open Value licensing programs ▪ Number-one ranked Licensing Solution Provider (LSP) and Enterprise Software Advisor (ESA) ▪ Manage over 25,000 active Microsoft agreements ▪ Largest Microsoft Partner in Office 365 customer deployments, contract volume LSP of EAs/SAs, new enterprise agreements ▪ 2014 US OEM Reseller of the Year, Office 365 Sales Achievement Award, Experience Center (MEC) Partner of the Year	www.cdwg.com/content/brands/microsoft/
Novell	▪ Novell Gold Partner with distinctions: o ALA, MLSA, SLA, VLA, VLA academic, VLA nonprofit/government authorized reseller o End-user computing sales specialization o California SLP contract authorized reseller o NetIQ authorized reseller ▪ **4/6/2015:** Micro Focus completed its merger with The Attachmate Group, which acquired acquired Novell, Inc. (4/27/2011); Novell now operates as two separate business units under Novell® and SUSE® brand names, having joined Attachmate® and NetIQ® as holdings of The Attachmate Group	www.cdwg.com/content/brands/novell/

Key Itemized Publishers		
Publisher	**Relationship with CDW·G**	**Learn More**
Symantec	▪ Symantec Platinum Partner ▪ Named the **Symantec 2015 National Access Reseller (NAR) Innovation Partner of the Year** at Partner Engage awards (11/5/2015) ▪ Largest/top-selling LAR partner; Specialization Member (includes Endpoint Management, Data Loss Prevention, IT Compliance, Managed Security Services, SMB Backup, SMB Security, Enterprise Security, Archiving and eDiscovery, Data Protection with NetBackup, Storage Management) ▪ Dedicated internal Symantec team (16 CDW-badged coworkers (segment, renewals))	www.cdwg.com/content/brands/symantec/
VMware	▪ VMware Authorized Consulting (VAC) Program Gold member ▪ 2014 Global and Americas Marketing Partner of the Year award at VMware Partner Exchange ▪ 55+ dedicated internal VMware personnel (1 onsite brand manager, 6 pre-sales support specialists, 4 vCloud Air pre-sales/technical/business development specialists, 1 end-user computing channel account representative, 3 business development specialists, 5 renewal specialists, 5 capacity planner assessment engineers, 2 national account managers, 12 inside sales reps, 2 systems engineers, 14 virtualization solution architects) ▪ Over 1,500 VMware Sales Professional (VSP) accreditations; 34 VMware Certified Professional (VCP) accreditations; 71 VMware Technical Sales Professional (VTSP) accreditations	www.cdwg.com/content/brands/vmware/

Requirement

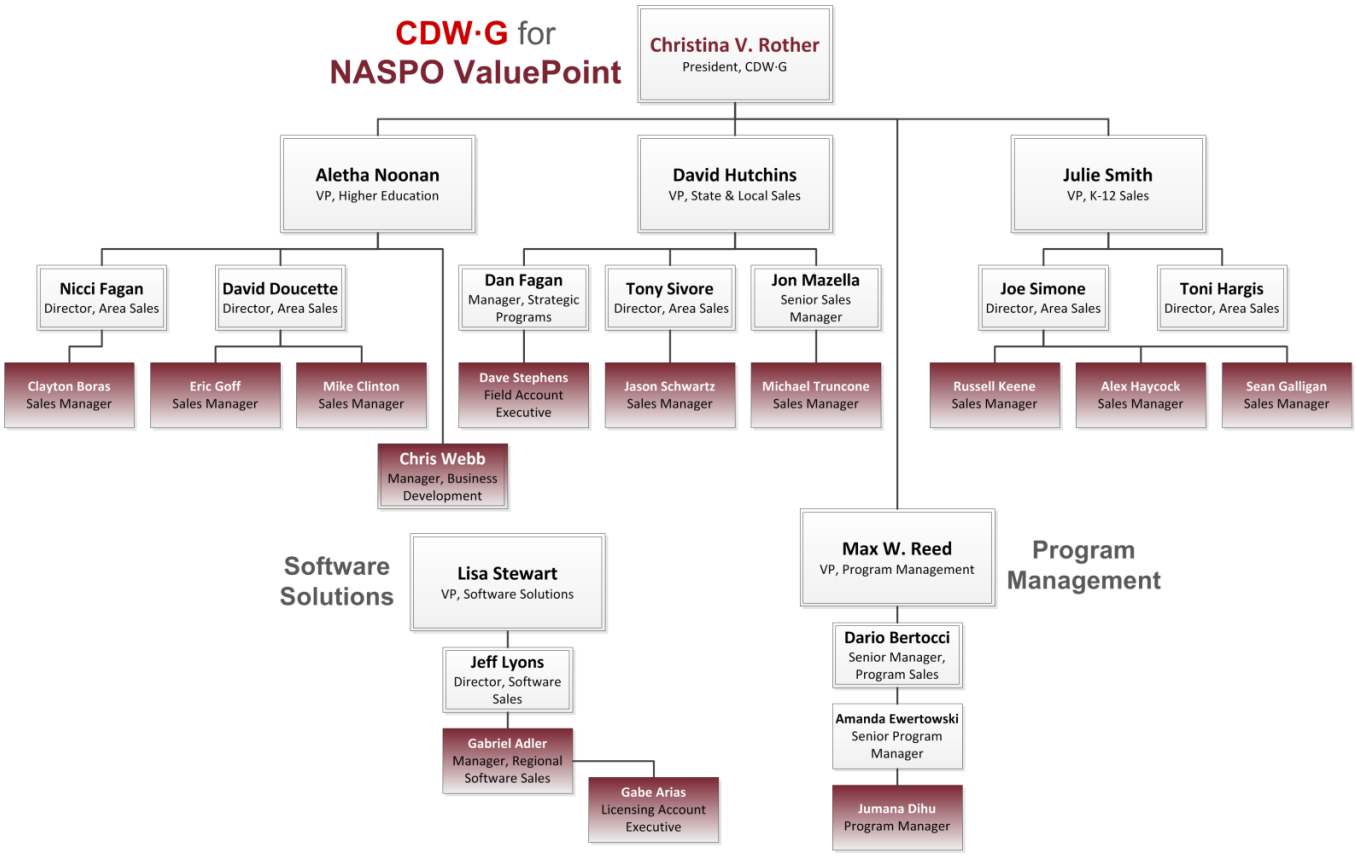
1.1.2 Provide the following information using the format below.

Response

1.1 Business Operations	
Required Information	**Offeror's Response**
1.1.2.1 Offeror's full legal name	CDW Government LLC (CDW·G)
1.1.2.2 Primary business contact information (name, address, phone number, email address, website)	Jason Schwartz, Sales Manager 230 N Milwaukee Ave Vernon Hills, IL 60061 P: 877.325.0934 E: jasons@cdw.com W: cdwg.com/PeopleWhoGetIT
1.1.2.3 Date Company was established	CDW·G was incorporated in 1998; parent company CDW was founded in 1984.
1.1.2.4 Location where the Offeror is incorporated	CDW·G is incorporated in the state of Illinois.
1.1.2.5 Ownership structure (public, partnership, subsidiary, etc.)	CDW Government LLC is a wholly owned subsidiary of CDW LLC, which is owned by CDW Corporation, a publicly traded entity under NASDAQ (ticker symbol "CDW").
1.1.2.6 Office location(s)	**Corporate Headquarters**

1.1 Business Operations	
Required Information	**Offeror's Response**
responsible for performance of contract. Include address, contact information.	230 N Milwaukee Ave Vernon Hills, IL 60061 P: 800.808.4239 **Eastern Distribution Center** 200 N Milwaukee Ave Vernon Hills, IL 60061 P: 847.465.6000 **Western Distribution Center** 3201 E Alexander Road North Las Vegas, NV 89030 P: 702.495.5000
1.1.2.7 Organizational chart relevant to Scope of Work of this solicitation.	An organizational chart pertaining to this solicitation immediately follows this table. Names in **red boxes** have resumes included in this Attachment.
1.1.2.8 Contact information for the individual who is responsible for any clarifications or discussions regarding the submitted response.	Edie Harris, Proposal Manager P: 312.705.6285 E: ellharr@cdw.com

The following organizational chart is indicative of the personnel structure that will be supporting the NASPO ValuePoint contract and its members throughout the life of the agreement. Names in **red boxes** have resumes included in this Attachment.



Requirement

1.2 Key Personnel—Provide the information, using the format below, regarding each Key Personnel for a resultant contract for items 1.2.1 through 1.2.5:

Response

The following key personnel will participate in serving the NASPO ValuePoint contract and its participating member agencies. Please note that the named personnel included in this response are not meant to provide an exhaustive list of the CDW·G sales, software, and support individuals who will be involved in serving this contract's participating states.

Program Management

1.2 Key Personnel	
Required Information	**Offeror's Response**
1.2.1 Name	Jumana Dihu
1.2.2 Position/Title and reporting responsibilities	Program Manager, State & Local Government
1.2.3 Years of industry experience	13 years
1.2.4 Years in current position	Two (2) years
1.2.5 Proposed role relative to Offered services. Include the functions and tasks for which they will have prime responsibilities.	Program Manager; will oversee NASPO ValuePoint contract details post-award, including reports, audits, and management

Software Solutions

1.2 Key Personnel	
Required Information	**Offeror's Response**
1.2.1 Name	Gabriel Adler
1.2.2 Position/Title and reporting responsibilities	Sales Manager, Software Solutions
1.2.3 Years of industry experience	Nine (9) Years
1.2.4 Years in current position	Two (2) years
1.2.5 Proposed role relative to Offered services. Include the functions and tasks for which they will have prime responsibilities.	Sales Manager, Software; oversees team of licensing account executives and field specialists, grows public-sector software sales

1.2 Key Personnel	
Required Information	**Offeror's Response**
1.2.1 Name	Gabe Arias
1.2.2 Position/Title and reporting responsibilities	Licensing Account Executive, Software Solutions
1.2.3 Years of industry experience	Nine (9) years
1.2.4 Years in current position	Four (4) years
1.2.5 Proposed role relative to Offered services. Include the functions and tasks for which they will have prime responsibilities.	Licensing Account Executive, Software; helps NASPO ValuePoint customers manage software investments and cultivates trusted client relationships at CIO/Director level within state agencies

State & Local Sales

1.2 Key Personnel	
Required Information	**Offeror's Response**
1.2.1 Name	Jason Schwartz
1.2.2 Position/Title and reporting responsibilities	Sales Manager, State & Local
1.2.3 Years of industry experience	10 years
1.2.4 Years in current position	Two (2) years
1.2.5 Proposed role relative to Offered services. Include the functions and tasks for which they will have prime responsibilities.	Sales Manager, Pacific Geography; oversees account managers handling NASPO ValuePoint members, maintains regional relationships with publishers/manufacturers, long-term contract success strategy

1.2 Key Personnel	
Required Information	**Offeror's Response**
1.2.1 Name	Michael Truncone
1.2.2 Position/Title and reporting responsibilities	Sales Manager, State & Local
1.2.3 Years of industry experience	11 years
1.2.4 Years in current position	One (1) year
1.2.5 Proposed role relative to Offered services. Include the functions and tasks for which they will have prime responsibilities.	Sales Manager, Keystone Geography; oversees account managers handling NASPO ValuePoint members, maintains regional relationships with

1.2 Key Personnel	
Required Information	**Offeror's Response**
	publishers/manufacturers, long-term contract success strategy

1.2 Key Personnel	
Required Information	**Offeror's Response**
1.2.1 Name	Clayton Boras
1.2.2 Position/Title and reporting responsibilities	Sales Manager, State & Local
1.2.3 Years of industry experience	17 years
1.2.4 Years in current position	12 years
1.2.5 Proposed role relative to Offered services. Include the functions and tasks for which they will have prime responsibilities.	Sales Manager, Keystone Geography; oversees account managers handling NASPO ValuePoint members, maintains regional relationships with publishers/manufacturers, long-term contract success strategy

1.2 Key Personnel	
Required Information	**Offeror's Response**
1.2.1 Name	Dave Stephens
1.2.2 Position/Title and reporting responsibilities	Business Development Manager, Public Safety
1.2.3 Years of industry experience	30 years
1.2.4 Years in current position	Seven (7) years
1.2.5 Proposed role relative to Offered services. Include the functions and tasks for which they will have prime responsibilities.	Business Development, Northwest and Pacific Geographies (15 states); works with publishers/manufacturers and NASPO ValuePoint customers to determine best-fit solution options

K–12 Sales

1.2 Key Personnel	
Required Information	**Offeror's Response**
1.2.1 Name	Russell Keene
1.2.2 Position/Title and reporting responsibilities	Sales Manager, K–12 Sales
1.2.3 Years of industry experience	19 years
1.2.4 Years in current position	12 years
1.2.5 Proposed role relative to Offered services. Include the functions and tasks for which they will have prime responsibilities.	Sales Manager, Pacific Geography (includes Arizona, Hawaii); oversees account managers handling NASPO ValuePoint members, maintains regional relationships with publishers/manufacturers, long-term contract success strategy

1.2 Key Personnel	
Required Information	**Offeror's Response**
1.2.1 Name	Alex Haycock
1.2.2 Position/Title and reporting responsibilities	Sales Manager, K–12 Sales
1.2.3 Years of industry experience	Five (5) years
1.2.4 Years in current position	One (1) year
1.2.5 Proposed role relative to Offered services. Include the functions and tasks for which they will have prime responsibilities.	Sales Manager, North Pacific (California and Alaska) Geography; oversees account managers handling NASPO ValuePoint members, maintains regional relationships with publishers/manufacturers, long-term contract success strategy

1.2 Key Personnel	
Required Information	**Offeror's Response**
1.2.1 Name	Sean Galligan
1.2.2 Position/Title and reporting responsibilities	Sales Manager, K–12 Sales
1.2.3 Years of industry experience	Eight (8) years
1.2.4 Years in current position	One (1) year
1.2.5 Proposed role relative to Offered services. Include the functions and tasks for which they will have prime responsibilities.	Sales Manager, New England Geography; oversees account managers handling NASPO ValuePoint members, maintains regional relationships with publishers/manufacturers, long-term contract success strategy

Higher Education Sales

1.2 Key Personnel	
Required Information	**Offeror's Response**
1.2.1 Name	Mike Clinton
1.2.2 Position/Title and reporting responsibilities	Sales Manager, Higher Education
1.2.3 Years of industry experience	13 years
1.2.4 Years in current position	One (1) year
1.2.5 Proposed role relative to Offered services. Include the functions and tasks for which they will have prime responsibilities.	Sales Manager, Northwest Geography; oversees account managers handling NASPO ValuePoint members, maintains regional relationships with publishers/manufacturers, long-term contract success strategy

1.2 Key Personnel	
Required Information	**Offeror's Response**
1.2.1 Name	Chris Webb
1.2.2 Position/Title and reporting responsibilities	Business Development Manager, Higher Education
1.2.3 Years of industry experience	11 years
1.2.4 Years in current position	Seven (7) years
1.2.5 Proposed role relative to Offered	Business Development, National Contracts; works

1.2 Key Personnel	
Required Information	**Offeror's Response**
services. Include the functions and tasks for which they will have prime responsibilities.	with publishers/manufacturers and NASPO ValuePoint customers to determine best-fit solution options

1.2 Key Personnel	
Required Information	**Offeror's Response**
1.2.1 Name	Eric Goff
1.2.2 Position/Title and reporting responsibilities	Sales Manager, Higher Education
1.2.3 Years of industry experience	15 years
1.2.4 Years in current position	Seven (7) years
1.2.5 Proposed role relative to Offered services. Include the functions and tasks for which they will have prime responsibilities.	Sales Manager, Pacific Geography; oversees account managers handling NASPO ValuePoint members, maintains regional relationships with publishers/manufacturers, long-term contract success strategy

Requirement

1.2.6 In addition, provide a brief resume which contains education/credentials/certifications/employment.

Response

Resumes for the named key personnel in the previous requirement are featured at the end of this section, in the following order:

- Jumana Dihu
- Gabriel Adler
- Gabe Arias
- Jason Schwartz
- Michael Truncone
- Clayton Boras
- Dave Stephens
- Russell Keene
- Alex Haycock
- Sean Galligan
- Mike Clinton
- Chris Webb
- Eric Goff

Requirement

1.3 Account Management Team—Provide a description of the responsibilities of the dedicated account management team(s) that would be assigned to each Participating State under resultant contract. Include a description of how the account management structure ensures that service will continue despite vacations, illness, other absences or resignations.

Response

Whenever an **account manager** (AM) is out of the office (e.g., vacation, illness, absence), they designate a fellow coworker to assist their customers, leaving no gap in support.

This designated backup AM will be an individual who supports other NASPO ValuePoint customers, to ensure knowledge of contract requirements. As an extra point of redundancy, customers can also reach out to our CDW·G general sales support team at the following:

- Phone: 800.808.4239
- Email: cdwgsales@web.cdwg.com
- Chat: www.cdwg.com

Our Connecticut-based team staffing these lines of communication is available Monday-Friday, 7am-6pm CST. In instances of coworker resignation, the sales manager overseeing a given account team will assign the departing AM's customers to an experienced account manager who possesses familiarity with the NASPO ValuePoint contract and purchase history.

Account managers are proactively available to their customers to make regular solution recommendations, in addition to addressing support concerns. For more familiar and less complex public-sector software solutions, the AM can call our Supplemental Presales Support line to assist with product research, competitive comparison, simple design, standard architecture, and more. If necessary, the AM will include the customer on this call to further craft the best solution.

With complex customer requests or solutions, the AM engages our **software licensing team**, and their technology specialists and solution architects. Within 48 hours of the initial request, this group works out an offer/solution to present to the customer, including (but not limited to) features, cost analysis, licensing agreement/contract details, interoperability with current environment, implementation actions, and any available maintenance or software assurance programs.

Sales managers work with our AMs to develop strategies that best serve customers for long-term success. They spend significant time meeting with customers to understand the dynamics of the local market, and will ensure NASPO ValuePoint customers receive full advantage of CDW·G's software offerings. Additionally, sales managers are responsible for building and maintaining strong relationships with our top manufacturing partners in each region. For example, leveraging a strong existing relationship with the area Symantec representative can provide contract-specific cost savings that benefit NASPO ValuePoint members.

When the number of customers being supported in a particular geographic location reaches a certain capacity, CDW·G dedicates a local resource to support the group. **Field account managers** work jointly with our AMs to provide comprehensive sales support, and are available for onsite business meetings as needed to offer project development, technical expertise, roadmapping, and business reviews.

These coworkers are responsible for promoting the contract to end-users, including **free** trainings in the field, presentations, and attendance at regional tech fairs. They will meet with NASPO ValuePoint, the LSCA, or agency customers for contract status and progress reports, and will assist in solving customer-service issues in the field.

Requirement

1.4 Subcontractors—Provide the following information for items 1.4.1 through 1.4.3, using the format below, for any subcontractors you propose to use.

- 1.4.1 Name of individual or company;
- 1.4.2 Proposed work to be performed;
- 1.4.3 Approximate percentage of work directed to subcontractor relative to total work under a resultant contract;
- 1.4.4 In addition, provide a brief resume which contains education / credentials / certifications / employment.

Response

For the purposes of this RFP, at the time of this submission, CDW·G is not proposing the use of any subcontracting partners.

2. Company's Experience

Requirement

Describe the Offeror's experience and expertise providing the following services:

- 2.1 Account Management (assume 'accounts' as equivalent to a state contract, and to a using municipality).

Response

Expert contract support is a hallmark of CDW·G's **program management team**. Most vendors—even large resellers—neglect to have a team devoted to managing their contracts, instead relying on salespeople for compliance and reporting issues, which can result in delayed responses, unreliable support, and potentially faulty reporting. CDW·G, however, understands that contracts are serious commitments, and we honor these commitments through our dedicated program management team.

Jumana Dihu will manage the NASPO ValuePoint SVAR contract and agreements. Ms. Dihu has over a decade of contract management experience and has been supporting our NASPO ValuePoint reseller agreements for over two years. Our account teams and manufacturing partners know Ms. Dihu is the resident expert for our NASPO ValuePoint contracts and often reach out to her for assistance on related issues. Other knowledgeable program managers will be actively supporting the contract, both as out-of-office backup for Ms. Dihu or in a scenario where she transitions to a new career level.

To support our NASPO ValuePoint customers, CDW·G provides one primary point-of-contact—an account manager (as described in **requirement 1.3**). Our account managers, their supporting product specialists, and their sales managers understand the current technology trends and are specialized to only work public-sector customers. The multiple teams that will be supporting the participating states are, by and large, generalists; they understand the broad range of equipment and services we offer and often have sales certifications for several leading manufacturers. Rather than organizing our account teams by solution type, we've seen greater customer benefit organizing them by the type and location of the patrons they serve.

By asking our generalist sales teams to have laser-like focus on their customers and a strong general understanding of our product offering, we ensure that we're matching the right products to each customer's highly individual needs. For this reason, we go through the effort of breaking down the geography that each of our account managers covers by having them work with customers that are closely located to each other.

This is done because we understand that our government customers like to benchmark how they purchase and what they purchase in relation to their neighbors. Due to this degree of granularity when distributing accounts, our account managers can propose products that an agency's counterpart is using in the next town, middle school, or university in many instances from personal experience.

However, we recognize that some of our products and services are so complex that a generalist's approach is not enough. That is where our specialized sales force comes in. Similar to the general account teams, our specialists are split between in-house teams and field teams. They are organized primarily around technology type (e.g., cloud, mobility, data centers, etc.) and secondarily around customer type. If an account manager or field account executive requires additional depth of knowledge for a certain type of solution, they'll call in their specialist resources.

Requirement

- 2.2 License Management.

Response

The Software Licensing Support Team is vital in ensuring purchases that are scalable and complement software that is currently in place, as well as those forecasted for future projects. Our software support team includes over 85 Software Licensing Specialists, 250 Presales Systems Engineers, and 45 Licensing Account Executives. They assist with the full scope of software licensing and assist customers with leveraging their buying power for software purchases; provide the right mix of software products; and offer cost analysis of available discounts and credits.

Dedicated account managers will help NASPO ValuePoint customers with software license management needs. License management is detailed further in **Attachment B**.

Requirement

- 2.3 Training

Response

After the six-week intensive training members of our sales team undergo, they continue to receive an average of 165 hours of training in their first year at CDW·G, and participate in more than 140 hours in each subsequent year of employment. Our sales teams are also proactive in being certified experts in the products they sell, with proof of this dedication in the numbers. For example, we have over 1,500 VMware Sales Professionals (VSPs) on staff; the result is more leads generated, stronger customer relationships, and the ability to help our customers prioritize their technology needs.

Requirement

- 2.4 Software Advisement

Response

The software-specific coworkers of CDW·G who collaborate with our account managers to help advise customers on their right-size solution include the following:

- **Software Licensing Specialists (SLS).** This team is certified in a wide array of the licensing programs members seek. SLSs are dedicated to assisting customers in understanding and navigating complex licensing options for the top software publishers. They help compare key features of different programs, and ensure interoperability of products and the accuracy and comprehensiveness of software quotes. They assist users in finding the best software to fit their needs, along with the most advantageous licensing level.
- **Partner Specialists.** These individuals provide insight into product features and functionality, making sure that software is being sold correctly. Among their duties, they provide accurate licensing solutions. The Partner Specialist teams providing support to CDW·G solutions include over 30 experts focused on our software offering. These coworkers are designated to a specific brand, such as Microsoft, or to a solution, such as cloud. This relates to expert assistance for not only key itemized manufacturers, but to all the publishers users are purchasing.
- **Cloud Client Executives (CCE).** Similar to our SLS team, our 14 CCEs work with our customers to provide guidance and optional engagements to align their unique business goals with a cloud plan that provides maximum benefits.

Requirement

- 2.5 Other (specify)

Response

CDW·G also leverages the following resources to provide unmatched support for customers' IT solutions:

Engineers

Also included in our recognizable attributes is an investment in engineers that are available to help design custom solutions. We have the largest team of engineers when compared to our direct IT competitors, more on par with the big integrator firms that serve the federal market—such as Boeing—than other potential respondents. Through the account teams located in strategic geographies across the nation, our engineers provide customers design and consultative services at **no additional charge**.

Partner Resources

Many of our OEM partners have staff dedicated to support CDW•G customers exclusively. In March 2015, over 340 partner coworkers from over 100 various partners were collocated with CDW•G, collaborating with our sales teams and engineers to provide expert help to our customers. The wide variety of partners that are onsite allows us to help customers analyze the best value among the products under consideration and provide the right product for each customer the first time.

Distribution Facilities

Our distribution infrastructure is another key reason why no other IT solution provider in the industry can match our ability to service NASPO ValuePoint customers. As our number of orders has increased across the public and corporate sector, we continue to achieve higher order accuracy year over year. We own two distribution centers that have one million square feet of storage space and stock over $200 million in inventory at any given time.

This combination of stock and shipping infrastructure allows us to ship on average 37,000 boxes per day. Despite all of these capabilities, we do not solely rely on our facilities to meet customer needs; we complement our own distribution centers with our distribution partner network, leveraging the most cost-effective solution for each individual product line and customer order.

Distribution Partner Network

Our Distribution Partner Network includes over 130 different suppliers, meaning we can provide any solution customers need. Similarly to our OEM partners, we're the largest partner for many of our distributors. Like our manufacturer partner relationships, this results in direct benefits for CDW•G, which we pass along to our customers.

Most partners send us EDI (Electronic Data Interchange) downloads or real time information on their available inventory, resulting in access to products usually in as little as a day. As an example, we are a top Ingram Micro partner and hold Elite Partner status. This partnership provides a customized and exclusive support resource to our account teams and customers, among other benefits.

3. Clients

Requirement

3.1 Provide information on Offeror's current government client list.

- 3.1.1 Explain the services provided to each and how long Offeror has been working with each.

Response

CDW·G has vested partnerships with nearly every government entity in the US. For insight into our customer base, we served over 5,200 customers in 2014 on our NASPO ValuePoint reseller agreements alone.

Our 2014 net sales to federal, state, and local governments totaled $1.5 billion; state and local government sales accounted for approximately 41 percent of these net sales. The top product categories provided to state and local government customers included software, notebooks/mobile devices, and enterprise storage. Specific to this RFP, software is a multibillion-dollar component of CDW's net revenue.

As a whole, we manage more than 25,000 software agreements and conduct over 18,000 software renewals annually. Additionally, we offer electronic delivery of many of our software solutions (about one-fifth of our total revenue). Many of these product sales were components of integrated solutions and coupled with services typical of solutions, such as Data Center, Unified Communications and Collaboration, Security, Mobility, and Cloud.

The average customer relationship for CDW, as a whole, is eight years. Our government customers sit at the highest end of the average, as our corporate customer relationships are typically no more than three years. Multiyear contracts and the cultivation of personal connections between customer and account manager attribute greatly to the lengthy tenure of these government relationships.

Requirement

- 3.1.2 List government contracts Offeror has gained over the past three (3) years. Provide an explanation of why Offeror was chosen.

Response

CDW·G has gained 363 public-sector contracts (non-federal) over the past (3) years; the list of these contracts is attached to this section of our response.

Most often, customers select CDW·G for contract award due to our capacity for managing large-scale agreements, as well as the value we can provide their purchasers and end-

users. Unique differentiators that lead to an award decision include our vendor agnosticism and the investment of ongoing sales training to best serve our customers. CDW·G employs over 1,300 account managers, meaning that size and consistency of support staff is a consistent development initiative in order to support national contracts such as NASPO ValuePoint with any necessary transitions.

Requirement

- 3.1.3 List government contracts Offeror has lost or resigned over the past three (3) years. Provide an explanation of why they were lost or resigned.

Response

As you can see from the following table, of the total 512 contracts lost or resigned, we were named to a new contract in 211 instances and awarded upon rebid in 73 instances, meaning that over half of the no-longer-current contracts are in new iterations being held by CDW·G.

3.1.3 Lost or Resigned Government Contracts	
Reason	**Number**
Agreement out to RFP	1
Agreement rebid and awarded to CDW·G	73
Agreement rebid and not awarded to CDW·G	7
CDW·G was named to a new Contract	211
Contract may be renewed, pending NY OGS	9
Moved purchasing to local cooperative agreements	7
Signed a new agreement	11
Unknown reason	82
We are still awaiting renewal	3
OEM did not sign a new contract	22
Contract expired and was not rebid/renewed	86
GRAND TOTAL	**512**

A full list is attached to this section of the response, as well.

Through the normal course of business, CDW·G's contract portfolio changes year to year. Contracts in the Public segment are generally terminable at any time for convenience of the contracting agency or group purchasing organization (GPO) or upon default. An adverse change in government spending policies (including ongoing budget cuts), budget priorities, or revenue levels could cause our government customers to reduce their purchases or to terminate or not renew their contracts with us. In the past three (3) years, CDW·G has not lost a contract to default. The primary reason our contracts end is when a customer is out of available options to extend the contract.

Requirement

3.2 If Offeror has no government clients, note this in your response and answer questions 3.1.1 through 3.1.3 based on non-government clients.

Response

As detailed, CDW·G has a substantial number of government clients. We provide our responses to 3.1.1 through 3.1.3 to reflect these relationships.

Requirement

3.3 References—Provide information for three (3) client references that replicate or are similar to the requirements of this solicitation. All references shall be for engagements received and completed within the last five (5) years. The State may, at its sole discretion, contact additional clients not presented as references. Reference information is to be provided using the following table format:

Response

The following references are submitted for NASPO ValuePoint review.

3.3 References			
Reference Information	**Client One**	**Client Two**	**Client Three**
Company Name	State of Illinois Central Management Services (CMS)	Federal Aviation Administration (FAA)	University of Washington
Type of Contract Product and Services Delivered	CDW·G's IL CMS Microsoft Large Account Reseller contract includes Microsoft Select, Enterprise Agreements, and Microsoft Academic Select. CMS currently has both a Microsoft Select and an Enterprise Agreement. CDW·G has held this contract for three consecutive iterations, starting in 2005. The current contract, recently awarded, expires September 2019.	Software contract includes but is not limited to ACD Systems, Software AG, EMC, HP, IBM, Oracle, and Symantec (among dozens of other publishers, including "weirdware"). With CDW·G has grown software sales from $5 million the first year of the contract to $26 million in GFY15, and grown hardware sales from $15 million to $37 million. Both catalog contracts (Software DTFACT-13-D-00004, Hardware DTFAWA-11-D-00057) are administered by the SAVES Contracts Office; mandatory for the FAA and open to the Department of Transportation	Software agreements under contract include Microsoft EES Agreement, VMware ELA, Citrix ELA, Adobe CLP (all Adobe products = 1,000+ orders annually) Support through assessing changes in UW's licensing needs, deploying software to end-users, providing guidance on new licensing/support structures, renewing maintenance for all OEMs, identifying large spend of similar products across campus to drive campus-wide agreements that reduce cost
Contact Name, Mailing Address, Phone Number, Email	James Ellenburg, Contracting Officer 120 W Jefferson 3rd Floor Springfield, IL 62702	Harry Lutz, Contracting Officer USDOT/FAA 800 Independence Ave SW Washington, DC 20591	Ray Hsu, Assistant Director, Procurement Services 4300 Roosevelt Way NE Seattle, WA 98195

3.3 References			
Reference Information	**Client One**	**Client Two**	**Client Three**
Address	P: 217.785.0897 E: james.ellenburg@illinois.gov	P: 609.485.6127 E: harry.lutz@faa.org Elizabeth Ford Ochs, Authorized Contract Officer P: 609.485.5557 E: elizabeth.ford@faa.gov Robert Cochran, Contracting Officer Representative P: 571.209.3111 E: robert.cochron@faa.gov	P: 206.543.0793 E: rayhsu@uw.edu
Contract Start and End Date	October 2015-November 2019	Software: May 2013-April 2018 Hardware: September 2011-September 2016	2010-2020 (10-year renewal)
Contract Value	Estimated $140 million/duration of contract	Software: sales through September 2015 = $52 million Hardware: sales through September 2015 = $96 million	$5 million/annual

4. Financial/Accounting Information and Disclosures

Requirement

4.1 Offeror must provide evidence of financial stability and capability to fund all cost associated with providing the services through the term of the Contract. The latest two (2) years audited annual financial statement(s), including Total Revenue, Net Income, and Total Assets, must be submitted with the Offeror's Offer. If audited financial data is unavailable, explain in full the reason and provide latest non-audited financial information to include Balance Sheet, Income Statement, as well as, Statement of Cash flows and Change in Financial position. Include information to attest to the accuracy of the information provided.

Response

Included at the end of this attachment are CDW's most recent 10K audit reports (2013 and 2014); audited financial statements are located in *Item 8: Financial Statements and Supplementary Data*.

CDW Financial Information		
	2014	**2013**
Total Revenue *(listed as Net Sales)*	$12,074.5 million	$10,768.6 million
Net Income	$244.9 million	$132.8 million
Total Assets	$6,099.9 million	$5,924.6 million

Online versions of these documents are also located at investor.cdw.com.

4.2 Disclosures

Requirement

4.2.1 Information regarding any irregularities that were discovered in any account maintained by the Offeror on behalf of others. Describe the circumstances and disposition of the irregularities.

Response

To the best of our knowledge, at the time of this submission, accounts maintained by CDW on behalf of others have not been subject to any irregularities of circumstance or disposition.

Requirement

4.2.2 Full disclosure of any potential conflict of interest, i.e. serving as a member, board member, officer, or having significant financial interest with any company, firm or joint venture with interests in the provision of software.

Response

To the best of our knowledge, at the time of this submission, CDW does not have any potential conflicts of interest that would prevent us from serving NASPO ValuePoint members via this contract.

Requirement

4.2.3 Whether or not, in the last ten (10) years, the Offeror has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors, and if so, an explanation providing relevant details;

Response

To the best of our knowledge, at the time of this submission, CDW has not filed (nor had filed against it) any bankruptcy or insolvency proceeding. No receiver, trustee, or assignee for the benefit of creditors has been specifically appointed.

Requirement

4.2.4 Whether or not there are any pending Securities Exchange Commission investigations involving the Offeror, and if such are pending or in progress, an explanation providing relevant details and an attached opinion of counsel as to whether the pending investigation(s) may impair the Offeror's performance in a Contract under this RFP.

Response

On 29 October 2015, CDW (the Company) received a request for production of documents in connection with an investigation by the SEC of our vendor partner program incentives. We are cooperating with the SEC in this matter.

The Company is party to various legal proceedings that arise in the ordinary course of its business, which include commercial, intellectual property, employment, tort, and other litigation matters.

The Company is also subject to audit by federal, state, and local authorities by various partners, group purchasing organizations, and customers (e.g., government agencies) relating to purchases and sales under various contracts. In addition, the Company is subject to indemnification claims under various contracts. From time to time, certain customers of the Company file voluntary petitions for reorganization or liquidation under the US bankruptcy laws. In such cases, certain pre-petition payments received by the Company could be considered preference items and subject to return to the bankruptcy administrator.

As of 30 September 2015, the Company does not believe that there is a reasonable possibility that any material loss exceeding the amounts already recognized for these proceedings and matters, if any, has been incurred. However, the ultimate resolutions of these proceedings and matters are inherently unpredictable. As such, the Company's financial condition and results of operations could be adversely affected in any particular period by the unfavorable resolution of one of more of these proceedings or matters.

Requirement

4.2.5 Documenting all open or pending litigation initiated by the Offeror or where the Offeror is a dependent or party in litigation that may have a material impact on Offeror's ability to deliver the contracted services;

Response

To the best of our knowledge, at the time of this submission, CDW does not have any open or pending litigation that would present a material impact on our ability to deliver the contracted services.

Requirement

4.2.6 Full disclosure of any public sector contracts terminated for cause or convenience in the past five (5) years.

Response

To the best of our knowledge, at the time of this submission, CDW has not had any public sector contracts terminated for cause or convenience in the past five (5) years.

Jumana Dihu

Relevant Experience

CDW

Program Manager (2013–Present)

- Manages contract portfolio for healthcare, higher education, K–12, state & local sales segments within CDW Government LLC
- Responsible for full range of customer-facing contracts and partner contracts, including master purchase agreement, subcontractor agreements, teaming agreements, referral agreements
- Initiates and responds to requests for contract changes, product substitutions, technical refreshments
- Facilitates preliminary dispute resolution and coordinates with legal department as necessary to maintain customer satisfaction and bring prompt closure
- Ensures document compliance and analyzes success of program to make recommendations for improvement, including product add/drop, offer expansion
- Manages all reporting capabilities for high-visibility contracts

Sirva, Inc.

Program Manager (2002–2013)

Handled contract negotiation, cost/price analysis, compliance, market and channel analysis, development of strategic initiatives, and directed business goals and project management

Education

BS, International Economics, DePaul University

Gabriel Adler

Relevant Experience

CDW

Sales Manager, Software Solutions (2014—Present)

- Responsible for software sales in multiple public-sector segments with CDW Government LLC (e.g., federal, state & local, K–12, higher education)
- Manages team of six inside software solution and licensing sellers, five outside software solution and licensing sellers
- Manages continuous pipeline of software number, including cascade of forecast to upper management
- Goes in-market with field sellers and interfaces with clients
- Develops coworkers via education around products, services, solutions

Program Manager, Software Sales (2011–2014)

Responsible for multiple software programs, including Microsoft T36 Contract Management, Select Plus, NGVL (Next Generation Volume Licensing), OTRR (On Time Renewal Rate), Licensing Help Desk

Microsoft Inside Enterprise Licensing Specialist (2009–2011)

Microsoft Sales Executive (2006–2009)

AMSB Account Manager (2005–2006)

Dave Adler, Inc.

Controller & Lead Sales Person

Education

BA, Business, Northeastern Illinois University

Professional Memberships

International Association of Web Masters and Designers

Skills

- Microsoft Office Suite (Excel, Word, Access, Outlook)
- Microsoft FrontPage
- HTML Programmer
- Adobe Photoshop
- Cute FTP
- Adapta 2000
- Microsoft Certified Professional—SAM (Software Asset Management)
- Microsoft ESA/LAR FY09 Certified
- VMware VSP 5.5
- Citrix CSP
- AS/400

Gabe Arias

Relevant Experience

CDW

Licensing Account Executive (2011–Present)

- Supports state & local government customers manage software investments, including Microsoft volume licensing
- Builds trusted client relationships at CIO/Director level within state agencies, counties, cities
- Presents CDW Government LLC's software solution capabilities at client-facing meetings, hosted events, selected software partner events
- Acts as subject matter expert for all Microsoft licensing agreements, VMware, Adobe, Citrix, Red Hat, HP, IBM, and professional services offerings
- Manages multiple government contracts, answers complex licensing and product questions/scenarios, supports CDW account teams, proactively manages client software business (e.g., EA enrollment process, QBRs, trend analysis, technology briefings)

Dell, Inc.

Licensing Specialist, Global Accounts (2007–2011)

Focused on software and service solutions for large Enterprise and global segment

ASAP Software

Inside Account Manager (2006–2007)

Education

BS, Marketing, Illinois State University

Awards, Certifications & Trainings

- Certified Microsoft Licensing Expert
- CDW·G Most Valuable Player, Software Team (2013, 2015)
- CDW Presidents Achievement (2014)
- Classroom Training Program
- Sales Leadership Training
- Yellow Belt Certification Training
- Microsoft Solution Selling Training
- Cloud Computing & Virtualization Conference
- Microsoft Volume Licensing Certification
- VMware Licensing Certification
- Symantec Licensing Certification
- Citrix Licensing Certification
- Oracle Licensing Certification
- IBM Licensing Certification
- Effective Presentations Training

Jason Schwartz

Relevant Experience

CDW

Sales Manager, State & Local Sales (2015–Present)

- Manages 20 account managers supporting state & local government customers in California, Arizona, Alaska, and Hawaii
- Builds relationships with coworkers, customers, partners for both small and large enterprises in the public sector
- Leads team of sales professionals through motivational coaching, effective partner management, and customer engagement
- Consistently interacts with field personnel, customer base, and OEM partners
- Performs business pipeline review calls with sales teams to ensure financial objectives are achieved monthly, quarterly, and annually

Sales Manager, Sales Academy (2014–2015)

Responsible for onboarding account managers hired into Medium Large Central and South regions and Small Business teams; developed individual coaching plans for each account manager

Senior Account Manager (2010–2014)

Achieved strong sales results with higher education customers through consultative selling of hardware, software, and professional services solutions to assist in long-term strategic IT plan of each customer

Education

BA, Political Science & Business Administration, University of Iowa

Michael Truncone

Relevant Experience

CDW

Sales Manager, State & Local Sales (2015–Present)

- Travels to discover, develop, and increase relationships with key clients, manufacturers, and service business partners
- Performs business pipeline reviews with sales teams to ensure financial objectives are achieved monthly, quarterly, and annually
- Conducts services scope reviews on opportunities with integration services to ensure successful project execution

Executive Account Manager (2005–2015)

- Worked to develop partner relationships while holding weekly cadence with partners including Cisco, HP, and Lenovo
- Demonstrated consistent sales growth throughout career
- Pursued relevant certifications within IT field, including partners HP, NetApp, EMC, Cisco, and Microsoft
- Participated in Emerging Leaders Program
- Worked efficiently and effectively while coordinating and managing within large sales organization
- Coached and developed high-performing coworkers

Education

BA, Economics & Business Administration, University of Connecticut

Clayton Boras

Relevant Experience

CDW

Sales Manager, Higher Education (2011–Present)

- Supervises 20 inside sales and field sales personnel supporting higher education business in Northeast and Keystone geographies
- Develops team members with career opportunities in Emerging Leaders program and promotion to Sales Operations
- Consistently interacts with field personnel, customer base, and OEM partners
- Lead sales team ranked #1 in Higher Education (2012)
- Executes large higher education wins for hardware, software, licensing, and services solutions

Sales Manager, K–12 Sales (2007–2011)

- Oversaw 22 internal sales and two field sales personnel supporting K–12 education business for Keystone geography
- Created sales strategies to identify lucrative contract opportunities and leveraged vendor relationships to achieve significant sales and gain visibility
- Interfaced with vendors, executive management contracts for key accounts, and information technology, purchasing, and general services personnel at state level

Regional Sales Manager (2003–2007)

Territory Sales Manager (2001–2003)

Micro Warehouse Inc.

Group Business Unit Education Manager (1999–2003)

Strategic Business Unit Account Manager (1998–1999)

Education

- MBA, Marketing, Sacred Heart University
- BS, Finance, Sacred Heart University

Awards & Certifications

- CDW Presidents Club Achievement Award (2008, 2012)
- CDW #1 Ranked K–12 Sales Manager (2003, 2008)
- CDW #1 Ranked Higher Education Sales Manager (2012)
- Mitsubishi Sales Award (2006-2009)

Dave Stephens

Relevant Experience

CDW

Business Development Manager, Public Safety (2010–Present)

- Manages sales engineering process for large-scale integration projects involving public safety agencies
- Provides subject matter expertise to CDW Government LLC resources and offers resource training, as well as partner development and management
- Presents at state, regional, and national public safety conferences on topics such as mobility, digital evidence management, CJIS mandate compliance

Senior Field Account Executive (2002–2010)

Worked with account teams to grow state & local government marketplace; additionally developed high-visibility opportunities within specific sales geography

CATG Inc. dba MBS CONNECTING POINT

Operation Director (2000–2001)

President and General Manager (1999–2000)

National Sales Manager (1997–1999)

State Contract Sales Manager (1991–1997)

Account Manager (1988–1990)

VALCOM COMPUTER

Account/Assistant/Service Manager (1984–1988)

Education

BA, Data Processing & Business Administration, Weber State University

Russell Keene

Relevant Experience

CDW

Sales Manager, K–12 Sales (2006–Present)

- Trains and manages inside sales team of 27 account managers covering K–12 accounts in California, Arizona, Alaska, and Hawaii
- Manages a team of six field account executives in California and Arizona
- Travels to discover, develop, and increase relationships with key clients, manufacturers, and service business partners
- Performs business pipeline reviews with sales teams to ensure financial objectives are achieved monthly, quarterly, and annually
- Conducts services scope reviews on opportunities with integration services to ensure successful project execution
- Acts as Education liaison for CDW Emerging Leaders Program
- Analyzes contracts prior to RFP response submission to ensure positive outcome and acceptable company risk

District Manager, Northwest & Pacific Regions (2005–2006)

Created regional business plan leading to sales increase and trained/coached inside account teams covering customers in western US

Senior Account Manager (1997–2005)

Proactively targeted key contracts and successfully bid to further business opportunities while acting as team mentor for new sales coworkers

Education

BS, Marketing, North Central College

Alex Haycock

Relevant Experience

CDW

Sales Manager, K–12 Sales (2015–Present)

- Mentors account team with various lengths of tenure across multiple CDW segments
- Leads account team to exceed goals via one-on-one coaching and focused selling efforts
- Builds strong relationships with vendor partners, inside sales reps, and field resources to ensure customer satisfaction and support

Senior Account Manager (2014–2015)

Guided peers through daily and monthly sales activities while maintaining and expanding customer relationships in Aggregation Services team

Account Manager (2011–2014)

Developed strong and long-lasting relationships with back-end departments and vendors to become consistent and reliable resource to customers and colleagues

Education

BA, Business Administration, Columbia College

Awards & Certifications

- Cisco CCE
- EMC Sales Professional
- NetApp Sales Professional
- VMware Sales Professional
- Tripp Lite Sales Professional

Sean Galligan

Relevant Experience

CDW

Sales Manager, K–12 Sales (2014–Present)

- Manages recruitment, selection, training, and coaching of 18 direct reports handling millions in total business to ensure sales goals are met
- Drives business growth by capitalizing on new revenue potential in existing markets in New England geography
- Leverages strategic relationships with customers, peers, and vendor partners
- Provides customer service management and problem resolution training and mentorship
- Utilizes knowledge of partner sales programs and procedures to effectively steer sales growth projects with key partners such as Cisco, NetApp, VMware, and Aruba

Account Manager (2007–2014)

Managed, fostered, and maintained successful working relationship with multiple vendor partners in K–12 education IT sales

Nielsen Media Research

Sports Product Placement Auditor (2006–2007)

Edited and evaluated analysis of sports marketing initiatives of product vendors, athletic teams, sports venues to assist in formulation of appropriate business strategy

Sports Product Placement Analyst (2005–2006)

Education

BBA, Finance, University of Connecticut

Awards & Certifications

- Cisco Sales Expert
- NetApp Accredited Sales Professional
- Microsoft Sales Accreditation
- EMC Velocity Sales Accreditation

Major Projects

- Project Name 1 (Project Date), 5-7 word description
- Project Name 2 (Project Date), 5-7 word description

Mike Clinton

Relevant Experience

CDW

Sales Manager, Higher Education (2015–Present)

- Covers higher education sales in Northwest geography
- Leads experienced inside and outside sales team to sell best-in-class manufacturers and technology from Cisco, Lenovo, Microsoft, Adobe, VMware, etc.

Principal ISA, Unified Communications (2008–2015)

- Subject matter expert for CDW's unified communications portfolio to customers, colleagues, account managers
- Assessed customer business goals and technical requirements to develop UC strategies
- Leveraged extensive knowledge of CDW's Professional Services to provide customers with turnkey solutions
- Supported Med/Lar, nonprofit, and healthcare teams

Senior Account Manager, Med/Lar (2002–2008)

Provided IT solutions and services to mid-market and Enterprise clients

Education

BS, Telecommunications Management, DeVry University

Chris Webb

Relevant Experience

CDW

Business Development Manager, Higher Education (2015–Present)

- Owns higher-education strategy for contracts, eProcurement, and key OEM partnership in CDW Government LLC
- Directs team of five field-based business development resources focuses on higher education market
- Builds strategic partnerships with key OEM partners, providers, and third-party service organizations
- Drives customer relationships through C-level engagement, partnership reviews, mutually beneficial contracts
- Reports to VP, Higher Education Sales

Business Development, Higher Education (2008–2015)

- Positioned CDW and negotiated contracts for west coast higher education business
- Conducted business reviews with executive-level large clients to identify growth opportunities

Sales Manager, Higher Education (2007–2008)

Led team of 18 account mangers covering higher education in mid-Atlantic and Keystone geographies

Inside Account Manager, K–12 Education (2005–2007)

Proactively sought new customers and innovative ways to solve the technology needs of K–12 education

Education

BS, Information Systems, Wake Forest University

Awards & Certifications

- CDW Annual Sales Top Performers (2005, 2006, 2007)
- CDW #1 Higher Education/Sales Manager (2008)

Eric Goff

Relevant Experience

CDW

Sales Manager, Higher Education, Pacific Region (2009–Present)

- Manages day-to-day sales team activities to achieve financial plan, interacting with direct reports, coworkers, customers, and partners
- Responsible for two territories consisting of 15 states; develops, improves, and maintains customer and partner relationships
- Hosts meetings, delivers presentations, conducts onsite visits, develops plans and strategic planning sessions, handles contract negotiation
- Works effectively with internal and external stakeholders to achieve business objectives and exceed sales goals
- Motivates and coaches sales team, educates and teams with OEM partners, engages customers to provide consultation and value

Sales Manager, Corporate Academy (2007–2009)

Responsible for managing newest sales representatives, coaching effective career strategies, and providing selling assistance

Account Manager (2001–2007)

Responsible for corporate accounts across the country (focus on Northern California)

Education

BS, Marketing, Illinois State University

Awards & Certifications

- CDW Presidents Achievement Award of Excellence (2009, 2014)
- Public Sales Manager Advisory Council (PSMAC)
- Higher Education liaison, CDW Emerging Leaders Program

GAINED GOVERNMENT CONTRACTS

Issuing Agency	Contract Title	Start Date	Exp Date
Academy School District 20	Peripheral Purchase Agreement	07/10/2015	07/31/2016
Alabama Joint Purchasing Program	ALJP 2013 - HP Networking	03/08/2013	03/08/2016
Alabama Joint Purchasing Program	ALJP 2013 - NEC	03/08/2013	03/08/2016
Alabama Joint Purchasing Program	ALJP 2013 - Lenovo	03/08/2013	03/08/2016
Alabama Joint Purchasing Program	ALJP2015-0102 GoGuardian	07/06/2015	07/01/2017
Alabama Joint Purchasing Program	ALJP2015-0113: Microsoft Hardware	07/29/2015	06/30/2017
American Lebanese Syrian Associated Charities, Inc (ALSAC)	Master Services and Product Sales Agreement b	12/18/2013	12/18/2015
American Public University System	Master Product Sales Agreement	04/15/2013	04/14/2016
Arlington Independent School District	Computer, AV Equipment, Supplies and Services	07/01/2015	06/30/2016
Aruba Networks, Inc.	California Aruba WSCA Data Communications	02/17/2015	05/31/2019
Aruba Networks, Inc.	Aruba WSCA Data Communications	02/17/2015	05/31/2019
Aruba Networks, Inc.	Florida Aruba NASPO Data Communications	05/11/2015	05/31/2019
Aruba Networks, Inc.	Alaska Aruba NVP Data Communications	08/18/2015	05/31/2019
Aruba Networks, Inc.	Nevada Aruba NVP Data Communications	08/19/2015	05/31/2019
Aruba Networks, Inc.	Montana Aruba NVP Data Communications	08/24/2015	05/31/2019
Aruba Networks, Inc.	New Jersey Aruba NVP Data Communications	08/24/2015	05/31/2019
Aruba Networks, Inc.	South Carolina Aruba NVP Data Communication	08/24/2015	05/31/2019
Aruba Networks, Inc.	Washington Aruba NVP Data Communications	08/24/2015	05/31/2019
Aruba Wireless Networks, Inc.	Ohio STS Aruba	11/13/2014	06/30/2017
Associated Colleges of the Twin Cities	NJPA Stretch Agreement	12/01/2014	11/18/2018
Association of Computer Technology Educators of Maine	Master Product Sales Agreement	05/30/2014	05/30/2016
Baltimore City Public Schools	Symantec Software Maintenance	07/01/2014	06/30/2017
Beaufort County School District	APC Smart UPSs and Batteries	06/05/2015	06/04/2018
BJC Healthcare	Mutual Non-Disclosure Agreement	11/20/2013	11/20/2016
Board of Regents of the Nevada System of Higher Education on behalf of Bu	NJPA Stretch Agreement	12/01/2014	11/18/2018
Bossier Parish School Board	Technology Catalog Contract	11/01/2015	10/31/2020
Brocade Communications Systems, Inc.	State of Georgia Brocade	04/30/2013	06/30/2016
Brocade Communications Systems, Inc.	Brocade WSCA Data Communications	07/10/2014	05/31/2019
Brocade Communications Systems, Inc.	Alaska Brocade NVP Data Communications	07/10/2014	05/31/2019
Brocade Communications Systems, Inc.	Delaware Brocade NVP Data Communications	07/10/2014	05/31/2019
Brocade Communications Systems, Inc.	Montana Brocade NVP Data Communications	07/10/2014	05/31/2019
Brocade Communications Systems, Inc.	Nevada Brocade NVP Data Communications	07/10/2014	05/31/2019
Brocade Communications Systems, Inc.	South Dakota Brocade NVP Data Communicatior	07/10/2014	05/31/2019
Brocade Communications Systems, Inc.	Washington Brocade NVP Data Communications	07/10/2014	05/31/2019
Brocade Communications Systems, Inc.	Wyoming Brocade WSCA Data Communications	07/10/2014	05/31/2019
Brocade Communications Systems, Inc.	New Jersey Brocade NVP Data Communications	09/08/2014	05/31/2019
Brocade Communications Systems, Inc.	Wyoming Brocade NVP Data Communications	09/08/2014	05/31/2019
Brocade Communications Systems, Inc.	California Brocade NVP Data Communications	09/09/2014	05/31/2019
Brocade Communications Systems, Inc.	Oregon Brocade WSCA Data Communications	09/09/2014	05/31/2019
Brocade Communications Systems, Inc.	Oregon Brocade NVP Data Communications	09/09/2014	05/31/2019
Brocade Communications Systems, Inc.	Florida Brocade NVP Data Communications	10/06/2014	05/31/2019
Brocade Communications Systems, Inc.	Hawaii Brocade NVP Data Communications	10/06/2014	05/31/2019
Brocade Communications Systems, Inc.	South Carolina Brocade NVP Data Communicatic	07/14/2015	05/31/2019
Brocade Communications Systems, Inc.	TX DIR Brocade	09/24/2014	08/13/2016
Brother International Corp.	TX DIR Brother	06/05/2015	06/05/2016
Brother International Corporation	NC Brother Printer	04/10/2013	03/31/2016
Brother International Corporation	NY OGS Brother Printing and Imaging	11/06/2014	09/01/2017
Capistrano Unified School District	Audio Visual Equipment	08/01/2015	07/31/2016
Carahsoft Technology Corp	TX DIR Carahsoft/Adobe	08/29/2013	08/29/2016
Carahsoft Technology Corp	Texas DIR Carahsoft/VMWare	03/13/2014	05/03/2016
Carahsoft Technology Corp	Oklahoma OneNet Carahsoft/VMWare	04/15/2014	06/30/2016
Carahsoft Technology Corp	OH STS Carahsoft/Nutanix	06/01/2015	12/19/2016
CESA Purchasing	Technology Catalog	03/01/2014	02/29/2016
Chicago Public Schools	Audio Visual Equipment	08/01/2013	06/30/2016
Cisco Systems, Inc.	TX DIR Cisco	05/05/2014	05/05/2016
Cisco Systems, Inc.	Cisco WSCA	08/07/2014	05/31/2019
Cisco Systems, Inc.	Nevada Cisco WSCA	08/07/2014	06/01/2019
Cisco Systems, Inc.	Oregon Cisco WSCA	08/15/2014	05/31/2019
Cisco Systems, Inc.	Michigan Cisco WSCA	08/29/2014	05/31/2019
Cisco Systems, Inc.	Washington Ciso WSCA	08/29/2014	05/31/2019
Cisco Systems, Inc.	Hawaii Cisco WSCA	09/08/2014	05/31/2019
Cisco Systems, Inc.	Wyoming Ciso WSCA	09/08/2014	05/31/2019
Cisco Systems, Inc.	New Jersey Cisco WSCA	09/24/2014	05/31/2019
Cisco Systems, Inc.	Louisiana Cisco WSCA	10/08/2014	06/01/2019
Cisco Systems, Inc.	Flordia Cisco WSCA	10/09/2014	05/31/2019
Cisco Systems, Inc.	Iowa Cisco WSCA	10/29/2014	05/31/2019
Cisco Systems, Inc.	Utah Cisco WSCA	04/02/2015	05/31/2019
Cisco Systems, Inc.	Montana Cisco NASPO ValuePoint Data Commu	07/24/2015	05/31/2019

Cisco Systems, Inc. 7-14-07-04	California Cisco WSCA	10/10/2014	05/31/2019
Citrus County School Board - Otterbox Cases	Citrus County School Board	04/14/2015	04/14/2016
City of Atlanta	City of Atlanta Hardware and Software	10/01/2013	10/01/2016
City of Austin	Electronic Visual Display Systems	05/12/2015	05/11/2018
City of Austin	Cisco Hardware and Support	08/05/2015	08/04/2018
City of Cambridge	Misc Computer Hardware & Software for the Po	12/10/2014	12/09/2015
City of Chattanooga	City of Chattanooga Brocade	10/01/2013	09/30/2016
City of Chesapeake	Technology Solutions and Related Services	12/01/2014	11/18/2018
City of Denver	City of Denver Ipads	06/20/2013	06/20/2016
City of Richmond Department of Procurement Services	Richmond IT Products	05/14/2014	05/13/2016
City of Spokane	City of Spokane Product Sales and Service Projec	09/23/2015	09/22/2017
City of Tucson, Arizona	National IPA Technology Solutions	08/18/2013	08/16/2016
Clarkstown Central School District	Samsung Chromebooks	09/08/2015	09/07/2016
Cobb County School District	iPad Cases	05/01/2013	04/30/2016
Cobb County School District	Audiovisual Equipment	06/01/2015	05/31/2016
Commonwealth of Massachusetts Operational Services Division	Massachusetts Converged Voice & Data Commu	09/18/2013	08/31/2018
Commonwealth of Pennsylvania	PA Commonwealth- Enterprise IT Peripherals	10/01/2013	09/30/2016
Commonwealth of Pennsylvania	PA Commonwealth- PC and Monitors	02/15/2014	02/14/2016
Community Unified School District 300	Master Services Agreement	10/13/2014	10/12/2016
Community Unified School District 300	Computer & Tablets Purchase	04/13/2015	04/12/2016
Concorde Colleges	Concorde Colleges Master Product Sales Agreem	03/22/2013	03/22/2016
Conejo Valley Unified School District	Technology Solutions	08/06/2015	06/30/2016
Connecticut General Assembly, Joint Committe on Legislative Management	IBM Express x3650 M4 Servers	04/24/2014	04/23/2019
Cook County Government	Cook County Hardware Software Contract	05/15/2013	05/14/2016
County of Los Angeles Internal Services Department	County of Los Angeles Wireless Accessories	11/01/2013	10/31/2016
County of Los Angeles Internal Services Department	County of Los Angeles Media	04/01/2014	03/31/2017
County of Los Angeles Internal Services Department	County of Los Angeles Orchid Peripherals	06/06/2014	06/05/2016
County of Los Angeles Internal Services Department	County of Los Angeles Orchid Ergotron Peripher	09/10/2014	09/09/2016
Department of Information Technology and Telecommunications (DoITT)	NYC DOITT Panasonic	04/10/2013	12/29/2015
Desert Sands Unified School District	Chromebook Carts	11/06/2013	11/05/2016
Desert Sands Unified School District	Chromebooks	09/02/2014	09/02/2016
Desert Sands Unified School District	Tablets	03/18/2015	03/12/2016
Desert Sands USD Display Solutions	Desert Sands USD Display Solutions	05/21/2015	05/16/2016
DeVry, Inc.	Master Product Purchase Agreement	04/01/2013	04/01/2016
Digital Edge	Digital Edge Wireless Mobile Devices	05/28/2014	12/31/2015
Digital Edge	DigitalEdge Wireless Mobile Devices - Spectrum,	05/28/2014	01/01/2016
D-Link Systems, Inc.	TX DIR D-Link Networking	06/01/2015	09/25/2016
Dutchess County BOCES	Dutchess County BOCES Cooperative Lock and C	09/10/2015	09/10/2016
Eastern Suffolk BOCES	Microcomputers, Perioherals & Software	01/15/2015	02/29/2016
EC America Ohio STS	EC America Ohio State Term Schedule	08/31/2015	06/26/2017
EC America, Inc.	PA Cisco immixGroup	11/27/2013	08/17/2018
Ector County Independent School District	Electronic Surveillance System Upgrade	12/23/2014	12/22/2016
Education Service Center Region VII	Computer Hardware & Supplies	08/20/2015	08/20/2016
El Paso Independent School District	District Printers	07/01/2014	06/30/2016
Elk Area Schools ISD 78	Projector Bulb Contract	03/01/2014	06/30/2016
EMC Corporation	EMC NVP Computer Equipment	08/24/2015	04/01/2017
EMC Corporation	Alaska EMC NVP Computer Equipment	08/25/2015	03/31/2017
EMC Corporation	Arizona EMC NVP Computer Equipment	08/26/2015	03/31/2017
EMC Corporation	South Dakota EMC NVP Computer Equipment	08/26/2015	03/31/2017
EMC Corporation	Alaska EMC NVP Data Communications	10/23/2015	05/31/2019
EMC Corporation	California EMC NVP Data Communications	10/27/2015	05/31/2019
EMC Corporation	Florida EMC NVP Data Communications	10/27/2015	05/31/2019
EMC Corporation	Hawaii EMC NVP Data Communications	10/27/2015	03/31/2019
EMC Corporation	Missouri EMC NVP Data Communications	10/27/2015	05/31/2019
EMC Corporation	Montana EMC NVP Data Communications	10/27/2015	05/31/2019
EMC Corporation	Utah EMC NVP Data Communications	10/27/2015	05/31/2019
EMC Corporation	Kansas EMC NVP Computer Equipment	12/01/2015	03/31/2017
EMC Corporation	New Jersey EMC NVP Computer Equipment	12/03/2015	03/31/2017
Epson America, Inc.	TX DIR Epson Projectors	03/29/2013	12/07/2015
Extreme Networks, Inc.	Extreme WSCA	06/17/2014	05/31/2019
Extreme Networks, Inc.	Nevada Extreme WSCA	06/17/2014	05/31/2019
Extreme Networks, Inc.	New Jersey Extreme WSCA	09/09/2014	05/31/2019
Extreme Networks, Inc.	Florida Extreme NASPO Data Communications	05/11/2015	05/31/2019
Florida Department of Management Services	Commercial Off-The-Shelf (COTS) Software	09/30/2014	09/09/2018
Florida Keys Community College	NJPA Stretch Agreement	08/05/2015	11/18/2018
Florida State University	NJPA Stretch Agreement	05/11/2015	11/18/2018
Florida Virtual Schools	Computer Peripherals, Supplies and Accessories	06/18/2013	06/25/2016
Furman University	Furman Univeristy	11/23/2015	08/16/2016
Garden Grove Unified School District	Audio Visual / Technology Bid	11/05/2014	11/17/2016
Georgia State University	National IPA Piggyback	11/16/2015	08/15/2016

Grand Prairie Independent School District	Technology Equipment, Supplies, Services, Etc.	09/06/2014	08/31/2016
Grantham University	Grantham University Master Product Sales Agre	05/22/2014	05/21/2017
Harris County Department of Education	Harris County Department of Education	04/01/2014	01/22/2016
HealthEast Care System	Business Associate Agreement	05/01/2013	08/18/2018
HealthEast Care System	Master Services Agreement	09/25/2013	05/10/2016
Hewlett Packard Company	HP Los Angeles Community College Data Storage	11/10/2014	02/08/2017
Hewlett Packard Company	Los Angeles Community College District Server M	11/10/2014	02/08/2017
Hewlett Packard Company	Alaska HP NVP Computer Equipment	08/12/2015	03/31/2017
Hewlett Packard Company	HP NVP Computer Equipment	08/12/2015	03/31/2017
Hewlett Packard Company	Arizona HP NVP Computer Equipment	08/13/2015	03/31/2017
Hewlett Packard Company	Delaware HP NVP Computer Equipment	08/14/2015	03/31/2017
Hewlett Packard Company	Kansas HP NVP Computer Equipment	08/14/2015	03/31/2017
Hewlett Packard Company	Nevada HP NVP Computer Equipment	09/03/2015	03/31/2017
Hewlett Packard Company	Florida HP NVP Computer Equipment	09/04/2015	03/31/2017
Hewlett Packard Company	North Dakota HP NVP Computer Equipment	09/09/2015	03/31/2017
Hewlett Packard Company	Utah HP NVP Computer Equipment	09/09/2015	03/31/2017
Hewlett Packard Company	Wyoming HP NVP Computer Equipment	09/09/2015	03/31/2017
Hewlett Packard Company	Arkansas HP NVP Computer Equipment	10/01/2015	03/31/2017
Hewlett Packard Company	Washington HP NVP Computer Equipment	10/01/2015	03/31/2017
Hewlett Packard Company	Wisconsin HP NVP Computer Equipment	10/01/2015	03/31/2017
Hewlett Packard Company	California HP NVP Computer Equipment	10/08/2015	03/31/2017
Hewlett Packard Company	Colorado HP NVP Computer Equipment	10/08/2015	03/31/2017
Hewlett Packard Company	South Carolina HP NVP Computer Equipment	10/08/2015	03/31/2017
Hewlett Packard Company	Oregon State University	11/25/2015	09/30/2016
Hewlett Packard Company	Louisiana HP Inc NVP Computer Equipment	12/11/2015	03/31/2017
Hewlett-Packard Company	Ohio STS HP2	03/11/2013	07/02/2018
Hewlett-Packard Company	State of Georgia HP Server and Storage	06/12/2014	08/31/2016
Hewlett-Packard Company	North Carolina HP Microcomputers	06/18/2014	01/31/2016
Hewlett-Packard Company	TX DIR HP	07/03/2014	07/03/2016
Hewlett-Packard Company	State of Georgia HP PC Hardware	08/04/2014	08/31/2016
Hewlett-Packard Company	HP WSCA Data Communications	09/16/2014	05/31/2019
Hewlett-Packard Company	California HP WSCA Data Communications	09/16/2014	05/31/2019
Hewlett-Packard Company	Alaska HP WSCA Data Communications	09/18/2014	05/31/2019
Hewlett-Packard Company	Hawaii HP WSCA Data Communications	09/18/2014	05/31/2019
Hewlett-Packard Company	Nevada HP WSCA Data Communications	09/19/2014	05/31/2019
Hewlett-Packard Company	Utah HP WSCA Data Communications	09/19/2014	05/31/2019
Hewlett-Packard Company	Washington HP WSCA Data Communications	09/19/2014	05/31/2019
Hewlett-Packard Company	NY OGS HP Printing and Imaging	10/03/2014	08/31/2017
Hewlett-Packard Company	Kentucky HP WSCA Data Communications	10/13/2014	05/31/2019
Hewlett-Packard Company	Ohio STS HP	10/15/2014	07/02/2018
Hewlett-Packard Company	Louisiana HP WSCA Data Communications	10/17/2014	05/31/2019
Hewlett-Packard Company	Wyoming HP NASPO Data Communications	05/07/2015	05/31/2019
Howard County Public Schools	Career and Technology Education Supplies and E	01/15/2015	01/14/2016
Howard University-MedAssets Stretch Agreement	MedAssets Stretch Agreement between CDW Gc	07/01/2013	07/22/2016
Humanscale Corporation	Humanscale IT Support Equipment	02/23/2015	09/15/2016
Illinois Department of Central Mangement Services	Illinois Sniffer	07/11/2013	07/12/2017
Illinois Learning Technology Purchasing Program	Illinois Learning Technology Purchasing Program	10/20/2015	10/21/2018
Illinois Public Higher Education Cooperative	IPHEC Networking and Equipment Services	12/06/2013	06/30/2017
Irvine Unified School District	Master Services And Product Sales Agreement	07/22/2013	07/21/2016
Jefferson County Public School District	Mobile Device Management System	05/12/2014	05/31/2016
Juniper Networks (US), Inc.	Louisiana Juniper NASPO Data Communications	04/30/2015	05/31/2019
Juniper Networks (US), Inc.	Juniper VALP Data Communications	04/30/2015	05/31/2019
Juniper Networks, Inc.	TX DIR Juniper	08/22/2014	08/21/2016
Kansas Department of Administration	Kansas Sophos Contract	07/01/2013	06/30/2016
Kentucky Department of Education	Instructional Devices	07/01/2015	06/30/2016
Kodak Alaris Inc.	NY OGS Kodak PT66606	01/23/2015	08/31/2017
Kodak Alaris Inc.	NY OGS Kodak Printers PT66606	01/23/2015	08/31/2017
Laramie County School District No. 1	Windows Mobile 8 Devices Tablets	07/01/2013	06/30/2016
Laredo Independent School District	Computer Supplies & Peripherals	04/17/2014	04/16/2016
Laureate Education, Inc.	Confidentiality and Non-Disclosure Agreement	04/15/2014	04/15/2018
Laureate Education, Inc.	Laureate Education Master Services Sales Agree	11/11/2014	11/10/2016
Legacy Health	Master Service Agreement	01/18/2013	01/23/2016
Lenovo (United States) Inc.	Arizona Lenovo NVP Computer Equipment	08/25/2015	03/31/2017
Lenovo (United States) Inc.	Lenovo NVP Computer Equipment	08/25/2015	03/31/2017
Lenovo (United States) Inc.	Alaska Lenovo NVP Computer Equipment	09/16/2015	03/31/2017
Lenovo (United States) Inc.	Arkansas Lenovo NVP Computer Equipment	10/07/2015	03/31/2017
Lenovo (United States) Inc.	Florida Lenovo NVP Computer Equipment	10/07/2015	03/31/2017
Lenovo (United States) Inc.	Nevada Lenovo NVP Computer Equipment	10/07/2015	03/31/2017
Lenovo (United States) Inc.	Kansas Lenovo NVP Computer Equipment	10/16/2015	03/31/2017
Lenovo (United States) Inc.	Washington Lenovo NVP Computer Equipment	10/21/2015	03/31/2017

Lenovo (United States) Inc.	Louisiana Lenovo NVP Computer Equipment	11/17/2015	03/31/2017
Lenovo (United States) Inc.	Hawaii Lenovo NVP Computer Equipment	11/19/2015	03/31/2017
Lenovo (United States) Inc.	Maine Lenovo NVP Computer Equipment	11/19/2015	03/31/2017
Lenovo (United States) Inc.	New Jersey Lenovo NVP Computer Equipment	11/19/2015	03/31/2017
Lexmark International, Inc.	Lexmark Printers	02/27/2013	02/26/2016
Lexmark International, Inc.	NY OGS Lexmark	04/01/2013	02/26/2016
Lexmark International, Inc.	NY OGS Lexmark Printing and Imaging	11/20/2014	08/31/2017
Lifespan Corporation	Business Associate Agreement	09/23/2013	08/18/2018
Lincoln Public Schools	Vendor Discount Request	01/01/2015	12/31/2015
Los Angeles Unified School District	Keyboards for Tablet Devices	12/23/2014	12/22/2017
Lubbuck Independent School District	Catalog Bid	11/25/2014	12/31/2016
Magnolia Independent School District	Technology Equipment & Peripherals	02/19/2015	02/19/2016
Massachusetts Higher Education Consortium	MHEC Consortium Contract- Multi-media equpn	12/01/2014	09/30/2017
McKinney Independent School District	Technology Products & Services	03/26/2014	03/25/2016
Meridian Health System, Inc.	Business Associate Agreement	08/23/2013	08/18/2018
Mesa Unified School District No. 4	Computer Parts & Peripherals	03/24/2015	02/24/2016
Metropolitan Transportation Authority	MTA Peripherals	03/14/2014	08/01/2016
Middlesex Regional Educational Services Commission	Technology Supplies & Services	07/01/2015	06/30/2016
Milwaukee Public Schools	Various Electronic Supplies, Blanket Contract	02/01/2013	01/31/2016
Milwaukee Public Schools	Chromebook Agreement	05/30/2014	05/29/2016
Milwaukee Public Schools	Charging Carts for Chromebooks	08/22/2014	08/21/2016
Minnesota Department of Administration	Minnesota Professional and Technical Services S	07/03/2014	04/15/2019
Mississippi Department of Information Technology Services	Mississippi IT Hardware EPL 3760	03/11/2015	06/30/2017
Momentum Ventures, LLC	Group Purchasing Agreement	05/15/2013	05/14/2016
Montgomery County Department of Technology Services	Montgomery County MD IT Commodities	09/16/2014	02/02/2016
National Cooperative Purchasing Alliance	Red Hat Software	09/02/2015	12/31/2015
National Joint Powers Alliance	Technology Solutions with Related Equipment a	12/01/2014	11/30/2018
NetApp, Inc.	Oklahoma State Regents NetApp	03/01/2014	02/28/2016
NetApp, Inc.	TX DIR NetApp	08/19/2014	08/19/2016
NetApp, Inc.	Alaska NetApp NVP Computer Equipment	10/13/2015	03/31/2017
NetApp, Inc.	Arkansas NetApp NVP Computer Equipment	10/15/2015	03/31/2017
New Mexico Cooperative Educational Services	Windows Desktop, Accessories and Software for	05/19/2014	05/18/2016
New York City Department of Education	AV and Interactive Whiteboard Agreement	01/31/2014	01/31/2019
Noble County Clerk	Noble County Office Supplies	07/01/2015	12/31/2015
Northwestern University	Northwestern University Lenovo Desktop Compu	09/01/2014	08/31/2019
Northwestern University	Northwestern Computer Peripherals and Supplie	10/31/2014	10/31/2019
Ohio Council of Educational Purchasing Consortia	Technology Catalog	03/01/2014	02/28/2016
Ohio Inter University Council Purchasing Group	Ohio Inter University Purchasing Group Price Ag	10/01/2014	09/30/2017
Ohio State University Medical Center	Ohio State Unvi Med Ctr Material Systems and P	10/18/2013	08/31/2018
Oki Data America's Inc.	TX DIR Okidata	06/05/2015	06/05/2016
Oki Data Americas, Inc.	NY OGS Oki Data	02/27/2013	02/26/2016
Oki Data Americas, Inc.	NY OGS Oki Data Printers and Imaging Equipmer	09/01/2014	08/31/2017
Onondaga-Cortland-Madison Board of Cooperative Educational Services	COMPUTER PERIPHERALS	01/01/2014	12/31/2015
Orange County Public Schools	Computer Peripheral Equipment	01/17/2013	12/31/2015
Orange County Public Schools	Single Sign On Software	06/25/2014	06/24/2017
Oregon Department of Administrative Services-Enterprise Technolog Service	Enterprise Technology Hardware, Software, and	05/14/2015	05/13/2017
Oregon State University	Contract for the Purchase of Computer Hardwar	11/12/2013	11/11/2017
Palo Alto Networks, Inc	California Palo Alto NVP Data Communications	04/16/2015	05/31/2019
Palo Alto Networks, Inc	Palo Alto NVP Data Communications	04/16/2015	05/31/2019
Palo Alto Networks, Inc	Nevada Palo Alto NVP Data Communications	06/08/2015	05/31/2019
Palo Alto Networks, Inc	Washington Palo Alto NVP Data Communication	08/19/2015	05/31/2019
Palo Alto Networks, Inc	Alaska Palo Alto NVP Data Communications	08/27/2015	05/31/2019
Palo Alto Networks, Inc	Colorado Palo Alto NVP Data Communications	08/27/2015	05/31/2019
Palo Alto Networks, Inc	Louisiana Palo Alto NVP Data Communications	08/27/2015	05/31/2019
Palo Alto Networks, Inc	Utah Palo Alto VALP Data Communications	08/27/2015	05/31/2019
Palo Alto Networks, Inc	Florida Palo Alto NVP Data Communications	12/08/2015	05/31/2019
Panasonic Computer Solutions Company	TX DIR Panasonic	12/20/2013	12/20/2015
Pemayetv Emahakv Charter School	Printer Supplies Management Program	04/16/2015	04/15/2018
Pennsylvania Department of General Services	PA Commonwealth- Server Equipment	06/01/2014	05/31/2016
PEPPM	General Hardware and Software	01/01/2014	12/31/2016
PEPPM	PEPPM 2014 Steelcase Product Line BId	05/28/2014	12/31/2017
PEPPM	PEPPM 2015 Ruckus Product Line Bid	01/01/2015	12/31/2017
PEPPM	PEPPM Panasonic Product Line Bid 2015	03/09/2015	12/31/2017
PEPPM	PEPPM Product Line Bid	03/26/2015	01/01/2018
PEPPM	PEPPM 2015 Synnex Product Line Bid	10/12/2015	12/31/2017
Pharr-San Juan-Alamo Independent School District	Audio Visual Aids, Videos, Equipment, Services a	09/01/2015	08/31/2016
Pharr-San Juan-Alamo Independent School District	Toner & Ink Cartridges for Printers, Equipment, S	09/01/2015	08/31/2016
Pharr-San Juan-Alamo Independent School District	Computer and Printer, Equipment, Services and	09/01/2015	08/31/2016
Pima County Community College District	National IPA Piggyback Agreement	09/25/2015	08/14/2016
Polycom, Inc.	State of Georgia Polycom	07/25/2013	06/30/2016

Prince George County Public Schools	MDM Licenses	10/01/2014	09/30/2017
Promark Technology	Ohio STS Promark	07/16/2014	09/04/2016
Promethean, Inc.	NY OGS Promethean Materials and Equipment	02/13/2013	08/02/2017
Rasmussen, Inc.	Rasmussen, Inc. Master Services and Product Sa	08/26/2014	08/25/2016
Region 18 Education Service Center	Catalog Bid	06/23/2015	06/22/2016
Region 8 Education Service Center	Printer Supplies Management Agreement	04/16/2015	04/15/2018
Regional Educational Media Center Association of Michigan	Computer & Networking 2014	07/01/2014	06/30/2019
Regional Educational Media Center Association of Michigan	Computer & Networking	07/01/2014	06/30/2019
Regional Educational Media Center Association of Michigan	Supplies & Equipment 2015	01/01/2015	12/31/2015
Regional Educational Media Center Association of Michigan	Software, Digital Content & Automated Notificat	07/01/2015	06/30/2018
Regional Educational Media Center Association of Michigan	Computer Equipment	08/11/2015	03/31/2017
Ricoh U.S.A. Inc.	NY OGS Ricoh Printing and Imaging	11/06/2014	09/01/2017
Rocky Point Union Free School District	Lexmark OEM Toner Catridges & Supplies Bid	07/01/2013	06/30/2016
Samsung Electronics America, Inc.	North Carolina 204D Samsung	04/01/2013	03/31/2016
Samsung Electronics America, Inc.	NY OGS Samsung Printing	01/12/2015	08/31/2017
School Board of Hernando County	Interactive Solutions	05/07/2014	05/06/2016
School Board of Sarasota County	Audio Visual and Video Equipment	01/20/2015	01/19/2017
ShoreTel Inc.	Hawaii ShoreTel NVP Data Communications	02/17/2015	05/31/2019
ShoreTel Inc.	Nevada ShoreTel NVP Data Communications	02/17/2015	05/31/2019
ShoreTel Inc.	ShoreTel WSCA	02/17/2015	05/31/2019
ShoreTel Inc.	Utah ShoreTel NVP Data Communications	02/17/2015	05/31/2019
ShoreTel Inc.	ShoreTel NVP Data Communications	02/17/2015	05/31/2019
ShoreTel Inc.	California ShoreTel NVP Data Communications	08/19/2015	05/31/2019
ShoreTel Inc.	Arkansas ShoreTel NVP Data Communications	08/28/2015	06/01/2019
ShoreTel Inc.	Florida ShoreTel NVP Data Communications	08/28/2015	05/31/2019
ShoreTel Inc.	Missouri ShoreTel NVP Data Communications	08/28/2015	05/31/2019
ShoreTel Inc.	Washington ShoreTel NVP Data Communication	09/18/2015	05/31/2019
Snohomish County Public Utility District	Snohomish County PUD Fireye	10/21/2014	10/21/2019
Socorro Independent School District	District Interactive Projectors	11/20/2014	11/19/2016
South Carolina Information Technology Management Office	South Carolina Symantec	02/20/2013	02/19/2018
South Carolina Information Technology Management Office	South Carolina Aerohive	05/29/2015	05/28/2018
Southeast Kansas Educational Services Cooperative	Southeast Kansas Educational Services Cooperat	03/01/2014	02/29/2016
Spectrum Industries, Inc.	State of Connecticut Classroom Furniture	07/23/2014	03/31/2017
St. Mary's County Public Schools	Promethean Interactive Whiteboards & Related	04/01/2013	03/31/2016
Stanford University	Stanford University MPSA	10/27/2015	10/27/2018
State of California, Department of General Services	SLP Academic Microsoft	06/27/2013	06/30/2016
State of California, Department of General Services	CMAS Cisco	08/07/2013	09/30/2017
State of California, Department of General Services	SLP Microsoft	11/15/2013	02/01/2017
State of California, Department of General Services	SLP Adobe	01/24/2014	12/31/2015
State of California, Department of General Services	SLP Novell	06/09/2014	06/30/2016
State of California, Department of General Services	SLP VMware	07/21/2014	07/31/2017
State of California, Department of General Services	Cisco PC Servers	06/30/2015	06/29/2017
State of California, Department of General Services	SLP Commvault	08/03/2015	07/31/2017
State of California, Department of General Services	SLP Symantec	09/19/2014	08/31/2016
State of Connecticut, Dept of Administrative Services	Information Processing Systems Agreement	01/17/2014	01/17/2018
State of Connecticut, Dept of Information Technology	Audio Visual	05/01/2014	03/31/2019
State of Oregon	IT Hardware Value Added Reseller	09/25/2015	09/30/2017
State of Tennessee, Department of General Services	Tennessee Cisco Hardware, Software, and Servic	01/01/2013	12/31/2015
State of Tennessee, Department of General Services	Tennessee Ultrabooks and Related Peripherals	07/11/2014	07/10/2016
State of Tennessee, Department of General Services	Tennessee Multi Manufacturer Software	04/01/2015	03/31/2016
State of Texas, Department of Information Resources	TX DIR Networking	09/20/2014	09/19/2016
State of Texas, Department of Information Resources	TX DIR Education IT Products	06/18/2015	06/18/2016
Tegile Systems, Inc.	Florida Tegile NASPO ValuePoint Computer Equi	07/22/2015	03/31/2017
Tegile Systems, Inc.	Tegile NASPO ValuePoint Computer Equipment	07/22/2015	03/31/2017
Texas A&M University	TCPN Stretch Agreement	07/01/2013	10/31/2016
Texas Christian University	Texas Christian Managed Print Services Contract	08/19/2013	08/19/2016
The Catholic University of America	The Catholic University of America-MPA	10/26/2015	05/31/2017
The Interlocal Purchasing System	TIPS/TAPS Computers, Equipment, Components	06/26/2015	06/29/2018
The Interlocal Purchasing System	TIPS-TAPS Software	07/16/2015	07/27/2018
Tri-Consortia Technology Committee	Category 2-Products and Services	02/13/2015	06/30/2018
Tuskegee University	Tuskegee University	05/14/2013	05/14/2016
University Hospitals Health System, Inc	Letter of Understanding for VDI project	12/02/2013	12/01/2016
University of Alabama	University of Alabama Computer Peripherals	03/01/2014	12/31/2015
University of Alabama at Birmingham	Business Associates Agreement	08/13/2013	08/12/2018
University of Florida	NJPA Stretch Agreement	02/26/2015	11/18/2018
University of Idaho	NJPA Stretch Agreement	07/31/2015	11/18/2018
University of Iowa	University of Iowa Border Routers	08/29/2014	08/28/2016
University of Kentucky	University of Kentucky Software, Peripherals & A	01/07/2013	01/06/2016
University of Massachusetts	NJPA Stretch Agreement	05/01/2015	11/18/2018
University of Minnesota	University of Minnesota Juniper and Powerdsine	07/01/2013	06/30/2016

University of Montana	NJPA Stretch Agreement	12/01/2014	11/18/2018
University of Virginia	NJPA Stretch Agreement	12/01/2014	11/18/2018
University of Wisconsin Foundation	Master Services Sales Agreement	09/11/2015	09/10/2017
US Educational Technology Purchasing Alliance	End User Devices	01/01/2015	12/31/2019
US Educational Technology Purchasing Alliance	LAN/WAN Security (E-Rate)	01/01/2015	12/31/2019
Vanguard University	Vanguard University MPSA	12/12/2013	12/13/2015
Victoria Independent School District	Audio Visual Equipment & Supplies	01/01/2014	12/31/2015
Victoria Independent School District	Technology RFP	03/01/2014	02/28/2016
Village of Lombard	MPS-Village of Lombard	10/30/2013	10/30/2016
Village of Lombard	Village of Lombard PSMP	10/30/2013	10/29/2016
Virginia Information Technologies Agency	VITA Governance, Risk and Compliance Software	02/04/2013	02/04/2017
Virginia Information Technologies Agency	VITA Hardware and Maintenance	03/31/2014	03/31/2016
Virginia Information Technologies Agency	VITS Software License Contract	04/01/2014	03/31/2016
Wayne-Finger Lakes BOCES	Chrome Books & Accessories	06/01/2013	01/31/2016
Western Suffolk BOCES	Western Suffolk BOCES Smartboard & Audio Vis	02/24/2015	12/31/2015

LOST OR RESIGNED GOVERNMENT CONTRACTS

Issuing Agency	Contract Title	Start Date	Exp Date	Reason
Montgomery County Public Schools	Computer Supplies	01/13/2010	01/12/2013	Unknown reason
Arlington Independent School District	Computer, AV Equipment, Supplies and Services	11/01/2012	01/15/2013	Agreement rebid and awarded to CDW•G
Milwaukee Public Schools	Tech Catalog Contract	11/20/2009	01/31/2013	Agreement rebid and awarded to CDW•G
Albuquerque Public Schools	Audio Visual	03/02/2009	02/28/2013	Moved purchasing to local cooperative agreements
New Mexico Cooperative Educational Services	Technology Contract	03/01/2010	02/28/2013	Agreement rebid and awarded to CDW•G
King County Director's Association	Technology Catalog	03/01/2010	02/28/2014	Agreement rebid and awarded to CDW•G
Clark County School District	Classroom Visual Presentation Equipment and Accessories	03/23/2011	03/22/2013	Unknown reason
Irvine Unified School District	Irvine Unified School District Product Purchase Agreement 56943	04/15/2008	04/16/2013	Signed a new agreement
New Caney Independent School District	Special Education Supplies	05/17/2011	05/16/2013	Unknown reason
San Francisco Unified School District	Interactive Whiteboard Classroom Solution	06/09/2010	06/07/2013	Unknown reason
Region 18 Education Service Center	Computer Hardware, Software, Supplies and Accessories	06/23/2012	06/22/2013	Unknown reason
Socorro Independent School District	District Software	06/24/2011	06/25/2013	Agreement rebid and awarded to CDW•G
Tuscon Unified School District	Computer, Technology, Electrical Parts and Supplies	09/18/2008	06/30/2013	Unknown reason
Corona-Norco Unified School District	Audio Visual Equipment	07/01/2011	06/30/2013	Unknown reason
Garden Grove Unified School District	Audio Visual Equipment	09/19/2012	06/30/2013	Unknown reason
Orange County Public Schools	Projectors	07/01/2011	06/30/2013	Unknown reason
Jackson-Madison County School System	Slate-Tablet Computers	03/15/2013	06/30/2013	Agreement rebid and awarded to CDW•G
Copper Country Intermediate School District	22i SPOT Device	05/23/2013	08/30/2013	Agreement rebid and awarded to CDW•G
NORTH ALABAMA COOPERATIVE PURCHASING ASSOCIATION	MANUFACTURER SUPPLIED TECHNOLOGY EQUIPMENT WITH PERIPH	09/01/2010	08/31/2013	Agreement rebid and awarded to CDW•G
Academy School District 20	Peripherals	09/01/2012	08/31/2013	Agreement rebid and awarded to CDW•G
Eagle Pass Independent School District	Computer Hardware & Equipment	10/01/2011	08/31/2013	Unknown reason
Harlingen Consolidated Independent School District	Audio Visual	09/11/2012	08/31/2013	Unknown reason
Lone Star College System	Technology Solutions	11/20/2012	10/13/2013	Agreement not renewed due to lack of sales
School District of Palm Beach County	Computer Software, Peripherals, Accessories & Repair Parts	11/20/2009	11/19/2013	Unknown reason
Smoky Hill Education Service Center	NJPA Stretch Agreement	12/17/2012	11/22/2013	Signed new NJPA Stretch Agreement
Associated Colleges of the Twin Cities	Technology Catalog	08/08/2012	11/22/2013	Signed new Stretch Agreement under new NJPA Agreement
City of Chesapeake	Technology Solutions and Related Services	10/11/2012	11/23/2013	Signed new Stretch Agreement under new NJPA Agreement
Socorro Independent School District	Audio Visual Equipment	12/18/2011	12/17/2013	Agreement rebid and awarded to CDW•G
Lake County School Board	Catalog Bid for Incidental Supplies	09/25/2006	12/31/2013	Unknown reason
Regional Educational Media Center Association of Michigan	uipment & Supplies 2013	01/01/2013	12/31/2013	Agreement rebid and awarded to CDW•G
School District of Kansas City Missouri	Computer Technology and Peripherals	01/01/2013	12/31/2013	Unknown reason
Cypress-Fairbanks Independent School District	Repair Parts for AV, Computer, Printer & Miscellaneous Office Equip	01/01/2012	12/31/2013	Unknown reason
Northside Independent School District	Audio, Visual & DVD Software	02/01/2012	01/31/2014	Unknown reason
University of Alabama	Lenovo Product	03/01/2013	02/28/2014	Agreement rebid and awarded to CDW•G
Colorado BOCES Association	Technology Catalog	03/01/2010	02/28/2014	Agreement rebid and awarded to CDW•G
Panhandle Area Education Consortium	Technology Catalog	03/01/2010	02/28/2014	Agreement rebid and awarded to CDW•G
Iowa Educators Consortium	Technology Catalog	03/01/2010	02/28/2014	Agreement rebid and awarded to CDW•G
Indiana Association Educational Service Centers	Technology Catalog	03/01/2010	02/28/2014	Agreement rebid and awarded to CDW•G
Indiana Association Educational Service Centers - GovPro	Technology Catalog	03/01/2010	02/28/2014	Agreement rebid and awarded to CDW•G
Oakland Schools	Technology Catalog	03/01/2010	02/28/2014	Agreement rebid and awarded to CDW•G
Minnesota Service Cooperatives	Technology Catalog	03/01/2010	02/28/2014	Agreement rebid and awarded to CDW•G
Cooperating School Districts of Greater St Louis	Technology Catalog	03/01/2010	02/28/2014	Agreement rebid and awarded to CDW•G
Montana Cooperative Services, LLC	Technology Catalog	03/01/2010	02/28/2014	Agreement rebid and awarded to CDW•G
North Dakota Educators Service Cooperative	Technology Catalog	03/01/2010	02/28/2014	Agreement rebid and awarded to CDW•G
InterMountain ESD	Technology Catalog	03/01/2010	02/28/2014	Agreement rebid and awarded to CDW•G
Portland Public Schools	Technology Catalog	01/03/2006	02/28/2014	Agreement rebid and awarded to CDW•G
Keystone Purchasing Network	Technology Catalog	07/01/2013	02/28/2014	Agreement rebid and awarded to CDW•G
TexBuy (Region 16 Education Service Center)	Technology Catalog	09/27/2010	02/28/2014	Agreement rebid and awarded to CDW•G
Fairfax County Public Schools	Technology Catalog	03/01/2010	02/28/2014	Agreement rebid and awarded to CDW•G
Richmond Public Schools	Audio Visual Equipment & Misc Items	03/01/2011	02/28/2014	Unknown reason
Regional Education Service Agencies 5	Technology Catalog	05/09/2012	02/28/2014	Agreement rebid and awarded to CDW•G
Atlanta Independent School System	Instructional Interactive Devices Accessories for Promethean	04/08/2013	03/27/2014	Agreement rebid and awarded to CDW•G
Socorro Independent School District	District Technology	03/27/2013	03/27/2014	Agreement rebid and awarded to CDW•G
City of Mesquite	Annual Supply of Miscellaneous PC Components	04/05/2012	04/04/2014	Unknown reason
North County Educational Purchasing Corsoritum	Audio Visual	04/15/2011	04/15/2014	Agreement rebid and not awarded to CDW•G

National Joint Powers Alliance	Emergency Response Agreement	04/15/2009	04/15/2014	Agreement rebid and awarded to CDW•G
San Bernardino City Unified School District	Audio Visual Equipment & Supplies	05/06/2013	05/05/2014	Unknown reason
Community Unified School District 300	Replacement Computers	05/13/2013	05/13/2014	Agreement rebid and awarded to CDW•G
Douglas County Schools (Omaha Public Schools)	Promethean Interactive Whiteboards	05/21/2013	05/20/2014	Unknown reason
San Diego County Office of Education	Chromebook	08/27/2013	06/30/2014	Unknown reason
Hillsborough County Public Schools	Audio Visual Equipment, Related Parts and Periodic Services	01/25/2012	06/30/2014	Unknown reason
Lenovo (United States) Inc.	KETS Instructional Devices Workstations	12/04/2012	06/30/2014	Agreement rebid and awarded to CDW•G
Montgomery County Public Schools	Chrome-Android-Windows Mobile Devices	07/15/2014	06/30/2014	Unknown reason
Jackson-Madison County School System	Computer Requirements	08/20/2013	06/30/2014	Agreement rebid and not awarded to CDW•G
Arlington Independent School District	Computer / Audio Visual Equipment, Supplies and/or Services	08/16/2013	06/30/2014	Agreement rebid and awarded to CDW•G
Jefferson County School District No. R-1	AV Equipment & Supplies	08/01/2013	07/31/2014	Agreement rebid and awarded to CDW•G
School District of Desoto County	Catalog Discount Term Contract	11/13/2012	07/31/2014	Unknown reason
Copper Country Intermediate School District	22i SPOT Device	04/23/2014	07/31/2014	Agreement rebid and awarded to CDW•G
Desert Sands Unified School District	Chromebooks	08/21/2013	08/20/2014	Agreement rebid and awarded to CDW•G
Education Service Center Region VII	Computer Hardware & Supplies Bid Award	08/22/2013	08/22/2014	Agreement rebid and awarded to CDW•G
Amarillo Independent School District	Audio Visual	09/01/2013	08/31/2014	Moved purchasing to local cooperative agreements
Socorro Independent School District	District Interactive Projectors	09/20/2013	09/19/2014	Agreement rebid and awarded to CDW•G
Aldine Independent School District	Instructional Supplies & Equipment	09/21/2011	09/20/2014	Signed VPA Agreement with CDW•G
Mesa Unified School District No. 4	Student Devices	09/24/3013	09/23/2014	Agreement rebid and awarded to CDW•G
School Board of Polk County	Kindle Fire	04/25/2012	11/27/2014	Unknown reason
Hillsborough County Public Schools	Classroom Supplies & Equipment Catalog	12/09/2009	12/08/2014	Unknown reason
National Joint Powers Alliance	Technology Catalog	12/09/2009	12/15/2014	Agreement rebid and awarded to CDW•G
Montana State University	NJPAStretch Agreement	11/06/2013	12/15/2014	Signed a new NJPA Stretch Agreement
Board of Regents of the Nevada System of Higher Education on beh	NJPA Stretch Agreement	05/01/2014	12/15/2014	Signed new Stretch Agreement under new NJPA Agreement
College of Southern Nevada	NJPA Stretch Agreement	06/05/2014	12/15/2014	Signed new Stretch Agreement under new NJPA Agreement
Massapequa Union Free School District	NJPA Stretch Agreement	09/01/2013	12/15/2014	Signed new Stretch Agreement under new NJPA Agreement
West Hempsted Unified Free School District	NJPA Stretch Agreement	09/16/2014	12/15/2014	Agreement not renewed
Ohio Inter-University Council Purchasing Group	Technology Solutions with Related Equipment and Accesories	03/14/2011	12/15/2014	Signed new NJPA Stretch Agreement
Fayette County Board of Education	LocknCharge Carrier Charging Carts	10/01/2014	12/31/2014	Unknown reason
The School Board of Sarasota County	Audio Visual & Video Equipment	01/22/2013	01/21/2015	Unknown reason
Unified School District 229	Master Services Sales Agreement	01/27/2014	01/26/2015	Unknown reason
Adams County School District 14	Microsoft Office 365	08/18/2014	01/30/2015	Unknown reason
Fountain Fort Carson School District 8	Laptop & Ultrabook Contract	03/03/2014	03/02/2015	Unknown reason
Victoria Independent School District	Educational Computer Software	06/01/2013	05/31/2015	Unknown reason
Montgomery County Public Schools	Televisions for Schools and Offices	06/15/2013	06/14/2015	Unknown reason
Region 18 Education Service Center	Catalog Bid	06/23/2014	06/22/2015	Agreement rebid and awarded to CDW•G
Alum Rock Union Elementary School District	Visual and Audio Installation	04/25/2013	06/30/2015	Agreement not rebid
Alum Rock Union Elementary School District	Installation of Interactive Classroom Promethean Boards	05/07/2013	06/30/2015	Agreement not rebid
Pinellas County School Board	Audio Visual & Video Equipment/Materials	01/26/2014	06/30/2015	Unknown reason
Des Moines Independent Community School District	Technology - Electronic Products	07/01/2012	06/30/2015	Unknown reason
Rockford Public Schools	Lenovo ThinkPads	07/01/2012	06/30/2015	Unknown reason
Regional Educational Media Center Association of Michigan	Software 2012	07/01/2012	06/30/2015	Agreement rebid and awarded to CDW•G
Middlesex Regional Educational Services Commission	Technology Catalog	07/01/2013	06/30/2015	Agreement rebid and awarded to CDW•G
Metropolitan Nashville Public Schools	Nutrition Services Computers/Supplies	06/01/2014	06/30/2015	Unknown reason
Birdville Independent School District	Birdville ISD	07/01/2014	06/30/2015	Moved purchasing to local cooperative agreements
Pearland Independent School District	Careet and Technical Education Catalog	07/01/2014	06/30/2015	Unknown reason
Arlington Independent School District	Computer, AV Equipment, Supplies and Services	07/01/2014	06/30/2015	Agreement rebid and awarded to CDW•G
Donna Independent School District	Computer Peripherals & IPads 2014-2015	11/19/2014	06/30/2015	Unknown reason
Jefferson County Public Schools R-1	Projection, A/V and Charging Carts	09/30/2015	07/31/2015	Unknown reason
Pharr-San Juan-Alamo Independent School District	Computer Equipment, Servers, Microsoft Licensing, Services and Fin	08/23/2013	08/22/2015	Unknown reason
Education Service Center Region VII	Computer Hardware & Supplies	08/21/2014	08/22/2015	Agreement rebid and awarded to CDW•G
Academy School District 20	District-wide Peripheral Purchase	08/19/2014	08/31/2015	Agreement rebid and awarded to CDW•G
Edinburg Consolidated Independent School District	Audio Visual Supplies & Equipment	09/01/2013	08/31/2015	Moved purchasing to local cooperative agreements
Pharr-San Juan-Alamo Independent School District	Toner and Ink Cartridges for Printers, Equipment, Services and Suppl	09/01/2014	08/31/2015	Unknown reason
Pharr-San Juan-Alamo Independent School District	Computer and Printer Equipment, Services and Supplies Catalog	09/01/2014	08/31/2015	Unknown reason
Portland Water District	Information Technology Supplies	09/12/2014	09/11/2015	Unknown reason
Aldine Independent School District	VPA for Technology Devices	09/17/2014	09/16/2015	Moved purchasing to local cooperative agreements

School Board of Volusia County	IT Hardware and Software - Percent Discount	10/28/2013	09/30/2015	Using other school agreement in Florida
El Paso Independent School District	iPads, Computer, Telephone & AV Repairs	10/11/2012	10/10/2015	Unknown reason
Judson Independent School District	Computer and Networking Equipment	10/23/2014	10/22/2015	Unknown reason
Clear Creek Independent School District	Audio Visual Equipment, Supplies & Discounts	12/01/2011	11/30/2015	Unknown reason
Henrico County Public Schools	Promethean Interactive White Boards	12/01/2010	11/30/2015	Unknown reason
CalSAVE	Technology Catalog	04/01/2011	12/31/2015	Agreement out to RFP
Education Service Center Region 19	Special Education & Assistive Technology Equipment, Supplies, and C	12/09/2012	12/31/2015	Not renewed for lack of sales
Victoria Independent School District	Audio Visual Equipment & Supplies	01/01/2014	12/31/2015	Unknown reason
National Cooperative Purchasing Alliance	Red Hat Software	09/02/2015	12/31/2015	Agreement not renewed
Epson America, Inc.	Epson Brighter Futures Printers	03/20/2005	03/31/2013	Unknown reason
Catholic Purchasing Services	Master Service and Product Sales Agreement	06/23/2009	06/22/2013	Not renewed for lack of sales
California Charter Schools Association	Product Purchase Agreement	06/25/2009	06/25/2013	Moved purchasing to local cooperative agreements
Long Beach Unified School District	Audio Visual Equipment	09/30/2010	06/30/2013	Unknown reason
Education Service Center Region VI	Technology Supplies	07/01/2012	06/30/2013	Unknown reason
South County Support Service Agency	MSPSA	07/07/2009	07/06/2013	Not renewed for lack of sales
Chicago Public Schools	Software Resale and Support Services	08/01/2010	07/31/2013	Signed new agreement with CDW•G using City of Chicago contract
Alabama Joint Purchasing Program	ALJP 2012 - Amazon Kindle & ServiceNet Warranty	08/15/2012	08/14/2013	Line item rebid and awarded to CDW•G
Alabama Joint Purchasing Program	ALJP 2012 - Asus	08/15/2012	08/14/2013	Line item rebid and awarded to CDW•G
Alabama Joint Purchasing Program	ALJP 2012 - Brocade	08/15/2012	08/14/2013	Line item rebid and awarded to CDW•G
Alabama Joint Purchasing Program	ALJP 2012 - McAfee	08/15/2012	08/14/2013	Line item rebid and awarded to CDW•G
Alabama Joint Purchasing Program	ALJP 2012 - Ruckus	08/15/2012	08/14/2013	Line item rebid and not awarded to CDW•G
Alabama Joint Purchasing Program	ALJP 2012 - Spectrum	08/15/2012	08/14/2013	Line item rebid and awarded to CDW•G
Alabama Joint Purchasing Program	ALJP 2012 - Trend Micro	08/15/2012	08/14/2013	Line item rebid and awarded to CDW•G
Alabama Joint Purchasing Program	ALJP 2012 - Xerox	08/15/2012	08/14/2013	Line item rebid and awarded to CDW•G
Alabama Joint Purchasing Program	ALJP 2012 - Belkin	09/10/2012	08/14/2013	Line item rebid and awarded to CDW•G
Alabama Joint Purchasing Program	ALJP 2012 - Tripp Lite	11/02/2012	08/14/2013	Line item rebid and awarded to CDW•G
Education Service Center Region VII	Computer Hardware & Supplies	08/16/2012	08/18/2013	Agreement rebid and awarded to CDW•G
Rockwood School District	Rockwood School District Product Purchase Agreement 92547	10/01/2008	10/01/2013	Unknown reason
Harris County Department of Education	Technology Catalog	12/14/2004	12/14/2013	Agreement rebid and awarded to CDW•G
Victoria Independent School District	Technology RFP	03/01/2011	03/01/2014	Unknown reason
McKinney Independent School District	Technology & Technical Products & Services	03/25/2009	03/24/2014	Unknown reason
Alabama Joint Purchasing Program	ALJP 2011 - Planar	05/16/2011	05/15/2014	Line item rebid and not awarded to CDW•G
Alabama Joint Purchasing Program	ALJP2011-037: AVerMedia	09/25/2012	05/15/2014	Line item rebid and not awarded to CDW•G
Washington Learning Source	Adobe CLP Software	07/13/2007	07/31/2014	Agreement not rebid
Washington Learning Source	Aruba Networking Equipment	05/22/2009	07/31/2014	Agreement not rebid
Management Council Ohio Education Computer Network	MSPSA 41025	02/01/2013	01/31/2015	Unknown reason
The Interlocal Purchasing System	Computer Equipment, Components and Peripherals	06/28/2012	06/29/2015	Agreement rebid and awarded to CDW•G
The Interlocal Purchasing System	TIPS-TAPS Software	08/09/2010	07/23/2015	Agreement rebid and awarded to CDW•G
Digital Edge	Digital Edge Wireless Mobile Devices	05/28/2014	12/31/2015	Agreement rebid and not awarded to CDW•G
State of Alabama Department of Finance	Blackberry Support	04/22/2010	04/21/2015	Contract expired. No reason on file for why this was not renewed.
State of Alabama Department of Finance	Alabama Apple PC and Servers	11/01/2013	10/31/2015	CDW•G was named to a new Contract.
State of Alabama Department of Finance	Alabama Printers and Scanners	12/17/2012	12/16/2015	CDW•G was named to a new Contract.
County of Albany Department of General Services	Albany County Printers, Accessories and Supplies	08/22/2013	08/21/2015	Contract expired and was not renewed. There was no replacement RFP.
Xerox Corporation	State of Arkansas Xerox	04/06/2012	04/30/2015	CDW•G was named to a new Contract.
Baldwin County	Baldwin County Commission Microcomputer	10/21/2014	10/21/2015	CDW•G was named to a new Contract.
State of California, Department of General Services	SLP Adobe	01/24/2014	12/31/2015	CDW•G was named to a new Contract.
City of St. Petersburg	City of St. Petersburg Computers, Ruggedized Laptop	03/07/2011	02/28/2014	Contract expired and was not renewed. There was no replacement RFP.
Commonwealth of Pennsylvania	PA Commonwealth- Networking Equipment	10/01/2013	09/30/2016	Contract was extended until 2016.
County of Ventura	County of Ventura Cisco	12/12/2013	06/30/2015	Contract expired. No reason on file for why this was not renewed.
State of Connecticut, Dept of Information Technology	Audio Visual	08/01/2010	05/30/2014	CDW•G was named to a new Contract.
American Power Conversion	FL APC IT Hardware	09/08/2008	09/07/2014	Contract expired and was not renewed. FL wanted to move to WSCA.
Cisco Systems, Inc.	Florida Cisco IT Hardware	09/12/2008	09/07/2014	Contract expired and was not renewed. FL wanted to move to WSCA.
EMC Corporation	State of Florida EMC	09/13/2005	09/07/2014	Contract expired and was not renewed. FL wanted to move to WSCA.
Enterasys Networks, Inc.	Florida Enterasys	09/08/2008	09/07/2014	Contract expired and was not renewed. FL wanted to move to WSCA.
Brocade Communications Systems, Inc.	Florida Brocade IT Hardware	09/08/2008	09/07/2014	Contract expired and was not renewed. FL wanted to move to WSCA.
Hewlett- Packard Company	Florida HP IT Storage, Network	09/12/2008	09/07/2014	Contract expired and was not renewed. FL wanted to move to WSCA.
Promark Technology, Inc.	FL Promark IT Hardware	12/18/2008	09/07/2014	Contract expired and was not renewed. FL wanted to move to WSCA.

Aruba Networks, Inc.	Florida Aruba	10/14/2008	09/07/2014	Contract expired and was not renewed. FL wanted to move to WSCA.
Trippe Manufacturing Co.	Florida Tripp Lite	03/23/2011	09/07/2014	Contract expired and was not renewed. FL wanted to move to WSCA.
NetApp	Florida NetApp	09/12/2008	09/07/2014	Contract expired and was not renewed. FL wanted to move to WSCA.
IBM Corporation	Florida IBM	09/08/2008	09/07/2014	Contract expired and was not renewed. FL wanted to move to WSCA.
immixGroup, Inc.	Florida Immix Riverbed	02/14/2013	09/07/2014	Contract expired and was not renewed. FL wanted to move to WSCA.
Cisco Systems, Inc.	Florida Cisco Audio and Visual Equipment and Accessories	08/19/2011	02/18/2015	Contract expired and was not renewed. FL wanted to move to WSCA.
Cisco Systems, Inc.	Florida Cisco Telephony	12/09/2008	09/02/2015	Contract expired and was not renewed. FL wanted to move to WSCA.
Carahsoft Technology Corp	State of Georgia F5/Carahsoft	12/31/2014	06/30/2015	CDW•G was named to a new Contract.
Extreme Networks, Inc.	State of Georgia Extreme Networks	07/01/2012	06/30/2015	CDW•G was named to a new Contract.
Extreme Networks, Inc.	State of Georgia Enterasys	07/01/2012	06/30/2015	CDW•G was named to a new Contract.
Pace	Microsoft Licenses, Terminal Services CAL and Core CAL Step-up	06/19/2012	12/31/2013	Contract expired and was not renewed. There was no replacement RFP.
Illinois Department of Central Management Services	IL EMC Capacity Expansion/Maint. Contract	06/27/2013	07/01/2015	Contract expired and was not renewed. There was no replacement RFP.
Illinois Department of Central Management Services	Illinois Adobe Master Contract	07/14/2008	06/30/2013	Contract expired and was not renewed. There was no replacement RFP.
Illinois Department of Central Management Services	IL Microsoft EA Agreement	10/01/2011	09/30/2015	CDW•G was named to a new Contract.
Illinois Department of Central Management Services	Illinois Microsoft LAR Agreement	10/01/2011	09/30/2015	CDW•G was named to a new Contract.
Illinois DOT	Illinois DOT Microsoft Premier Support Service	11/24/2013	11/23/2014	CDW•G was named to a new Contract.
Hewlett- Packard Company	Indiana HP QPA	03/05/2014	10/31/2015	Contract expired. No reason on file for why this was not renewed.
Kansas Department of Administration	Kansas Cisco Contract	07/23/2007	12/31/2015	CDW•G was named to a new Contract.
Aruba Wireless Networks, Inc.	Louisiana Aruba	08/26/2013	08/25/2015	Contract expired. No reason on file for why this was not renewed.
County of Los Angeles Internal Services Department	County of Los Angeles Cisco Hardware	07/21/2010	10/20/2015	CDW•G was named to a new Contract.
Promethean, Inc.	State of Louisiana Promethean	04/05/2012	10/04/2015	Contract expired. No reason on file for why this was not renewed.
Trippe Manufacturing Company	State of Louisiana Tripp Lite	05/15/2012	11/14/2015	We are still awaiting renewal
Epson America, Inc.	State of Louisiana Epson	10/01/2014	06/10/2015	CDW•G was named to a new Contract.
Lake County	Computer Workstation Hardware	12/01/2011	11/30/2015	Contract expired. No reason on file for why this was not renewed.
Louisville Jefferson County Metro Government	Louisville Jefferson County Metro Government Hardware, Software	05/18/2010	09/30/2015	CDW•G was named to a new Contract.
City of Cambridge	Misc Computer Hardware & Software for the Police Department	12/10/2014	12/09/2015	Contract expired. No reason on file for why this was not renewed.
Mississippi Department of Information Technology Services	Mississippi Microsoft EPL 3640	12/01/2010	06/01/2014	CDW•G was named to a new Contract.
Mississippi Department of Information Technology Services	Software Express Products List	06/23/2009	06/30/2014	CDW•G was named to a new Contract.
Mississippi Department of Information Technology Services	Mississippi IT Hardware EPL 3658	07/01/2011	02/13/2015	CDW•G was named to a new Contract.
Carahsoft Technology Corp	North Carolina Carahsoft VMware	11/20/2014	09/11/2015	Contract expired. No reason on file for why this was not renewed.
Ricoh Americas Corporation	NC Ricoh Printer 204D	08/01/2007	03/31/2013	Contract expired and was not renewed, but Ricoh is looking to award a new cont
Hewlett- Packard Company	North Carolina HP Thin Client	06/15/2012	06/14/2013	Contract expired. No reason on file for why this was not renewed.
North Carolina Department of Administration	North Carolina Citrix	08/01/2012	07/31/2013	CDW•G chose not to extend the contract for no sales.
North Carolina Department of Administration	NC Ruggedized Accessories 204B	06/01/2007	10/31/2013	CDW•G was named to a new Contract.
Panasonic Computer Solutions Company	NC Panasonic Rugged Computers	06/01/2007	10/31/2013	CDW•G was named to a new Contract.
Hewlett- Packard Company	North Carolina HP Printer	04/01/2013	03/31/2014	CDW•G was named to a new Contract.
Carahsoft Technology Corp.	Carahsoft VMWare Software	09/10/2014	09/09/2015	Contract expired. No reason on file for why this was not renewed.
North Carolina Department of Administration	NC Mass Storage ITS-006498	09/20/2012	03/31/2016	Contract was extended until 2016.
NetApp, Inc.	NC 204J NetApp Mass Storage	09/20/2012	09/20/2015	Contract expired. No reason on file for why this was not renewed.
North Carolina Department of Administration	NC Ruggedized Computers and Accessories	11/01/2013	10/31/2015	Contract expired. No reason on file for why this was not renewed.
Synnex Corporation	North Central EMS Cooperative	04/25/2011	02/09/2014	Contract expired. No reason on file for why this was not renewed.
Synnex Corporation	North Central EMS Cooperative	04/25/2011	02/09/2014	Contract expired. No reason on file for why this was not renewed.
Noble County Clerk	Noble County Office Supplies	07/01/2015	12/31/2015	Still awaiting
3M Projection Systems	NY OGS-3M Projection Systems Audio Visual	11/01/2008	10/31/2013	Contract expired and was not renewed. NY OGS did not open up for RFP again.
Mitsubishi Digital Electronics	NY OGS-Mitsubishi Audio Visual	11/01/2008	10/31/2013	Contract expired and was not renewed. NY OGS did not open up for RFP again.
Optoma Technology, Inc.	NY OGS-Optoma Technology Audio Visual	10/01/2008	10/31/2013	Contract expired and was not renewed. NY OGS did not open up for RFP again.
PolyVision Corporation	NY OGS-Polyvision Audio Visual	05/06/2010	10/31/2013	Contract expired and was not renewed. NY OGS did not open up for RFP again.
Hitachi Data Systems	NY OGS-Hitachi Systems & Peripherals Storage	11/25/2009	02/10/2014	Contract expired and was not renewed. NY OGS did not open up for RFP again.
ExaGrid Systems, Inc.	NY OGS-ExaGrid Systems Inc Storage Systems and Peripherals	08/17/2011	02/10/2014	Contract expired and was not renewed. NY OGS did not open up for RFP again.
Quantum Corporation	NY OGS-Quantum Corporation Systems and Peripheral (Storage)	02/11/2004	02/11/2014	Contract expired and was not renewed. NY OGS did not open up for RFP again.
Trend Micro, Inc.	NY OGS-Trend Micro Microcomputer Software	03/03/2009	03/02/2014	Contract expired and was not renewed. NY OGS did not open up for RFP again.
International Business Machines Corporation (IBM)	NY OGS-IBM Enterprise Systems Xseries	07/02/2008	07/01/2014	Contract expired and was not renewed. NY OGS did not open up for RFP again.
Citrix Systems, Inc.	NY OGS-Citrix Microcomputer Software	08/09/2004	08/08/2014	Contract expired and was not renewed. NY OGS did not open up for RFP again.
Epson America, Inc.	NY OGS-Epson Audio Visual	11/01/2008	10/31/2014	Contract expired and was not renewed. NY OGS did not open up for RFP again.
Infocus Corporation	NY OGS-Infocus Audio Visual	11/01/2008	10/31/2014	Contract expired and was not renewed. NY OGS did not open up for RFP again.
NEC Display Solutions of America	NY OGS-NEC Audio Visual	11/01/2008	10/31/2014	Contract expired and was not renewed. NY OGS did not open up for RFP again.
AverMedia Technologies, Inc.	NY OGS-AverMedia Technologies Audio Visual	11/01/2008	10/31/2014	Contract expired and was not renewed. NY OGS did not open up for RFP again.

Elmo USA Corp.	NY OGS-Elmo Corp Audio Visual	11/01/2008	10/31/2014	Contract expired and was not renewed. NY OGS did not open up for RFP again.
Steelcase, Inc.	NY OGS-NY OGS Steelcase VID#1000009217	08/29/2005	10/31/2014	Contract expired and was not renewed. NY OGS did not open up for RFP again.
EMC Corporation	NY OGS-EMC Storage Systems and Peripherals	03/05/2004	08/31/2015	Contract expired and was not renewed. NY OGS did not open up for RFP again.
NetApp, Inc.	NY OGS-NetApp Inc Systems and Peripheral (Storage)	02/11/2004	08/31/2015	Contract expired and was not renewed. NY OGS did not open up for RFP again.
Hewlett- Packard Company	NY OGS-HP Enterprise Systems	06/17/2011	10/22/2015	Contract expired and was not renewed. NY OGS did not open up for RFP again.
Hewlett- Packard Company	NY OGS-HP Storage Systems and Peripherals	07/19/2007	12/10/2015	Contract expired and was not renewed. NY OGS did not open up for RFP again.
Acer America Corp.	NY OGS-Acer Computer Microcomputer Systems	12/29/2010	12/28/2015	Contract may be renewed, pending NY OGS.
Fujitsu Computer Systems, Corporation	NY OGS-Fujitsu Microcomputer Systems	12/29/2010	12/28/2015	Contract may be renewed, pending NY OGS.
Hewlett- Packard Company	NY OGS-HP Microcomputer Systems	12/29/2010	12/28/2015	Contract may be renewed, pending NY OGS.
Lenovo (United States) Inc.	NY OGS-Lenovo Microcomputer Systems	12/29/2010	12/28/2015	Contract may be renewed, pending NY OGS.
Panasonic Computer Solutions Company	NY OGS-Panasonic Microcomputer Systems	12/29/2010	12/28/2015	Contract may be renewed, pending NY OGS.
Seneca Data Distributors, Inc.	NY OGS-SenecaData Microcomputer Systems	12/29/2010	12/28/2015	Contract may be renewed, pending NY OGS.
Sony Electronics, Inc.	NY OGS-Sony Microcomputer Systems	12/29/2010	12/28/2015	Contract may be renewed, pending NY OGS.
Toshiba America Information Systems, Inc.	NY OGS-Toshiba Microcomputer Systems	02/24/2011	12/28/2015	Contract may be renewed, pending NY OGS.
Asus Computer International	NY OGS-Asus Microcomputer System	04/21/2011	12/28/2015	Contract may be renewed, pending NY OGS.
Department of Information Technology and Telecommunications (D	NYC DOITT Panasonic	04/10/2013	12/29/2015	Contract will expire and not being renewed.
Oakland County, Michigan	Oakland County Microsoft Enterprise	09/01/2010	08/31/2013	Contract expired and was not renewed. There was no replacement RFP.
Oakland County, Michigan	Oakland County Michigan Fujitsu Tablets	10/01/2010	09/30/2013	Contract expired and was not renewed. There was no replacement RFP.
Aruba Wireless Networks, Inc.	State of Oklahoma Aruba Networking	02/20/2014	02/19/2015	CDW•G was named to a new Contract.
State of Pennsylvania, Department of General Services	Costars-3 IT Hardware	09/23/2005	09/08/2015	CDW•G was named to a new Contract.
State of Pennsylvania, Department of General Services	Costars Software	08/01/2008	11/30/2015	CDW•G was named to a new Contract.
Philadelphia Housing Authority	Philadelphia Housing Authority Hardware	04/01/2014	03/31/2015	Contract expired and was not renewed. There was no replacement RFP.
Philadelphia Housing Authority	Philadelphia Housing Authority Software	04/01/2014	03/31/2015	Contract expired and was not renewed. There was no replacement RFP.
Pennsylvania Department of General Services	PA IT Hardware Rugged Toughbooks	01/15/2009	09/30/2013	CDW•G was named to a new Contract.
Pennsylvania Department of General Services	PA IT Networking Contract	08/12/2008	09/30/2013	CDW•G was named to a new Contract.
South Carolina Information Technology Management Office	South Carolina AverMedia	08/03/2011	08/02/2015	CDW•G was named to a new Contract.
Mitsubishi Digital Electronics	South Carolina Mitsubishi AV	08/11/2006	08/05/2015	CDW•G was named to a new Contract.
South Carolina Information Technology Management Office	South Carolina Polyvision	08/03/2011	08/05/2015	CDW•G was named to a new Contract.
South Carolina Information Technology Management Office	South Carolina Enterasys	09/08/2010	09/07/2015	CDW•G was named to a new Contract.
Bretford Manufacturing	South Carolina Bretford	09/03/2009	12/31/2015	Still awaiting
Epson America, Inc.	South Carolina Epson AV	07/10/2006	12/31/2015	Still awaiting
NEC Display Solutions of America	South Carolina NEC Audio Visual	08/02/2006	12/31/2015	Still awaiting
State of Tennessee, Department of General Services	Tennessee Cisco Hardware, Software, and Services	01/01/2013	12/31/2015	CDW•G was named to a new Contract.
EMC Corporation	TX DIR EMC Software	05/04/2011	05/04/2015	CDW•G was named to a new Contract.
Lexmark International, Inc.	TX DIR Lexmark	09/27/2012	05/18/2015	CDW•G was named to a new Contract.
Oki Data Americas, Inc.	TX DIR Okidata	05/30/2007	06/07/2015	CDW•G was named to a new Contract.
Xerox Corporation	TX DIR Xerox	03/26/2007	06/07/2015	CDW•G was named to a new Contract.
Ricoh Americas Corporation	TX DIR Ricoh	08/09/2012	06/10/2015	We are still awaiting renewal
Samsung Electronics America, Inc.	Texas DIR Samsung	03/17/2014	08/07/2015	CDW•G was named to a new Contract.
EMC Corporation	TX DIR EMC	09/10/2014	09/10/2015	CDW•G was named to a new Contract.
Epson America, Inc.	TX DIR Epson Projectors	03/29/2013	12/07/2015	Epson has renewed and is working with DIR to update site soon
Panasonic Computer Solutions Company	TX DIR Panasonic	12/20/2013	12/20/2015	Not technically expired but we are still awaiting renewal
Lenovo (United States) Inc.	TX DIR Lenovo	12/28/2012	12/28/2015	CDW•G was named to a new Contract.
City of Richmond Department of Procurement Services	Richmond Information Technology Supply Schedule	04/16/2008	04/30/2014	CDW•G was named to a new Contract.
Virginia Information Technologies Agency	VITA Statewide Printer Wide Format Device	10/29/2010	04/30/2013	Contract expired and was not renewed. There was no replacement RFP.
Virginia Information Technologies Agency	VITA Hardware and Maintenance Contract	02/06/2009	03/31/2014	CDW•G was named to a new Contract.
Virginia Information Technologies Agency	VITA Software License Contract	02/06/2009	03/31/2014	CDW•G was named to a new Contract.
Virginia Information Technologies Agency	VITA Server and Maintenance Contract	01/11/2010	03/31/2014	Contract expired and was not renewed. There was no replacement RFP.
Virginia Information Technologies Agency	VITA Storage	01/13/2011	11/29/2016	Contract was extended until 2016.
State of Vermont	VT Computer Peripherals	10/12/2011	09/30/2015	Contract expired. No reason on file for why this was not renewed.
Wisconsin Department of Administration, Bureau of Procurement	Wisconsin Microcomputer Software Contact	09/01/2005	02/28/2013	CDW•G was named to a new Contract.
Wisconsin Department of Administration, Bureau of Procurement	Wisconsin Microcomputer Software Contact	09/01/2010	08/31/2015	CDW•G was named to a new Contract.
Hewlett- Packard Company	HP WSCA Data Communications	04/29/2010	05/31/2014	CDW•G was named to a new Contract.
Extreme Networks, Inc.	Extreme WSCA	08/14/2009	05/31/2014	CDW•G was named to a new Contract.
Extreme Networks, Inc.	Alaska Extreme WSCA	03/15/2011	05/31/2014	CDW•G was named to a new Contract.
Cisco Systems, Inc.	California WSCA Cisco	05/23/2008	05/31/2014	CDW•G was named to a new Contract.
Hewlett- Packard Company	California HP WSCA Data Communications	04/29/2010	05/31/2014	CDW•G was named to a new Contract.

Hewlett- Packard Company	Colorado HP WSCA Data Communications	04/29/2010	05/31/2014	CDW•G was named to a new Contract.
Extreme Networks, Inc.	Colorado Extreme WSCA	03/15/2011	05/31/2014	CDW•G was named to a new Contract.
Hewlett- Packard Company	Hawaii HP WSCA Data Communications	04/29/2010	05/31/2014	CDW•G was named to a new Contract.
Cisco Systems, Inc.	Iowa WSCA Cisco	08/14/2009	05/31/2014	CDW•G was named to a new Contract.
Extreme Networks, Inc.	Iowa Extreme WSCA	10/24/2011	05/31/2014	CDW•G was named to a new Contract.
Extreme Networks, Inc.	Kansas Extreme WSCA	10/24/2011	05/31/2014	CDW•G was named to a new Contract.
Cisco Systems, Inc.	Kentucky Cisco WSCA	08/01/2011	05/31/2014	CDW•G was named to a new Contract.
Cisco Systems, Inc.	Louisiana Cisco WSCA	10/23/2012	05/31/2014	CDW•G was named to a new Contract.
Cisco Systems, Inc.	Michigan Cisco WSCA	05/02/2012	05/31/2014	CDW•G was named to a new Contract.
Hewlett- Packard Company	Minnesota HP WSCA Data Communications	04/29/2010	05/31/2014	CDW•G was named to a new Contract.
Cisco Systems, Inc.	New Jersey Cisco WSCA	04/21/2009	05/31/2014	CDW•G was named to a new Contract.
Hewlett- Packard Company	New Jersey HP WSCA Data Communications	04/29/2010	05/31/2014	CDW•G was named to a new Contract.
Extreme Networks, Inc.	Nevada Extreme WSCA	08/14/2009	05/31/2014	CDW•G was named to a new Contract.
Cisco Systems, Inc.	Nevada Cisco WSCA	05/13/2013	05/31/2014	CDW•G was named to a new Contract.
Cisco Systems, Inc.	Oregon Cisco WSCA	09/01/2009	05/31/2014	CDW•G was named to a new Contract.
Extreme Networks, Inc.	South Dakota Extreme WSCA	10/24/2011	05/31/2014	CDW•G was named to a new Contract.
Hewlett- Packard Company	Utah HP WSCA Data Communications	04/29/2010	05/31/2014	CDW•G was named to a new Contract.
Cisco Systems, Inc.	Washington Cisco WSCA NASPO	02/08/2010	05/31/2014	CDW•G was named to a new Contract.
Hewlett- Packard Company	Washington HP WSCA Data Communications	04/29/2010	05/31/2014	CDW•G was named to a new Contract.
Extreme Networks, Inc.	Washington Extreme WSCA	10/24/2011	05/31/2014	CDW•G was named to a new Contract.
Cisco Systems, Inc.	Wisconsin Cisco WSCA	09/22/2010	05/31/2014	CDW•G was named to a new Contract.
Extreme Networks, Inc.	California Extreme WSCA	03/15/2011	08/31/2014	CDW•G was named to a new Contract.
EMC Corporation	Colorado EMC WSCA	10/09/2009	08/31/2014	CDW•G was named to a new Contract.
Extreme Networks, Inc.	Missouri Extreme WSCA	10/24/2011	08/31/2014	CDW•G was named to a new Contract.
Panasonic Systems Communications Company	South Carolina Panasonic WSCA NASPO	12/28/2011	08/31/2014	CDW•G was named to a new Contract.
Lexmark International, Inc.	South Carolina Lexmark WSCA NASPO	09/01/2009	08/31/2014	Lexmark did not sign a new contract.
Lexmark International, Inc.	South Dakota Lexmark WSCA NASPO	09/01/2009	08/31/2014	Lexmark did not sign a new contract.
Lexmark International, Inc.	Utah Lexmark WSCA NASPO	09/01/2009	08/31/2014	Lexmark did not sign a new contract.
Extreme Networks, Inc.	Utah Extreme WSCA	10/24/2011	08/31/2014	CDW•G was named to a new Contract.
Lexmark International, Inc.	Washington Lexmark WSCA NASPO	09/01/2009	08/31/2014	Lexmark did not sign a new contract.
Lexmark International, Inc.	Wisconsin Lexmark WSCA NASPO	09/01/2009	08/31/2014	Lexmark did not sign a new contract.
EMC Corporation	Connecticut EMC WSCA	09/01/2009	12/31/2014	CDW•G was named to a new Contract.
NetApp, Inc.	Georgia NetApp WSCA	10/20/2010	12/31/2014	CDW•G was named to a new Contract.
NetApp, Inc.	Minnesota NetApp WSCA	03/29/2012	12/31/2014	CDW•G was named to a new Contract.
Lenovo (United States) Inc.	Ohio Lenovo WSCA NASPO	09/01/2009	12/31/2014	CDW•G was named to a new Contract.
EMC Corporation	Rhode Island EMC WSCA	09/01/2009	12/31/2014	CDW•G was named to a new Contract.
NetApp, Inc.	NetApp WSCA NASPO	09/01/2009	03/31/2015	CDW•G was named to a new Contract.
NetApp, Inc.	Arizona NetApp WSCA	09/08/2010	03/31/2015	CDW•G was named to a new Contract.
EMC Corporation	Florida EMC NVP Computer Equipment	11/30/2015	03/31/2015	CDW•G was named to a new Contract.
NetApp, Inc.	Idaho NetApp WSCA	01/13/2011	03/31/2015	CDW•G was named to a new Contract.
Hewlett Packard Company	Alaska HP WSCA NASPO	06/04/2013	06/30/2015	CDW•G was named to a new Contract.
Hewlett Packard Company	Delaware HP WSCA NASPO	06/13/2012	06/30/2015	CDW•G was named to a new Contract.
Fujitsu America, Inc.	Idaho Fujitsu WSCA NASPO	11/08/2010	06/30/2015	CDW•G was named to a new Contract.
Lenovo (United States) Inc.	Lenovo WSCA NASPO	09/01/2009	09/30/2015	CDW•G was named to a new Contract.
Panasonic Systems Communications Company	Panasonic WSCA NASPO	09/01/2009	09/30/2015	CDW•G was named to a new Contract.
EMC Corporation	EMC WSCA/NASPO	09/01/2009	09/30/2015	CDW•G was named to a new Contract.
Lexmark International, Inc.	Lexmark WSCA NASPO	09/01/2009	09/30/2015	Lexmark did not sign a new contract.
Hewlett Packard Company	HP WSCA NASPO	09/01/2009	09/30/2015	CDW•G was named to a new Contract.
Fujitsu America, Inc.	Fujitsu WSCA NASPO	11/08/2010	09/30/2015	CDW•G was named to a new Contract.
Ricoh Americas Corporation	Ricoh WSCA NASPO	05/19/2010	09/30/2015	CDW•G was named to a new Contract.
Xerox Corporation	Xerox WSCA NASPO	03/01/2011	09/30/2015	Xerox did not sign a new contract.
Lenovo (United States) Inc.	Alaska Lenovo WSCA NASPO	06/30/2010	09/30/2015	CDW•G was named to a new Contract.
Panasonic Systems Communications Company	Alaska Panasonic WSCA NASPO	09/01/2009	09/30/2015	CDW•G was named to a new Contract.
EMC Corporation	Alaska EMC WSCA	09/01/2009	09/30/2015	CDW•G was named to a new Contract.
Ricoh Americas Corporation	Alaska Ricoh WSCA NASPO	05/19/2010	09/30/2015	CDW•G was named to a new Contract.
Lexmark International, Inc.	Alaska Lexmark WSCA NASPO	09/01/2009	09/30/2015	Lexmark did not sign a new contract.
Panasonic Systems Communications Company	Arkansas Panasonic WSCA NASPO	11/23/2011	09/30/2015	CDW•G was named to a new Contract.

NetApp, Inc.	Arkansas NetApp WSCA	03/29/2012	09/30/2015	CDW•G was named to a new Contract.
Hewlett Packard Company	Arkansas HP WSCA NASPO	11/11/2013	09/30/2015	CDW•G was named to a new Contract.
Ricoh Americas Corporation	Arizona Ricoh WSCA NASPO	05/19/2010	09/30/2015	CDW•G was named to a new Contract.
Lenovo (United States) Inc.	California Lenovo WSCA NASPO	08/22/2011	09/30/2015	CDW•G was named to a new Contract.
EMC Corporation	California EMC WSCA	09/01/2009	09/30/2015	CDW•G was named to a new Contract.
NetApp, Inc.	California NetApp WSCA	10/13/2010	09/30/2015	CDW•G was named to a new Contract.
Ricoh Americas Corporation	California Ricoh WSCA NASPO	05/19/2010	09/30/2015	CDW•G was named to a new Contract.
Lexmark International, Inc.	California Lexmark WSCA NASPO	09/01/2009	09/30/2015	Lexmark did not sign a new contract.
Fujitsu America, Inc.	California Fujitsu WSCA NASPO	11/08/2010	09/30/2015	CDW•G was named to a new Contract.
Hewlett Packard Company	California HP WSCA NASPO	05/09/2013	09/30/2015	CDW•G was named to a new Contract.
Lenovo (United States) Inc.	Colorado Lenovo WSCA NASPO	07/17/2012	09/30/2015	CDW•G was named to a new Contract.
Panasonic Systems Communications Company	Colorado Panasonic WSCA NASPO	08/01/2009	09/30/2015	CDW•G was named to a new Contract.
NetApp, Inc.	Colorado NetApp WSCA	09/08/2010	09/30/2015	CDW•G was named to a new Contract.
Lexmark International, Inc.	Colorado Lexmark WSCA NASPO	09/01/2009	09/30/2015	Lexmark did not sign a new contract.
Fujitsu America, Inc.	Colorado Fujitsu WSCA NASPO	11/08/2010	09/30/2015	CDW•G was named to a new Contract.
Hewlett Packard Company	Colorado HP WSCA NASPO	06/04/2013	09/30/2015	CDW•G was named to a new Contract.
Lenovo (United States) Inc.	Delaware Lenovo WSCA NASPO	11/22/2010	09/30/2015	CDW•G was named to a new Contract.
Panasonic Systems Communications Company	Delaware Panasonic WSCA NASPO	09/02/2009	09/30/2015	CDW•G was named to a new Contract.
EMC Corporation	Delaware EMC WSCA	09/01/2009	09/30/2015	CDW•G was named to a new Contract.
NetApp, Inc.	Delaware NetApp WSCA	01/13/2011	09/30/2015	CDW•G was named to a new Contract.
Ricoh Americas Corporation	Delaware Ricoh WSCA NASPO	05/19/2010	09/30/2015	CDW•G was named to a new Contract.
Fujitsu America, Inc.	Delaware Fujitsu WSCA NASPO	11/08/2010	09/30/2015	CDW•G was named to a new Contract.
Lenovo (United States) Inc.	Florida Lenovo WSCA NASPO	06/01/2012	09/30/2015	CDW•G was named to a new Contract.
Panasonic Systems Communications Company	Florida Panasonic WSCA NASPO	06/14/2012	09/30/2015	CDW•G was named to a new Contract.
Hewlett Packard Company	Florida HP WSCA NASPO	08/30/2013	09/30/2015	CDW•G was named to a new Contract.
Fujitsu America, Inc.	Florida Fujitsu WSCA NASPO	11/08/2010	09/30/2015	CDW•G was named to a new Contract.
EMC Corporation	Florida EMC WSCA	01/27/2015	09/30/2015	CDW•G was named to a new Contract.
NetApp, Inc.	Florida NetApp WSCA	03/09/2015	09/30/2015	CDW•G was named to a new Contract.
EMC Corporation	Georgia EMC WSCA	11/01/2010	09/30/2015	CDW•G was named to a new Contract.
NetApp, Inc.	Georgia NetApp WSCA	02/28/2013	09/30/2015	CDW•G was named to a new Contract.
Ricoh Americas Corporation	Hawaii Ricoh WSCA NASPO	05/19/2010	09/30/2015	CDW•G was named to a new Contract.
Lenovo (United States) Inc.	Iowa Lenovo WSCA NASPO	09/01/2009	09/30/2015	CDW•G was named to a new Contract.
Panasonic Systems Communications Company	Iowa Panasonic WSCA NASPO	05/04/2010	09/30/2015	CDW•G was named to a new Contract.
EMC Corporation	Iowa EMC WSCA	11/03/2010	09/30/2015	CDW•G was named to a new Contract.
NetApp, Inc.	Iowa NetApp WSCA	09/28/2010	09/30/2015	CDW•G was named to a new Contract.
Lexmark International, Inc.	Iowa Lexmark WSCA NASPO	09/01/2009	09/30/2015	Lexmark did not sign a new contract.
Fujitsu America, Inc.	Iowa Fujitsu WSCA NASPO	11/08/2010	09/30/2015	CDW•G was named to a new Contract.
Panasonic Systems Communications Company	Idaho Panasonic WSCA NASPO	08/31/2009	09/30/2015	CDW•G was named to a new Contract.
Lenovo (United States) Inc.	Kansas Lenovo WSCA NASPO	09/01/2009	09/30/2015	CDW•G was named to a new Contract.
Lexmark International, Inc.	Kansas Lexmark WSCA NASPO	09/01/2009	09/30/2015	Lexmark did not sign a new contract.
Fujitsu America, Inc.	Kansas Fujitsu WSCA NASPO	11/08/2010	09/30/2015	CDW•G was named to a new Contract.
Lenovo (United States) Inc.	Louisiana Lenovo WSCA NASPO	09/01/2009	09/30/2015	CDW•G was named to a new Contract.
EMC Corporation	Louisiana EMC WSCA	12/13/2010	09/30/2015	CDW•G was named to a new Contract.
NetApp, Inc.	Louisiana NetApp WSCA	04/18/2011	09/30/2015	CDW•G was named to a new Contract.
Lexmark International, Inc.	Louisiana Lexmark WSCA NASPO	09/01/2009	09/30/2015	Lexmark did not sign a new contract.
Hewlett Packard Company	Louisiana HP WSCA NASPO	06/05/2013	09/30/2015	CDW•G was named to a new Contract.
Lenovo (United States) Inc.	Missouri Lenovo WSCA NASPO	09/01/2009	09/30/2015	CDW•G was named to a new Contract.
Panasonic Systems Communications Company	Missouri Panasonic WSCA NASPO	08/28/2009	09/30/2015	CDW•G was named to a new Contract.
EMC Corporation	Missouri EMC WSCA	09/01/2009	09/30/2015	CDW•G was named to a new Contract.
NetApp, Inc.	Missouri NetApp WSCA	03/29/2012	09/30/2015	CDW•G was named to a new Contract.
Lexmark International, Inc.	Missouri Lexmark WSCA NASPO	09/01/2009	09/30/2015	Lexmark did not sign a new contract.
Fujitsu America, Inc.	Missouri Fujitsu WSCA NASPO	11/08/2010	09/30/2015	CDW•G was named to a new Contract.
Ricoh Americas Corporation	Missouri Ricoh WSCA NASPO	05/19/2010	09/30/2015	CDW•G was named to a new Contract.
Lenovo (United States) Inc.	Montana Lenovo WSCA NASPO	09/01/2008	09/30/2015	CDW•G was named to a new Contract.
Panasonic Systems Communications Company	Montana Panasonic WSCA NASPO	09/01/2009	09/30/2015	CDW•G was named to a new Contract.
EMC Corporation	Montana EMC WSCA	09/01/2009	09/30/2015	CDW•G was named to a new Contract.
NetApp, Inc.	Montana NetApp WSCA	03/29/2012	09/30/2015	CDW•G was named to a new Contract.

Ricoh Americas Corporation	Montana Ricoh WSCA NASPO	05/19/2010	09/30/2015	CDW•G was named to a new Contract.
Lexmark International, Inc.	Montana Lexmark WSCA NASPO	09/01/2009	09/30/2015	Lexmark did not sign a new contract.
Hewlett Packard Company	Montana HP WSCA NASPO	06/04/2013	09/30/2015	CDW•G was named to a new Contract.
Lenovo (United States) Inc.	North Dakota Lenovo WSCA NASPO	12/09/2010	09/30/2015	CDW•G was named to a new Contract.
Panasonic Systems Communications Company	North Dakota Panasonic WSCA NASPO	09/01/2009	09/30/2015	CDW•G was named to a new Contract.
Lexmark International, Inc.	North Dakota Lexmark WSCA NASPO	09/01/2009	09/30/2015	Lexmark did not sign a new contract.
EMC Corporation	North Dakota EMC WSCA	05/10/2013	09/30/2015	CDW•G was named to a new Contract.
Panasonic Systems Communications Company	Nebraska Panasonic WSCA NASPO	12/28/2011	09/30/2015	CDW•G was named to a new Contract.
NetApp, Inc.	Nebraska NetApp WSCA	01/11/2012	09/30/2015	CDW•G was named to a new Contract.
EMC Corporation	Nebraska EMC WSCA	10/01/2012	09/30/2015	CDW•G was named to a new Contract.
Panasonic Systems Communications Company	New Jersey Panasonic WSCA NASPO	02/10/2010	09/30/2015	CDW•G was named to a new Contract.
EMC Corporation	New Jersey EMC WSCA	09/01/2009	09/30/2015	CDW•G was named to a new Contract.
NetApp, Inc.	New Jersey NetApp WSCA	03/23/2011	09/30/2015	CDW•G was named to a new Contract.
Xerox Corporation	New Jersey Xerox WSCA	02/23/2011	09/30/2015	Xerox did not sign a new contract.
Hewlett Packard Company	New Jersey HP WSCA NASPO	11/16/2011	09/30/2015	CDW•G was named to a new Contract.
Lexmark International, Inc.	New Jersey Lexmark WSCA NASPO	09/01/2009	09/30/2015	Lexmark did not sign a new contract.
Ricoh Americas Corporation	New Mexico Ricoh WSCA NASPO	05/19/2010	09/30/2015	CDW•G was named to a new Contract.
Panasonic Systems Communications Company	Nevada Panasonic WSCA NASPO	09/01/2009	09/30/2015	CDW•G was named to a new Contract.
EMC Corporation	Nevada EMC WSCA	09/01/2009	09/30/2015	CDW•G was named to a new Contract.
NetApp, Inc.	Nevada NetApp WSCA	03/29/2012	09/30/2015	CDW•G was named to a new Contract.
Ricoh Americas Corporation	Nevada Ricoh WSCA NASPO	05/19/2010	09/30/2015	CDW•G was named to a new Contract.
Lexmark International, Inc.	Nevada Lexmark WSCA NASPO	09/01/2009	09/30/2015	Lexmark did not sign a new contract.
Fujitsu America, Inc.	Nevada Fujitsu WSCA NASPO	11/08/2010	09/30/2015	CDW•G was named to a new Contract.
Hewlett Packard Company	Ohio HP WSCA NASPO	11/16/2011	09/30/2015	CDW•G was named to a new Contract.
Panasonic Systems Communications Company	Oklahoma Panasonic WSCA NASPO	06/14/2012	09/30/2015	CDW•G was named to a new Contract.
Hewlett Packard Company	OR PC Peripherals Agreement	07/01/2010	09/30/2015	CDW•G was named to a new Contract.
Panasonic Systems Communications Company	Oregon Panasonic WSCA NASPO	07/31/2009	09/30/2015	CDW•G was named to a new Contract.
EMC Corporation	Oregon EMC WSCA	09/01/2009	09/30/2015	CDW•G was named to a new Contract.
NetApp, Inc.	Oregon NetApp WSCA	03/29/2012	09/30/2015	CDW•G was named to a new Contract.
Xerox Corporation	Oregon Xerox WSCA	03/01/2011	09/30/2015	Xerox did not sign a new contract.
Hewlett Packard Company	Oregon HP WSCA NASPO	09/01/2009	09/30/2015	CDW•G was named to a new Contract.
Lexmark International, Inc.	Oregon Lexmark WSCA NASPO	09/01/2009	09/30/2015	Lexmark did not sign a new contract.
Panasonic Systems Communications Company	South Dakota Panasonic WSCA NASPO	11/23/2011	09/30/2015	CDW•G was named to a new Contract.
EMC Corporation	South Dakota EMC WSCA	09/01/2009	09/30/2015	CDW•G was named to a new Contract.
Fujitsu America, Inc.	South Dakota Fujitsu WSCA NASPO	11/08/2010	09/30/2015	CDW•G was named to a new Contract.
NetApp, Inc.	South Dakota NetApp WSCA	03/29/2012	09/30/2015	CDW•G was named to a new Contract.
EMC Corporation	Tennessee EMC WSCA	03/22/2013	09/30/2015	CDW•G was named to a new Contract.
Panasonic Systems Communications Company	Utah Panasonic WSCA NASPO	06/14/2012	09/30/2015	CDW•G was named to a new Contract.
EMC Corporation	Utah EMC WSCA	09/01/2010	09/30/2015	CDW•G was named to a new Contract.
NetApp, Inc.	Utah NetApp WSCA	06/30/2010	09/30/2015	CDW•G was named to a new Contract.
Hewlett Packard Company	Utah HP WSCA NASPO	06/04/2013	09/30/2015	CDW•G was named to a new Contract.
Hewlett Packard Company	Vermont HP WSCA NASPO	06/13/2012	09/30/2015	CDW•G was named to a new Contract.
Panasonic Systems Communications Company	Vermont Panasonic WSCA NASPO	09/01/2009	09/30/2015	CDW•G was named to a new Contract.
EMC Corporation	Vermont EMC WSCA	09/01/2009	09/30/2015	CDW•G was named to a new Contract.
Ricoh Americas Corporation	Vermont Ricoh WSCA NASPO	05/19/2010	09/30/2015	CDW•G was named to a new Contract.
Fujitsu America, Inc.	Vermont Fujitsu WSCA NASPO	11/08/2010	09/30/2015	CDW•G was named to a new Contract.
Panasonic Systems Communications Company	Washington Panasonic WSCA NASPO	08/10/2011	09/30/2015	CDW•G was named to a new Contract.
NetApp, Inc.	Washington NetApp WSCA	09/28/2010	09/30/2015	CDW•G was named to a new Contract.
Xerox Corporation	Washington Xerox WSCA	04/25/2011	09/30/2015	Xerox did not sign a new contract.
EMC Corporation	Washington EMC WSCA	09/02/2009	09/30/2015	CDW•G was named to a new Contract.
Fujitsu America, Inc.	Washington Fujitsu WSCA NASPO	11/08/2010	09/30/2015	CDW•G was named to a new Contract.
Hewlett Packard Company	Washington HP WSCA NASPO	06/26/2013	09/30/2015	CDW•G was named to a new Contract.
Panasonic Systems Communications Company	Wisconsin Panasonic WSCA NASPO	12/28/2011	09/30/2015	CDW•G was named to a new Contract.
EMC Corporation	Wisconsin EMC WSCA	09/02/2009	09/30/2015	CDW•G was named to a new Contract.
NetApp, Inc.	Wisconsin NetApp WSCA	03/29/2012	09/30/2015	CDW•G was named to a new Contract.
Ricoh Americas Corporation	Wisconsin Ricoh WSCA NASPO	05/21/2010	09/30/2015	CDW•G was named to a new Contract.
Fujitsu America, Inc.	Wisconsin Fujitsu WSCA NASPO	11/08/2010	09/30/2015	CDW•G was named to a new Contract.

NetApp, Inc.	West Virginia NetApp WSCA	03/29/2012	09/30/2015	CDW•G was named to a new Contract.
EMC Corporation	Wyoming EMC WSCA	09/01/2009	09/30/2015	CDW•G was named to a new Contract.
West Virginia Department of Administration Purchasing Division	West Virgina Personal Computers and Peripherals Blanket Order	05/01/2008	06/30/2013	Contract expired and was not renewed. There was no replacement RFP.
Wyoming Game and Fish Dept	Wyoming Game and Fish Dept. GPS Units	09/02/2011	06/30/2014	Contract expired. No reason on file for why this was not renewed.
Samaritan Health Services	Master Service Sales Agreement	03/28/2012	03/27/2014	Contract expired. No reason on file for why this was not renewed.
Brocade Communications Systems, Inc.	Alaska Brocade WSCA Data Communications	11/01/2012	05/31/2014	CDW•G was named to a new Contract.
Brocade Communications Systems, Inc.	California Brocade WSCA Data Communications	11/02/2012	05/31/2014	CDW•G was named to a new Contract.
Brocade Communications Systems, Inc.	Delaware Brocade WSCA Data Communications	11/01/2012	05/31/2014	CDW•G was named to a new Contract.
Brocade Communications Systems, Inc.	Washington Brocade WSCA Data Communications	11/01/2012	05/31/2014	CDW•G was named to a new Contract.
Brocade Communications Systems, Inc.	Brocade WSCA Data Communications	11/01/2012	08/31/2014	CDW•G was named to a new Contract.
Brocade Communications Systems, Inc.	Colorado Brocade WSCA Data Communications	11/01/2012	08/31/2014	CDW•G was named to a new Contract.
Brocade Communications Systems, Inc.	Hawaii Brocade WSCA Data Communications	03/21/2013	08/31/2014	CDW•G was named to a new Contract.
Brocade Communications Systems, Inc.	Missouri Brocade WSCA Data Communications	11/01/2012	08/31/2014	CDW•G was named to a new Contract.
Brocade Communications Systems, Inc.	New Jersey Brocade WSCA Data Communications	11/01/2012	08/31/2014	CDW•G was named to a new Contract.
Brocade Communications Systems, Inc.	Utah Brocade WSCA Data Communications	11/01/2012	08/31/2014	CDW•G was named to a new Contract.
Onondaga- Cortland	DATA COMMUNICATIONS EQUIPMENT	11/01/2013	10/31/2014	Contract expired. No reason on file for why this was not renewed.
Harris County	Harris County Virtualization Software Upgrade	10/28/2014	10/27/2015	CDW•G was named to a new Contract.
Technical College System of Georgia	CISCO Unified Communications Products	04/14/2010	04/13/2013	Unknown reason
Ohio Wesleyan University	Master Product Sales Agreement	06/21/2010	06/20/2013	Customer is using other contarcts CDW holds
University of Minnesota	Electronic Commerce Agreement between the University of Minnes	11/15/2008	06/30/2013	New Contract was awarded to CDW
City of Tucson Department of Procurement-EXPIRED	National IPA Technology Solutions	03/01/2009	08/18/2013	New Contract was awarded to CDW
Paine College	Master Product Sales Agreement	09/14/2011	09/14/2013	Not Enough contract spend so Agreement was not extended
Massachusetts Higher Education Consortium	Massachusetts Consortium Contract - Multi-Media Equipment MC10	11/01/2010	09/30/2013	New Contract was awarded to CDW
University of Tennssee	Microcomputers University of Tennessee	10/01/2008	09/30/2013	CDW was not awarded a new agreement
University of Kentucky	Cisco Networking Products and Services	03/08/2010	03/09/2014	Unknown reason
Toccoa Falls College	Managed Print Services	04/13/2011	04/13/2014	Not Enough contract spend so Agreement was not extended
University of New Mexico	Agreement between University of New Mexico and CDWG for techn	04/17/2006	04/16/2014	Unknown reason
Morehouse School of Medicine	Master Product Sales Agreement	04/22/2013	04/22/2014	Agreement was not renewed as they became a member of a co-op
York College of Pennsylvania	York College of Pennsylvania Product Purchase Agreement	09/12/2008	05/20/2014	Spend was not high enough to extend
Universal Technical Institute	Master Product Sales Agreement between CDW Government LLC an	06/07/2010	06/07/2014	Unknown reason
Massachusetts Higher Education Consortium	MHEC Contract #F04, Software	07/01/2012	06/30/2014	New Contract was awarded to CDW•G
University of Connecticut	Invitation to Bid Document B991910-G Network and Security Hardw	07/10/2009	06/30/2014	Unknown reason
University of Connecticut	Network and Security Software	06/16/2010	06/30/2014	Unknown reason
Massachusetts Higher Education Consortium	MHEC Contract #04, Software	07/01/2010	06/30/2014	New Contract was awarded to CDW•G
Stratford University	MPSA between Stratford University and CDWG	07/13/2010	07/13/2014	Unknown reason
Illinois Valley Community College	Managed Print Services Agreement	08/04/2009	08/03/2014	Agreement was not renewed as they use other agreements
Bay De Noc Community College	Managed Print Services	08/19/2009	08/18/2014	Not Enough contract spend so Agreement was not extended
Barry University	Master Product Sales Agreement	08/22/2011	08/21/2014	Agreement was not renewed as they became a member of a co-op
Eastern Illinois University	Product Sales and Service Projects Agreement	04/15/2013	04/14/2015	Agreement was not renewed customer uses oterh agreements instead
Massachusetts Higher Education Consortium	MHEC Contract #F05, Technology	08/06/2011	07/31/2015	New Contract was awarded to CDW•G
Broome-Tioga BOCES	Broome-Tioga BOCES AV and Related Technology Equipment	01/16/2014	01/15/2015	Unknown reason
City of Hartford - Hartford Public Schools	City of Hartford - Hartford Public Schools Desktop, Laptop, Tablet Devices, Servers, Deployment/Other Technical Services, Device Parts/Peripherals, and Software Licensing	11/19/2012	08/31/2013	Rebid and CDWG was awarded a new contract
Clarkstown Central School District	Clarkstown Central School District Chromebooks (as needed)	01/24/2014	01/23/2014	Unknown reason
Eastern Suffolk BOCES	Eastern Suffolk BOCES Wireless Tablets and Notebooks	01/01/2014	11/30/2014	Unknown reason
Nassau BOCES	Nassau BOCES Computer Hardware, Software, Networking Supplies	01/30/2014	01/29/2015	Unknown reason
Nassau BOCES	Nassau BOCES NASSAU BOCES iPad Cases	05/01/2014	08/09/2015	Unknown reason
New York City Department of Education	New York City Department of Education A/V Equipment	11/06/2008	01/31/2014	Rebid and CDWG was awarded a new contract
New York City Department of Education	New York City Department of Education Interactive Whiteboard	11/06/2008	06/30/2013	Rebid and CDWG was awarded a new contract
New York City Department of Education	New York City Department of Education Printers, Software, Peripherals, Accessories & Related Services	04/01/2012	03/31/2015	Rebid and CDWG was awarded a new contract

Onondaga-Cortland-Madison Board of Cooperative Educational Ser	Onondaga-Cortland-Madison Board of Cooperative Educational Services DATA COMMUNICATIONS EQUIPMENT	11/01/2014	11/02/2015	Unknown reason
Onondaga-Cortland-Madison Board of Cooperative Educational Ser	Onondaga-Cortland-Madison Board of Cooperative Educational Services COMPUTER PERIPHERALS	04/04/2014	03/31/2015	Unknown reason
Onondaga-Cortland-Madison Board of Cooperative Educational Ser	Onondaga-Cortland-Madison Board of Cooperative Educational Services Computers, Storage Systems, Accessories and Replacement Parts	04/04/2014	03/31/2015	Unknown reason
Onondaga-Cortland-Madison Board of Cooperative Educational Ser	Onondaga-Cortland-Madison Board of Cooperative Educational Services (BOCES) OCM Data Communications Equip RFB-215-20	11/01/2014	11/02/2015	Unknown reason
Orange Ulster BOCES	Orange Ulster BOCES Google Chromebooks	10/19/2013	10/18/2014	Unknown reason
Patchogue Medford Schools	Patchogue Medford Schools AV Supply Bid	03/27/2015	06/30/2015	Unknown reason
PEPPM	PEPPM General Hardware & Software / Remanufacturered Toner & Ink Cartridges	01/01/2010	12/31/2013	Rebid and CDWG was awarded a new contract
PEPPM	PEPPM General Hardware and Software	04/21/2011	12/31/2014	Rebid and CDWG was awarded a new contract
Southern Westchester Board of Cooperative Educational Services	Southern Westchester Board of Cooperative Educational Services Chromebooks	01/17/2013	06/30/2014	Rebid and CDWG was awarded a new contract
Southern Westchester Board of Cooperative Educational Services	Southern Westchester Board of Cooperative Educational Services Misc. Printers	07/11/2013	12/31/2014	Unknown reason
Southern Westchester Board of Cooperative Educational Services	Southern Westchester Board of Cooperative Educational Services Microcomputer Hardware	09/05/2014	06/30/2015	Unknown reason
Southern Westchester Board of Cooperative Educational Services	Southern Westchester Board of Cooperative Educational Services Southern Westchester BOCES AV Pricing	09/01/2014	09/01/2015	Unknown reason
Southern Westchester Board of Cooperative Educational Services	Southern Westchester Board of Cooperative Educational Services Southern Westchester BOCES Chromebook & Google Software	07/10/2014	07/01/2015	Unknown reason
Ulster County BOCES	Ulster County BOCES Chromebook & Chromebox	12/20/2012	08/31/2014	Unknown reason
Western Suffolk BOCES	Western Suffolk BOCES Printer & Toner Cartidges	07/01/2013	06/30/2014	Unknown reason
Western Suffolk BOCES	Western Suffolk BOCES Samsung Series 3 Chromebook/Google MGT License & config services	01/01/2013	12/30/2013	Unknown reason
Western Suffolk BOCES	Western Suffolk BOCES Professional Days for Computer Network Support LAN/WAN	07/01/2013	06/30/2014	Unknown reason

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2013

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____

Commission File Number 001-35985

CDW CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**26-0273989**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
200 N. Milwaukee Avenue Vernon Hills, Illinois	**60061**
(Address of principal executive offices)	**(Zip Code)**

(847) 465-6000
(Registrant's telephone number, including area code)

None
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	**Name of each exchange on which registered**
Common stock, par value $0.01 per share	**NASDAQ Global Select Market**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 28, 2013, the last business day of the registrant’s most recently completed second fiscal quarter, was $654,984,661, based on the per share closing sale price of $18.62 on that date (assuming the closing of the registrant's initial public offering).

As of February 28, 2014, there were 171,954,277 shares of common stock, $0.01 par value, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant’s definitive proxy statement for use in connection with its 2014 Annual Meeting of Shareholders, to be filed not later than 120 days after December 31, 2013, are incorporated by reference into Part III of this report.

CDW CORPORATION AND SUBSIDIARIES

ANNUAL REPORT ON FORM 10-K
Year Ended December 31, 2013

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FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the federal securities laws. All statements other than statements of historical fact included in this report are forward-looking statements. These statements relate to analyses and other information, which are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to our future prospects, developments and business strategies. We claim the protection of The Private Securities Litigation Reform Act of 1995 for all forward-looking statements in this report.

These forward-looking statements are identified by the use of terms and phrases such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “predict,” “project,” “will” and similar terms and phrases, including references to assumptions. However, these words are not the exclusive means of identifying such statements. Although we believe that our plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, we cannot assure you that we will achieve those plans, intentions or expectations. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected.

Important factors that could cause actual results to differ materially from our expectations, or cautionary statements, are disclosed under the section entitled “Risk Factors” included elsewhere in this report. All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements contained in the section entitled “Risk Factors” included elsewhere in this report as well as other cautionary statements that are made from time to time in our other Securities and Exchange Commission ("SEC") filings and public communications. You should evaluate all forward-looking statements made in this report in the context of these risks and uncertainties.

We caution you that the important factors referenced above may not contain all of the factors that are important to you. In addition, we cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our operations in the way we expect. The forward-looking statements included in this report are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

PART I

Item 1. Business

Our Company

CDW is a Fortune 500 company and a leading provider of integrated information technology ("IT") solutions in the U.S. and Canada. We help our customer base of approximately 250,000 small, medium and large business, government, education and healthcare customers by delivering critical solutions to their increasingly complex IT needs. Our broad array of offerings ranges from discrete hardware and software products to integrated IT solutions such as mobility, security, data center optimization, cloud computing, virtualization and collaboration. We are technology "agnostic," with a product portfolio that includes more than 100,000 products from more than 1,000 brands. We provide our products and solutions through sales force and service delivery teams consisting of more than 4,400 coworkers, including nearly 1,800 field sellers, highly-skilled technology specialists and advanced service delivery engineers.

We are a leading U.S. sales channel partner for many original equipment manufacturers ("OEMs") and software publishers (collectively, our "vendor partners"), whose products we sell or include in the solutions we offer. We believe we are an important extension of our vendor partners' sales and marketing capabilities, providing them with a cost-effective way to reach customers and deliver a consistent brand experience through our established end-market coverage and extensive customer access.

We provide value to our customers by simplifying the complexities of technology across design, selection, procurement, integration and management. Our goal is to have our customers, regardless of their size, view us as an indispensable extension of their IT staffs. We seek to achieve this goal by providing our customers with superior service through our large and experienced sales force and service delivery teams. Our multi-brand offering approach enables us to identify the products or combination of products that best address each customer's specific organizational IT requirements and to evolve our offerings as new technologies develop.

We believe we offer the following value proposition to our customers and our vendor partners:

Our value proposition to our customers

- Broad selection of products and multi-branded IT solutions
- Value-added services with integration capabilities
- Highly-skilled specialists and engineers
- Solutions across a very broad IT landscape

Our value proposition to our vendor partners

- Access to approximately 250,000 customers throughout the U.S. and Canada
- Large and established customer channels
- Strong distribution and implementation capabilities
- Value-added solutions and marketing programs that generate end-user demand

Our customers include private sector businesses that typically employ fewer than 5,000 employees, government agencies and educational and healthcare institutions. We serve our customers through channel-specific sales teams and service delivery teams with extensive technical skills and knowledge of the specific markets they serve. This market segmentation allows us to customize our offerings and to provide enhanced expertise in designing and implementing IT solutions for our customers. We currently have five dedicated customer channels: medium/large business, small business, government, education and healthcare, each of which generated over $1 billion in net sales in 2013. The scale and diversity of our customer channels provide us with multiple avenues for growth and a balanced customer base to weather economic and technology cycles.

The following table provides information regarding our reportable segments and our customer channels:

	Corporate Segment		Public Segment			
Customer Channels	**Medium/ Large Business**	**Small Business**	**Government**	**Education**	**Healthcare**	**Other**
Target Customers	100 - 5,000 employees	10 - 100 employees	Various federal, state and local agencies	Higher education and K-12	Hospitals, ambulatory service providers and long-term care facilities	Advanced services customers plus Canada
2013 Net Sales (in billions)	$4.9	$1.1	$1.3	$1.4	$1.5	$0.6

For further information on our segments, including financial results, see Note 16 to the accompanying audited consolidated financial statements included elsewhere in this report.

We offer more than 1,000 brands, from well-established companies such as APC, Apple, Cisco, EMC, Hewlett-Packard, IBM, Lenovo, Microsoft, NetApp, Symantec and VMware to emerging vendor partners such as Drobo, Fusion-io, Meraki, Nimble Storage, Salesforce.com, Sophos and Splunk. In 2013, we generated over $1 billion of revenue for each of four of our vendor partners and over $100 million of revenue for each of 11 other vendor partners. We have received the highest level of certification from major vendor partners such as Cisco, EMC and Microsoft, which reflects the extensive product and solution knowledge and capabilities that we bring to our customers' IT challenges. These certifications also provide us with access to favorable pricing, tools and resources, including vendor incentive programs, which we use to provide additional value to our customers. Our vendor partners also regularly recognize us with top awards and select us to develop and grow new customer solutions.

History

CDW was founded in 1984. In 2003, we purchased selected U.S. assets and the Canadian operations of Micro Warehouse, which extended our growth platform into Canada. In 2006, we acquired Berbee Information Networks Corporation, a regional provider of technology products, solutions and customized engineering services in advanced technologies primarily across Cisco, IBM and Microsoft portfolios. This acquisition increased our capabilities in customized engineering services and managed services.

On October 12, 2007, CDW Corporation, an Illinois corporation, was acquired through a merger transaction by an entity controlled by investment funds affiliated with Madison Dearborn Partners, LLC and Providence Equity Partners L.L.C. (the “Acquisition”). CDW Corporation continued as the surviving corporation and same legal entity after the Acquisition, but became a wholly owned subsidiary of VH Holdings, Inc., a Delaware corporation.

On December 31, 2009, CDW Corporation merged into CDWC LLC, an Illinois limited liability company owned by VH Holdings, Inc., with CDWC LLC as the surviving entity. This change had no impact on our operations or management. On December 31, 2009, CDWC LLC was renamed CDW LLC (“CDW LLC”). On August 17, 2010, VH Holdings, Inc. was renamed CDW Corporation (“Parent”), a Delaware corporation.

Throughout this report, the terms “the Company” and “CDW” refer to Parent and its 100% owned subsidiaries subsequent to the Acquisition.

Parent was previously owned directly by CDW Holdings LLC ("CDW Holdings"), a company controlled by investment funds affiliated with Madison Dearborn Partners, LLC and Providence Equity Partners L.L.C. (the "Sponsors"), certain other co-investors and certain members of CDW management. See "Sponsors" below. On July 2, 2013, Parent completed an initial public offering ("IPO") of its common stock. In connection with the IPO, CDW Holdings distributed all of its shares of Parent's common stock to its members in June 2013 in accordance with the members' respective membership interests and was subsequently dissolved in August 2013. See Note 9 to the accompanying audited consolidated financial statements included elsewhere in this report for additional discussion of the IPO.

The Sponsors beneficially owned approximately 63.7% of our common stock as of December 31, 2013.

Our Market

We operate in the U.S. and Canadian IT market, which is a large and growing market. According to IDC, the overall U.S. IT market generated approximately $660 billion in sales in 2013. We believe our addressable market in the U.S. in the indirect sales channel represents more than $200 billion in annual sales and for the year ended December 31, 2013, our U.S. net sales of $10.3 billion represented approximately 5% of that highly diverse and fragmented market. According to IDC, the overall Canadian IT market generated more than $50 billion in sales in 2013. We believe our addressable market in Canada in the indirect sales channel represents more than $10 billion in annual sales and for the year ended December 31, 2013, our net sales of $475 million in Canada represented approximately 4% of that market. We believe we have the largest market share in our addressable market, with our 2013 net sales exceeding the cumulative North American net sales of our four largest publicly traded sales channel competitors, based upon publicly available information for those companies. New technologies, including cloud, virtualization and mobility, coupled with the resulting increase in demand for data as well as aging infrastructure, are increasingly requiring businesses and institutions to seek integrated solutions to their IT needs. We expect this trend to continue for the foreseeable future, with end-user demand for business efficiency and productivity driving future IT spending growth.

Our Offerings

Our offerings range from discrete hardware and software products and services to complex integrated solutions that include one or more of these elements. We believe our customers increasingly view technology purchases as integrated solutions rather than discrete product and service categories and we estimate that approximately 51% of our net sales in 2013 came from sales of product categories and services typically associated with solutions. Our hardware products include notebooks/mobile devices (including tablets), network communications, enterprise and data storage, video monitors, printers, desktop computers and servers. Our software products include application suites, security, virtualization, operating systems, network management and Software as a Service ("SaaS") offerings. We also provide a full suite of value-added-services, which range from basic installation, warranty and repair services to custom configuration, data center and network implementation services, as well as managed services that include Infrastructure as a Service ("IaaS") offerings.

We also offer a variety of integrated solutions, such as:

- *Mobility*: We assist our customers with the selection, procurement and integration of mobile security software, hardware devices such as smartphones, tablets and notebooks, and cellular wireless activation systems. We also provide mobile device management applications with policy and security management capabilities across a variety of mobile operating systems and platforms.

- *Security*: We assess our customers' security needs and provide them with threat prevention tools in order to protect their networks, servers and applications, such as anti-virus, anti-spam, content filtering, intrusion prevention, firewall and virtual private network services, and network access control. We also design and implement data loss prevention solutions, using data monitoring and encryption across a wide array of devices to ensure the security of customer information, personal employee information and research and development data.

- *Data Center Optimization*: We help our customers evaluate their data centers for convergence and optimization opportunities. Our data center optimization solutions consist of server virtualization, physical server consolidation, data storage management and energy-efficient power and cooling systems.

- *Cloud Computing*: Cloud computing is a combination of software and computing delivered on demand as a service. We provide SaaS and IaaS solutions that reside in the public cloud, meaning any person or organization interested in porting applications and resources to an external "public" cloud system can do so. Likewise, we provide similar private cloud-based solutions to our customers that prefer to avoid running their infrastructure on a shared public platform but want to obtain the flexibility, scalability and access offered by cloud computing and collaboration.

- *Virtualization*: We design and implement server, storage and desktop virtualization solutions. Virtualization enables our customers to efficiently utilize hardware resources by running multiple, independent, virtual operating systems on a single computer and multiple virtual servers simultaneously on a single server. Virtualization also can separate a desktop environment and associated application software from the hardware device that is used to access it, and provides employees with remote desktop access. Our specialists assist customers with the steps of implementing virtualization solutions, including evaluating network environments, deploying shared storage options and licensing platform software.

- *Collaboration*: We provide our customers with communication tools that allow employees to share knowledge, ideas and information among each other and with clients and partners effectively and quickly. Our collaboration solutions unite communications and applications via the integration of products that facilitate the use of

multiple enterprise communication methods including email, instant messaging, presence, social media, voice, video, hardware, software and services. We also host cloud-based collaboration solutions.

While we believe customers increasingly view technology purchases as solutions rather than discrete product and service categories, the following table shows our net sales by major category, based upon our internal category classifications.

	Year Ended December 31, 2013		Year Ended December 31, 2012[1]		Year Ended December 31, 2011[1]	
	Dollars in Millions	Percentage of Total Net Sales	Dollars in Millions	Percentage of Total Net Sales	Dollars in Millions	Percentage of Total Net Sales
Notebooks/Mobile Devices	$ 1,706.0	15.8%	$ 1,470.1	14.5%	$ 1,336.9	13.9%
NetComm Products	1,489.1	13.8	1,351.1	13.3	1,237.7	12.9
Enterprise and Data Storage (Including Drives)	998.1	9.3	979.4	9.7	929.9	9.7
Other Hardware	4,173.3	38.8	4,068.8	40.2	3,988.3	41.5
Software	1,994.7	18.5	1,849.4	18.3	1,767.2	18.4
Services	327.1	3.0	284.6	2.8	254.3	2.6
Other [2]	80.3	0.8	124.8	1.2	88.1	1.0
Total net sales	$ 10,768.6	100.0%	$ 10,128.2	100.0%	$ 9,602.4	100.0%

(1) Amounts have been reclassified for changes in individual product classifications to conform to the presentation for the year ended December 31, 2013.

(2) Includes items such as delivery charges to customers and certain commission revenue.

Our Customers

We provide integrated IT solutions to approximately 250,000 small, medium and large business, government, education and healthcare customers throughout the U.S. and Canada. Sales to the U.S. federal government, which are diversified across multiple agencies and departments, collectively accounted for approximately 7%, 10% and 10% of total net sales in 2013, 2012 and 2011, respectively. However, there are several independent purchasing decision-makers across these agencies and departments. Excluding these sales to the federal government, we are not reliant on any one customer, as our next five largest customers cumulatively comprised approximately 3% of our net sales in 2013.

Inventory Management

We utilize our IT systems to manage our inventory in a cost-efficient manner, resulting in a rapid-turn inventory model. We generally only stock items that have attained a minimum sales volume.

Our distribution process is highly automated. Once a customer order is received and credit approved, orders are automatically routed to one of our distribution centers for picking and shipping as well as configuration and imaging services. We operate two distribution centers: an approximately 450,000 square foot facility in Vernon Hills, Illinois, and an approximately 513,000 square foot facility in North Las Vegas, Nevada. We ship almost 35 million units annually on an aggregate basis from our two distribution centers. We believe that the location of our distribution centers allows us to efficiently ship products throughout the U.S. and provide timely access to our principal distributors. In addition, in the event of weather-related or other disruptions at one of our distribution centers, we are able to shift order processing and fulfillment from one center to the other quickly and efficiently, enabling us to continue to ship products in a timely manner. We believe that competitive sources of supply are available in substantially all of the product categories we offer. We continue to improve the productivity of our distribution centers as measured by key performance indicators such as units shipped per hour worked and bin accuracy.

We also have drop-shipment arrangements with many of our OEMs and wholesale distributors, which permit us to offer products to our customers without having to take physical delivery at either of our distribution centers. These arrangements generally represent approximately 40% to 50% of total net sales, including approximately 10% to 15% related to electronic delivery for software licenses.

Information Technology Systems

We maintain customized IT and unified communication systems that enhance our ability to provide prompt, efficient and expert service to our customers. In addition, these systems enable centralized management of key functions, including

purchasing, inventory management, billing and collection of accounts receivable, sales and distribution. Our systems provide us with thorough, detailed and real-time information regarding key aspects of our business. This capability helps us to continuously enhance productivity, ship customer orders quickly and efficiently, respond appropriately to industry changes and provide high levels of customer service. We believe that our websites, which provide electronic order processing and advanced tools, such as order tracking, reporting and asset management, make it easy for customers to transact business with us and ultimately strengthen our customer relationships.

Product Procurement

We may purchase all or only some of the products that our vendor partners offer for resale to our customers or for inclusion in the solutions we offer. Each vendor partner agreement provides for specific terms and conditions, which may include one or more of the following: product return privileges, price protection policies, purchase discounts and vendor incentive programs, such as purchase or sales rebates and cooperative advertising reimbursements. We also purchase software from major software publishers for resale to our customers or for inclusion in the solutions we offer. Our agreements with software publishers allow the end-user customer to acquire software or licensed products and services.

In addition to purchasing products directly from our vendor partners, we purchase products from wholesale distributors for resale to our customers or for inclusion in the solutions we offer. These wholesale distributors provide logistics management and supply-chain services for us, as well as for our vendor partners. For the year ended December 31, 2013, we purchased 54% of the products we sold as discrete products or as components of a solution directly from our vendor partners and the remaining 46% from wholesale distributors. Purchases from wholesale distributors Tech Data, SYNNEX and Ingram Micro represented 11%, 9% and 9%, respectively, of our total purchases. Sales of products manufactured by Apple, Cisco, EMC, Hewlett-Packard, Lenovo and Microsoft, whether purchased directly from these vendor partners or from a wholesale distributor, represented in the aggregate 56% of our net sales in 2013. Sales of products manufactured by Hewlett-Packard and Cisco represented 20% and 14%, respectively, of our 2013 net sales.

Competition

The market for technology products and services is highly competitive. Competition is based on the ability to tailor specific solutions to customer needs, quality and breadth of product and service offerings, knowledge and expertise of sales force, customer service, price, product availability, speed of delivery and credit availability. Our competition includes:

- resellers such as Dimension Data, ePlus, Insight Enterprises, PC Connection, PCM, Presidio, Softchoice, World Wide Technology and many smaller resellers;
- manufacturers who sell directly to customers, such as Dell, Hewlett-Packard and Apple;
- large service providers and system integrators, such as IBM, Accenture, Hewlett-Packard and Dell;
- e-tailers such as Amazon, Newegg, and TigerDirect.com;
- cloud providers such as AT&T, Amazon Web Services and Box; and
- retailers (including their e-commerce activities) such as Staples and Office Depot.

We expect the competitive landscape in which we compete to continue to change as new technologies are developed. While innovation can help our business as it creates new offerings for us to sell, it can also disrupt our business model and create new and stronger competitors. For a discussion of the risks associated with competition, see “Risk Factors” included elsewhere in this report.

Marketing

We market the CDW brand to both national and local audiences using a variety of channels that include online, broadcast, print, social and other media. This promotion is supported by integrated communication efforts that target decision-makers, influencers and the general public using a combination of news releases, case studies, media interviews and speaking opportunities. We also market to current and prospective customers through integrated marketing programs that include behaviorally targeted email, print, online media, events and sponsorships, as well as broadcast media.

As a result of our relationships with our vendor partners, a significant portion of our advertising and marketing expenses are reimbursed through cooperative advertising reimbursement programs. These programs are at the discretion of our vendor partners and are typically tied to sales or purchasing volumes or other commitments to be met by us within a specified period of time. We believe that our national scale and analytical techniques that measure the efficacy of our marketing programs differentiate us from our competitors.

Coworkers

As of December 31, 2013, we employed nearly 7,000 coworkers, none of whom is covered by collective bargaining agreements. We consider our coworker relations to be good.

Intellectual Property

The CDW trademark and certain variations thereon are registered or subject to pending trademark applications in the U.S., Canada and certain other jurisdictions. We believe our trademarks have significant value and are important factors in our marketing programs. In addition, we own registrations for domain names, including cdw.com and cdwg.com, for certain of our primary trademarks. We also have unregistered copyrights in our website content.

Sponsors

Madison Dearborn Partners, LLC is a leading private equity investment firm based in Chicago, Illinois that has raised over $18 billion of equity capital. Since its formation in 1992, it has invested in approximately 125 companies across a broad spectrum of industries, including basic industries, business and government services, consumer, financial and transaction services, healthcare and telecom, media and technology services. Madison Dearborn's objective is to invest in companies in partnership with outstanding management teams to achieve significant long-term appreciation in equity value.

Providence Equity Partners L.L.C. ("Providence") is a leading global private equity firm focused on media, communications, education and information investments. Providence manages funds with $39 billion of commitments and has invested in more than 130 companies over its 25-year history. Providence is headquartered in Providence, Rhode Island and has offices in New York, London, Hong Kong, Beijing and New Delhi. Providence's objective is to build extraordinary companies that will shape the future of the media, communications, education and information industries.

Item 1A. Risk Factors

There are many factors that affect our business and the results of operations, some of which are beyond our control. The following is a description of some important factors that may cause the actual results of operations in future periods to differ materially from those currently expected or desired.

Risks Related to Our Business

General economic conditions could negatively affect technology spending by our customers and put downward pressure on prices, which may have an adverse impact on our business, results of operations or cash flows.

Weak economic conditions generally, sustained uncertainty about global economic conditions, U.S. federal government spending cuts and the impact of new government programs, or a tightening of credit markets could cause our customers and potential customers to postpone or reduce spending on technology products or services or put downward pressure on prices, which could have an adverse effect on our business, results of operations or cash flows.

Our financial performance could be adversely affected by decreases in spending on technology products and services by our Public segment customers.

Our sales to our Public segment customers are impacted by government spending policies, budget priorities and revenue levels. Although our sales to the federal government are diversified across multiple agencies and departments, they collectively accounted for approximately 7% of 2013 net sales. An adverse change in government spending policies (including ongoing budget cuts at the federal level), budget priorities or revenue levels could cause our Public segment customers to reduce their purchases or to terminate or not renew their contracts with us, which could adversely affect our business, results of operations or cash flows. For example, in 2013, as a result of sequestration and related budget uncertainty and the partial shutdown of the federal government for 16 days, we experienced significantly reduced Federal sales in our Public segment.

Our business depends on our vendor partner relationships and the availability of their products.

We purchase products for resale from vendor partners, which include OEMs and software publishers, and wholesale distributors. For the year ended December 31, 2013, we purchased approximately 54% of the products we sold directly from vendor partners and the remaining amount from wholesale distributors. We are authorized by vendor partners to sell all or some of their products via direct marketing activities. Our authorization with each vendor partner is subject to specific terms and conditions regarding such things as sales channel restrictions, product return privileges, price protection policies, purchase discounts and vendor partner programs and funding, including purchase rebates, sales volume rebates, purchasing incentives and cooperative advertising reimbursements. However, we do not have any long-term contracts with our vendor partners and many of these arrangements are terminable upon notice by either party. A reduction in vendor partner programs or funding or our failure to timely react to changes in vendor partner programs or funding could have an adverse effect on our business, results of operations or cash flows. In addition, a reduction in the amount of credit granted to us by our vendor partners could increase our need for, and the cost of, working capital and could have an adverse effect on our business, results of operations or cash flows, particularly given our substantial indebtedness.

From time to time, vendor partners may terminate or limit our right to sell some or all of their products or change the terms and conditions or reduce or discontinue the incentives that they offer us. For example, there is no assurance that, as our vendor partners continue to sell directly to end users and through resellers, they will not limit or curtail the availability of their products to solutions providers like us. Any such termination or limitation or the implementation of such changes could have a negative impact on our business, results of operations or cash flows.

Although we purchase from a diverse vendor base, in 2013, products we purchased from distributors Tech Data, SYNNEX and Ingram Micro represented 11%, 9% and 9%, respectively, of our total purchases. In addition, sales of Apple, Cisco, EMC, Hewlett-Packard, Lenovo and Microsoft products comprise a substantial portion of our sales, representing approximately 56% of net sales in 2013. Sales of products manufactured by Hewlett-Packard and Cisco represented approximately 20% and 14%, respectively, of our 2013 net sales. The loss of, or change in business relationship with, any of these or any other key vendor partners, the diminished availability of their products, or backlogs for their products leading to manufacturer allocation, could reduce the supply and increase the cost of products we sell and negatively impact our competitive position.

Additionally, the relocation of key distributors utilized in our purchasing model could increase our need for, and the cost of, working capital and have an adverse effect on our business, results of operations or cash flows. Further, the sale, spin-off or combination of any of our vendor partners and/or certain of their business units, including any such sale to or combination with a vendor with whom we do not currently have a commercial relationship or whose products we do not sell, could have an adverse impact on our business, results of operations or cash flows.

Our sales are dependent on continued innovations in hardware, software and services offerings by our vendor partners and the competitiveness of their offerings, and our ability to partner with new and emerging technology providers.

The technology industry is characterized by rapid innovation and the frequent introduction of new and enhanced hardware, software and services offerings, such as cloud-based solutions, including SaaS, IaaS and Platform as a Service ("PaaS"). We have been and will continue to be dependent on innovations in hardware, software and services offerings, as well as the acceptance of those innovations by customers. A decrease in the rate of innovation, or the lack of acceptance of innovations by customers, could have an adverse effect on our business, results of operations or cash flows.

In addition, if we are unable to keep up with changes in technology and new hardware, software and services offerings, for example by providing the appropriate training to our account managers, sales technology specialists and engineers to enable them to effectively sell and deliver such new offerings to customers, our business, results of operations or cash flows could be adversely affected.

We also are dependent upon our vendor partners for the development and marketing of hardware, software and services to compete effectively with hardware, software and services of vendors whose products and services we do not currently offer or that we are not authorized to offer in one or more customer channels. In addition, our success is dependent on our ability to develop relationships with and sell hardware, software and services from new emerging vendors and vendors that we have not historically represented in the marketplace. To the extent that a vendor's offering that is highly in demand is not available to us for resale in one or more customer channels, and there is not a competitive offering from another vendor that we are authorized to sell in such customer channels, or we are unable to develop relationships with new technology providers or companies that we have not historically represented, our business, results of operations or cash flows could be adversely impacted.

Substantial competition could reduce our market share and significantly harm our financial performance.

Our current competition includes:

- resellers, such as Dimension Data, ePlus, Insight Enterprises, PC Connection, PCM, Presidio, Softchoice, World Wide Technology and many smaller resellers;
- manufacturers who sell directly to customers, such as Dell, Hewlett-Packard and Apple;
- large service providers and system integrators, such as IBM, Accenture, Hewlett-Packard and Dell;
- e-tailers, such as Amazon, Newegg and TigerDirect.com;
- cloud providers, such as AT&T, Amazon Web Services and Box; and
- retailers (including their e-commerce activities), such as Staples and Office Depot.

We expect the competitive landscape in which we compete to continue to change as new technologies are developed. While innovation can help our business as it creates new offerings for us to sell, it can also disrupt our business model and create new and stronger competitors. For instance, technologies that deliver technology solutions as a service, such as cloud-based solutions, could increase the amount of sales directly to customers rather than through solutions providers like us, or could lead to a reduction in our profitability. In addition, some of our hardware and software vendor partners sell, and could intensify their efforts to sell, their products directly to our customers. Moreover, traditional OEMs have increased their services capabilities through mergers and acquisitions with service providers, which could potentially increase competition in the market to provide comprehensive technology solutions to customers. If any of these trends becomes more prevalent, it could adversely affect our business, results of operations or cash flows.

We focus on offering a high level of service to gain new customers and retain existing customers. To the extent we face increased competition to gain and retain customers, we may be required to reduce prices, increase advertising expenditures or take other actions which could adversely affect our business, results of operations or cash flows. Additionally, some of our competitors may reduce their prices in an attempt to stimulate sales, which may require us to reduce prices. This would require us to sell a greater number of products to achieve the same level of net sales and gross profit. If such a reduction in prices occurs and we are unable to attract new customers and sell increased quantities of products, our sales growth and profitability could be adversely affected.

The success of our business depends on the continuing development, maintenance and operation of our information technology systems.

Our success is dependent on the accuracy, proper utilization and continuing development of our information technology systems, including our business systems, such as our sales, customer management, financial and accounting, marketing, purchasing, warehouse management, e-commerce and mobile systems, as well as our operational platforms, including voice and data networks and power systems. The quality and our utilization of the information generated by our information technology systems, and our success in implementing new systems and upgrades, affects, among other things, our ability to:

- conduct business with our customers, including delivering services and solutions to them;
- manage our inventory and accounts receivable;
- purchase, sell, ship and invoice our hardware and software products and provide and invoice our services efficiently and on a timely basis; and

- maintain our cost-efficient operating model while scaling our business.

The integrity of our information technology systems is vulnerable to disruption due to forces beyond our control. While we have taken steps to protect our information technology systems from a variety of threats, including computer viruses, malware, phishing, social engineering, unauthorized access and other malicious attacks, both internal and external, and human error, there can be no guarantee that those steps will be effective. Furthermore, although we have redundant systems at a separate location to back up our primary systems, there can be no assurance that these redundant systems will operate properly if and when required. Any disruption to or infiltration of our information technology systems could significantly harm our business and results of operations.

Breaches of data security could adversely impact our business.

Our business involves the storage and transmission of proprietary information and sensitive or confidential data, including personal information of coworkers, customers and others. In addition, we operate data centers for our customers which host their technology infrastructure and may store and transmit both business-critical data and confidential information. In connection with our services business, our coworkers also have access to our customers' confidential data and other information. We have privacy and data security policies in place that are designed to prevent security breaches; however, as newer technologies evolve, we could be exposed to increased risk of breaches in security. Breaches in security could expose us, our customers or other individuals to a risk of public disclosure, loss or misuse of this information, resulting in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy of personal information, as well as the loss of existing or potential customers and damage to our brand and reputation. In addition, the cost and operational consequences of implementing further data protection measures could be significant. Such breaches, costs and consequences could adversely affect our business, results of operations or cash flows.

The failure to comply with our Public segment contracts or applicable laws and regulations could result in, among other things, termination, fines or other liabilities, and changes in procurement regulations could adversely impact our business, results of operations or cash flows.

Revenues from our Public segment customers are derived from sales to governmental departments and agencies, educational institutions and healthcare customers, through various contracts and open market sales of products and services. Sales to Public segment customers are highly regulated. Noncompliance with contract provisions, government procurement regulations or other applicable laws or regulations (including but not limited to the False Claims Act and the Medicare and Medicaid Anti-Kickback Statute) could result in civil, criminal and administrative liability, including substantial monetary fines or damages, termination of government contracts or other Public segment customer contracts, and suspension, debarment or ineligibility from doing business with the government and other customers in the Public segment. In addition, generally contracts in the Public segment are terminable at any time for convenience of the contracting agency or group purchasing organization (“GPO”) or upon default. Furthermore, our inability to enter into or retain contracts with GPOs may threaten our ability to sell to customers in those GPOs and compete. The effect of any of these possible actions could adversely affect our business, results of operations or cash flows. In addition, the adoption of new or modified procurement regulations and other requirements may increase our compliance costs and reduce our gross margins, which could have a negative effect on our business, results of operations or cash flows.

If we fail to provide high-quality services to our customers, or if our third-party service providers fail to provide high-quality services to our customers, our reputation, business, results of operations or cash flows could be adversely affected.

Our service offerings include field services, managed services, warranties, configuration services, partner services and telecom services. Additionally, we deliver and manage mission critical software, systems and network solutions for our customers. We also offer certain services, such as implementation and installation services and repair services, to our customers through various third-party service providers engaged to perform these services on our behalf. If we or our third-party service providers fail to provide high quality services to our customers or such services result in a disruption of our customers' businesses, this could, among other things, result in legal claims and proceedings and liability. Moreover, as we expand our services and solutions business, we may be exposed to additional operational, regulatory and other risks. We also could incur liability for failure to comply with the rules and regulations applicable to the new services and solutions we provide to our customers. If any of the foregoing were to occur, our reputation with our customers, our brand and our business, results of operations or cash flows could be adversely affected.

If we lose any of our key personnel, or are unable to attract and retain the talent required for our business, our business could be disrupted and our financial performance could suffer.

Our success is heavily dependent upon our ability to attract, develop, engage and retain key personnel to manage and grow our business, including our key executive, management, sales, services and technical coworkers.

Our future success will depend to a significant extent on the efforts of Thomas E. Richards, our Chairman and Chief Executive Officer, as well as the continued service and support of our other executive officers. Our future success also will depend on our ability to retain our customer-facing coworkers, who have been given critical CDW knowledge regarding, and the opportunity to develop strong relationships with, many of our customers. In addition, as we seek to expand our offerings of value-added services and solutions, our success will even more heavily depend on attracting and retaining highly skilled technology specialists and engineers, for whom the market is extremely competitive.

Our inability to attract, develop and retain key personnel could have an adverse effect on our relationships with our vendor partners and customers and adversely affect our ability to expand our offerings of value-added services and solutions. Moreover, our inability to train our sales, services and technical personnel effectively to meet the rapidly changing technology needs of our customers could cause a decrease in the overall quality and efficiency of such personnel. Such consequences could adversely affect our business, results of operations or cash flows.

The interruption of the flow of products from suppliers could disrupt our supply chain.

A significant portion of the products we sell are manufactured or purchased by our vendor partners outside of the U.S., primarily in Asia. Political, social or economic instability in Asia, or in other regions in which our vendor partners purchase or manufacture the products we sell, could cause disruptions in trade, including exports to the U.S. Other events that could also cause disruptions to our supply chain include:

- the imposition of additional trade law provisions or regulations;
- the imposition of additional duties, tariffs and other charges on imports and exports;
- foreign currency fluctuations;
- natural disasters or other adverse occurrences at, or affecting, any of our suppliers' facilities;
- restrictions on the transfer of funds;
- the financial instability or bankruptcy of manufacturers; and
- significant labor disputes, such as strikes.

We cannot predict whether the countries in which the products we sell are purchased or manufactured, or may be purchased or manufactured in the future, will be subject to new or additional trade restrictions or sanctions imposed by the U.S. or foreign governments, including the likelihood, type or effect of any such restrictions. Trade restrictions, including new or increased tariffs or quotas, embargoes, sanctions, safeguards and customs restrictions against the products we sell, as well as foreign labor strikes and work stoppages or boycotts, could increase the cost or reduce the supply of product available to us and adversely affect our business, results of operations or cash flows.

A natural disaster or other adverse occurrence at one of our primary facilities or customer data centers could damage our business.

Substantially all of our corporate, warehouse and distribution functions are located at our Vernon Hills, Illinois facilities and our second distribution center in North Las Vegas, Nevada. If the warehouse and distribution equipment at one of our distribution centers were to be seriously damaged by a natural disaster or other adverse occurrence, we could utilize the other distribution center or third-party distributors to ship products to our customers. However, this may not be sufficient to avoid interruptions in our service and may not enable us to meet all of the needs of our customers and would cause us to incur incremental operating costs. In addition, we operate three customer data centers and numerous sales offices which may contain both business-critical data and confidential information of our customers. A natural disaster or other adverse occurrence at any of the customer data centers or at any of our major sales offices could negatively impact our business, results of operations or cash flows.

We are heavily dependent on commercial delivery services.

We generally ship hardware products to our customers by FedEx, United Parcel Service and other commercial delivery services and invoice customers for delivery charges. If we are unable to pass on to our customers future increases in the cost of commercial delivery services, our profitability could be adversely affected. Additionally, strikes, inclement weather, natural disasters or other service interruptions by such shippers could adversely affect our ability to deliver products on a timely basis.

We are exposed to accounts receivable and inventory risks.

We extend credit to our customers for a significant portion of our net sales, typically on 30-day payment terms. We are subject to the risk that our customers may not pay for the products they have purchased, or may pay at a slower rate than we have historically experienced, the risk of which is heightened during periods of economic downturn or uncertainty or, in the case of Public segment customers, during periods of budget constraints.

We are also exposed to inventory risks as a result of the rapid technological changes that affect the market and pricing for the products we sell. We seek to minimize our inventory exposure through a variety of inventory management procedures and policies, including our rapid-turn inventory model, as well as vendor price protection and product return programs. However, if we were unable to maintain our rapid-turn inventory model, if there were unforeseen product developments that created more rapid obsolescence or if our vendor partners were to change their terms and conditions, our inventory risks could increase. We also from time to time take advantage of cost savings associated with certain opportunistic bulk inventory purchases offered by our vendor partners or we may decide to carry high inventory levels of certain products that have limited or no return privileges due to customer demand or request. These bulk purchases could increase our exposure to inventory obsolescence.

We could be exposed to additional risks if we make acquisitions or enter into alliances.

We may pursue transactions, including acquisitions or alliances, in an effort to extend or complement our existing business. These types of transactions involve numerous business risks, including finding suitable transaction partners and negotiating terms that are acceptable to us, the diversion of management's attention from other business concerns, extending our product or service offerings into areas in which we have limited experience, entering into new geographic markets, the potential loss of key coworkers or business relationships and successfully integrating acquired businesses, any of which could adversely affect our operations.

In addition, our financial results could be adversely affected by financial adjustments required by accounting principles generally accepted in the United States of America (“GAAP”) in connection with these types of transactions where significant goodwill or intangible assets are recorded. To the extent the value of goodwill or identifiable intangible assets with indefinite lives becomes impaired, we may be required to incur material charges relating to the impairment of those assets.

Our future operating results may fluctuate significantly.

We may experience significant variations in our future quarterly results of operations. These fluctuations may cause the market price of our common stock to be volatile and may result from many factors, including the condition of the technology industry in general, shifts in demand and pricing for hardware, software and services and the introduction of new products or upgrades.

Our operating results are also highly dependent on our level of gross profit as a percentage of net sales. Our gross profit percentage fluctuates due to numerous factors, some of which may be outside of our control, including general macroeconomic conditions; pricing pressures; changes in product costs from our vendor partners; the availability of price protection, purchase discounts and incentive programs from our vendor partners; changes in product, order size and customer mix; the risk of some items in our inventory becoming obsolete; increases in delivery costs that we cannot pass on to customers; and general market and competitive conditions.

In addition, our cost structure is based, in part, on anticipated sales and gross margins. Therefore, we may not be able to adjust our cost structure quickly enough to compensate for any unexpected sales or gross margin shortfall, and any such inability could have an adverse effect on our business, results of operations or cash flows.

We are exposed to risks from legal proceedings and audits.

We are party to various legal proceedings that arise in the ordinary course of our business, which include commercial, employment, tort and other litigation.

We are subject to intellectual property infringement claims against us in the ordinary course of our business, either because of the products and services we sell or the business systems and processes we use to sell such products and services, in the form of cease-and-desist letters, licensing inquiries, lawsuits and other communications and demands. In our industry, such intellectual property claims have become more frequent as the complexity of technological products and the intensity of competition in our industry have increased. Increasingly, many of these assertions are brought by non-practicing entities whose principal business model is to secure patent licensing revenue, but we may also be subject to suits from inventors, competitors or other patent holders who may seek licensing revenue, lost profits and/or an injunction preventing us from engaging in certain activities, including selling certain products and services.

Because of our significant sales to governmental entities, we also are subject to audits by federal, state and local authorities. We also are subject to audits by various vendor partners and large customers, including government agencies, relating to purchases and sales under various contracts. In addition, we are subject to indemnification claims under various contracts.

Current and future litigation, infringement claims, governmental proceedings, audits or indemnification claims that we face may result in substantial costs and expenses and significantly divert the attention of our management regardless of the outcome. In addition, current and future litigation, infringement claims, governmental proceedings, audits or indemnification claims could lead to increased costs or interruptions of our normal business operations. Litigation, infringement claims, governmental proceedings, audits or indemnification claims involve uncertainties and the eventual outcome of any litigation, infringement claim, governmental proceeding, audit or indemnification claim could adversely affect our business, results of operations or cash flows.

We have significant deferred cancellation of debt income.

As a result of a 2009 debt modification, we realized $395.5 million of cancellation of debt income ("CODI"). We made an election under Code Section 108(i) to defer this CODI from taxable income, pursuant to which we are also required to defer certain original issue discount ("OID") deductions as they accrue. As of December 31, 2013, we had already deferred approximately $114.5 million of OID deductions. Starting in 2014, we will be required to include the deferred CODI into taxable income ratably over a five-year period ending in 2018. During this same period, we will also be permitted to benefit from our deferred OID deductions. Because we have more CODI than the aggregate of our deferred and unaccrued OID on the relevant remaining debt instruments, we will have a future cash tax liability associated with our significant deferred CODI. We have reflected the associated cash tax liability in our deferred taxes for financial accounting purposes.

All of our deferred CODI will be accelerated into current taxable income if, prior to 2018, we engage in a so-called "impairment transaction" and the gross value of our assets immediately afterward is less than 110% of the sum of our total liabilities and the tax on the net amount of our deferred CODI and OID (the "110% test") as determined under the applicable Treasury Regulations. An "impairment transaction" is any transaction that impairs our ability to pay the tax on our deferred CODI, and includes dividends or distributions with respect to our equity and charitable contributions, in each case in a manner that is not consistent with our historical practice within the meaning of the applicable Treasury Regulations.

Prior to 2018, our willingness to pay dividends or make distributions with respect to our equity could be adversely affected if, at the time, we do not meet the 110% test and, as a result, the payment of a dividend or the making of a distribution would accelerate the tax payable with respect to our deferred CODI. We believe that, based on our interpretation of applicable Treasury Regulations, the gross value of our assets exceeds 110% of the sum of our total liabilities and the tax on the net amount of our deferred CODI and OID as of the filing date of this Annual Report on Form 10-K. However, we cannot assure you that this will continue to be true in the future.

Risks Related to Our Indebtedness

We have a substantial amount of indebtedness, which could have important consequences to our business.

We have a substantial amount of indebtedness. As of December 31, 2013, we had $3.3 billion of total long-term debt outstanding, as defined by GAAP, and $256.6 million of obligations outstanding under our inventory financing agreements, and the ability to borrow an additional $641.1 million under our senior secured asset-based revolving credit facility (the "Revolving Loan"). Our substantial indebtedness could have important consequences, including the following:

- making it more difficult for us to satisfy our obligations with respect to our indebtedness;
- requiring us to dedicate a substantial portion of our cash flow from operations to debt service payments on our and our subsidiaries' debt, which reduces the funds available for working capital, capital expenditures, acquisitions and other general corporate purposes;
- requiring us to comply with restrictive covenants in our senior credit facilities and indentures, which limit the manner in which we conduct our business;
- making it more difficult for us to obtain vendor financing from our vendor partners;
- limiting our flexibility in planning for, or reacting to, changes in the industry in which we operate;
- placing us at a competitive disadvantage compared to any of our less-leveraged competitors;

- increasing our vulnerability to both general and industry-specific adverse economic conditions; and
- limiting our ability to obtain additional debt or equity financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements and increasing our cost of borrowing.

Restrictive covenants under our senior credit facilities and indentures may adversely affect our operations and liquidity.

Our senior credit facilities and our indentures contain, and any future indebtedness of ours may contain, various covenants that limit our ability to, among other things:

- incur or guarantee additional debt;
- pay dividends or make distributions to holders of our capital stock or to make certain other restricted payments or investments;
- repurchase or redeem capital stock;
- make loans, capital expenditures or investments or acquisitions;
- receive dividends or other payments from our subsidiaries;
- enter into transactions with affiliates;
- create liens;
- merge or consolidate with other companies or transfer all or substantially all of our assets;
- transfer or sell assets, including capital stock of subsidiaries; and
- prepay, repurchase or redeem debt.

As a result of these covenants, we are limited in the manner in which we conduct our business and we may be unable to engage in favorable business activities or finance future operations or capital needs. A breach of any of these covenants or any of the other restrictive covenants would result in a default under our senior credit facilities. Upon the occurrence of an event of default under our senior credit facilities, the lenders:

- will not be required to lend any additional amounts to us;
- could elect to declare all borrowings outstanding thereunder, together with accrued and unpaid interest and fees, to be due and payable;
- could require us to apply all of our available cash to repay these borrowings; or
- could prevent us from making payments on our senior subordinated notes due 2017;
- any of which could result in an event of default under the indentures.

If we were unable to repay those amounts, the lenders under our senior credit facilities could proceed against the collateral granted to them to secure our borrowings thereunder. We have pledged a significant portion of our assets as collateral under our senior credit facilities and our senior secured notes due 2018. If the lenders under our senior credit facilities or the holders of our senior secured notes due 2018 accelerate the repayment of borrowings, we cannot assure you that we will have sufficient assets to repay our senior credit facilities and our other indebtedness or the ability to borrow sufficient funds to refinance such indebtedness. Even if we were able to obtain new financing, it may not be on commercially reasonable terms, or terms that are acceptable to us.

In addition, under our Revolving Loan, we are permitted to borrow an aggregate amount of up to $900 million; however, our ability to borrow under our Revolving Loan is limited by a borrowing base and a liquidity condition. The borrowing base at any time equals the sum of up to 85% of CDW LLC and its subsidiary guarantors' eligible accounts receivable (net of accounts reserves) (up to 30% of such eligible accounts receivable which can consist of federal government accounts receivable) plus the lesser of (i) 70% of CDW LLC and its subsidiary guarantors' eligible inventory (valued at cost and net of inventory reserves) and (ii) the product of 85% multiplied by the net orderly liquidation value percentage multiplied by eligible inventory (valued at cost and net of inventory reserves), less reserves (other than accounts reserves and inventory reserves). The borrowing base in effect as of December 31, 2013 was $1,065.5 million.

Our ability to borrow under our Revolving Loan is also limited by a minimum liquidity condition, which provides that, if excess cash availability is less than the lesser of (i) $90 million or (ii) the greater of (A) 10% of the borrowing base or (B) $60 million, the lenders are not required to lend any additional amounts under our Revolving Loan unless the consolidated fixed charge coverage ratio (as defined in the credit agreement for our Revolving Loan) is at least 1.0 to 1.0. Moreover, our Revolving Loan provides discretion to the agent bank acting on behalf of the lenders to impose additional availability reserves, which could materially impair the amount of borrowings that would otherwise be available to us. We cannot assure you that the agent bank will not impose such reserves or, were it to do so, that the resulting impact of this action would not materially and adversely impair our liquidity.

We will be required to generate sufficient cash to service our indebtedness and, if not successful, we may be forced to take other actions to satisfy our obligations under our indebtedness.

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. Our outstanding long-term debt will impose significant cash interest payment obligations on us in 2014 and subsequent years and, accordingly, we will have to generate significant cash flow from operating activities to fund our debt service obligations. We cannot assure you that we will maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations-Liquidity and Capital Resources” included elsewhere in this report.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets or operations, seek additional debt or equity capital, restructure or refinance our indebtedness, or revise or delay our strategic plan. We cannot assure you that we would be able to take any of these actions, that these actions would be successful and permit us to meet our scheduled debt service obligations or satisfy our capital requirements, or that these actions would be permitted under the terms of our existing or future debt agreements, including our senior credit facilities and indentures. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. Our senior credit facilities and indentures restrict our ability to dispose of assets and use the proceeds from the disposition. We may not be able to consummate those dispositions or to obtain the proceeds which we could realize from them and these proceeds may not be adequate to meet any debt service obligations then due. Furthermore, the Sponsors have no obligation to provide us with debt or equity financing.

If we cannot make scheduled payments on our debt, we will be in default and, as a result:

- our debt holders could declare all outstanding principal and interest to be due and payable;
- the lenders under our senior credit facilities could foreclose against the assets securing the borrowings from them and the lenders under our term loan facility could terminate their commitments to lend us money; and
- we could be forced into bankruptcy or liquidation.

Despite our indebtedness levels, we and our subsidiaries may be able to incur substantially more debt, including secured debt. This could further increase the risks associated with our leverage.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. The terms of our senior credit facilities and indentures do not fully prohibit us or our subsidiaries from doing so. To the extent that we incur additional indebtedness or such other obligations, the risks associated with our substantial indebtedness described above, including our possible inability to service our debt, will increase. As of December 31, 2013, we had approximately $641.1 million available for additional borrowing under our Revolving Loan after taking into account borrowing base limitations (net of $2.2 million of issued and undrawn letters of credit and $256.7 million of reserves related to our floorplan sub-facility).

Variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Certain of our borrowings, primarily borrowings under our senior credit facilities, are at variable rates of interest and expose us to interest rate risk. As of December 31, 2013, we had $1,528.9 million of variable rate debt outstanding. If interest rates increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income would decrease. Although we have entered into interest rate cap agreements on our term loan facility to reduce interest rate volatility, we cannot assure you we will be able to do so in the future on acceptable terms or that such caps or the caps we have in place now will be effective.

Risks Related to Ownership of Our Common Stock

Our common stock price may be volatile and may decline regardless of our operating performance, and holders of our common stock could lose a significant portion of their investment.

The market price for our common stock may be volatile. Our stockholders may not be able to resell their shares of common stock at or above the price at which they purchased such shares, due to fluctuations in the market price of our common stock, which may be caused by a number of factors, many of which we cannot control, including the risk factors described in this Annual Report on Form 10-K and the following:

- changes in financial estimates by any securities analysts who follow our common stock, our failure to meet these estimates or failure of securities analysts to initiate or maintain coverage of our common stock;
- downgrades by any securities analysts who follow our common stock;
- future sales of our common stock by our officers, directors and significant stockholders, including the Sponsors;
- market conditions or trends in our industry or the economy as a whole;
- investors' perceptions of our prospects;
- announcements by us or our competitors of significant contracts, acquisitions, joint ventures or capital commitments;
- changes in key personnel; and
- our limited public float in light of the Sponsors' beneficial ownership of a majority of our common stock, which may result in the trading of relatively small quantities of shares by our stockholders having a disproportionate positive or negative influence on the market price of our common stock.

In addition, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies, including companies in our industry. In the past, securities class action litigation has followed periods of market volatility. If we were involved in securities litigation, we could incur substantial costs, and our resources and the attention of management could be diverted from our business.

The Sponsors have the ability to control significant corporate activities and their interests may not align with yours.

The Sponsors beneficially own approximately 63.7% of our common stock as of February 28, 2014. As a result of their ownership, the Sponsors, so long as they hold a majority of our outstanding common stock, will have the ability to control the outcome of matters submitted to a vote of stockholders and, through our board of directors, the ability to control decision-making with respect to our business direction and policies. Matters over which the Sponsors will, directly or indirectly, exercise control include:

- the election of our board of directors and the appointment and removal of our officers;
- mergers and other business combination transactions, including proposed transactions that would result in our stockholders receiving a premium price for their shares;
- other acquisitions or dispositions of businesses or assets;
- incurrence of indebtedness and the issuance of equity securities;
- repurchase of stock and payment of dividends; and
- the issuance of shares to management under our equity incentive plans.

Even if the Sponsors' ownership of our shares falls below a majority, they may continue to be able to strongly influence or effectively control our decisions. Under our amended and restated certificate of incorporation, the Sponsors and their affiliates do not have any obligation to present to us, and the Sponsors may separately pursue, corporate opportunities of which they become aware, even if those opportunities are ones that we would have pursued if granted the opportunity.

Future sales of our common stock, or the perception in the public markets that these sales may occur, may depress our stock price.

Sales of substantial amounts of our common stock in the public market, or the perception that these sales could occur, could adversely affect the price of our common stock and could impair our ability to raise capital through the sale of additional shares. As of February 28, 2014, there were 171,954,277 shares of our common stock outstanding. The shares of our common stock sold in our initial public offering and secondary offering in 2013 are freely tradable without restriction under the Securities Act of 1933, as amended (the "Securities Act"), except that any shares of our common stock that may be acquired by our directors, executive officers and other affiliates may be sold only in compliance with certain volume limitations and other restrictions of Rule 144 of the Securities Act.

The remaining shares of our common stock, to the extent not previously sold pursuant to an exemption from registration, will continue to be "restricted shares" within the meaning of Rule 144 of the Securities Act and subject to certain restrictions on resale. Restricted shares may be sold in the public market only if they are registered under the Securities Act or are sold pursuant to an exemption from registration such as Rule 144 or Rule 701 under the Securities Act.

As of February 28, 2014, approximately 119,000,000 shares of our common stock will continue to have the right to require us to register the sales of their shares under the Securities Act, under the terms of an agreement between us and the holders of these securities.

In the future, we may also issue our securities in connection with investments or acquisitions. The number of shares of our common stock issued in connection with an investment or acquisition could constitute a material portion of our then-outstanding shares of our common stock.

Anti-takeover provisions in our charter documents and Delaware law might discourage or delay acquisition attempts for us that you might consider favorable.

Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that may make the acquisition of the Company more difficult without the approval of our board of directors. These provisions:

- authorize the issuance of undesignated preferred stock, the terms of which may be established and the shares of which may be issued without stockholder approval, and which may include super voting, special approval, dividend, or other rights or preferences superior to the rights of the holders of common stock;
- establish a classified board of directors so that not all members of our board of directors are elected at one time;
- generally prohibit stockholder action by written consent, requiring all stockholder actions be taken at a meeting of our stockholders, except that any action required or permitted to be taken by our stockholders may be effected by written consent until such time as the Sponsors cease to beneficially own 50% or more of our common stock;
- provide that special meetings of the stockholders can only be called by or at the direction of (i) our board of directors pursuant to a written resolution adopted by the affirmative vote of the majority of the total number of directors that the Company would have if there were no vacancies or (ii) until such time as the Sponsors cease to beneficially own 50% or more of our common stock (a) the chairman or vice chairman of our board of directors, (b) our chief executive officer, (c) a majority of our board of directors through a special resolution or (d) the holders of at least 10% of our common stock;
- establish advance notice requirements for nominations for elections to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings; and
- provide that our board of directors is expressly authorized to make, alter or repeal our amended and restated bylaws.

Our amended and restated certificate of incorporation also contains a provision that provides us with protections similar to Section 203 of the Delaware General Corporation Law, and will prevent us from engaging in a business combination with a person who acquires at least 15% of our common stock for a period of three years from the date such person acquired such common stock, unless board or stockholder approval is obtained prior to the acquisition. These anti-takeover provisions and other provisions under Delaware law could discourage, delay or prevent a transaction involving a change in control of the Company, even if doing so would benefit our stockholders. These provisions could also discourage proxy contests and make it more difficult for our stockholders to elect directors of their choosing and to cause us to take other corporate actions our stockholders desire.

Conflicts of interest may arise because some of our directors are principals of our largest stockholders.

Paul Finnegan and Robin Selati, who are principals of Madison Dearborn, and Glenn Creamer and Michael Dominguez, who are managing directors of Providence Equity, serve on our board of directors. As of February 28, 2014, the Sponsors continue to hold a majority of our outstanding common stock. The Sponsors and the entities respectively controlled by them may hold equity interests in entities that directly or indirectly compete with us, and companies in which they currently invest may begin competing with us. As a result of these relationships, when conflicts arise between the interests of Madison Dearborn or Providence Equity, on the one hand, and of other stockholders, on the other hand, these directors may not be disinterested. Although our directors and officers have a duty of loyalty to us under Delaware law and our amended and restated certificate of incorporation, transactions that we enter into in which a director or officer has a conflict of interest are generally permissible so long as (1) the material facts relating to the director's or officer's relationship or interest as to the transaction are disclosed to our board of directors and a majority of our disinterested directors approves the transaction, (2) the material facts relating to the director's or officer's relationship or interest as to the transaction are disclosed to our stockholders and a majority of our disinterested stockholders approve the transaction or (3) the transaction is otherwise fair to us. Our amended and restated certificate of incorporation also provides that any principal, officer, member, manager and/or employee of a Sponsor or any entity that controls, is controlled by or under common control with a Sponsor (other than us or any company that is controlled by us) or a Sponsor-managed investment fund will not be required to offer any transaction opportunity of which they become aware to us and could take any such opportunity for themselves or offer it to other companies in which they have an investment, unless such opportunity is offered to them solely in their capacities as our directors.

We cannot assure you that we will continue to pay dividends on our common stock, and our indebtedness and certain tax considerations could limit our ability to continue to pay dividends on our common stock. If we do not continue to pay dividends, you may not receive any return on investment unless you are able to sell your common stock for a price greater than your purchase price.

In each of the fourth quarter of 2013 and the first quarter of 2014, our board of directors declared a quarterly cash dividend of $0.0425 per share of common stock. We expect to continue to pay a cash dividend on our common stock of $0.0425 per share per quarter, or $0.17 per share per annum. Any determination to pay dividends in the future will be at the discretion of our board of directors and will depend upon our results of operations, financial condition, business prospects, capital requirements, contractual restrictions, including those under our senior credit facilities and indentures, any potential indebtedness we may incur, restrictions imposed by applicable law, tax considerations and other factors our board of directors deems relevant. There can be no assurance that we will continue to pay a dividend at the current rate or at all. Accordingly, if we do not pay dividends in the future, realization of a gain on your investment will depend entirely on the appreciation of the price of our common stock, which may never occur. See "-Risks Related to Our Business-We have significant deferred cancellation of debt income" for a discussion of certain tax considerations that could affect our willingness to pay dividends in the future.

We are a holding company and rely on dividends, distributions and other payments, advances and transfers of funds from our subsidiaries to meet our obligations.

We are a holding company that does not conduct any business operations of our own. As a result, we are largely dependent upon cash dividends and distributions and other transfers from our subsidiaries to meet our obligations. The agreements governing the indebtedness of our subsidiaries impose restrictions on our subsidiaries' ability to pay dividends or other distributions to us. The deterioration of the earnings from, or other available assets of, our subsidiaries for any reason could also limit or impair their ability to pay dividends or other distributions to us.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

As of December 31, 2013, we owned or leased a total of approximately 2.0 million square feet of space throughout the U.S. and Canada. We own two properties: a combined office and an approximately 450,000 square foot distribution center in Vernon Hills, Illinois, and an approximately 513,000 square foot distribution center in North Las Vegas, Nevada. In addition, we conduct sales, services and administrative activities in various leased locations throughout the U.S. and Canada, including data centers in Madison, Wisconsin and Minneapolis, Minnesota.

We believe that our facilities are well maintained, suitable for our business and occupy sufficient space to meet our operating needs. As part of our normal business, we regularly evaluate sales center performance and site suitability. Leases

covering our currently occupied leased properties expire at varying dates, generally within the next ten years. We anticipate no difficulty in retaining occupancy through lease renewals, month-to-month occupancy or replacing the leased properties with equivalent properties. We believe that suitable additional or substitute leased properties will be available as required.

Item 3. Legal Proceedings

We are party to various legal proceedings that arise in the ordinary course of our business, which include commercial, intellectual property, employment, tort and other litigation matters. We are also subject to audit by federal, state and local authorities, and by various partners and large customers, including government agencies, relating to purchases and sales under various contracts. In addition, we are subject to indemnification claims under various contracts. From time to time, certain of our customers file voluntary petitions for reorganization or liquidation under the U.S. bankruptcy laws. In such cases, certain pre-petition payments received by us could be considered preference items and subject to return to the bankruptcy administrator.

As of December 31, 2013, we do not believe that there is a reasonable possibility that any material loss exceeding the amounts already recognized for these proceedings and matters, if any, has been incurred. However, the ultimate resolutions of these proceedings and matters are inherently unpredictable. As such, our financial condition and results of operations could be adversely affected in any particular period by the unfavorable resolution of one or more of these proceedings or matters.

We previously filed a claim as part of a class action settlement in a case alleging price fixing during the period of January 1, 1996 through December 31, 2006, by certain manufacturers of thin-film liquid crystal display panels. On July 13, 2013, the United Stated District Court for the Northern District of California approved distribution of the settlement proceeds, including a net payment to us of $10.4 million after fees and expenses. We have recognized a pre-tax benefit of $10.4 million within selling and administrative expenses in the consolidated statement of operations for the year ended December 31, 2013. The first of two settlement payments was received by us on July 29, 2013 in the amount of $8.5 million. The balance of $1.9 million was received in February 2014.

Item 4. Mine Safety Disclosures

Not applicable.

Executive Officers

Name	Age	Position
Thomas E. Richards	59	Chairman, President and Chief Executive Officer, and Director
Dennis G. Berger	49	Senior Vice President and Chief Coworker Services Officer
Neal J. Campbell	52	Senior Vice President and Chief Marketing Officer
Christina M. Corley	46	Senior Vice President - Corporate Sales
Douglas E. Eckrote	49	Senior Vice President - Strategic Solutions and Services
Christine A. Leahy	49	Senior Vice President, General Counsel and Corporate Secretary
Christina V. Rother	50	Senior Vice President - Public and Advanced Technology Sales
Jonathan J. Stevens	44	Senior Vice President - Operations and Chief Information Officer
Matthew A. Troka	43	Senior Vice President - Product and Partner Management
Ann E. Ziegler	55	Senior Vice President and Chief Financial Officer

Thomas E. Richards serves as our Chairman, President and Chief Executive Officer, as a member of our board of directors and as a manager of CDW LLC. From October 2011 to December 31, 2012, Mr. Richards served as our Chief Executive Officer. From September 2009 to October 2011, Mr. Richards served as our President and Chief Operating Officer. Prior to joining CDW, Mr. Richards held leadership positions with Qwest Communications, a telecommunications carrier. From 2008 to 2009, he served as Executive Vice President and Chief Operating Officer, where he was responsible for the day-to-day operation and performance of Qwest Communications, and before assuming that role, was the Executive Vice President of the Business Markets Group from 2005 to 2008. Mr. Richards also has served as Chairman and Chief Executive Officer of Clear Communications Corporation and as Executive Vice President of Ameritech Corporation. He currently serves as a board member of Junior Achievement of Chicago, Rush University Medical Center and the University of Pittsburgh. Mr. Richards is also a member of the Economic Club of Chicago and the Executives' Club of Chicago. Mr. Richards is a graduate of the University of Pittsburgh where he earned a bachelor's degree and a graduate of Massachusetts Institute of Technology where he earned a Master of Science in Management as a Sloan Fellow. As a result of these and other professional experiences, Mr. Richards possesses particular knowledge and experience in technology industries, strategic planning and leadership of complex organizations that strengthen the board's collective qualifications, skills and experience.

Dennis G. Berger serves as our Senior Vice President and Chief Coworker Services Officer. Mr. Berger joined CDW in September 2005 as Vice President-Coworker Services. In January 2007, he was named Senior Vice President and Chief Coworker Services Officer. Mr. Berger is responsible for leading CDW's programs in coworker learning and development, benefits, compensation, performance management, coworker relations and talent acquisition. Prior to joining CDW, he served as Vice President of Human Resources at PepsiAmericas, a beverage company, from 2002 to 2005. Mr. Berger has also held human resources positions of increasing responsibility at Pepsi Bottling Group, Inc., Pepsico, Inc. and GTE Corporation. Mr. Berger serves on the board of directors of Glenwood Academy, Anti-Defamation League of Chicago and Skills for Chicagoland's Future. Mr. Berger is a graduate of Northeastern University where he earned a bachelor's degree and a graduate of John M. Olin School of Business at Washington University in St. Louis where he earned a Master of Business Administration.

Neal J. Campbell serves as our Senior Vice President and Chief Marketing Officer. Mr. Campbell joined CDW in January 2011, and is responsible for the strategy and development of CDW's advertising, public relations, channel marketing, marketing intelligence and research, merchandising, microsites, creative services and direct marketing content, along with relationship marketing, corporate communications and e-commerce initiatives including content development, online marketing and e-procurement. Prior to joining CDW, Mr. Campbell served as Chief Executive Officer of TrafficCast, a provider of real-time and predictive traffic information to Google, Yahoo and others from 2008 to 2011. From 2006 to 2008, he served as Executive Vice President and General Manager-Strategic Marketing and Next Generation Products for ISCO International, a manufacturer of wireless telecommunications components. Mr. Campbell also spent 17 years with Motorola, most recently as Vice President and General Manager, GSM Portfolio Marketing and Planning for the company's mobile device business. He currently serves as a board member of TrafficCast and Junior Achievement of Chicago, and is on the Executive Advisory Council of Bradley University. Mr. Campbell is a graduate of Bradley University where he earned a bachelor's degree and a graduate of Northwestern University's Kellogg School of Management where he earned a Master of Business Administration.

Christina M. Corley serves as our Senior Vice President of Corporate Sales and is responsible for managing all aspects of our corporate sales force, including sales force strategy, structure, goals, operations, revenue generation and training and development. Prior to joining CDW in September 2011, Ms. Corley served as President and Chief Operating Officer of Zones, Inc., a provider of IT products and solutions, from 2006 to 2011. She served as Executive Vice President of Purchasing

and Operations for Zones, Inc. from April 2005 to October 2006. She served as President of Corporate PC Source ("CPCS"), a wholly owned subsidiary of Zones, Inc., from March 2003 to April 2005. Prior to its acquisition by Zones, Inc., Ms. Corley served as Chief Executive Officer of CPCS from 1999 to 2003. Ms. Corley began her career in sales and marketing, holding various positions at IBM, Dataflex and VisionTek. She currently serves as a board member of the Boys and Girls Club of Chicago. Ms. Corley is a graduate of the University of Illinois at Urbana-Champaign where she earned a bachelor's degree and a graduate of Northwestern University's Kellogg School of Management where she earned a Master of Business Administration in management and strategy.

Douglas E. Eckrote serves as our Senior Vice President of Strategic Solutions and Services and is responsible for our technology specialist teams focusing on servers and storage, unified communications, security, wireless, power and cooling, networking, software licensing and mobility solutions. He also holds responsibility for CDW Canada, Inc. Mr. Eckrote joined CDW in 1989 as an account manager. Mr. Eckrote was appointed Director of Operations in 1996, Vice President of Operations in 1999 and Senior Vice President of Purchasing in April 2001. In October 2001, he was named Senior Vice President of Purchasing and Operations. He was named Senior Vice President of Operations, Services and Canada in 2006 and assumed his current role in 2009. Prior to joining CDW, Eckrote worked in outside sales for Arrow Electronics and Cintas Uniform Company. From 2003 to 2009, Mr. Eckrote served on the board of directors of the Make-A-Wish Foundation of Illinois, completing the last two years as board chair, and currently serves on the Make-A-Wish Foundation of America National Chapter Performance Committee. Mr. Eckrote also served on the board of directors of the Center for Enriched Living from 2002-2011, serving as Vice President from 2004-2005, President from 2006-2008, board emeritus from 2009-2011 and currently serves as a trustee. Mr. Eckrote is a graduate of Purdue University where he earned a bachelor's degree and a graduate of Northwestern University's Kellogg School of Management where he earned an Executive Master of Business Administration.

Christine A. Leahy serves as our Senior Vice President, General Counsel and Corporate Secretary and is responsible for our legal, corporate governance, enterprise risk management and compliance functions. Ms. Leahy joined CDW in January 2002 as Vice President, General Counsel and Corporate Secretary. In January of 2007, she was named Senior Vice President. Before joining CDW, Ms. Leahy served as a corporate partner in the Chicago office of Sidley Austin LLP where she specialized in corporate governance, securities law, mergers and acquisitions and strategic counseling. Ms. Leahy serves on the board of trustees of Children's Home and Aid. Ms. Leahy is a graduate of Brown University where she earned a bachelor's degree and a graduate of Boston College Law School where she earned her Juris Doctor. She also completed the CEO Perspective and Women's Director Development Programs at Northwestern University's Kellogg School of Management.

Christina V. Rother serves as our Senior Vice President of Public and Advanced Technology Sales and is responsible for managing all aspects of our public sector and advanced technology sales forces, including sales force strategy, structure, goals, operations, revenue generation and training and development. Ms. Rother joined CDW in 1991 as an account manager. In 2002, she was appointed Vice President for Education and State and Local Sales. In 2005, she was chosen to lead our newly formed healthcare sales team. Beginning in 2006, Ms. Rother has held various positions ranging from Group Vice President of CDW Government LLC, President of CDW Government LLC and Senior Vice President of Sales. In September 2011, Ms. Rother assumed her current role as Senior Vice President of Public and Advanced Technology Sales. Prior to joining CDW, Ms. Rother held a number of sales positions with technology companies including Laser Computers and Price Electronics. Ms. Rother currently serves as chair of the board of directors of the Make-A-Wish Foundation of Illinois. Ms. Rother is a graduate of the University of Illinois at Chicago where she earned a bachelor's degree.

Jonathan J. Stevens serves as our Senior Vice President of Operations and Chief Information Officer. Mr. Stevens joined CDW in June 2001 as Vice President-Information Technology, was named Chief Information Officer in January 2002 and Vice President-International and Chief Information Officer from 2005 until December 2006. In January 2007, he was named Senior Vice President and Chief Information Officer and assumed his current role in November 2009. Mr. Stevens is responsible for the strategic direction of our information technology. Additionally, he holds responsibility for our distribution centers, transportation, facilities, customer relations, operational excellence and the business technology center. Prior to joining CDW, Mr. Stevens served as regional technology director for Avanade, an international technology integration company formed through a joint venture between Microsoft and Accenture from 2000 to 2001. Prior to that, Mr. Stevens was a principal with Microsoft Consulting Services and led an information technology group for a corporate division of AT&T/NCR. He currently serves on the board of directors of SingleWire Software, LLC and Northeast Illinois Council: Boy Scouts of America. Mr. Stevens is a graduate of the University of Dayton where he earned a bachelor's degree.

Matthew A. Troka serves as our Senior Vice President of Product and Partner Management. Mr. Troka is responsible for managing our relationships with all of our vendor partners. In addition, he directs the day-to-day operations of our purchasing department. Mr. Troka joined CDW in 1992 as an account manager and became a sales manager in 1995. From 1998 to 2001, he served as Corporate Sales Director. From 2001 to 2004, Mr. Troka was Senior Director of Purchasing. From 2004 to 2006, Mr. Troka served as Vice President of Purchasing. From 2006 to 2011, Mr. Troka was Vice President of Product and Partner Management. On March 3, 2011, Mr. Troka was elected Senior Vice President of Product and Partner Management.

Mr. Troka serves as a member of the board of directors of Encompass Championship Charities. Mr. Troka is a graduate of the University of Illinois where he earned a bachelor's degree.

Ann E. Ziegler joined CDW in April 2008 as Senior Vice President and Chief Financial Officer. Prior to joining CDW, Ms. Ziegler spent 15 years at Sara Lee Corporation ("Sara Lee"), a global consumer goods company, in a number of executive roles including finance, mergers and acquisitions, strategy and general management positions in both U.S. and international businesses. Most recently, from 2005 until April 2008, Ms. Ziegler served as Chief Financial Officer and Senior Vice President of Administration for Sara Lee Food and Beverage. Prior to joining Sara Lee, Ms. Ziegler was a corporate attorney at Skadden, Arps, Slate, Meagher & Flom. Ms. Ziegler serves on the board of directors of Hanesbrands, Inc. During the previous five years, Ms. Ziegler also served on the board of directors of Unitrin, Inc. Ms. Ziegler is a graduate of The College of William and Mary where she earned a bachelor's degree and a graduate of the University of Chicago Law School where she earned her Juris Doctor.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock has been listed on the NASDAQ Global Select Market since June 27, 2013 under the symbol "CDW." Prior to that date, there was no public market for our common stock. Shares sold in our initial public offering ("IPO") were priced at $17.00 per share on June 26, 2013. The following table sets forth the ranges of high and low sales prices per share of our common stock as reported on the NASDAQ Global Select Market for the periods indicated.

Year ended December 31, 2013	High	Low
Second quarter (beginning June 27, 2013)	$ 19.17	$ 17.38
Third quarter	$ 24.51	$ 18.26
Fourth quarter	$ 23.56	$ 20.50

Holders

As of February 28, 2014, there were 143 holders of record of our common stock. The number of beneficial stockholders is substantially greater than the number of holders of record because a portion of our common stock is held through brokerage firms.

Dividends

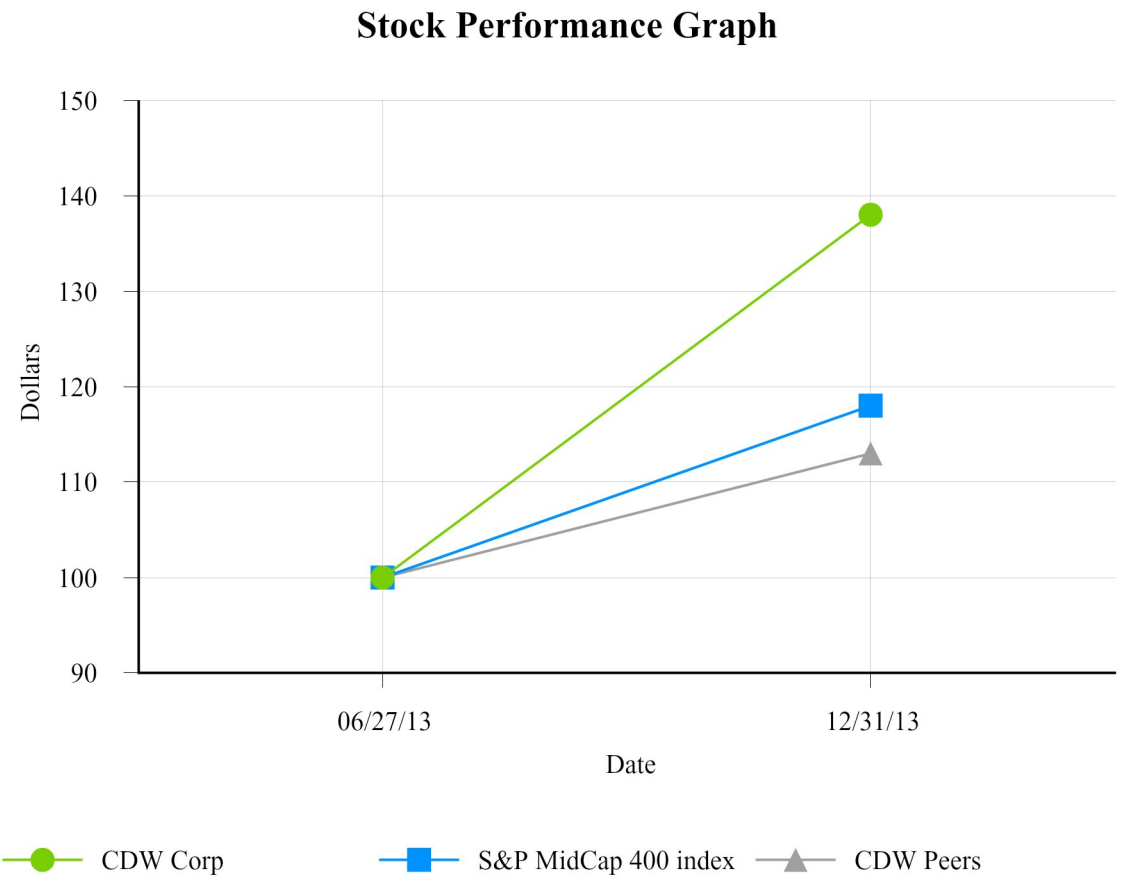
We expect to continue to pay a quarterly cash dividend on our common stock of $0.0425 per share, or $0.17 per annum. The initial quarterly cash dividend of $0.0425 per share was paid on December 2, 2013 to all common stockholders of record as of the close of business on November 15, 2013. On February 13, 2014, we announced that our board of directors declared a quarterly cash dividend on our common stock of $0.0425 per share. The dividend will be paid on March 10, 2014 to all stockholders of record as of the close of business on February 25, 2014. The payment of dividends in quarters beyond the first quarter of 2014 remains at the discretion of our board of directors and will depend upon our results of operations, financial condition, business prospects, capital requirements, contractual restrictions, any potential indebtedness we may incur, restrictions imposed by applicable law, tax considerations and other factors that our board of directors deems relevant. In addition, our ability to pay dividends on our common stock will be limited by restrictions on our ability to pay dividends or make distributions to our stockholders and on the ability of our subsidiaries to pay dividends or make distributions to us, in each case, under the terms of our current and any future agreements governing our indebtedness. For a discussion of our cash resources and needs and restrictions on our ability to pay dividends, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" included elsewhere in this report. For additional discussion of restrictions on our ability to pay dividends, see Note 7 "Long-Term Debt", to the accompanying audited consolidated financial statements included elsewhere in this report.

Stock Performance Graph

The information contained in this Stock Performance Graph section shall not be deemed to be "soliciting material" or "filed" or incorporated by reference in future filings with the SEC, or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, except to the extent that CDW specifically incorporates it by reference into a document filed under the Securities Act of 1933 or the Securities Exchange Act of 1934.

The following graph compares the cumulative total shareholder return, calculated on a dividend reinvested basis, on $100.00 invested at the opening of the market on June 27, 2013, the date our common stock first traded on the NASDAQ Global Select Market, through and including the market close on December 31, 2013, with the cumulative total return for the same time period of the same amount invested in the S&P MidCap 400 index and a peer group index. The Company's peer group index for 2013 consists of the following companies: Accenture plc, Anixter International, Inc., Arrow Electronics, Inc., Avnet, Inc., CGI Group Inc., Genuine Parts Company, Henry Schein, Inc., Insight Enterprises, Inc., Owens & Minor, Inc., Patterson Companies, Inc., SYNNEX Corporation, United Stationers Inc., W.W. Grainger, Inc. and Wesco International, Inc. This peer group was selected based on a review of publicly available information about these companies and the Company's determination that they met one or more of the following criteria: (i) similar size in terms of revenue and/or enterprise value (one-third to three times the Company's revenue or enterprise value); (ii) operates in a business-to-business distribution environment; (iii) members of the technology industry; (iv) similar customers (*i.e.*, business, government, healthcare, and education); (v) companies that provide services and/or solutions; and (vi) similar EBITDA and gross margins.

Shareholder returns over the indicated period are based on historical data and should not be considered indicative of future shareholder returns.



	June 27, 2013	December 31, 2013
CDW Corp	$ 100	$ 138
S&P MidCap 400 index	100	118
CDW Peers	100	113

Use of Proceeds from Registered Securities

On July 2, 2013, the Company completed an IPO of its common stock in which it issued and sold 23,250,000 shares of common stock. On July 31, 2013, the Company completed the sale of an additional 3,487,500 shares of common stock to the underwriters of the IPO pursuant to the underwriters' July 26, 2013 exercise in full of the overallotment option granted to them in connection with the IPO. Such shares were registered under the Securities Act of 1933, as amended, pursuant to the Company's Registration Statement on Form S-1 (File 333-187472), which was declared effective by the SEC on June 26, 2013.

The shares of common stock are listed on the NASDAQ Global Select Market under the symbol “CDW.” The Company's shares of common stock were sold to the underwriters at a price of $17.00 per share in the IPO and upon the exercise of the overallotment option, which together, generated aggregate net proceeds of $424.7 million to the Company after deducting $29.8 million in underwriting discounts, expenses and transaction costs. Using a portion of the net proceeds from the IPO (exclusive of proceeds from the exercise of the overallotment option), the Company paid a $24.4 million termination fee to affiliates of Madison Dearborn Partners, LLC and Providence Equity Partners, L.L.C. in connection with the termination of the management services agreement with such entities that was effective upon completion of the IPO, redeemed $175.0 million aggregate principal amount of senior secured notes due 2018, and redeemed $146.0 million aggregate principal amount of senior subordinated notes due 2017. The redemption price of the senior secured notes due 2018 was 108.0% of the principal amount redeemed, plus accrued and unpaid interest to the date of redemption. The Company used cash on hand to pay such accrued and unpaid interest. The redemption price of the senior subordinated notes due 2017 was 106.268% of the principal amount redeemed, plus accrued and unpaid interest to the date of redemption. The Company used cash on hand to pay such accrued and unpaid interest. On October 18, 2013, proceeds from the overallotment option exercise of $56.0 million and cash on hand were used to redeem $155.0 million aggregate principal amount of senior subordinated notes due 2017. The redemption price of the senior subordinated notes due 2017 was 104.178% of the principal amount redeemed, plus accrued and unpaid interest to the date of redemption. The Company used cash on hand to pay such redemption premium and accrued and unpaid interest.

J.P. Morgan Securities LLC, Barclays Capital Inc. and Goldman, Sachs & Co. acted as joint book-running managers of the IPO and as representatives of the underwriters. Deutsche Bank Securities Inc. and Morgan Stanley & Co. LLC acted as additional book-running managers in the IPO. Robert W. Baird & Co. Incorporated, Raymond James & Associates, Inc., William Blair & Company, L.L.C., Needham & Company, LLC, Stifel, Nicolaus & Company, Incorporated, Loop Capital Markets LLC and The Williams Capital Group, L.P. acted as managing underwriters in the IPO.

Item 6. Selected Financial Data

The selected financial data set forth below are not necessarily indicative of the results of future operations and should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our audited consolidated financial statements and the related notes included elsewhere in this report.

We have derived the selected financial data presented below as of December 31, 2013 and December 31, 2012 and for the years ended December 31, 2013, 2012, and 2011 from our audited consolidated financial statements and related notes, which are included elsewhere in this report. The selected financial data as of December 31, 2010 and December 31, 2009 have been derived from our audited consolidated financial statements as of and for those periods, which are not included in this report.

The following are some of the items affecting comparability of the selected financial data for the periods presented:

- During the year ended December 31, 2013, we recorded IPO- and secondary-offering related expenses of $75.0 million.
- During the years ended December 31, 2013, 2012, and 2011, we recorded net losses on extinguishments of long-term debt of $64.0 million, $17.2 million, and $118.9 million, respectively. The losses represented the difference between the amount paid upon extinguishment, including call premiums and expenses paid to the debt holders and agents, and the net carrying amount of the extinguished debt, adjusted for a portion of the unamortized deferred financing costs.
- During the year ended December 31, 2009, we recorded goodwill impairment charges of $241.8 million. This impairment was primarily attributable to deterioration in macroeconomic conditions and overall declines in net sales.

(dollars and shares in millions, except per share amounts)	Years Ended December 31, 2013	2012	2011	2010	2009
Statement of Operations Data:					
Net sales	$ 10,768.6	$ 10,128.2	$ 9,602.4	$ 8,801.2	$ 7,162.6
Cost of sales	9,008.3	8,458.6	8,018.9	7,410.4	6,029.7
Gross profit	1,760.3	1,669.6	1,583.5	1,390.8	1,132.9
Selling and administrative expenses	1,120.9	1,029.5	990.1	932.1	821.1
Advertising expense	130.8	129.5	122.7	106.0	101.9
Goodwill impairment	—	—	—	—	241.8
Income (loss) from operations	508.6	510.6	470.7	352.7	(31.9)
Interest expense, net	(250.1)	(307.4)	(324.2)	(391.9)	(431.7)
Net (loss) gain on extinguishments of long-term debt	(64.0)	(17.2)	(118.9)	2.0	—
Other income, net	1.0	0.1	0.7	0.2	2.4
Income (loss) before income taxes	195.5	186.1	28.3	(37.0)	(461.2)
Income tax (expense) benefit	(62.7)	(67.1)	(11.2)	7.8	87.8
Net income (loss)	$ 132.8	$ 119.0	$ 17.1	$ (29.2)	$ (373.4)
Net income (loss) per common share:					
Basic	$0.85	$0.82	$0.12	$(0.20)	$(2.60)
Diluted	$0.84	$0.82	$0.12	$(0.20)	$(2.60)
Weighted-average common shares outstanding:					
Basic	156.6	145.1	144.8	144.4	143.8
Diluted	158.7	145.8	144.9	144.4	143.8
Balance Sheet Data (at period end):					
Cash and cash equivalents	$ 188.1	$ 37.9	$ 99.9	$ 36.6	$ 88.0
Working capital	810.9	666.5	538.1	675.4	923.2
Total assets	5,924.6	5,720.0	5,967.7	5,943.8	5,976.0
Total debt and capitalized lease obligations [1]	3,251.2	3,771.0	4,066.0	4,290.0	4,621.9
Total shareholders' equity (deficit)	711.7	136.5	(7.3)	(43.5)	(44.7)
Other Financial Data:					
Capital expenditures	$ 47.1	$ 41.4	$ 45.7	$ 41.5	$ 15.6
Depreciation and amortization	208.2	210.2	204.9	209.4	218.2
Gross profit as a percentage of net sales	16.3%	16.5%	16.5%	15.8%	15.8%
Ratio of earnings to fixed charges [2]	1.8	1.6	1.1	(a)	(a)
EBITDA [3]	$ 653.8	$ 703.7	$ 557.4	$ 564.3	$ 188.7
Adjusted EBITDA [3]	808.5	766.6	717.3	601.8	465.4
Non-GAAP net income (loss) [4]	314.3	247.1	198.8	85.7	(14.5)
Statement of Cash Flows Data:					
Net cash provided by (used in):					
Operating activities	$ 366.3	$ 317.4	$ 214.7	$ 423.7	$ 107.6
Investing activities	(47.1)	(41.7)	(56.0)	(125.4)	(82.6)
Financing activities	(168.3)	(338.0)	(95.4)	(350.1)	(31.9)

(1) Excludes borrowings of $256.6 million, $249.2 million, $278.7 million, $28.2 million and $25.0 million, as of December 31, 2013, 2012, 2011, 2010 and 2009, respectively, under our inventory financing agreements. We do not include these borrowings in total debt because we have not in the past incurred, and in the future do not expect to incur, any interest expense or late fees under these agreements.

(2) For purposes of calculating the ratio of earnings to fixed charges, earnings consist of earnings before income taxes minus income from equity investees plus fixed charges. Fixed charges consist of interest expense and the portion of rental expense we believe is representative of the interest component of rental expense.

(a) For the years ended December 31, 2010 and 2009, earnings available for fixed charges were inadequate to cover fixed charges by $37.0 million and $461.2 million, respectively.

(3) EBITDA is defined as consolidated net income (loss) before interest expense, income tax expense (benefit), depreciation, and amortization. Adjusted EBITDA, which is a measure defined in our credit agreements, is calculated by adjusting EBITDA for certain items of income and expense including (but not limited to) the following: (a) non-cash equity-based compensation; (b) goodwill impairment charges; (c) sponsor fees; (d) certain consulting fees; (e) debt-related legal and accounting costs; (f) equity investment income and losses; (g) certain severance and retention costs; (h) gains and losses from the early extinguishment of debt; (i) gains and losses from asset dispositions outside the ordinary course of business; and (j) non-recurring, extraordinary or unusual gains or losses or expenses.

We have included a reconciliation of EBITDA and Adjusted EBITDA in the table below. Both EBITDA and Adjusted EBITDA are considered non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flows that either excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. Non-GAAP measures used by the Company may differ from similar measures used by other companies, even when similar terms are used to identify such measures. We believe that EBITDA and Adjusted EBITDA provide helpful information with respect to our operating performance and cash flows including our ability to meet our future debt service, capital expenditures and working capital requirements. Adjusted EBITDA also provides helpful information as it is the primary measure used in certain financial covenants contained in our credit agreements.

The following unaudited table sets forth reconciliations of net income (loss) to EBITDA and EBITDA to Adjusted EBITDA for the periods presented:

	Years Ended December 31,				
(in millions)	**2013**	**2012**	**2011**	**2010**	**2009**
Net income (loss)	$ 132.8	$ 119.0	$ 17.1	$ (29.2)	$ (373.4)
Depreciation and amortization	208.2	210.2	204.9	209.4	218.2
Income tax expense (benefit)	62.7	67.1	11.2	(7.8)	(87.8)
Interest expense, net	250.1	307.4	324.2	391.9	431.7
EBITDA	653.8	703.7	557.4	564.3	188.7
Non-cash equity-based compensation	8.6	22.1	19.5	11.5	15.9
Sponsor fees	2.5	5.0	5.0	5.0	5.0
Consulting and debt-related professional fees	0.1	0.6	5.1	15.1	14.1
Goodwill impairment	—	—	—	—	241.8
Net loss (gain) on extinguishments of long-term debt	64.0	17.2	118.9	(2.0)	—
Litigation, net [(i)]	(4.1)	4.3	—	—	—
IPO- and secondary-offering related expenses	75.0	—	—	—	—
Other adjustments [(ii)]	8.6	13.7	11.4	7.9	(0.1)
Adjusted EBITDA	$ 808.5	$ 766.6	$ 717.3	$ 601.8	$ 465.4

(i) Relates to unusual, non-recurring litigation matters.

(ii) Includes certain retention costs and equity investment income, certain severance costs in 2009 and a gain related to the sale of the Informacast software and equipment in 2009.

The following unaudited table sets forth a reconciliation of EBITDA to net cash provided by operating activities for the periods presented:

	Years Ended December 31,				
(in millions)	**2013**	**2012**	**2011**	**2010**	**2009**
EBITDA	$ 653.8	$ 703.7	$ 557.4	$ 564.3	$ 188.7
Depreciation and amortization	(208.2)	(210.2)	(204.9)	(209.4)	(218.2)
Income tax (expense) benefit	(62.7)	(67.1)	(11.2)	7.8	87.8
Interest expense, net	(250.1)	(307.4)	(324.2)	(391.9)	(431.7)
Net income (loss)	132.8	119.0	17.1	(29.2)	(373.4)
Depreciation and amortization	208.2	210.2	204.9	209.4	218.2
Goodwill impairment	—	—	—	—	241.8
Equity-based compensation expense	46.6	22.1	19.5	11.5	15.9
Amortization of deferred financing costs, debt premium, and debt discount, net	8.8	13.6	15.7	18.0	16.2
Deferred income taxes	(48.7)	(56.3)	(10.2)	(4.3)	(94.4)
Allowance for doubtful accounts	—	—	0.4	(1.3)	(0.2)
Realized loss on interest rate swap agreements	—	—	2.8	51.5	103.2
Mark to market loss on interest rate derivatives	0.1	0.9	4.2	4.7	—
Net loss (gain) on extinguishments of long-term debt	64.0	17.2	118.9	(2.0)	—
Net loss (gain) on sale and disposal of assets	—	0.1	0.3	0.7	(1.7)
Changes in assets and liabilities	(47.1)	(9.4)	(158.3)	165.3	(18.0)
Other non-cash items	1.6	—	(0.6)	(0.6)	—
Net cash provided by operating activities	$ 366.3	$ 317.4	$ 214.7	$ 423.7	$ 107.6

(4) Non-GAAP net income (loss) is considered a non-GAAP financial measure. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flows that either excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. Non-GAAP measures used by the Company may differ from similar measures used by other companies, even when similar terms are used to identify such measures. We believe that non-GAAP net income (loss) provides meaningful information regarding our operating performance and our prospects for the future. This supplemental measure excludes, among other things, charges related to the amortization of Acquisition-related intangibles, non-cash equity-based compensation and gains and losses from the early extinguishment of debt. The following unaudited table sets forth a reconciliation of net income (loss) to non-GAAP net income (loss) for the periods presented:

	Years Ended December 31,				
(in millions)	**2013**	**2012**	**2011**	**2010**	**2009**
Net income (loss)	$ 132.8	$ 119.0	$ 17.1	$ (29.2)	$ (373.4)
Amortization of intangibles [(i)]	161.2	163.7	165.7	166.8	168.9
Non-cash equity-based compensation	8.6	22.1	19.5	11.5	15.9
Litigation, net [(ii)]	(6.3)	—	—	—	—
Net loss on extinguishments of long-term debt	64.0	17.2	118.9	(2.0)	—
Interest expense adjustment related to extinguishments of long-term debt [(iii)]	(7.5)	(3.3)	(19.4)	(0.7)	—
IPO- and secondary-offering related expenses [(iv)]	75.0	—	—	—	—
Debt-related refinancing costs [(v)]	—	—	3.8	5.6	—
Goodwill impairment	—	—	—	—	241.8
Severance expense	—	—	—	—	1.4
Aggregate adjustment for income taxes [(vi)]	(113.5)	(71.6)	(106.8)	(66.3)	(69.1)
Non-GAAP net income (loss)	$ 314.3	$ 247.1	$ 198.8	$ 85.7	$ (14.5)

(i) Includes amortization expense for Acquisition-related intangible assets, primarily customer relationships and trade names.

(ii) Relates to unusual, non-recurring litigation matters.

(iii) Reflects adjustments to interest expense resulting from debt extinguishments. Represents the difference between interest expense previously recognized under the effective interest method and actual interest paid.

(iv) IPO- and secondary-offering related expenses consist of the following:

(in millions)	Year Ended December 31, 2013
Acceleration charge for certain equity awards and related employer payroll taxes	$ 40.7
RDU Plan cash retention pool accrual	7.5
Management services agreement termination fee	24.4
Other expenses	2.4
IPO- and secondary-offering related expenses	$ 75.0

(v) Represents fees and costs expensed related to the December 2010 and March 2011 amendments to our prior senior secured term loan facility.

(vi) Based on a normalized effective tax rate of 39.0%.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Unless otherwise indicated or the context otherwise requires, as used in this "Management's Discussion and Analysis of Financial Condition and Results of Operations," the terms "we," "us," "the Company," "our," "CDW" and similar terms refer to CDW Corporation and its subsidiaries. "Management's Discussion and Analysis of Financial Condition and Results of Operations" should be read in conjunction with the audited consolidated financial statements and the related notes included elsewhere in this report. This discussion contains forward-looking statements that are subject to numerous risks and uncertainties. Actual results may differ materially from those contained in any forward-looking statements. See "Forward-Looking Statements" above.

Overview

CDW is a Fortune 500 company and a leading provider of integrated information technology ("IT") solutions in the U.S. and Canada. We help our customer base of approximately 250,000 small, medium and large business, government, education and healthcare customers by delivering critical solutions to their increasingly complex IT needs. Our broad array of offerings ranges from discrete hardware and software products to integrated IT solutions such as mobility, security, data center optimization, cloud computing, virtualization and collaboration. We are technology "agnostic," with a product portfolio that includes more than 100,000 products from more than 1,000 brands. We provide our products and solutions through sales force and service delivery teams consisting of more than 4,400 coworkers, including nearly 1,800 field sellers, highly-skilled technology specialists and advanced service delivery engineers.

We are a leading U.S. sales channel partner for many original equipment manufacturers ("OEMs") and software publishers (collectively, our "vendor partners"), whose products we sell or include in the solutions we offer. We believe we are an important extension of our vendor partners' sales and marketing capabilities, providing them with a cost-effective way to reach customers and deliver a consistent brand experience through our established end-market coverage and extensive customer access.

We have two reportable segments: Corporate, which is comprised primarily of private sector business customers, and Public, which is comprised of government agencies and education and healthcare institutions. Our Corporate segment is divided into a medium/large business customer channel, primarily serving customers with more than 100 employees, and a small business customer channel, primarily serving customers with up to 100 employees. We also have two other operating segments, CDW Advanced Services and Canada, which do not meet the reportable segment quantitative thresholds and, accordingly, are combined together as "Other." The CDW Advanced Services business consists primarily of customized engineering services delivered by technology specialists and engineers, and managed services that include Infrastructure as a Service ("IaaS") offerings. Revenues from the sale of hardware, software, custom configuration and third-party provided services are recorded within our Corporate and Public segments.

We may sell all or only select products that our vendor partners offer. Each vendor partner agreement provides for specific terms and conditions, which may include one or more of the following: product return privileges, price protection policies, purchase discounts and vendor incentive programs, such as purchase or sales rebates and cooperative advertising reimbursements. We also resell software for major software publishers. Our agreements with software publishers allow the end-user customer to acquire software or licensed products and services. In addition to helping our customers determine the best software solutions for their needs, we help them manage their software agreements, including warranties and renewals. A significant portion of our advertising and marketing expenses is reimbursed through cooperative advertising reimbursement programs with our vendor partners. These programs are at the discretion of our vendor partners and are typically tied to sales or purchasing volumes or other commitments to be met by us within a specified period of time.

Trends and Key Factors Affecting our Financial Performance

We believe the following trends may have an important impact on our financial performance:

- Our Public segment sales are impacted by government spending policies, budget priorities and revenue levels. An adverse change in any of these factors could cause our Public segment customers to reduce their purchases or to terminate or not renew contracts with us, which could adversely affect our business, results of operations or cash flows. Although our sales to the federal government are diversified across multiple agencies and departments, they collectively accounted for approximately 7%, 10% and 10% of our net sales for the years ended December 31, 2013, 2012 and 2011, respectively. Second half 2013 Public segment results were negatively impacted by federal government budget uncertainty, sequestration and the partial shutdown of the federal government for 16 days.

- An important factor affecting our ability to generate sales and achieve our targeted operating results is the impact of general economic conditions on our customers' willingness to spend on information technology. In the second quarter of 2012, we began to see customers take a more cautious approach to spending as increased macroeconomic uncertainty impacted decision-making and led to some customers delaying purchases. As we moved through 2013, we saw improvements in operating results for certain sales channels. We will continue to closely monitor macroeconomic conditions during 2014. Uncertainties related to potential reductions in government spending, requirements associated with implementation of the Affordable Care Act, potential changes in tax and regulatory policy, weakening consumer and business confidence or increased unemployment could result in reduced or deferred spending on information technology products and services by our customers and result in increased competitive pricing pressures.
- We believe that our customers' transition to more complex technology solutions will continue to be an important growth area for us in the future. However, because the market for technology products and services is highly competitive, our success at capitalizing on this transition will be based on our ability to tailor specific solutions to customer needs, the quality and breadth of our product and service offerings, the knowledge and expertise of our sales force, price, product availability and speed of delivery.

2013 Initial Public Offering

On July 2, 2013, we completed an initial public offering ("IPO") of 23,250,000 shares of common stock. On July 31, 2013, we completed the sale of an additional 3,487,500 shares of common stock to the underwriters of the IPO pursuant to the underwriters' July 26, 2013 exercise in full of the overallotment option granted to them in connection with the IPO. Our shares of common stock were sold to the underwriters at a price of $17.00 per share in the IPO and upon the exercise of the overallotment option, which together, generated aggregate net proceeds of $424.7 million to the Company after deducting underwriting discounts, expenses and transaction costs.

On November 19, 2013, we completed a secondary public offering, whereby certain selling stockholders sold 15,000,000 shares of common stock. On December 18, 2013, such selling stockholders sold an additional 2,250,000 shares of common stock to the underwriters of the secondary public offering pursuant to the underwriters' December 13, 2013 exercise in full of the overallotment option granted to them in connection with the secondary public offering. We did not receive any proceeds from the sale of shares in the secondary public offering or upon the exercise of the overallotment option.

The consolidated statement of operations for the year ended December 31, 2013 included pre-tax IPO- and secondary-offering related expenses of $75.0 million. See Note 9 of the accompanying audited consolidated financial statements for additional discussion of our IPO and secondary offering.

Key Business Metrics

Our management monitors a number of financial and non-financial measures and ratios on a regular basis in order to track the progress of our business and make adjustments as necessary. We believe that the most important of these measures and ratios include average daily sales, gross margin, operating margin, net income, Non-GAAP net income, net income per common share, Non-GAAP net income per diluted share, EBITDA and Adjusted EBITDA, return on invested capital, cash and cash equivalents, net working capital, cash conversion cycle (defined to be days of sales outstanding in accounts receivable plus days of supply in inventory minus days of purchases outstanding in accounts payable, based on a rolling three-month average), debt levels including available credit and leverage ratios, sales per coworker and coworker turnover. These measures and ratios are compared to standards or objectives set by management, so that actions can be taken, as necessary, in order to achieve the standards and objectives. Non-GAAP net income and Adjusted EBITDA are non-GAAP financial measures. We believe these measures provide helpful information with respect to the company's operating performance and cash flows including our ability to meet our future debt service, capital expenditures, dividend payments, and working capital requirements, Adjusted EBITDA also provides helpful information as it is the primary measure used in certain financial covenants contained in our senior credit facilities. See "Selected Financial Data" included elsewhere in this report for the definitions of Non-GAAP net income and Adjusted EBITDA and reconciliations to net income.

The results of certain key business metrics are as follows:

(dollars in millions)	Years Ended December 31,		
	2013	2012	2011
Net sales	$ 10,768.6	$ 10,128.2	$ 9,602.4
Gross profit	1,760.3	1,669.6	1,583.5
Income from operations	508.6	510.6	470.7
Net income	132.8	119.0	17.1
Non-GAAP net income	314.3	247.1	198.8
Adjusted EBITDA	808.5	766.6	717.3
Average daily sales	42.4	39.9	37.7
Net debt (defined as total debt minus cash and cash equivalents)	3,063.1	3,733.1	3,966.1
Cash conversion cycle (in days) [(1)]	24	24	28

(1) Cash conversion cycle is defined as days of sales outstanding in accounts receivable plus days of supply in inventory minus days of purchases outstanding in accounts payable, based on a rolling three-month average.

Results of Operations

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

The following table presents our results of operations, in dollars and as a percentage of net sales, for the years ended December 31, 2013 and 2012:

	Year Ended December 31, 2013		Year Ended December 31, 2012	
	Dollars in Millions	Percentage of Net Sales	Dollars in Millions	Percentage of Net Sales
Net sales	$ 10,768.6	100.0%	$ 10,128.2	100.0%
Cost of sales	9,008.3	83.7	8,458.6	83.5
Gross profit	1,760.3	16.3	1,669.6	16.5
Selling and administrative expenses	1,120.9	10.4	1,029.5	10.2
Advertising expense	130.8	1.2	129.5	1.3
Income from operations	508.6	4.7	510.6	5.0
Interest expense, net	(250.1)	(2.3)	(307.4)	(3.0)
Net loss on extinguishments of long-term debt	(64.0)	(0.6)	(17.2)	(0.2)
Other income, net	1.0	—	0.1	—
Income before income taxes	195.5	1.8	186.1	1.8
Income tax expense	(62.7)	(0.6)	(67.1)	(0.7)
Net income	$ 132.8	1.2%	$ 119.0	1.1%

Net sales

The following table presents our net sales by segment, in dollars and as a percentage of total net sales, and the year-over-year dollar and percentage change in net sales for the years ended December 31, 2013 and 2012:

	Years Ended December 31,					
	2013		2012			
	Dollars in Millions	Percentage of Total Net Sales	Dollars in Millions	Percentage of Total Net Sales	Dollar Change	Percent Change [1]
Corporate	$ 5,960.1	55.3%	$ 5,512.8	54.4%	$ 447.3	8.1%
Public	4,164.5	38.7	4,023.0	39.7	141.5	3.5
Other	644.0	6.0	592.4	5.9	51.6	8.7
Total net sales	$ 10,768.6	100.0%	$ 10,128.2	100.0%	$ 640.4	6.3%

(1) There were 254 selling days in both the years ended December 31, 2013 and 2012.

The following table presents our net sales by customer channel for our Corporate and Public segments and the year-over-year dollar and percentage change in net sales for the years ended December 31, 2013 and 2012:

(dollars in millions)	Years Ended December 31,			
	2013	2012	Dollar Change	Percent Change
Corporate:				
Medium / Large	$ 4,902.6	$ 4,448.5	$ 454.1	10.2 %
Small Business	1,057.5	1,064.3	(6.8)	(0.6)
Total Corporate	$ 5,960.1	$ 5,512.8	$ 447.3	8.1 %
Public:				
Government	$ 1,250.6	$ 1,394.1	$ (143.5)	(10.3)%
Education	1,449.0	1,192.3	256.7	21.5
Healthcare	1,464.9	1,436.6	28.3	2.0
Total Public	$ 4,164.5	$ 4,023.0	$ 141.5	3.5 %

Total net sales in 2013 increased $640.4 million, or 6.3%, to $10,768.6 million, compared to $10,128.2 million in 2012. There were 254 selling days for both the years ended December 31, 2013 and 2012. The increase in total net sales was primarily the result of growth in hardware and software, a more tenured sales force, a continued focus on seller productivity across all areas of the organization and the addition of nearly 120 customer-facing coworkers, the majority in pre- and post-sale technical positions such as technical specialists and service delivery roles. Our total net sales growth for the year ended December 31, 2013 reflected growth in notebooks/mobile devices, netcomm products and software. Software gains were driven by growth in security, document management software and network management software, partially offset by a decline in application suites.

Corporate segment net sales in 2013 increased $447.3 million, or 8.1%, compared to 2012, driven by sales growth in the medium/large customer channel. Within our Corporate segment, net sales to medium/large customers increased 10.2% between years primarily due to certain of these customers increasing their IT spending, a more tenured sales force, a continued focus on seller productivity and additional customer-facing coworkers, the majority in pre- and post-sale technical positions such as technical specialists and service delivery roles. This increase was led by unit volume growth in netcomm products and growth in notebooks/mobile devices and software. Partially offsetting the growth in the medium/large customer channel was a 0.6% decline in net sales to small business customers, due to certain of these customers taking a more cautious approach to spending as macroeconomic and regulatory uncertainty impacted decision-making. This decrease was led by unit volume declines in notebooks/mobile devices, partially offset by growth in netcomm products.

Public segment net sales in 2013 increased $141.5 million, or 3.5%, between years, driven by strong performance in the education customer channel. Net sales to education customers increased $256.7 million, or 21.5%, between years, led by growth in net sales to K-12 customers, reflecting increased sales of notebooks/mobile devices to support new standardized digital testing requirements that will take effect in 2014. Net sales to government customers decreased $143.5 million, or

10.3%, in 2013 compared to 2012 due to reductions and delays in federal government spending following sequestration, uncertainty over future budget negotiations and the partial shutdown of the federal government. The government customer channel net sales decline was led by decreases in sales of enterprise storage and notebooks/mobile devices, partially offset by growth in software. Net sales to healthcare customers increased $28.3 million, or 2.0%, between years, driven by growth in notebooks/mobile devices and desktop computers.

Gross profit

Gross profit increased $90.7 million, or 5.4%, to $1,760.3 million in 2013, compared to $1,669.6 million in 2012. As a percentage of total net sales, gross profit decreased 20 basis points to 16.3% in 2013, down from 16.5% in 2012. Gross profit margin was negatively impacted 30 basis points by unfavorable price/mix changes within product margin, as we experienced product margin compression in transactional product categories such as desktops and notebooks. Partially offsetting this decrease was an increase of 10 basis points due to a higher mix of net service contract revenue. Net service contract revenue, including items such as third-party services and warranties, has a positive impact on gross profit margin as our cost paid to the vendor or third-party service provider is recorded as a reduction to net sales, resulting in net sales being equal to the gross profit on the transaction.

The gross profit margin may fluctuate based on various factors, including vendor incentive and inventory price protection programs, cooperative advertising funds classified as a reduction of cost of sales, product mix, net service contract revenue, commission revenue, pricing strategies, market conditions and other factors, any of which could result in changes in gross profit margins.

Selling and administrative expenses

Selling and administrative expenses increased $91.4 million, or 8.9%, to $1,120.9 million in 2013, compared to $1,029.5 million in 2012. As a percentage of total net sales, selling and administrative expenses increased 20 basis points to 10.4% in 2013, up from 10.2% in 2012. Sales payroll, including sales commissions and other variable compensation costs, increased $28.9 million, or 6.4%, between years, consistent with higher sales and gross profit. Additionally, selling and administrative expenses for 2013 included IPO- and secondary-offering related expenses of $75.0 million, as follows:

- Pre-tax charges of $36.7 million related to the acceleration of the expense recognition for certain equity awards and $4.0 million for the related employer payroll taxes. See Note 10 of the accompanying audited consolidated financial statements for additional discussion of the impact of the IPO on our equity awards.
- A pre-tax charge of $24.4 million related to the payment of a termination fee to affiliates of the Sponsors in connection with the termination of the management services agreement with such entities.
- A pre-tax charge of $7.5 million related to compensation expense in connection with the Restricted Debt Unit Plan. See Note 12 of the accompanying audited consolidated financial statements for additional discussion of this charge.
- Other IPO- and secondary-offering related expenses of $2.4 million.

We did not record any IPO- or secondary-offering related expenses during 2012. Partially offsetting these increases in 2013, was the favorable resolution of a class action legal proceeding in which we were a claimant, which reduced selling and administrative expenses by $10.4 million in 2013 compared to 2012. Total coworker count increased by 163 coworkers, from 6,804 at December 31, 2012, to 6,967 at December 31, 2013.

Advertising expense

Advertising expense increased $1.3 million, or 0.9%, to $130.8 million in 2013, compared to $129.5 million in 2012. As a percentage of net sales, advertising expense was 1.2% in 2013, compared to 1.3% in 2012. The dollar increase in advertising expense was due to a continued focus on advertising our solutions and products, which reinforces our reputation as a leading IT solutions provider.

Income from operations

The following table presents income (loss) from operations by segment, in dollars and as a percentage of net sales, and the year-over-year percentage change in income (loss) from operations for the years ended December 31, 2013 and 2012:

	Year Ended December 31, 2013		Year Ended December 31, 2012		
	Dollars in Millions	Operating Margin Percentage	Dollars in Millions	Operating Margin Percentage	Percent Change in Income (Loss) from Operations
Segments: [1]					
Corporate	$ 363.3	6.1%	$ 349.0	6.3%	4.1 %
Public	246.5	5.9	246.7	6.1	(0.1)
Other	27.2	4.2	18.6	3.1	46.3
Headquarters [2]	(128.4)	nm*	(103.7)	nm*	(23.8)
Total income from operations	$ 508.6	4.7%	$ 510.6	5.0%	(0.4)%

* Not meaningful

(1) Segment income (loss) from operations includes the segment's direct operating income (loss) and allocations for Headquarters' costs, allocations for income and expenses from logistics services, certain inventory adjustments and volume rebates and cooperative advertising from vendors.

(2) Includes certain Headquarters' function costs that are not allocated to the segments.

Income from operations was $508.6 million in 2013, a decrease of $2.0 million, or 0.4%, compared to $510.6 million in 2012. The decrease in income from operations was driven by higher selling and administrative expenses primarily resulting from $75.0 million of IPO- and secondary-offering related expenses recorded during 2013, mostly offset by higher net sales and gross profit. Total operating margin percentage decreased 30 basis points to 4.7% in 2013, from 5.0% in 2012. Operating margin percentage was negatively impacted by the increase in selling and administrative expenses as a percentage of net sales and gross profit margin compression, partially offset by a decrease in advertising expense as a percentage of net sales.

Corporate segment income from operations was $363.3 million in 2013, an increase of $14.3 million, or 4.1%, compared to $349.0 million in 2012. Corporate segment operating margin percentage decreased 20 basis points to 6.1% in 2013, from 6.3% in 2012. Results for 2013 included $26.4 million of IPO- and secondary-offering related expenses, which reduced Corporate segment operating margin by 40 basis points. Higher sales and gross profit dollars offset the effect of IPO- and secondary-offering related expenses on income from operations for 2013.

Public segment income from operations was $246.5 million in 2013, a decrease of $0.2 million, or 0.1%, compared to $246.7 million in 2012. Public segment operating margin percentage decreased 20 basis points to 5.9% in 2013, from 6.1% in 2012. Results for 2013 included $14.4 million of IPO- and secondary-offering related expenses, which reduced Public segment operating margin by 30 basis points. Higher sales and gross profit dollars nearly offset the effect of IPO- and secondary-offering related expenses on income from operations for 2013.

Interest expense, net

At December 31, 2013, our outstanding long-term debt totaled $3,251.2 million, compared to $3,771.0 million at December 31, 2012. We reduced long-term debt throughout the year primarily through the use of a portion of the net proceeds from the IPO and cash flows provided by operating activities. Net interest expense in 2013 was $250.1 million, a decrease of $57.3 million compared to $307.4 million in 2012. This decrease was primarily due to lower debt balances and effective interest rates for 2013 compared to 2012 as a result of debt repayments and refinancing activities completed during 2012 and 2013. See "Liquidity and Capital Resources" below.

Net loss on extinguishments of long-term debt

During 2013, we recorded a net loss on extinguishments of long-term debt of $64.0 million compared to $17.2 million in 2012.

In October 2013, we redeemed $155.0 million aggregate principal amount of senior subordinated notes. In connection with this redemption, we recorded a loss on extinguishment of long-term debt of $8.5 million, representing the difference

between the redemption price and the net carrying amount of the purchased debt, adjusted for a portion of the unamortized deferred financing costs.

In August 2013, we redeemed $324.0 million aggregate principal amount of senior subordinated notes. In connection with this redemption, we recorded a loss on extinguishment of long-term debt of $24.6 million, representing the difference between the redemption price and the net carrying amount of the purchased debt, adjusted for a portion of the unamortized deferred financing costs.

In July 2013, we redeemed $175.0 million aggregate principal amount of senior secured notes. In connection with this redemption, we recorded a loss on extinguishment of long-term debt of $16.7 million, representing the difference between the redemption price and the net carrying amount of the purchased debt, adjusted for a portion of the unamortized deferred financing costs.

In April 2013, we entered into a new seven-year, $1,350.0 million aggregate principal amount senior secured term loan facility. Substantially all of the proceeds were used to repay the $1,299.5 million outstanding aggregate principal amount of the prior senior secured term loan facility. In connection with this refinancing, we recorded a loss on extinguishment of long-term debt of $10.3 million, representing a write-off of the remaining unamortized deferred financing costs related to the prior senior secured term loan facility.

In March 2013, we redeemed $50.0 million aggregate principal amount of senior subordinated notes. We recorded a loss on extinguishment of long-term debt of $3.9 million, representing the difference between the redemption price and the net carrying amount of the purchased debt, adjusted for a portion of the unamortized deferred financing costs.

In December 2012, we redeemed $100.0 million aggregate principal amount of senior subordinated notes. We recorded a loss on extinguishment of long-term debt of $7.8 million representing the difference between the redemption price and the net carrying amount of the purchased debt, adjusted for a portion of the unamortized deferred financing costs.

In February and March 2012, we purchased or redeemed the remaining $129.0 million of senior notes due 2015, funded with the issuance of an additional $130.0 million of senior notes due 2019. As a result, we recorded a loss on extinguishment of long-term debt of $9.4 million, representing the difference between the purchase or redemption price of the senior notes due 2015 and the net carrying amount of the purchased debt, adjusted for the remaining unamortized deferred financing costs.

Income tax expense

Income tax expense was $62.7 million in 2013, compared to $67.1 million in 2012. The effective income tax rate, expressed by calculating income tax expense or benefit as a percentage of income before income taxes, was 32.1% and 36.0% for 2013 and 2012, respectively.

For 2013, the effective tax rate differed from the U.S. federal statutory rate primarily due to state income taxes, including current year state income tax credits and an adjustment to deferred state income taxes due to changes in apportionment factors. For 2012, the effective tax rate differed from the U.S. federal statutory rate primarily due to favorable adjustments to state tax credits which were partially offset by the unfavorable impact of adjustments to deferred state income taxes due to changes in state tax laws and non-deductible expenses, primarily equity-based compensation and meals and entertainment. The lower effective tax rate for 2013 as compared to 2012 was primarily driven by the favorable impact of adjustments to deferred state income taxes due to changes in state tax apportionment factors and lower non-deductible expenses.

Net income

Net income was $132.8 million in 2013, compared to $119.0 million in 2012. Significant factors and events causing the net changes between the periods are discussed above.

Non-GAAP net income

Non-GAAP net income was $314.3 million for the year ended December 31, 2013, an increase of $67.2 million, or 27.2%, compared to $247.1 million for the year ended December 31, 2012.

We have included a reconciliation of Non-GAAP net income for the years ended December 31, 2013 and 2012 below. Non-GAAP net income excludes, among other things, charges related to the amortization of acquisition-related intangibles, non-cash equity-based compensation, IPO- and secondary-offering related expenses and gains and losses from the early extinguishment of debt. Non-GAAP net income is considered a non-GAAP financial measure. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position, or cash flows that either excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. Non-GAAP measures used by the Company may differ from similar measures used by other companies, even when similar terms are used to identify such measures. We believe that Non-GAAP net income provides helpful information with respect to our operating performance and cash flows including our ability to meet our future debt service, capital expenditures and working capital requirements.

(in millions)	Years Ended December 31,	
	2013	2012
Net income	$ 132.8	$ 119.0
Amortization of intangibles [1]	161.2	163.7
Non-cash equity-based compensation	8.6	22.1
Litigation, net [2]	(6.3)	—
Net loss on extinguishments of long-term debt	64.0	17.2
Interest expense adjustment related to extinguishments of long-term debt [3]	(7.5)	(3.3)
IPO- and secondary-offering related expenses [4]	75.0	—
Aggregate adjustment for income taxes [5]	(113.5)	(71.6)
Non-GAAP net income	$ 314.3	$ 247.1

(1) Includes amortization expense for acquisition-related intangible assets, primarily customer relationships and trade names.

(2) Relates to unusual, non-recurring litigation matters.

(3) Reflects adjustments to interest expense resulting from debt extinguishments. Represents the difference between interest expense previously recognized under the effective interest method and actual interest paid.

(4) IPO- and secondary-offering related expenses consist of the following:

(in millions)	Years Ended December 31,	
	2013	2012
Acceleration charge for certain equity awards and related employer payroll taxes	$ 40.7	$ —
RDU Plan cash retention pool accrual	7.5	—
Management services agreement termination fee	24.4	—
Other expenses	2.4	—
IPO- and secondary-offering related expenses	$ 75.0	$ —

(5) Based on a normalized effective tax rate of 39.0%.

Adjusted EBITDA

Adjusted EBITDA was $808.5 million in 2013, an increase of $41.9 million, or 5.5%, compared to $766.6 million in 2012. As a percentage of net sales, Adjusted EBITDA was 7.5% and 7.6% in 2013 and 2012, respectively.

We have included a reconciliation of EBITDA and Adjusted EBITDA for 2013 and 2012 in the table below. EBITDA is defined as consolidated net income before interest expense, income tax expense, depreciation and amortization. Adjusted EBITDA, which is a measure defined in our credit agreements, means EBITDA adjusted for certain items which are described in the table below. Both EBITDA and Adjusted EBITDA are considered non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flows that either excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. Non-GAAP measures used by the Company may differ from similar measures used

by other companies, even when similar terms are used to identify such measures. We believe that EBITDA and Adjusted EBITDA provide helpful information with respect to our operating performance and cash flows including our ability to meet our future debt service, capital expenditures and working capital requirements. Adjusted EBITDA also provides helpful information as it is the primary measure used in certain financial covenants contained in our credit agreements.

(in millions)	Years Ended December 31,	
	2013	2012
Net income	$ 132.8	$ 119.0
Depreciation and amortization	208.2	210.2
Income tax expense	62.7	67.1
Interest expense, net	250.1	307.4
EBITDA	653.8	703.7
Adjustments:		
Non-cash equity-based compensation	8.6	22.1
Sponsor fee	2.5	5.0
Consulting and debt-related professional fees	0.1	0.6
Net loss on extinguishments of long-term debt	64.0	17.2
Litigation, net [(1)]	(4.1)	4.3
IPO- and secondary-offering related expenses [(2)]	75.0	—
Other adjustments [(3)]	8.6	13.7
Total adjustments	154.7	62.9
Adjusted EBITDA	$ 808.5	$ 766.6

(1) Relates to unusual, non-recurring litigation matters.

(2) As defined under *Non-GAAP net income* above.

(3) Other adjustments primarily include certain retention costs and equity investment income.

The following table sets forth a reconciliation of EBITDA to net cash provided by operating activities for the years ended December 31, 2013 and 2012.

(in millions)	Years Ended December 31,	
	2013	2012
EBITDA	$ 653.8	$ 703.7
Depreciation and amortization	(208.2)	(210.2)
Income tax expense	(62.7)	(67.1)
Interest expense, net	(250.1)	(307.4)
Net income	132.8	119.0
Depreciation and amortization	208.2	210.2
Equity-based compensation expense	46.6	22.1
Deferred income taxes	(48.7)	(56.3)
Amortization of deferred financing costs, debt premium, and debt discount, net	8.8	13.6
Net loss on extinguishments of long-term debt	64.0	17.2
Other	1.7	1.0
Changes in assets and liabilities	(47.1)	(9.4)
Net cash provided by operating activities	$ 366.3	$ 317.4

Year Ended December 31, 2012 Compared to Year Ended December 31, 2011

The following table presents our results of operations, in dollars and as a percentage of net sales, for the years ended December 31, 2012 and 2011:

	Year Ended December 31, 2012		Year Ended December 31, 2011	
	Dollars in Millions	Percentage of Net Sales	Dollars in Millions	Percentage of Net Sales
Net sales	$ 10,128.2	100.0%	$ 9,602.4	100.0%
Cost of sales	8,458.6	83.5	8,018.9	83.5
Gross profit	1,669.6	16.5	1,583.5	16.5
Selling and administrative expenses	1,029.5	10.2	990.1	10.3
Advertising expense	129.5	1.3	122.7	1.3
Income from operations	510.6	5.0	470.7	4.9
Interest expense, net	(307.4)	(3.0)	(324.2)	(3.4)
Net loss on extinguishments of long-term debt	(17.2)	(0.2)	(118.9)	(1.2)
Other income, net	0.1	—	0.7	—
Income before income taxes	186.1	1.8	28.3	0.3
Income tax expense	(67.1)	(0.7)	(11.2)	(0.1)
Net income	$ 119.0	1.1%	$ 17.1	0.2%

Net sales

The following table presents our net sales by segment, in dollars and as a percentage of total net sales, and the year-over-year dollar and percentage change in net sales for the years ended December 31, 2012 and 2011:

	Years Ended December 31,					
	2012		2011			
	Dollars in Millions	Percentage of Total Net Sales	Dollars in Millions	Percentage of Total Net Sales	Dollar Change	Percent Change [1]
Corporate	$ 5,512.8	54.4%	$ 5,334.4	55.6%	$ 178.4	3.3%
Public	4,023.0	39.7	3,757.2	39.1	265.8	7.1
Other	592.4	5.9	510.8	5.3	81.6	16.0
Total net sales	$ 10,128.2	100.0%	$ 9,602.4	100.0%	$ 525.8	5.5%

(1) There were 254 and 255 selling days in the years ended December 31, 2012 and 2011, respectively. On an average daily basis, total net sales increased 5.9%.

The following table presents our net sales by customer channel for our Corporate and Public segments and the year-over-year dollar and percentage change in net sales for the years ended December 31, 2012 and 2011:

(in millions)	Years Ended December 31,			
	2012	2011	Dollar Change	Percent Change
Corporate:				
Medium / Large	$ 4,448.5	$ 4,287.1	$ 161.4	3.8%
Small Business	1,064.3	1,047.3	17.0	1.6
Total Corporate	$ 5,512.8	$ 5,334.4	$ 178.4	3.3%
Public:				
Government	$ 1,394.1	$ 1,343.5	$ 50.6	3.8%
Education	1,192.3	1,197.7	(5.4)	(0.4)
Healthcare	1,436.6	1,216.0	220.6	18.1
Total Public	$ 4,023.0	$ 3,757.2	$ 265.8	7.1%

Total net sales in 2012 increased $525.8 million, or 5.5%, to $10,128.2 million, compared to $9,602.4 million in 2011. There were 254 and 255 selling days in the years ended December 31, 2012 and 2011, respectively. On an average daily basis, total net sales increased 5.9%. The increase in total net sales was the result of general volume growth, market share gains, a more tenured sales force, and a continued focus on seller productivity across all areas of the organization. Our net sales growth for the year ended December 31, 2012 reflected growth in notebooks/mobile devices, netcomm products, software products, desktop computers and enterprise storage.

Corporate segment net sales in 2012 increased $178.4 million, or 3.3%, compared to 2011. Within our Corporate segment, net sales to medium/large customers increased 3.8% between years, and net sales to small business customers increased 1.6% between years. Customers within the Corporate segment continued to take a more cautious approach to spending as increased macroeconomic uncertainty impacted decision-making and led to some customers delaying purchases. The increases in Corporate segment net sales were primarily a result of hardware growth, most notably in netcomm products, and unit volume growth in desktop computers. Software product growth, led by network management and security software, also contributed to the increase in net sales. Partially offsetting the growth was a decline in net sales of memory products due to several large orders in the second and third quarters of 2011 that did not recur.

Public segment net sales in 2012 increased $265.8 million, or 7.1%, between years, driven by continued strong performance in the healthcare customer channel. Net sales to healthcare customers increased $220.6 million, or 18.1%, between years, led by hardware growth, most notably in enterprise storage, and unit volume growth in netcomm products, desktop computers and point of care technology carts. Software product growth also contributed to the increase in net sales in healthcare. The healthcare customer channel growth was primarily the result of deeper relationships with several group purchasing organizations and increased healthcare industry demand for IT products, as the healthcare industry continued its adoption of electronic medical records and point of care technologies. Net sales to government customers increased $50.6 million, or 3.8%, in 2012 compared to 2011 led by unit volume increases in sales of notebooks/mobile devices, partially offset by a decline in net sales of netcomm products. Net sales to education customers decreased $5.4 million, or 0.4%, between years, reflecting budget constraints. A decline in sales to K-12 customers was partially offset by growth in sales to higher education customers that was led by increased sales of netcomm products, as higher education customers refreshed and added additional enterprise technology.

Gross profit

Gross profit increased $86.1 million, or 5.4%, to $1,669.6 million in 2012, compared to $1,583.5 million in 2011. As a percentage of total net sales, gross profit was 16.5% in both 2012 and 2011. Gross profit margin was positively impacted 10 basis points by a higher mix of commission and net service contract revenue. Fully offsetting these increases in gross profit margin were declines in vendor funding primarily due to program changes for certain vendors. Commission revenue, including agency fees earned on sales of software licenses and software assurance under enterprise agreements, has a positive impact on our gross profit margin, as we record the fee or commission as a component of net sales when earned and there is no corresponding cost of sales. Net service contract revenue, including items such as third-party services and warranties, also has a positive impact on gross profit margin as our cost paid to the vendor or third-party service provider is recorded as a reduction to net sales, resulting in net sales being equal to the gross profit on the transaction. Vendor funding includes purchase discounts, volume rebates and cooperative advertising.

The gross profit margin may fluctuate based on various factors, including vendor incentive and inventory price protection programs, cooperative advertising funds classified as a reduction of cost of sales, product mix, net service contract revenue, commission revenue, pricing strategies, market conditions, and other factors, any of which could result in changes in gross profit margins.

Selling and administrative expenses

Selling and administrative expenses increased $39.4 million, or 4.0%, to $1,029.5 million in 2012, compared to $990.1 million in 2011. As a percentage of total net sales, selling and administrative expenses decreased 10 basis points to 10.2% in 2012, down from 10.3% in 2011. The dollar increase in selling and administrative expenses was primarily due to higher payroll costs (excluding bonus compensation tied to Adjusted EBITDA) of $43.0 million. The higher payroll costs reflected in selling and administrative expenses were driven by increased sales commissions and other variable compensation costs consistent with higher sales and gross profit. While total coworker count increased by 59 coworkers, from 6,745 coworkers at December 31, 2011 to 6,804 coworkers at December 31, 2012, the increase was primarily comprised of service delivery coworkers, the cost of which is reflected in cost of sales. Other factors that increased selling and administrative expenses included a $5.8 million increase in health benefits due to higher claims costs and a higher average number of participants in 2012 compared to 2011, a $5.3 million increase in depreciation and amortization expense related primarily to additional capital expenditures for information technology systems, and a $2.6 million increase in stock compensation expense, primarily due to incremental expense related to a modified Class B Common Unit grant agreement with our former chief executive officer. Partially offsetting these increases was an $11.8 million decline in bonus compensation tied to Adjusted EBITDA, as performance fell below target, $3.8 million of expenses related to the modification of our senior secured term loan facility in 2011 that did not recur in 2012, and a $3.3 million decline in litigation expenses between years.

The decrease in selling and administrative expenses as a percentage of sales of 10 basis points between years was driven by the decline in incentive compensation tied to Adjusted EBITDA performance.

Advertising expense

Advertising expense increased $6.8 million, or 5.6%, to $129.5 million in 2012, compared to $122.7 million in 2011. As a percentage of net sales, advertising expense was 1.3% in both 2012 and 2011. The increase in advertising expense was due to a focus on continuing to advertise our solutions and products and to build our reputation as a leading IT solutions provider, primarily through targeted digital advertising, partially offset by decreases in expenditures for print advertising.

Income from operations

The following table presents income (loss) from operations by segment, in dollars and as a percentage of net sales, and the year-over-year percentage change in income (loss) from operations for the years ended December 31, 2012 and 2011:

	Year Ended December 31, 2012		Year Ended December 31, 2011		
	Dollars in Millions	Operating Margin Percentage	Dollars in Millions	Operating Margin Percentage	Percent Change in Income (Loss) from Operations
Segments: [1]					
Corporate	$ 349.0	6.3%	$ 331.6	6.2%	5.2%
Public	246.7	6.1	233.3	6.2	5.7
Other	18.6	3.1	17.5	3.4	6.5
Headquarters [2]	(103.7)	nm*	(111.7)	nm*	7.2
Total income from operations	$ 510.6	5.0%	$ 470.7	4.9%	8.5%

* Not meaningful

(1) Segment income (loss) from operations includes the segment's direct operating income (loss) and allocations for Headquarters' costs, allocations for logistics services, certain inventory adjustments, and volume rebates and cooperative advertising from vendors.

(2) Includes Headquarters' function costs that are not allocated to the segments.

Income from operations was $510.6 million in 2012, an increase of $39.9 million, or 8.5%, compared to $470.7 million in 2011. This increase was driven by higher net sales and gross profit, partially offset by higher selling and administrative expenses and advertising expense. Total operating margin percentage increased 10 basis points to 5.0% in 2012,

compared to 4.9% in 2011. Operating margin percentage was positively impacted by the decrease in selling and administrative expenses as a percentage of net sales.

Corporate segment income from operations was $349.0 million in 2012, an increase of $17.4 million, or 5.2%, compared to $331.6 million in 2011. This increase was primarily driven by higher net sales and gross profit margin, partially offset by higher selling and administrative expenses, resulting in a net increase in segment operating income before allocations of $14.4 million in 2012 compared to 2011. In addition, Corporate segment income from operations benefited from an increase of $2.5 million in income allocations from our logistics operations and a decrease of $0.5 million in Headquarters' expense allocations in 2012 compared to 2011. The improved profitability of our logistics operations was driven by stronger operating leverage given higher purchase volumes while support costs remained flat.

Public segment income from operations was $246.7 million in 2012, an increase of $13.4 million, or 5.7%, compared to $233.3 million in 2011. This increase reflected higher segment operating income before allocations of $4.0 million as a result of increased net sales and gross profit dollars, partially offset by higher selling and administrative costs. In addition, Public segment income from operations benefited from an increase of $5.7 million in income allocations from our logistics operations and a decrease in Headquarters' expense allocations of $3.7 million in 2012 compared to 2011.

Interest expense, net

At December 31, 2012, our outstanding long-term debt totaled $3,771.0 million, compared to $4,066.0 million at December 31, 2011. Net interest expense in 2012 was $307.4 million, a decrease of $16.8 million compared to $324.2 million in 2011. Interest expense in 2011 included a benefit of $19.4 million, due to an adjustment to the long-term accrued interest liability associated with the extinguishment of $1,078.0 million of senior notes due 2015. The long-term accrued interest liability represents the difference between interest expense previously recognized under the effective interest method and actual interest paid. Of the remaining net decrease of $36.2 million, $27.2 million was due to lower effective interest rates and lower debt balances in 2012 compared to the prior year as a result of debt repayment and refinancing activities completed during 2011 and 2012. The remaining net decrease was primarily attributable to additional interest expense in 2011 related to the interest rate swaps that terminated in January 2011, higher 2011 mark-to-market losses on interest rate caps, higher amortization of deferred financing costs in 2011 compared to 2012 and a 2012 benefit related to an adjustment to the long-term accrued interest liability associated with the extinguishment of $100.0 million of senior subordinated notes due 2017.

Net loss on extinguishments of long-term debt

During 2012, we recorded a net loss on extinguishments of long-term debt of $17.2 million compared to $118.9 million in 2011.

In February and March 2012, we purchased or redeemed the remaining $129.0 million of senior notes due 2015, funded with the issuance of an additional $130.0 million of senior notes due 2019. As a result, we recorded a loss on extinguishment of long-term debt of $9.4 million, representing the difference between the purchase or redemption price of the senior notes due 2015 and the net carrying amount of the purchased debt, adjusted for the remaining unamortized deferred financing costs.

In December 2012, we redeemed $100.0 million aggregate principal amount of senior subordinated notes. We recorded a loss on extinguishment of long-term debt of $7.8 million representing the difference between the redemption price and the net carrying amount of the purchased debt, adjusted for a portion of the unamortized deferred financing costs.

In March 2011, we amended our senior secured term loan facility and recorded a loss on extinguishment of long-term debt of $3.2 million, representing a write-off of a portion of the unamortized deferred financing costs on this facility.

In April and May 2011, we purchased $1,078.0 million of senior notes due 2015, funded with the issuance of $1,175.0 million of senior notes due 2019. As a result, we recorded a loss on extinguishment of long-term debt of $114.1 million, representing the difference between the purchase price of the senior notes due 2015 at 109% of principal amount and the net carrying amount of the purchased debt, adjusted for a portion of the unamortized deferred financing costs.

In June 2011, we entered into a new $900.0 million senior secured asset-based revolving credit facility, replacing the existing $800.0 million facility. As a result, we recorded a loss on extinguishment of long-term debt of $1.6 million representing a write-off of a portion of the unamortized deferred financing costs related to the previous facility.

Income tax expense

Income tax expense was $67.1 million in 2012, compared to $11.2 million in 2011. The effective income tax rate was 36.0% and 39.7% for 2012 and 2011, respectively.

For 2012, the effective tax rate differed from the U.S. federal statutory rate primarily due to favorable adjustments to state tax credits which are partially offset by the unfavorable impact of adjustments to deferred taxes due to changes in state tax laws and permanent differences. For 2011, the effective tax rate differed from the U.S. federal statutory rate primarily due to the unfavorable impact of permanent differences offset by a benefit for state income taxes. The lower effective tax rate for 2012 as compared to 2011 was primarily driven by the impact of favorable adjustments to state tax credits in 2012 and the lower rate impact of permanent differences in 2012 due to the significantly greater amount of pre-tax income.

Net income

Net income was $119.0 million in 2012, compared to $17.1 million in 2011. The 2012 and 2011 results included after tax losses on extinguishments of long-term debt of $10.5 million and $72.5 million, respectively. Other significant factors and events causing the net changes from 2011 to 2012 are discussed above.

Non-GAAP net income

Non-GAAP net income was $247.1 million for the year ended December 31, 2012, an increase of $48.3 million, or 24.3%, compared to $198.8 million for the year ended December 31, 2011.

We have included a reconciliation of Non-GAAP net income for the years ended December 31, 2012 and 2011 below. Non-GAAP net income excludes, among other things, charges related to the amortization of acquisition-related intangibles, non-cash equity-based compensation and gains and losses from the early extinguishment of debt. Non-GAAP net income is considered a non-GAAP financial measure. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position, or cash flows that either excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. Non-GAAP measures used by the Company may differ from similar measures used by other companies, even when similar terms are used to identify such measures. We believe that Non-GAAP net income provides helpful information with respect to our operating performance and cash flows including our ability to meet our future debt service, capital expenditures and working capital requirements.

(in millions)	Years Ended December 31,	
	2012	2011
Net income	$ 119.0	$ 17.1
Amortization of intangibles [1]	163.7	165.7
Non-cash equity-based compensation	22.1	19.5
Net loss on extinguishments of long-term debt	17.2	118.9
Interest expense adjustment related to extinguishments of long-term debt [2]	(3.3)	(19.4)
Debt related refinancing costs [3]	—	3.8
Aggregate adjustment for income taxes [4]	(71.6)	(106.8)
Non-GAAP net income	$ 247.1	$ 198.8

(1) Includes amortization expense for acquisition-related intangible assets, primarily customer relationships and trade names.

(2) Reflects adjustments to interest expense resulting from debt extinguishments. Represents the difference between interest expense previously recognized under the effective interest method and actual interest paid.

(3) Reflects expenses for the March 2011 amendment to the prior term loan facility.

(4) Based on a normalized effective tax rate of 39.0%.

Adjusted EBITDA

Adjusted EBITDA was $766.6 million in 2012, an increase of $49.3 million, or 6.9%, compared to $717.3 million in 2011. As a percentage of net sales, Adjusted EBITDA was 7.6% and 7.5% in 2012 and 2011, respectively.

We have included a reconciliation of EBITDA and Adjusted EBITDA for 2012 and 2011 in the table below. EBITDA is defined as consolidated net income before interest expense, income tax expense, depreciation and amortization. Adjusted EBITDA, which is a measure defined in our credit agreements, means EBITDA adjusted for certain items which are described in the table below. Both EBITDA and Adjusted EBITDA are considered non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flows that either

excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. Non-GAAP measures used by the Company may differ from similar measures used by other companies, even when similar terms are used to identify such measures. We believe that EBITDA and Adjusted EBITDA provide helpful information with respect to our operating performance and cash flows including our ability to meet our future debt service, capital expenditures and working capital requirements. Adjusted EBITDA also provides helpful information as it is the primary measure used in certain financial covenants contained in our credit agreements. See "Selected Financial Data" included elsewhere in this report for a reconciliation of EBITDA to cash flows from operating activities.

(in millions)	Years Ended December 31,	
	2012	2011
Net income	$ 119.0	$ 17.1
Depreciation and amortization	210.2	204.9
Income tax expense	67.1	11.2
Interest expense, net	307.4	324.2
EBITDA	703.7	557.4
Adjustments:		
Non-cash equity-based compensation	22.1	19.5
Sponsor fee	5.0	5.0
Consulting and debt-related professional fees	0.6	5.1
Net loss on extinguishments of long-term debt	17.2	118.9
Litigation, net [(1)]	4.3	—
Other adjustments [(2)]	13.7	11.4
Total adjustments	62.9	159.9
Adjusted EBITDA	$ 766.6	$ 717.3

(1) Relates to unusual, non-recurring litigation matters.

(2) Other adjustments include certain retention costs and equity investment income.

The following table sets forth a reconciliation of EBITDA to net cash provided by operating activities for the years ended December 31, 2012 and 2011.

(in millions)	Years Ended December 31,	
	2012	2011
EBITDA	$ 703.7	$ 557.4
Depreciation and amortization	(210.2)	(204.9)
Income tax expense	(67.1)	(11.2)
Interest expense, net	(307.4)	(324.2)
Net income	119.0	17.1
Depreciation and amortization	210.2	204.9
Equity-based compensation expense	22.1	19.5
Deferred income taxes	(56.3)	(10.2)
Allowance for doubtful accounts	—	0.4
Amortization of deferred financing costs and debt premium	13.6	15.7
Net loss on extinguishments of long-term debt	17.2	118.9
Other	1.0	6.7
Changes in assets and liabilities	(9.4)	(158.3)
Net cash provided by operating activities	$ 317.4	$ 214.7

Seasonality

While we have not historically experienced significant seasonality throughout the year, sales in our Corporate segment, which primarily serves private sector business customers, are typically higher in the fourth quarter than in other quarters due to customers spending their remaining technology budget dollars at the end of the year. Additionally, sales in our Public segment have historically been higher in the third quarter than in other quarters primarily due to the buying patterns of the federal government and education customers.

Liquidity and Capital Resources

Overview

We finance our operations and capital expenditures through a combination of internally generated cash from operations and from borrowings under our senior secured asset-based revolving credit facility. We believe that our current sources of funds will be sufficient to fund our cash operating requirements for the next year. In addition, we believe that, in spite of the uncertainty of future macroeconomic conditions, we have adequate sources of liquidity and funding available to meet our longer-term needs. However, there are a number of factors that may negatively impact our available sources of funds. The amount of cash generated from operations will be dependent upon factors such as the successful execution of our business plan and general economic conditions.

On July 2, 2013, we completed an IPO of 23,250,000 shares of common stock. On July 31, 2013, we completed the sale of an additional 3,487,500 shares of common stock to the underwriters of the IPO pursuant to the underwriters' July 26, 2013 exercise in full of the overallotment option granted to them in connection with the IPO. Such shares were registered under the Securities Act of 1933, as amended, pursuant to our Registration Statement on Form S-1, which was declared effective by the SEC on June 26, 2013. Our shares of common stock are listed on the NASDAQ Global Select Market under the symbol “CDW.” Our shares of common stock were sold to the underwriters at a price of $17.00 per share in the IPO and upon the exercise of the overallotment option, which together generated aggregate net proceeds of $424.7 million to us after deducting underwriting discounts, expenses and transaction costs.

Using a portion of the net proceeds from the IPO, we paid a $24.4 million termination fee to affiliates of the Sponsors in connection with the termination of the management services agreement with such entities that was effective upon completion of the IPO and redeemed $175.0 million aggregate principal amount of senior secured notes due 2018. The redemption price of the senior secured notes due 2018 was 108.0% of the principal amount redeemed, plus $0.7 million of accrued and unpaid interest to the date of redemption. We used cash on hand to pay such accrued and unpaid interest. In connection with this redemption, we recorded a loss on extinguishment of long-term debt of $16.7 million in the consolidated statement of operations for the year ended December 31, 2013. This loss represented $14.0 million in redemption premium and $2.7 million for the write-off of a portion of the remaining deferred financing costs related to the senior secured notes due 2018.

On August 1, 2013, we redeemed $324.0 million aggregate principal amount of senior subordinated notes due 2017. We used a portion of the net proceeds from the IPO to redeem $146.0 million aggregate principal amount of senior subordinated notes due 2017 and incremental borrowings of $190.0 million under the senior secured term loan facility to redeem $178.0 million aggregate principal amount of senior subordinated notes due 2017. The redemption price of the senior subordinated notes due 2017 was 106.268% of the principal amount redeemed, plus $12.0 million of accrued and unpaid interest to the date of redemption. We used cash on hand to pay such accrued and unpaid interest. In connection with this redemption, we recorded a loss on extinguishment of long-term debt of $24.6 million in the consolidated statement of operations for the year ended December 31, 2013. This loss represented $20.3 million in redemption premium and $4.3 million for the write-off of a portion of the remaining deferred financing costs related to the senior subordinated notes due 2017.

On October 18, 2013, we redeemed $155.0 million aggregate principal amount of senior subordinated notes due 2017 at a redemption price that was 104.178% of the principal amount redeemed plus $0.2 million in accrued and unpaid interest to the date of redemption. We used a combination of cash on hand and the net proceeds from the sale of shares of common stock related to the underwriters' July 26, 2013 exercise in full of the overallotment option granted to them in connection with the IPO, in the amount of $56.0 million, to redeem the $155.0 million aggregate principal amount of senior subordinated notes due 2017, including the redemption premium and accrued and unpaid interest. In connection with this redemption, we recorded a loss on extinguishment of long-term debt of $8.5 million in the consolidated statement of operations during the year ended December 31, 2013. This loss represented $6.5 million in redemption premium and $2.0 million for the write-off of a portion of the remaining deferred financing costs related to the senior subordinated notes due 2017. See "Subsequent Events" below for a description of refinancing transactions completed during 2014.

On December 2, 2013, we paid a cash dividend on our common stock of $0.0425 per share to all stockholders of record as of the close of business on November 15, 2013.

On February 13, 2014, we announced that our board of directors declared a quarterly cash dividend on our common stock of $0.0425 per share. The dividend will be paid on March 10, 2014 to all stockholders of record as of the close of business on February 25, 2014. The payment of any future dividends will be at the discretion of our board of directors and will depend upon our results of operations, financial condition, business prospects, capital requirements, contractual restrictions, any potential indebtedness we may incur, restrictions imposed by applicable law, tax considerations and other factors that our board of directors deems relevant. In addition, our ability to pay dividends on our common stock will be limited by restrictions on our ability to pay dividends or make distributions to our stockholders and on the ability of our subsidiaries to pay dividends or make distributions to us, in each case, under the terms of our current and any future agreements governing our indebtedness.

In connection with the establishment of the MPK Incentive Plan II (the "MPK Plan") in 2007, we agreed to make charitable contributions in amounts equal to the net income tax benefits derived from payouts to participants under the MPK Plan (net of any related employer payroll tax costs). As of December 31, 2013, we have accrued approximately $21 million related to this arrangement within other current liabilities. We expect to make the related cash contribution during the first quarter of 2014. See Note 10 of the accompanying audited consolidated financial statements for additional discussion of this arrangement.

Cash Flows

Cash flows from operating, investing and financing activities were as follows:

(in millions)	Years Ended December 31,		
	2013	2012	2011
Net cash provided by (used in):			
Operating activities	$ 366.3	$ 317.4	$ 214.7
Investing activities	(47.1)	(41.7)	(56.0)
Net change in accounts payable - inventory financing	7.4	(29.5)	250.5
Other financing activities	(175.7)	(308.5)	(345.9)
Financing activities	(168.3)	(338.0)	(95.4)
Effect of exchange rate changes on cash and cash equivalents	(0.7)	0.3	—
Net increase (decrease) in cash and cash equivalents	$ 150.2	$ (62.0)	$ 63.3

Operating Activities

Net cash provided by operating activities for 2013 increased $48.9 million compared to 2012. Net income adjusted for the impact of non-cash items such as depreciation and amortization, equity-based compensation expense and net loss on extinguishments of long-term debt was $413.4 million during 2013, compared to $326.8 million during 2012, an increase of $86.6 million. The increase in cash of $86.6 million reflected stronger operating results in 2013 compared to 2012. Net changes in assets and liabilities reduced cash by $47.1 million in 2013 compared to a reduction of $9.4 million in 2012, resulting in a change of $37.7 million between periods. While changes in assets and liabilities were relatively flat during 2012, during 2013, accounts receivable and accounts payable balances decreased and increased cash by $170.8 million and $146.1 million, respectively, primarily as a result of accelerated sales growth during the final month of 2013. Merchandise inventory also increased during 2013 to support strong sales order volume near the end of 2013.

Net cash provided by operating activities for 2012 increased $102.7 million compared to 2011. The increase was primarily driven by changes in assets and liabilities, resulting in a $148.9 million increase in net cash provided by operating activities between periods. Despite a 2012 fourth quarter increase in net sales of 4.9% between years, accounts receivable remained relatively flat from the prior year end driven by improved collection results, particularly within the Public segment. Accounts receivable in 2011 represented a use of cash of $183.4 million, primarily due to a 2011 fourth quarter increase in net sales of 9.3% from the same period in the prior year. Merchandise inventory also contributed $36.1 million of the increase in cash between years driven by a return to more normalized inventory levels in 2012 following the build-up at the end of 2011 related to the hard drive shortage from the Thailand floods, along with a higher percentage of drop shipments from vendor partners and distributors in 2012 compared to 2011. Partially offsetting these factors in 2012 was a $54.1 million decrease in other assets as we collected $53.3 million in income tax refunds in 2011 that did not repeat in 2012. Net income adjusted for the impact of non-cash items such as losses on extinguishment of long-term debt was $326.8 million in 2012 compared to $373.0 million in 2011, or a decrease of $46.2 million. Improved operating performance in 2012 drove higher net income between years, but also higher net cash income taxes paid. Net cash income taxes paid in 2012 were $123.2 million compared to a net

cash tax refund of $20.9 million in 2011. In addition to the $53.3 million in cash tax refunds received in 2011, we also fully utilized our remaining federal net operating tax loss carryforwards during 2011.

In order to manage our working capital and operating cash needs, we monitor our cash conversion cycle, defined as days of sales outstanding in accounts receivable plus days of supply in inventory minus days of purchases outstanding in accounts payable, based on a rolling three-month average. The following table presents the components of our cash conversion cycle:

(in days)	December 31,		
	2013	2012	2011
Days of sales outstanding (DSO) [1]	44	42	45
Days of supply in inventory (DIO) [2]	15	14	15
Days of purchases outstanding (DPO) [3]	(35)	(32)	(32)
Cash conversion cycle	24	24	28

(1) Represents the rolling three-month average of the balance of trade accounts receivable, net at the end of the period divided by average daily net sales for the same three-month period. Also incorporates components of other miscellaneous receivables.

(2) Represents the rolling three-month average of the balance of inventory at the end of the period divided by average daily cost of goods sold for the same three-month period.

(3) Represents the rolling three-month average of the combined balance of accounts payable-trade, excluding cash overdrafts, and accounts payable-inventory financing at the end of the period divided by average daily cost of goods sold for the same three-month period.

The cash conversion cycle remained flat at 24 days for both December 31, 2013 and 2012. The increase in DSO was primarily driven by an increase in receivables for third-party services such as software assurance and warranties. These services have an unfavorable impact on DSO as the receivable is recognized on the balance sheet on a gross basis while the corresponding sales amount in the statement of operations is recorded on a net basis. The DPO increase was primarily due to an increase in payables for third-party services, which offsets the related increase in DSO discussed above. These services have a favorable impact on DPO as the payable is recognized on the balance sheet without a corresponding cost of sales in the statement of operations because the cost paid to the vendor or third-party service provider is recorded as a reduction to net sales. The timing of quarter-end payments also had a favorable impact on DPO at December 31, 2013. The increase in DIO was primarily due to an increase in inventory to support strong sales order volume near the end of 2013.

The cash conversion cycle decreased to 24 days at December 31, 2012 compared to 28 days at December 31, 2011, driven by improvements in DSO and DIO. The DSO decline was primarily related to improved collections in the Public segment. The DIO decline was primarily related to an increase in the percentage of products delivered to customers via drop-shipment in 2012 compared to 2011, which had the effect of increasing cost of sales without a corresponding increase in inventory-related working capital.

Investing Activities

Net cash used in investing activities increased $5.4 million in 2013 compared to 2012. Capital expenditures were $47.1 million and $41.4 million for 2013 and 2012, respectively, primarily for improvements to our information technology systems during both years.

Net cash used in investing activities in 2012 decreased $14.3 million compared to 2011. This decline was primarily due to a reduction in cash payments between years of $6.6 million related to interest rate swap agreements, as the $6.6 million paid in 2011 reflected the final payment upon termination of the swap agreements on January 14, 2011. Capital expenditures were $41.4 million and $45.7 million for 2012 and 2011, respectively, primarily for improvements to our information technology systems during both years. During 2012 and 2011, we paid $0.3 million and $3.7 million, respectively, for new interest rate cap agreements.

Financing Activities

Net cash used in financing activities decreased $169.7 million in 2013 compared to 2012. The decrease was primarily driven by various debt transactions during each period and our July 2013 IPO, which generated net proceeds of $424.7 million after deducting underwriting discounts, expenses and transaction costs. The net impact of our debt transactions resulted in cash outflows of $569.4 million and $310.6 million during 2013 and 2012, respectively, as cash was used in each period to reduce

our total long-term debt. Debt transactions impacting each period presented are described below under "Long-Term Debt and Financing Arrangements."

Net cash used in financing activities increased $242.6 million in 2012 compared to 2011. This change was primarily driven by 2011 net inflows from accounts payable-inventory financing of $250.5 million compared to 2012 outflows of $29.5 million, resulting in a total impact on the change in cash used in financing activities of $280.0 million from accounts payable-inventory financing. The reduction in cash during 2012 from accounts payable-inventory financing was primarily due to the termination of one of our inventory financing agreements in the first quarter of 2012, with amounts owed for subsequent purchases being included in accounts payable-trade on the consolidated balance sheet and classified as cash flows from operating activities on the consolidated statement of cash flows. As discussed below under “Inventory Financing Arrangements,” in June 2011 we entered into a new inventory financing agreement with a financial intermediary to facilitate the purchase of inventory from a certain vendor. Inventory purchases from this vendor under the June 2011 inventory financing agreement are included in accounts payable-inventory financing and reported as cash flows from financing activities. The net impact of our debt transactions resulted in cash outflows of $310.6 million during 2012 and $346.5 million during 2011 as cash was used in each period to reduce our total long-term debt. Debt transactions impacting each period presented are described below under "Long-Term Debt and Financing Arrangements."

Long-Term Debt and Financing Arrangements

Long-term debt was as follows:

(dollars in millions)		December 31,	
	Interest Rate [1]	2013	2012
Senior secured asset-based revolving credit facility	—%	$ —	$ —
Senior secured term loan facility	3.25%	1,528.9	1,339.5
Unamortized discount on senior secured term loan facility		(4.4)	—
Senior secured notes due 2018	8.0%	325.0	500.0
Senior notes due 2019	8.5%	1,305.0	1,305.0
Unamortized premium on senior notes due 2019		4.2	5.0
Senior subordinated notes due 2017	12.535%	92.5	621.5
Total long-term debt		3,251.2	3,771.0
Less current maturities of long-term debt		(45.4)	(40.0)
Long-term debt, excluding current maturities		$ 3,205.8	$ 3,731.0

(1) Interest rate at December 31, 2013.

At December 31, 2013, we were in compliance with the covenants under our various credit agreements and indentures as described below. Under the indentures governing the 8.5% Senior Notes due 2019 and 8.0% Senior Secured Notes due 2018, which contain the most restrictive restricted payment provisions in our various credit agreements and indentures, CDW LLC and its restricted subsidiaries are generally restricted from paying dividends and making other restricted payments unless CDW LLC could incur an additional dollar of indebtedness under its fixed charges ratio covenant and the amount of such dividend or other restricted payment, together with the amount of all other dividends and restricted payments made from January 1, 2011 through the end of the most recently ended fiscal quarter, is less than the sum of 50% of cumulative consolidated net income or 100% of any consolidated net loss incurred over the period plus the amount of certain other items occurring during that period that increase (and in some cases decrease) the amounts available for such payments. For the purpose of determining restricted payment capacity, consolidated net income or loss includes certain adjustments that are defined in the indentures. At December 31, 2013, the amount of cumulative consolidated net income free of restrictions under the credit agreements and indentures ("Restricted Payment Capacity") was $148.0 million. However, the transactions described below under "Subsequent Events" have since reduced the Restricted Payment Capacity to approximately $89 million.

Senior Secured Asset-Based Revolving Credit Facility (“Revolving Loan”)

At December 31, 2013, we had no outstanding borrowings under the Revolving Loan, $2.2 million of undrawn letters of credit and $256.7 million reserved related to the floorplan sub-facility.

On June 24, 2011, we entered into the Revolving Loan, a five-year $900.0 million senior secured asset-based revolving credit facility, with the facility being available to us for borrowings, issuance of letters of credit and floorplan financing for certain vendor products. The Revolving Loan matures on June 24, 2016. The Revolving Loan replaced our previous revolving loan credit facility that was to mature on October 12, 2012. In connection with the termination of the

previous facility, we recorded a loss on extinguishment of long-term debt of $1.6 million in the consolidated statement of operations for the year ended December 31, 2011, representing a write-off of a portion of unamortized deferred financing costs. Fees of $7.2 million related to the Revolving Loan were capitalized as deferred financing costs and are being amortized over the term of the facility on a straight-line basis.

As described in Note 5 to the consolidated financial statements, we have entered into agreements with certain financial intermediaries to facilitate the purchase of inventory from various suppliers. In connection with the floorplan sub-facility, we entered into the Revolving Loan inventory financing agreement. Amounts outstanding under the Revolving Loan inventory financing agreement are unsecured and noninterest bearing. We will either pay the outstanding Revolving Loan inventory financing agreement amounts when they become due, or the Revolving Loan's administrative agent will automatically initiate an advance on the Revolving Loan and use the proceeds to pay the balance on the due date. At December 31, 2013, the financial intermediary reported an outstanding balance of $246.8 million under the Revolving Loan inventory financing agreement. The total amount reported on the consolidated balance sheet as accounts payable-inventory financing related to the Revolving Loan inventory financing agreement is $9.3 million more than the $246.8 million owed to the financial intermediary due to differences in the timing of reporting activity under the Revolving Loan inventory financing agreement. The outstanding balance reported by the financial intermediary excludes $9.9 million in reserves for open orders that reduce the availability under the Revolving Loan. Changes in cash flows from the Revolving Loan inventory financing agreement are reported in financing activities on the consolidated statements of cash flows.

Borrowings under the Revolving Loan bear interest at a variable interest rate plus an applicable margin. The variable interest rate is based on one of two indices, either (i) LIBOR, or (ii) the Alternate Base Rate (“ABR”) with the ABR being the greatest of (a) the prime rate, (b) the federal funds effective rate plus 50 basis points or (c) the one-month LIBOR plus 1.00%. The applicable margin varies (2.00% to 2.50% for LIBOR borrowings and 1.00% to 1.50% for ABR borrowings) depending upon our average daily excess cash availability under the agreement and is subject to a reduction of 0.25% if, and for as long as, the senior secured leverage ratio is less than 3.0. The senior secured leverage ratio is defined as the ratio of senior secured debt (including amounts owed under certain inventory floorplan arrangements) less cash and cash equivalents, to Adjusted EBITDA, a non-GAAP measure, for the four most recently ended fiscal quarters. For the four quarters ended December 31, 2013, the senior secured leverage ratio was 2.1.

Availability under the Revolving Loan is limited to (a) the lesser of the revolving commitment of $900.0 million and the amount of the borrowing base less (b) outstanding borrowings, letters of credit, and amounts outstanding under the Revolving Loan inventory financing agreement plus a reserve of 15% of open orders. The borrowing base is (a) the sum of the products of the applicable advance rates on eligible accounts receivable and on eligible inventory as defined in the agreement less (b) any reserves. At December 31, 2013, the borrowing base was $1,065.5 million based on the amount of eligible inventory and accounts receivable balances as of November 30, 2013. We could have borrowed up to an additional $641.1 million under the Revolving Loan at December 31, 2013. The fee on the unused portion of the Revolving Loan ranges from 25 basis points to either 37.5 or 50 basis points, depending on the amount of utilization.

CDW LLC is the borrower under the Revolving Loan. All obligations under the Revolving Loan are guaranteed by Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries. Borrowings under the Revolving Loan are collateralized by a first priority interest in inventory (excluding inventory collateralized under the inventory floorplan arrangements as described in Note 5), deposits, and accounts receivable, and a second priority interest in substantially all other assets. The Revolving Loan contains negative covenants that, among other things, place restrictions and limitations on the ability of Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries to dispose of assets, incur additional indebtedness, incur guarantee obligations, prepay other indebtedness, make distributions or other restricted payments, create liens, make equity or debt investments, make acquisitions, engage in mergers or consolidations, or engage in certain transactions with affiliates. The Revolving Loan also includes maintenance of a minimum average daily excess cash availability requirement. Should we fall below the minimum average daily excess cash availability requirement for five consecutive business days, we become subject to a fixed charge coverage ratio until such time as the daily excess cash availability requirement is met for 30 consecutive business days.

Senior Secured Term Loan Facility

On April 29, 2013, we entered into a new seven-year, $1,350.0 million aggregate principal amount senior secured term loan facility (the "Term Loan"). The Term Loan was issued at a price that was 99.75% of par, which resulted in a discount of $3.4 million. Substantially all of the proceeds from the Term Loan were used to repay the $1,299.5 million outstanding aggregate principal amount of the prior senior secured term loan facility (the "Prior Term Loan Facility"). In connection with this refinancing, we recorded a loss on extinguishment of long-term debt of $10.3 million in the consolidated statement of operations for the year ended December 31, 2013. This loss represented a write-off of the remaining unamortized deferred financing costs related to the Prior Term Loan Facility.

On July 31, 2013, we borrowed an additional $190.0 million aggregate principal amount under the Term Loan at a price that was 99.25% of par, which resulted in a discount of $1.4 million. Such proceeds were used to redeem a portion of outstanding Senior Subordinated Notes. The discounts are reported on the consolidated balance sheet as a reduction to the face amount of the Term Loan and are being amortized to interest expense over the term of the related debt. Fees of $6.1 million related to the Term Loan were capitalized as deferred financing costs and are being amortized over the term of the facility using the effective interest method.

Borrowings under the Term Loan bear interest at either (a) the alternate base rate ("ABR") plus a margin or (b) LIBOR plus a margin; provided that for the purposes of the Term Loan, LIBOR shall not be less than 1.00% per annum at any time ("LIBOR Floor"). The margin is based upon a net leverage ratio as defined in the agreement governing the Term Loan, ranging from 1.25% to 1.50% for ABR borrowings and 2.25% to 2.50% for LIBOR borrowings. An interest rate of 3.25%, LIBOR Floor plus a 2.25% margin, was in effect during the three-month period ended December 31, 2013.

Unlike the Prior Term Loan Facility, the Term Loan does not include a senior secured leverage ratio requirement or a hedging requirement. Additionally, the definition of debt under the Term Loan was revised to exclude amounts outstanding under our inventory financing agreements. The Term Loan is subject to certain requirements as was the Prior Term Loan Facility to make mandatory annual excess cash flow prepayments under designated circumstances, including (i) a prepayment in an amount equal to 50% of our excess cash flow for a fiscal year (the percentage rate of which decreases to 25% when the total net leverage ratio, as defined in the governing agreement, is less than or equal to 5.5 but greater than 4.5; and decreases to 0% when the total net leverage ratio is less than or equal to 4.5), and (ii) the net cash proceeds from the incurrence of certain additional indebtedness by us or our subsidiaries. The total net leverage ratio was 3.8 at December 31, 2013.

We are required to pay quarterly principal installments equal to 0.25% of the original principal amount of the Term Loan, with the remaining principal amount payable on the maturity date of April 29, 2020. The quarterly principal installment payments commenced during the quarter ended June 30, 2013. At December 31, 2013, the outstanding principal amount of the Term Loan was $1,528.9 million, excluding $4.4 million in unamortized discount.

We have interest rate cap agreements in effect through January 14, 2015 with a combined notional amount of $1,150.0 million. These cap agreements have not been designated as cash flow hedges of interest rate risk for GAAP accounting purposes. Of the total $1,150.0 million notional amount, $500.0 million entitle us to payments from the counterparty of the amount, if any, by which three-month LIBOR exceeds 3.5% during the agreement period. The remaining cap agreements with a notional amount of $650.0 million entitle us to payments from the counterparty of the amount, if any, by which the three-month LIBOR exceeds 1.5% during the agreement period. The fair value of our interest rate cap agreements was zero at December 31, 2013 and $0.1 million at December 31, 2012.

During the first quarters of 2013, 2012 and 2011, we made principal prepayments totaling $40.0 million, $201.0 million and $132.0 million, respectively, under the Prior Term Loan Facility. These prepayments satisfied the excess cash flow payment provision of the Prior Term Loan Facility with respect to the years ended December 31, 2012, 2011 and 2010, respectively.

On March 11, 2011, we entered into an amendment to the Prior Term Loan Facility, which became effective on March 14, 2011. In connection with this amendment, we recorded a loss on extinguishment of long-term debt of $3.2 million in the consolidated statement of operations for the year ended December 31, 2011. This loss represented a write-off of a portion of the unamortized deferred financing costs related to the Prior Term Loan Facility.

CDW LLC is the borrower under the Term Loan. All obligations under the Term Loan are guaranteed by Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries. The Term Loan is collateralized by a second priority interest in substantially all inventory (excluding inventory collateralized under the inventory floorplan arrangements as described in Note 5 to the consolidated financial statements), deposits, and accounts receivable, and by a first priority interest in substantially all other assets. The Term Loan contains negative covenants that, among other things, place restrictions and limitations on the ability of Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries to dispose of assets, incur additional indebtedness, incur guarantee obligations, prepay other indebtedness, make distributions or other restricted payments, create liens, make equity or debt investments, make acquisitions, engage in mergers or consolidations, or engage in certain transactions with affiliates.

8.0% Senior Secured Notes due 2018 ("Senior Secured Notes")

The Senior Secured Notes were issued on December 17, 2010 and will mature on December 15, 2018. At December 31, 2013, the outstanding principal amount of the Senior Secured Notes was $325.0 million.

On July 2, 2013, we used a portion of the net proceeds from the IPO to redeem $175.0 million aggregate principal amount of Senior Secured Notes. The redemption price of the Senior Secured Notes was 108.0% of the principal amount redeemed, plus $0.7 million of accrued and unpaid interest to the date of redemption. We used cash on hand to pay such accrued and unpaid interest. In connection with this redemption, we recorded a loss on extinguishment of long-term debt of $16.7 million in the consolidated statement of operations for the year ended December 31, 2013. This loss represented $14.0 million in redemption premium and $2.7 million for the write-off of a portion of the remaining deferred financing costs related to the Senior Secured Notes.

CDW LLC and CDW Finance Corporation are the co-issuers of the Senior Secured Notes and the obligations under the notes are guaranteed by Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries. The Senior Secured Notes are secured on a pari passu basis with the Term Loan by a second priority interest in substantially all inventory (excluding inventory collateralized under the inventory floorplan arrangements as described in Note 5 to the consolidated financial statements), deposits, and accounts receivable, and by a first priority interest in substantially all other assets. The Senior Secured Note indenture contains negative covenants that, among other things, place restrictions and limitations on the ability of Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries to dispose of assets, incur additional indebtedness, incur guarantee obligations, prepay other indebtedness, make distributions or other restricted payments, create liens, make equity or debt investments, make acquisitions, engage in mergers or consolidations, or engage in certain transactions with affiliates. The Senior Secured Note indenture does not contain any financial covenants.

11.0% Senior Exchange Notes due 2015 ("Senior Exchange Notes"); 11.5% / 12.25% Senior PIK Election Exchange Notes due 2015 ("PIK Election Notes" together with the Senior Exchange Notes, the "Senior Notes due 2015")

At December 31, 2013, there were no outstanding Senior Notes due 2015.

On April 13, 2011, we completed a cash tender offer (the "Initial Senior Notes due 2015 Tender Offer") and purchased $665.1 million aggregate principal amount of Senior Notes due 2015 comprised of $519.2 million of the Senior Exchange Notes and $145.9 million of the PIK Election Notes. We concurrently issued $725.0 million aggregate principal amount of Senior Notes (as defined below). The proceeds from this offering, together with cash on hand and borrowings under the then-outstanding revolving loan credit facility, were used to fund the purchase of the tendered Senior Notes due 2015, including $665.1 million aggregate principal amount of Senior Notes due 2015, $59.9 million in tender offer premium and $36.5 million of accrued and unpaid interest, along with transaction fees and expenses.

On May 20, 2011, we completed a follow-on cash tender offer (the "Follow-on Senior Notes due 2015 Tender Offer," and together with the Initial Senior Notes due 2015 Tender Offer, the "Senior Notes due 2015 Tender Offers") and purchased an additional $412.8 million aggregate principal amount of Senior Notes due 2015 comprised of $321.4 million of the Senior Exchange Notes and $91.4 million of the PIK Election Notes. We concurrently issued $450.0 million in aggregate principal amount of additional Senior Notes. The proceeds from this offering, together with cash on hand and borrowings under the then-outstanding revolving loan credit facility, were used to fund the purchase of the tendered Senior Notes due 2015, including $412.8 million aggregate principal amount of Senior Notes due 2015, $37.2 million in tender offer premium and $4.5 million of accrued and unpaid interest, along with transaction fees and expenses.

In connection with the Senior Notes due 2015 Tender Offers, we recorded a loss on extinguishment of long-term debt of $114.1 million in the consolidated statement of operations for the year ended December 31, 2011. This loss represented $97.0 million in tender offer premiums and $17.1 million for the write-off of a portion of the unamortized deferred financing costs related to the Senior Notes due 2015. In connection with the issuance of Senior Notes, fees of $19.1 million were capitalized as deferred financing costs and are being amortized over the term of the notes using the effective interest method.

On February 2, 2012, we commenced a tender offer to purchase any and all of the remaining $129.0 million aggregate principal amount of Senior Notes due 2015. On February 17, 2012, we accepted for purchase $120.6 million aggregate principal amount of the outstanding Senior Notes due 2015 that were tendered. On March 5, 2012, we accepted for purchase an additional $0.1 million aggregate principal amount of the outstanding Senior Notes due 2015 that were tendered prior to the expiration of the tender offer on March 2, 2012. On March 19, 2012, we redeemed the remaining $8.3 million aggregate principal amount that was not tendered.

We funded the purchases and redemptions of the Senior Notes due 2015 with the issuance of $130.0 million aggregate principal amount of additional Senior Notes on February 17, 2012. The proceeds from this issuance, together with cash on hand and borrowings under the Revolving Loan, funded the payment of $129.0 million aggregate principal amount of Senior Notes due 2015, $7.9 million in tender and redemption premiums and $5.0 million of accrued and unpaid interest, along with transaction fees and expenses.

In connection with these transactions, we recorded a loss on extinguishment of long-term debt of $9.4 million in the consolidated statement of operations for the year ended December 31, 2012. This loss represented $7.9 million in tender and redemption premiums and $1.5 million for the write-off of the remaining unamortized deferred financing costs related to the Senior Notes due 2015.

8.5% Senior Notes due 2019 ("Senior Notes")

At December 31, 2013, the outstanding principal amount of Senior Notes was $1,305.0 million, excluding $4.2 million in unamortized premium. The Senior Notes mature on April 1, 2019.

On February 17, 2012, we issued $130.0 million aggregate principal amount of additional Senior Notes at an issue price of 104.375% of par. The $5.7 million premium received is reported on the consolidated balance sheet as an addition to the face amount of the Senior Notes and is being amortized as a reduction of interest expense over the term of the related debt.

As discussed above, on April 13, 2011, we issued $725.0 million aggregate principal amount of Senior Notes and on May 20, 2011, we issued an additional $450.0 million aggregate principal amount of Senior Notes. The proceeds from these issuances together with cash on hand and borrowings under the then-outstanding revolving loan credit facility were used to fund the Senior Notes due 2015 Tender Offers.

CDW LLC and CDW Finance Corporation are the co-issuers of the Senior Notes. Obligations under the Senior Notes are guaranteed on an unsecured senior basis by Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries. The Senior Note indenture contains negative covenants that, among other things, place restrictions and limitations on the ability of Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries to dispose of assets, incur additional indebtedness, incur guarantee obligations, prepay other indebtedness, make distributions or other restricted payments, create liens, make equity or debt investments, make acquisitions, engage in mergers or consolidations, or engage in certain transactions with affiliates. The Senior Notes do not contain any financial covenants.

12.535% Senior Subordinated Exchange Notes due 2017 ("Senior Subordinated Notes")

At December 31, 2013, the outstanding principal amount of the Senior Subordinated Notes was $92.5 million. The Senior Subordinated Notes have a maturity date of October 12, 2017.

On October 18, 2013, we redeemed $155.0 million aggregate principal amount of Senior Subordinated Notes at a redemption price that was 104.178% of the principal amount redeemed. A combination of cash on hand and the net proceeds from the sale of shares of common stock related to the underwriters' July 26, 2013 exercise in full of the overallotment option granted to them in connection with the IPO, in the amount of $56.0 million, was used to fund the redemption of $155.0 million aggregate principal amount, $6.5 million of redemption premium and $0.2 million in accrued and unpaid interest to the date of redemption. See Note 9 in the consolidated financial statements for additional discussion of the underwriters' overallotment option. In connection with this redemption, we recorded a loss on extinguishment of long-term debt of $8.5 million in the consolidated statement of operations for the year ended December 31, 2013. This loss represented $6.5 million in redemption premium and $2.0 million for the write-off of a portion of the remaining unamortized deferred financing costs related to the Senior Subordinated Notes.

On August 1, 2013, we redeemed $324.0 million aggregate principal amount of Senior Subordinated Notes at a redemption price that was 106.268% of the principal amount redeemed. We used a portion of the net proceeds from the IPO to redeem $146.0 million aggregate principal amount of Senior Subordinated Notes and incremental borrowings of $190.0 million under the Term Loan to redeem $178.0 million aggregate principal amount of Senior Subordinated Notes. We used cash on hand to pay $12.0 million of accrued and unpaid interest to the date of redemption. In connection with this redemption, we recorded a loss on extinguishment of long-term debt of $24.6 million in the consolidated statement of operations for the year ended December 31, 2013. This loss represented $20.3 million in redemption premium and $4.3 million for the write-off of a portion of the remaining deferred financing costs related to the Senior Subordinated Notes.

On March 8, 2013, we redeemed $50.0 million aggregate principal amount of Senior Subordinated Notes at a redemption price that was 106.268% of the principal amount redeemed. Cash on hand was used to fund the redemption of $50.0 million aggregate principal amount, $3.1 million of redemption premium and $2.5 million in accrued and unpaid interest to the date of redemption. In connection with this redemption, we recorded a loss on extinguishment of long-term debt of $3.9 million in the consolidated statement of operations for the year ended December 31, 2013. This loss represented $3.1 million in redemption premium and $0.8 million for the write-off of a portion of the remaining unamortized deferred financing costs related to the Senior Subordinated Notes.

On December 21, 2012, we redeemed $100.0 million aggregate principal amount of Senior Subordinated Notes at a redemption price that was 106.268% of the principal amount redeemed. Cash on hand was used to fund the redemption of $100.0 million aggregate principal amount, $6.3 million of redemption premium and $2.3 million in accrued and unpaid interest to the date of redemption. In connection with this redemption, we recorded a loss on extinguishment of long-term debt of $7.8 million in the consolidated statement of operations for the year ended December 31, 2012. This loss represented $6.3 million in redemption premium and $1.5 million for the write-off of a portion of the remaining unamortized deferred financing costs related to the Senior Subordinated Notes.

CDW LLC and CDW Finance Corporation are the co-issuers of the Senior Subordinated Notes. Obligations under the Senior Subordinated Notes are guaranteed on an unsecured senior basis by Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries. The Senior Subordinated Note indenture contains negative covenants that, among other things, place restrictions and limitations on the ability of Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries to dispose of assets, incur additional indebtedness, incur guarantee obligations, prepay other indebtedness, make distributions or other restricted payments, create liens, make equity or debt investments, make acquisitions, engage in mergers or consolidations, or engage in certain transactions with affiliates. The Senior Subordinated Notes do not contain any financial covenants.

Inventory Financing Agreements

We have entered into agreements with certain financial intermediaries to facilitate the purchase of inventory from various suppliers under certain terms and conditions, as described below. These amounts are classified separately as accounts payable-inventory financing on the consolidated balance sheets. We do not incur any interest expense associated with these agreements as balances are paid when they are due.

The following table presents the amounts included in accounts payable-inventory financing:

(in millions)	December 31,	
	2013	2012
Revolving Loan inventory financing agreement	$ 256.1	$ 248.3
Other inventory financing agreements	0.5	0.9
Accounts payable-inventory financing	$ 256.6	$ 249.2

We maintain a senior secured asset-based revolving credit facility as described in Note 7 to our consolidated financial statements, which incorporates a $400.0 million floorplan sub-facility to facilitate the purchase of inventory from a certain vendor. In connection with the floorplan sub-facility, we maintain the Revolving Loan inventory financing agreement. Amounts outstanding under the Revolving Loan inventory financing agreement are unsecured and non-interest bearing. At December 31, 2013 and 2012, we reported $256.1 million and $248.3 million, respectively, for this agreement within accounts payable-inventory financing on the consolidated balance sheets.

We also maintain other inventory financing agreements with financial intermediaries to facilitate the purchase of inventory from certain vendors. At December 31, 2013 and 2012, amounts owed under other inventory financing agreements of $0.5 million and $0.9 million, respectively, were collateralized by the inventory purchased under these financing agreements and a second lien on the related accounts receivable.

Contractual Obligations

We have future obligations under various contracts relating to debt and interest payments, operating leases and asset retirement obligations. The following table presents our estimated future payments under contractual obligations that existed as of December 31, 2013, based on undiscounted amounts.

(in millions)	Payments Due by Period				
	Total	< 1 year	1-3 years	4-5 years	> 5 years
Revolving Loan [1]	$ —	$ —	$ —	$ —	$ —
Term Loan [2]	1,832.7	64.9	128.3	126.3	1,513.2
Senior Secured Notes [3]	455.0	26.0	52.0	377.0	—
Senior Notes [3]	1,915.1	110.9	221.9	221.9	1,360.4
Senior Subordinated Notes [3]	124.8	38.8	15.7	70.3	—
Operating leases [4]	89.2	17.9	30.9	19.7	20.7
Asset retirement obligations [5]	0.5	—	0.5	—	—
Total	$ 4,417.3	$ 258.5	$ 449.3	$ 815.2	$ 2,894.3

(1) Includes only principal payments. Excludes interest payments and fees related to this facility because of variability with respect to the timing of advances and repayments.

(2) Includes future principal and cash interest payments on long-term borrowings through scheduled maturity dates. Interest payments for variable rate debt were calculated using interest rates as of December 31, 2013. Excluded from these amounts are the amortization of debt issuance and other costs related to indebtedness.

(3) Includes future principal and cash interest payments on long-term borrowings through scheduled maturity dates. Interest on the Senior Secured Notes, Senior Notes and Senior Subordinated Notes is calculated using the stated interest rate. Excluded from these amounts are the amortization of debt issuance and other costs related to indebtedness. See "Subsequent Events" for a description of refinancing transactions completed during 2014.

(4) Includes the minimum lease payments for non-cancelable leases of properties and equipment used in our operations.

(5) Represent commitments to return property subject to operating leases to original condition upon lease termination.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Inflation

Inflation has not had a material impact on our operating results. We generally have been able to pass along price increases to our customers, though certain economic factors and technological advances in recent years have tended to place downward pressure on pricing. We also have been able to generally offset the effects of inflation on operating costs by continuing to emphasize productivity improvements and by accelerating our overall cash conversion cycle. There can be no assurances, however, that inflation would not have a material impact on our sales or operating costs in the future.

Commitments and Contingencies

We are party to various legal proceedings that arise in the ordinary course of our business, which include commercial, intellectual property, employment, tort and other litigation matters. We are also subject to audit by federal, state and local authorities, and by various partners and large customers, including government agencies, relating to purchases and sales under various contracts. In addition, we are subject to indemnification claims under various contracts. From time to time, certain of our customers file voluntary petitions for reorganization or liquidation under the U.S. bankruptcy laws. In such cases, certain pre-petition payments received by us could be considered preference items and subject to return to the bankruptcy administrator.

As of December 31, 2013, we do not believe that there is a reasonable possibility that any material loss exceeding the amounts already recognized for these proceedings and matters, if any, has been incurred. However, the ultimate resolutions of these proceedings and matters are inherently unpredictable. As such, our financial condition and results of operations could be adversely affected in any particular period by the unfavorable resolution of one or more of these proceedings or matters.

We previously filed a claim as part of a class action settlement in a case alleging price fixing during the period of January 1, 1996 through December 31, 2006, by certain manufacturers of thin-film liquid crystal display panels. On July 13, 2013, the United Stated District Court for the Northern District of California approved distribution of the settlement proceeds, including a net payment to us of $10.4 million after fees and expenses. We have recognized a pre-tax benefit of $10.4 million within selling and administrative expenses in the consolidated statement of operations for the year ended December 31, 2013.

The first of two settlement payments was received by us on July 29, 2013 in the amount of $8.5 million. The balance of $1.9 million was received in February 2014.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with GAAP requires management to make use of certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported periods. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

In Note 1 to the accompanying audited consolidated financial statements, we include a discussion of the significant accounting policies used in the preparation of our consolidated financial statements. We believe the following are the most critical accounting policies and estimates that include significant judgments used in the preparation of our financial statements. We consider an accounting policy or estimate to be critical if it requires assumptions to be made that were uncertain at the time they were made, and if changes in these assumptions could have a material impact on our financial condition or results of operations.

Revenue Recognition

We are a primary distribution channel for a large group of vendors and suppliers, including OEMs, software publishers and wholesale distributors. We record revenue from sales transactions when title and risk of loss are passed to our customer, there is persuasive evidence of an arrangement for sale, delivery has occurred and/or services have been rendered, the sales price is fixed or determinable, and collectability is reasonably assured. Our shipping terms typically specify F.O.B. destination, at which time title and risk of loss have passed to the customer.

Revenues from the sales of hardware products and software products and licenses are generally recognized on a gross basis with the selling price to the customer recorded as sales and the acquisition cost of the product recorded as cost of sales. These items can be delivered to customers in a variety of ways, including (i) as physical product shipped from our warehouse, (ii) via drop-shipment by the vendor or supplier, or (iii) via electronic delivery for software licenses. At the time of sale, we record an estimate for sales returns and allowances based on historical experience. Our vendor partners warrant most of the products we sell.

We leverage drop-shipment arrangements with many of our vendors and suppliers to deliver products to our customers without having to physically hold the inventory at our warehouses, thereby increasing efficiency and reducing costs. We recognize revenue for drop-shipment arrangements on a gross basis upon delivery to the customer with contract terms that typically specify F.O.B. destination. We recognize revenue on a gross basis as the principal in the transaction because we are the primary obligor in the arrangement, we assume inventory risk if the product is returned by the customer, we set the price of the product charged to the customer, we assume credit risk for the amounts invoiced, and we work closely with our customers to determine their hardware and software specifications. These arrangements generally represent approximately 40% to 50% of total net sales, including approximately 10% to 15% related to electronic delivery for software licenses.

Revenue from professional services is either recognized as provided for services billed at an hourly rate or recognized using a proportional performance model for services provided at a fixed fee. Revenue from cloud computing solutions including Software as a Service ("SaaS") and Infrastructure as a Service ("IaaS") arrangements, as well as data center services such as managed and remote managed services, server co-location, internet connectivity and data backup and storage, is recognized over the period service is provided.

We also sell certain products for which we act as an agent. Products in this category include the sale of third-party services, warranties, software assurance (“SA”) and third-party hosted SaaS and IaaS arrangements. SA is a product that allows customers to upgrade, at no additional cost, to the latest technology if new applications are introduced during the period that the SA is in effect. These sales do not meet the criteria for gross sales recognition, and thus are recognized on a net basis at the time of sale. Under net sales recognition, the cost paid to the vendor or third-party service provider is recorded as a reduction to sales, resulting in net sales being equal to the gross profit on the transaction.

Our larger customers are offered the opportunity by certain of our vendors to purchase software licenses and SA under enterprise agreements (“EAs”). Under EAs, customers are considered to be compliant with applicable license requirements for the ensuing year, regardless of changes to their employee base. Customers are charged an annual true-up fee for changes in the number of users over the year. With most EAs, our vendors will transfer the license and bill the customer directly, paying resellers such as us an agency fee or commission on these sales. We record these fees as a component of net sales as earned and

there is no corresponding cost of sales amount. In certain instances, we bill the customer directly under an EA and account for the individual items sold based on the nature of the item. Our vendors typically dictate how the EA will be sold to the customer.

From time to time, we sell some of our products and services as part of bundled contract arrangements containing multiple deliverables, which may include a combination of the products and services. For each deliverable that represents a separate unit of accounting, total arrangement consideration is allocated based upon the relative selling prices of each element. The allocated arrangement consideration is recognized as revenue in accordance with the principles described above. Selling prices are determined by using vendor specific objective evidence ("VSOE") if it exists. Otherwise, selling prices are determined using third party evidence ("TPE"). If neither VSOE or TPE is available, we use our best estimate of selling prices.

We record freight billed to our customers as net sales and the related freight costs as a cost of sales.

Deferred revenue includes (1) payments received from customers in advance of providing the product or performing services, and (2) amounts deferred if other conditions of revenue recognition have not been met.

We perform an analysis of the estimated number of days of sales in-transit to customers at the end of each period based on a weighted-average analysis of commercial delivery terms that includes drop-shipment arrangements. This analysis is the basis upon which we estimate the amount of sales in-transit at the end of the period and adjust revenue and the related costs to reflect only what has been received by the customer. Changes in delivery patterns may result in a different number of business days used in making this adjustment and could have a material impact on our revenue recognition for the period.

Inventory Valuation

Inventory is valued at the lower of cost or market value. Cost is determined using a weighted-average cost method. Price protection is recorded when earned as a reduction to the cost of inventory. We decrease the value of inventory for estimated obsolescence equal to the difference between the cost of inventory and the estimated market value, based upon an aging analysis of the inventory on hand, specifically known inventory-related risks, and assumptions about future demand and market conditions. If future demand or actual market conditions are less favorable than those projected by management, additional inventory write-downs may be required.

Vendor Programs

We receive incentives from certain of our vendors related to cooperative advertising allowances, volume rebates, bid programs, price protection and other programs. These incentives generally relate to written agreements with specified performance requirements with the vendors and are recorded as adjustments to cost of sales or inventory, depending on the nature of the incentive. Vendors may change the terms of some or all of these programs, which could have an impact on our results of operations.

We record receivables from vendors related to these programs when the amounts are probable and reasonably estimable. Some programs are based on the achievement of specific targets, and we base our estimates on information provided by our vendors and internal information to assess our progress toward achieving those targets. If actual performance does not match our estimates, we may be required to adjust our receivables. We record reserves for vendor receivables for estimated losses due to vendors' inability to pay or rejections by vendors of claims; however, if actual collections differ from our estimates, we may incur additional losses that could have a material impact on gross margin and operating income.

Goodwill and Other Intangible Assets

Goodwill is not amortized but is subject to periodic testing for impairment at the reporting unit level. Our reporting units used to assess potential goodwill impairment are the same as our operating segments. We are required to perform an evaluation of goodwill on an annual basis or more frequently if circumstances indicate a potential impairment. The annual test for impairment is conducted as of December 1. We have the option of performing a qualitative assessment of a reporting unit's fair value from the last quantitative assessment to determine if it is more likely than not that the reporting unit's goodwill is impaired or performing a quantitative assessment by comparing a reporting unit's estimated fair value to its carrying amount. Under the quantitative assessment, testing for impairment of goodwill is a two-step process. The first step compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, the second step compares the implied fair value of reporting unit goodwill with the carrying amount of that goodwill to determine the amount of impairment loss. Fair value of a reporting unit is determined by using a weighted combination of an income approach and a market approach, as this combination is considered the most indicative of the reporting units' fair value in an orderly transaction between market participants. Under the income approach, we determine fair value based on estimated future cash flows of a reporting unit, discounted by an estimated weighted-average cost of capital, which reflects the overall level of inherent risk of a reporting unit and the rate of return an outside investor would expect to earn. Under the market approach, we utilize valuation multiples derived from publicly available information for peer group companies to provide an indication of how much a knowledgeable investor in the marketplace would be willing to pay for a company. We have weighted the income approach and the market approach at 75% and 25%, respectively.

Determining the fair value of a reporting unit (and the allocation of that fair value to individual assets and liabilities within the reporting unit to determine the implied fair value of goodwill in the event a step two analysis is required) is judgmental in nature and requires the use of significant estimates and assumptions. These estimates and assumptions include primarily, but are not limited to, discount rate, terminal growth rate, selection of appropriate peer group companies and control premium applied, and forecasts of revenue growth rates, gross margins, operating margins, and working capital requirements. The allocation requires analysis to determine the fair value of assets and liabilities including, among others, customer relationships, trade names, and property and equipment. Any changes in the judgments, estimates, or assumptions used could produce significantly different results. Although we believe our assumptions are reasonable, actual results may vary significantly and may expose us to material impairment charges in the future.

Intangible assets include customer relationships, trade names, internally developed software and other intangibles. Intangible assets with determinable lives are amortized on a straight-line basis over the estimated useful lives of the assets. The cost of software developed or obtained for internal use is capitalized and amortized on a straight-line basis over the estimated useful life of the software. These intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability is based on an estimate of undiscounted future cash flows resulting from the use of the asset and its eventual disposition. If the carrying amount of an asset exceeds its estimated future undiscounted cash flows, an impairment loss is recorded for the excess of the asset's carrying amount over its fair value.

Allowance for Doubtful Accounts

We record an allowance for doubtful accounts related to trade accounts receivable for estimated losses resulting from the inability of our customers to make required payments. We take into consideration historical loss experience, the overall quality of the receivable portfolio and specifically identified customer risks. If actual collections of customer receivables differ from our estimates, additional allowances may be required which could have an impact on our results of operations.

Income Taxes

Deferred income taxes are provided to reflect the differences between the tax bases of assets and liabilities and their reported amounts in the consolidated financial statements using enacted tax rates in effect for the year in which the differences are expected to reverse. We perform an evaluation of the realizability of our deferred tax assets on a quarterly basis. This evaluation requires us to use estimates and make assumptions and considers all positive and negative evidence and factors, such as the scheduled reversal of temporary differences, the mix of earnings in the jurisdictions in which we operate, and prudent and feasible tax planning strategies.

We account for unrecognized tax benefits based upon our assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. We report a liability for unrecognized tax benefits resulting from unrecognized tax benefits taken or expected to be taken in a tax return and recognize interest and penalties, if any, related to unrecognized tax benefits in income tax expense.

Recent Accounting Pronouncements

Disclosure of the Effects of Reclassifications from Accumulated Other Comprehensive Income

In February 2013, the Financial Accounting Standards Board issued Accounting Standards Update 2013-02, which required that the effects of significant reclassifications from accumulated other comprehensive income to net income be shown parenthetically on the face of the consolidated financial statements or disclosed in a note. The adoption of this new guidance on January 1, 2013 did not have an impact on our consolidated financial position, results of operations or cash flows.

Subsequent Events

We redeemed $30.0 million and $20.0 million aggregate principal amounts of Senior Subordinated Notes on January 22, 2014 and February 21, 2014, respectively. The redemption prices were 104.178% of the principal amounts redeemed plus $1.0 million and $0.9 million in accrued and unpaid interest to the date of each redemption, respectively. Following these redemptions, $42.5 million aggregate principal amount of the Senior Subordinated Notes remain outstanding, which we expect to fully redeem during the next six months. In connection with these redemptions, we expect to record a loss on extinguishment of long-term debt of $2.7 million in the consolidated statement of operations during the first quarter of 2014. This loss represents $2.1 million in redemption premiums and $0.6 million for the write-off of a portion of the remaining deferred financing costs related to the Senior Subordinated Notes.

On February 13, 2014, we announced that our board of directors declared a cash dividend on our common stock of $0.0425 per share. The dividend will be paid on March 10, 2014 to all stockholders of record as of the close of business on February 25, 2014. Future dividends will be subject to the approval of our board of directors.

Item 7A. Quantitative and Qualitative Disclosures of Market Risks

Our market risks relate primarily to changes in interest rates. The interest rates on borrowings under our senior secured asset-based revolving credit facility and our senior secured term loan facility are floating and, therefore, are subject to fluctuations. In order to manage the risk associated with changes in interest rates on borrowings under our senior secured term loan facility, we have entered into interest rate derivative agreements to economically hedge a portion of the cash flows associated with the facility. Our objectives in using interest rate derivatives are to add stability to interest expense and to manage our exposure to interest rate fluctuations.

We utilize interest rate caps for the purpose of limiting current and future exposure to interest rate risk on our floating-rate debt under the senior secured term loan facility.

We have interest rate cap agreements in effect through January 14, 2015 with a combined notional amount of $1,150.0 million. These cap agreements have not been designated as cash flow hedges of interest rate risk for GAAP accounting purposes. Of the total $1,150.0 million notional amount, $500.0 million entitle us to payments from the counterparty of the amount, if any, by which three-month LIBOR exceeds 3.5% during the agreement period. The remaining cap agreements with a notional amount of $650.0 million entitle us to payments from the counterparty of the amount, if any, by which the three-month LIBOR exceeds 1.5% during the agreement period.

See “Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources - Contractual Obligations” for information on cash flows, interest rates and maturity dates of our debt obligations.

Item 8. Financial Statements and Supplementary Data

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
CDW Corporation

We have audited the accompanying consolidated balance sheets of CDW Corporation and subsidiaries as of December 31, 2013 and 2012, and the related consolidated statements of operations, comprehensive income, shareholders' equity (deficit) and cash flows for each of the three years in the period ended December 31, 2013. Our audits also included the financial statement schedule listed in the Index at Item 15(a)(2). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of CDW Corporation and subsidiaries at December 31, 2013 and 2012, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2013, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), CDW Corporation and subsidiaries' internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) and our report dated March 5, 2014 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Chicago, Illinois
March 5, 2014

CDW CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in millions, except per-share amounts)

	December 31,	
	2013	2012
Assets		
Current assets:		
Cash and cash equivalents	$ 188.1	$ 37.9
Accounts receivable, net of allowance for doubtful accounts of $5.4 and $5.4, respectively	1,451.0	1,285.0
Merchandise inventory	382.0	314.6
Miscellaneous receivables	146.3	148.5
Deferred income taxes	—	14.1
Prepaid expenses and other	46.1	34.6
Total current assets	2,213.5	1,834.7
Property and equipment, net	131.1	142.7
Goodwill	2,220.3	2,209.3
Other intangible assets, net	1,328.0	1,478.5
Deferred financing costs, net	30.1	53.2
Other assets	1.6	1.6
Total assets	$ 5,924.6	$ 5,720.0
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable-trade	$ 662.8	$ 518.6
Accounts payable-inventory financing	256.6	249.2
Current maturities of long-term debt	45.4	40.0
Deferred revenue	94.8	57.8
Accrued expenses:		
Compensation	112.2	99.4
Interest	31.8	50.7
Sales taxes	29.2	22.6
Advertising	33.2	33.9
Income taxes	6.3	0.2
Other	130.3	95.8
Total current liabilities	1,402.6	1,168.2
Long-term liabilities:		
Debt	3,205.8	3,731.0
Deferred income taxes	563.5	624.3
Other liabilities	41.0	60.0
Total long-term liabilities	3,810.3	4,415.3
Commitments and contingencies		
Shareholders' equity:		
Preferred shares, $0.01 par value, 100.0 and no shares authorized, respectively; no shares issued or outstanding for both periods	—	—
Common shares, $0.01 par value, 1,000.0 and 286.1 shares authorized, respectively; 172.0 and 145.2 shares issued, respectively; 172.0 and 145.1 shares outstanding, respectively	1.7	1.4
Paid-in capital	2,688.1	2,207.7
Accumulated deficit	(1,971.8)	(2,073.0)
Accumulated other comprehensive (loss) income	(6.3)	0.4
Total shareholders' equity	711.7	136.5
Total liabilities and shareholders' equity	$ 5,924.6	$ 5,720.0

The accompanying notes are an integral part of the consolidated financial statements.

CDW CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per-share amounts)

	Years Ended December 31,		
	2013	2012	2011
Net sales	$ 10,768.6	$10,128.2	$ 9,602.4
Cost of sales	9,008.3	8,458.6	8,018.9
Gross profit	1,760.3	1,669.6	1,583.5
Selling and administrative expenses	1,120.9	1,029.5	990.1
Advertising expense	130.8	129.5	122.7
Income from operations	508.6	510.6	470.7
Interest expense, net	(250.1)	(307.4)	(324.2)
Net loss on extinguishments of long-term debt	(64.0)	(17.2)	(118.9)
Other income, net	1.0	0.1	0.7
Income before income taxes	195.5	186.1	28.3
Income tax expense	(62.7)	(67.1)	(11.2)
Net income	$ 132.8	$ 119.0	$ 17.1
Net income per common share:			
Basic	$ 0.85	$ 0.82	$ 0.12
Diluted	$ 0.84	$ 0.82	$ 0.12
Weighted-average number of common shares outstanding:			
Basic	156.6	145.1	144.8
Diluted	158.7	145.8	144.9
Cash dividends declared per common share	$ 0.0425	$ —	$ —

The accompanying notes are an integral part of the consolidated financial statements.

CDW CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)

	Years Ended December 31,		
	2013	2012	2011
Net income	$ 132.8	$ 119.0	$ 17.1
Reclassification of realized loss on interest rate swap agreements from accumulated other comprehensive (loss) income to net income, net of tax	—	—	1.9
Foreign currency translation adjustment	(6.7)	2.5	(1.8)
Other comprehensive (loss) income, net of tax	(6.7)	2.5	0.1
Comprehensive income	$ 126.1	$ 121.5	$ 17.2

The accompanying notes are an integral part of the consolidated financial statements.

CDW CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)
(in millions)

	Preferred Stock		Common Stock					
	Shares	Amount	Shares	Amount	Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total Shareholders' Equity (Deficit)
Balance at December 31, 2010	—	$ —	144.6	$ 1.4	$ 2,165.3	$ (2,208.0)	$ (2.2)	$ (43.5)
Equity-based compensation expense	—	—	—	—	19.5	—	—	19.5
Investment from CDW Holdings LLC	—	—	—	—	1.0	—	—	1.0
Repurchase of common shares	—	—	—	—	—	(0.4)	—	(0.4)
Accrued charitable contribution related to the MPK Coworker Incentive Plan II, net of tax	—	—	0.3	—	(1.1)	—	—	(1.1)
Net income	—	—	—	—	—	17.1	—	17.1
Reclassification of realized loss on interest rate swap agreements from accumulated other comprehensive loss to net income, net of tax	—	—	—	—	—	—	1.9	1.9
Foreign currency translation adjustment	—	—	—	—	—	—	(1.8)	(1.8)
Balance at December 31, 2011	—	$ —	144.9	$ 1.4	$ 2,184.7	$ (2,191.3)	$ (2.1)	$ (7.3)
Equity-based compensation expense	—	—	—	—	22.1	—	—	22.1
Investment from CDW Holdings LLC	—	—	—	—	2.8	—	—	2.8
Repurchase of common shares	—	—	—	—	—	(0.7)	—	(0.7)
Accrued charitable contribution related to the MPK Coworker Incentive Plan II, net of tax	—	—	0.3	—	(1.4)	—	—	(1.4)
Incentive compensation plan units withheld for taxes	—	—	—	—	(0.5)	—	—	(0.5)
Net income	—	—	—	—	—	119.0	—	119.0
Foreign currency translation adjustment	—	—	—	—	—	—	2.5	2.5
Balance at December 31, 2012	—	$ —	145.2	$ 1.4	$ 2,207.7	$ (2,073.0)	$ 0.4	$ 136.5
Equity-based compensation expense	—	—	—	—	46.6	—	—	46.6
Issuance of common shares	—	—	26.8	0.3	424.4	—	—	424.7
Repurchase of common shares	—	—	—	—	—	(0.2)	—	(0.2)
Dividends declared	—	—	—	—	—	(7.3)	—	(7.3)
Reclassification to goodwill for accrued charitable contributions	—	—	—	—	9.4	—	—	9.4
Incentive compensation plan units withheld for taxes	—	—	—	—	—	(24.1)	—	(24.1)
Net income	—	—	—	—	—	132.8	—	132.8
Foreign currency translation adjustment	—	—	—	—	—	—	(6.7)	(6.7)
Balance at December 31, 2013	—	$ —	172.0	$ 1.7	$ 2,688.1	$ (1,971.8)	$ (6.3)	$ 711.7

The accompanying notes are an integral part of the consolidated financial statements.

CDW CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Years Ended December 31,		
	2013	2012	2011
Cash flows from operating activities:			
Net income	$ 132.8	$ 119.0	$ 17.1
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	208.2	210.2	204.9
Equity-based compensation expense	46.6	22.1	19.5
Deferred income taxes	(48.7)	(56.3)	(10.2)
Allowance for doubtful accounts	—	—	0.4
Amortization of deferred financing costs, debt premium, and debt discount, net	8.8	13.6	15.7
Net loss on extinguishments of long-term debt	64.0	17.2	118.9
Realized loss on interest rate swap agreements	—	—	2.8
Mark to market loss on interest rate derivatives	0.1	0.9	4.2
Net loss on sale and disposals of assets	—	0.1	0.3
Other	1.6	—	(0.6)
Changes in assets and liabilities:			
Accounts receivable	(170.8)	(10.4)	(183.4)
Merchandise inventory	(67.5)	7.1	(29.0)
Other assets	(10.1)	(3.8)	50.3
Accounts payable-trade	146.1	0.8	(19.8)
Other current liabilities	64.1	(2.1)	39.6
Long-term liabilities	(8.9)	(1.0)	(16.0)
Net cash provided by operating activities	366.3	317.4	214.7
Cash flows from investing activities:			
Capital expenditures	(47.1)	(41.4)	(45.7)
Cash settlements on interest rate swap agreements	—	—	(6.6)
Premium payments on interest rate cap agreements	—	(0.3)	(3.7)
Net cash used in investing activities	(47.1)	(41.7)	(56.0)
Cash flows from financing activities:			
Proceeds from borrowings under revolving credit facility	63.0	289.0	1,295.0
Repayments of borrowings under revolving credit facility	(63.0)	(289.0)	(1,483.2)
Repayments of long-term debt	(51.1)	(201.0)	(132.0)
Proceeds from issuance of long-term debt	1,535.2	135.7	1,175.0
Payments to extinguish long-term debt	(2,047.4)	(243.2)	(1,175.0)
Payments of debt financing costs	(6.1)	(2.1)	(26.3)
Investment from CDW Holdings LLC, net	—	2.8	1.0
Net change in accounts payable-inventory financing	7.4	(29.5)	250.5
Payment of incentive compensation plan withholding taxes	(24.1)	—	—
Net proceeds from issuance of common shares	424.7	—	—
Repurchase of common shares	(0.2)	(0.7)	(0.4)
Dividends paid	(7.3)	—	—
Excess tax benefits from equity-based compensation	0.6	—	—
Net cash used in financing activities	(168.3)	(338.0)	(95.4)
Effect of exchange rate changes on cash and cash equivalents	(0.7)	0.3	—
Net increase (decrease) in cash and cash equivalents	150.2	(62.0)	63.3
Cash and cash equivalents – beginning of period	37.9	99.9	36.6
Cash and cash equivalents – end of period	$ 188.1	$ 37.9	$ 99.9
Supplementary disclosure of cash flow information:			
Interest paid	$ (267.6)	$ (302.7)	$ (332.9)
Taxes (paid) refunded, net	$ (82.5)	$ (123.2)	$ 20.9
Non-cash investing and financing activities:			
Capital expenditures accrued in accounts payable-trade	$ 0.2	$ 0.5	$ 1.1

The accompanying notes are an integral part of the consolidated financial statements.

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business and Summary of Significant Accounting Policies

Description of Business

CDW is a Fortune 500 company and a leading provider of integrated information technology ("IT") solutions to small, medium and large business, government, education and healthcare customers in the U.S. and Canada. The Company's offerings range from discrete hardware and software products to integrated IT solutions such as mobility, security, data center optimization, cloud computing, virtualization and collaboration.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and the rules and regulations of the U.S. Securities and Exchange Commission ("SEC").

On October 12, 2007, CDW Corporation, an Illinois corporation, was acquired through a merger transaction by an entity controlled by investment funds affiliated with Madison Dearborn Partners, LLC and Providence Equity Partners L.L.C. (the "Acquisition"). CDW Corporation continued as the surviving corporation and same legal entity after the Acquisition, but became a wholly owned subsidiary of VH Holdings, Inc., a Delaware corporation.

On December 31, 2009, CDW Corporation merged into CDWC LLC, an Illinois limited liability company owned by VH Holdings, Inc., with CDWC LLC as the surviving entity. This change had no impact on the operations or management of the Company. On December 31, 2009, CDWC LLC was renamed CDW LLC ("CDW LLC"). On August 17, 2010, VH Holdings, Inc. was renamed CDW Corporation ("Parent").

Parent has two 100% owned subsidiaries, CDW LLC and CDW Finance Corporation. CDW LLC is an Illinois limited liability company that, together with its 100% owned subsidiaries, holds all material assets and conducts all business activities and operations of the Company. On August 6, 2010, CDW Finance Corporation, a Delaware corporation, was formed for the sole purpose of acting as co-issuer of certain debt obligations as described in Note 17 and does not hold any material assets or engage in any business activities or operations.

Throughout this report, the terms "the Company" and "CDW" refer to Parent and its 100% owned subsidiaries.

Parent was previously owned directly by CDW Holdings LLC ("CDW Holdings"), a company controlled by investment funds affiliated with Madison Dearborn Partners, LLC ("Madison Dearborn") and Providence Equity Partners L.L.C. ("Providence Equity," and together with Madison Dearborn, the "Sponsors"), certain other co-investors and certain members of CDW management. On July 2, 2013, Parent completed an initial public offering ("IPO") of its common stock. In connection with the IPO, CDW Holdings distributed all of its shares of Parent's common stock to its members in June 2013 in accordance with the members' respective membership interests and was subsequently dissolved in August 2013. See Note 9 for additional discussion of the IPO.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Parent and its 100% owned subsidiaries. All intercompany transactions and accounts are eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements in accordance with GAAP requires management to make use of certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reported periods. The Company bases its estimates on historical experience and on various other assumptions that management believes are reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to the prior period consolidated financial statements to conform to the current period presentation.

Cash and Cash Equivalents

Cash and cash equivalents include all deposits in banks and short-term (original maturities of three months or less), highly liquid investments that are readily convertible to known amounts of cash and are so near maturity that there is insignificant risk of changes in value due to interest rate changes.

Accounts Receivable

Trade accounts receivable are recorded at the invoiced amount and typically do not bear interest. The Company provides allowances for doubtful accounts related to accounts receivable for estimated losses resulting from the inability of its customers to make required payments. The Company takes into consideration the overall quality of the receivable portfolio along with specifically-identified customer risks.

Merchandise Inventory

Inventory is valued at the lower of cost or market value. Cost is determined using a weighted-average cost method. Price protection is recorded when earned as a reduction to the cost of inventory. The Company decreases the value of inventory for estimated obsolescence equal to the difference between the cost of inventory and the estimated market value, based upon an aging analysis of the inventory on hand, specifically known inventory-related risks, and assumptions about future demand and market conditions.

Miscellaneous Receivables

Miscellaneous receivables generally consist of amounts due from vendors. The Company receives incentives from vendors related to cooperative advertising allowances, volume rebates, bid programs, price protection and other programs. These incentives generally relate to written vendor agreements with specified performance requirements and are recorded as adjustments to cost of sales or inventory, depending on the nature of the incentive.

Property and Equipment

Property and equipment are stated at cost. The Company calculates depreciation expense using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of their useful lives or the initial lease term. Expenditures for major renewals and improvements that extend the useful life of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. The following table shows estimated useful lives of property and equipment:

Classification	Estimated Useful Lives
Machinery and equipment	5 to 10 years
Building and leasehold improvements	5 to 25 years
Computer and data processing equipment	3 to 5 years
Computer software	3 to 5 years
Furniture and fixtures	5 to 10 years

The Company has asset retirement obligations associated with commitments to return property subject to operating leases to its original condition upon lease termination. The Company’s asset retirement liability was $0.5 million as of December 31, 2013 and 2012.

Goodwill and Other Intangible Assets

The Company is required to perform an evaluation of goodwill on an annual basis or more frequently if circumstances indicate a potential impairment. The annual test for impairment is conducted as of December 1. The Company’s reporting units used to assess potential goodwill impairment are the same as its operating segments. The Company has the option of performing a qualitative assessment of a reporting unit's fair value from the last quantitative assessment to determine if it is more likely than not that the reporting unit's goodwill is impaired or performing a quantitative assessment by comparing a reporting unit's estimated fair value to its carrying amount. Under the quantitative assessment, testing for impairment of goodwill is a two-step process. The first step compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, the second step compares the implied fair value of reporting unit goodwill with the carrying amount of that goodwill to determine the amount of impairment loss. Fair value of a reporting unit is determined by using a weighted

combination of an income approach and a market approach, as this combination is considered the most indicative of the Company's fair value in an orderly transaction between market participants. This assessment uses significant accounting judgments, estimates and assumptions. Any changes in the judgments, estimates or assumptions used could produce significantly different results. During the years ended December 31, 2013, 2012 and 2011, the Company recorded no goodwill impairment charges. See Note 4 for more information on the Company's evaluations of goodwill for impairment.

Intangible assets with determinable lives are amortized on a straight-line basis over their respective estimated useful lives. The cost of computer software developed or obtained for internal use is capitalized and amortized on a straight-line basis over the estimated useful life of the software. These intangible assets are reviewed for impairment when indicators are present using undiscounted cash flows. The Company uses the undiscounted cash flows, excluding interest charges, to assess the recoverability of the carrying value of such assets. To the extent carrying value exceeds the undiscounted cash flows, an impairment loss is recorded based upon the excess of the carrying value over fair value. In addition, each quarter, the Company evaluates whether events and circumstances warrant a revision to the remaining estimated useful life of each of these intangible assets. If the Company were to determine that a change to the remaining estimated useful life of an intangible asset was necessary, then the remaining carrying amount of the intangible asset would be amortized prospectively over that revised remaining useful life. During the years ended December 31, 2013, 2012 and 2011, no impairment existed with respect to the Company's intangible assets with determinable lives and no significant changes to the remaining useful lives were necessary. The following table shows estimated useful lives of definite-lived intangible assets:

Classification	Estimated Useful Lives
Customer relationships	11 to 14 years
Trade name	20 years
Internally developed software	3 to 5 years
Other	1 to 10 years

Deferred Financing Costs

Deferred financing costs, such as underwriting, financial advisory, professional fees and other similar fees are capitalized and recognized in interest expense over the estimated life of the related debt instrument using the effective interest method or straight-line method, as applicable.

Derivatives

The Company has entered into interest rate cap agreements for the purpose of economically hedging its exposure to fluctuations in interest rates. These derivatives are recorded at fair value in the Company's consolidated balance sheets.

The Company's interest rate cap agreements are not designated as cash flow hedges of interest rate risk. Changes in fair value of the derivatives are recorded directly to interest expense, net in the Company's consolidated statements of operations.

Fair Value Measurements

Fair value is defined under GAAP as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy has been established for valuation inputs to prioritize the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels which is determined by the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

Level 1 – observable inputs such as quoted prices for identical instruments traded in active markets.

Level 2 – inputs are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models and similar techniques.

Accumulated Other Comprehensive (Loss) Income

Foreign currency translation adjustments are included in shareholders' equity under accumulated other comprehensive (loss) income.

The components of accumulated other comprehensive (loss) income are as follows:

(in millions)	December 31,		
	2013	2012	2011
Foreign currency translation adjustment	$ (6.3)	$ 0.4	$ (2.1)
Accumulated other comprehensive (loss) income	$ (6.3)	$ 0.4	$ (2.1)

Revenue Recognition

The Company is a primary distribution channel for a large group of vendors and suppliers, including original equipment manufacturers ("OEMs"), software publishers and wholesale distributors. The Company records revenue from sales transactions when title and risk of loss are passed to the customer, there is persuasive evidence of an arrangement for sale, delivery has occurred and/or services have been rendered, the sales price is fixed or determinable, and collectability is reasonably assured. The Company's shipping terms typically specify F.O.B. destination, at which time title and risk of loss have passed to the customer.

Revenues from the sales of hardware products and software products and licenses are generally recognized on a gross basis with the selling price to the customer recorded as sales and the acquisition cost of the product recorded as cost of sales. These items can be delivered to customers in a variety of ways, including (i) as physical product shipped from the Company's warehouse, (ii) via drop-shipment by the vendor or supplier, or (iii) via electronic delivery for software licenses. At the time of sale, the Company records an estimate for sales returns and allowances based on historical experience. The Company's vendor partners warrant most of the products the Company sells.

The Company leverages drop-shipment arrangements with many of its vendors and suppliers to deliver products to its customers without having to physically hold the inventory at its warehouses, thereby increasing efficiency and reducing costs. The Company recognizes revenue for drop-shipment arrangements on a gross basis upon delivery to the customer with contract terms that typically specify F.O.B. destination.

Revenue from professional services is either recognized as provided for services billed at an hourly rate or recognized using a proportional performance model for services provided at a fixed fee. Revenue from cloud computing solutions including Software as a Service ("SaaS") and Infrastructure as a Service ("IaaS") arrangements, as well as data center services such as managed and remote managed services, server co-location, internet connectivity and data backup and storage, is recognized over the period service is provided.

The Company also sells certain products for which it acts as an agent. Products in this category include the sale of third-party services, warranties, software assurance ("SA") and third-party hosted SaaS and IaaS arrangements. SA is a product that allows customers to upgrade, at no additional cost, to the latest technology if new applications are introduced during the period that the SA is in effect. These sales do not meet the criteria for gross sales recognition, and thus are recognized on a net basis at the time of sale. Under net sales recognition, the cost paid to the vendor or third-party service provider is recorded as a reduction to sales, resulting in net sales being equal to the gross profit on the transaction.

The Company's larger customers are offered the opportunity by certain of its vendors to purchase software licenses and SA under enterprise agreements ("EAs"). Under EAs, customers are considered to be compliant with applicable license requirements for the ensuing year, regardless of changes to their employee base. Customers are charged an annual true-up fee for changes in the number of users over the year. With most EAs, the Company's vendors will transfer the license and bill the customer directly, paying resellers such as the Company an agency fee or commission on these sales. The Company records these fees as a component of net sales as earned and there is no corresponding cost of sales amount. In certain instances, the Company bills the customer directly under an EA and accounts for the individual items sold based on the nature of the item. The Company's vendors typically dictate how the EA will be sold to the customer.

From time to time, the Company sells some of its products and services as part of bundled contract arrangements containing multiple deliverables, which may include a combination of products and services. For each deliverable that represents a separate unit of accounting, total arrangement consideration is allocated based upon the relative selling prices of each element. The allocated arrangement consideration is recognized as revenue in accordance with the principles described above. Selling prices are determined by using vendor specific objective evidence ("VSOE") if it exists. Otherwise, selling prices are determined using third party evidence ("TPE"). If neither VSOE or TPE is available, the Company uses its best estimate of selling prices.

The Company records freight billed to its customers as net sales and the related freight costs as a cost of sales.

Deferred revenue includes (1) payments received from customers in advance of providing the product or performing services, and (2) amounts deferred if other conditions of revenue recognition have not been met.

The Company performs an analysis of the estimated number of days of sales in-transit to customers at the end of each period based on a weighted-average analysis of commercial delivery terms that includes drop-shipment arrangements. This analysis is the basis upon which the Company estimates the amount of sales in-transit at the end of the period and adjusts revenue and the related costs to reflect only what has been received by the customer. Changes in delivery patterns may result in a different number of business days used in making this adjustment and could have a material impact on the Company's revenue recognition for the period.

Sales Taxes

Sales tax amounts collected from customers for remittance to governmental authorities are presented on a net basis in the Company's consolidated statements of operations.

Advertising

Advertising costs are generally charged to expense in the period incurred. Cooperative reimbursements from vendors are recorded in the period the related advertising expenditure is incurred. The Company classifies vendor consideration as a reduction to cost of sales.

Equity-Based Compensation

The Company measures all equity-based payments using a fair-value-based method and records compensation expense over the requisite service period in its consolidated financial statements. Forfeiture rates have been developed based upon historical experience.

Interest Expense

Interest expense is typically recognized in the period incurred at the applicable interest rate in effect. For increasing-rate debt, the Company determines the periodic interest cost using the effective interest method over the estimated outstanding term of the debt. The difference between interest expense recorded and cash interest paid is reflected as short-term or long-term accrued interest in the Company's consolidated balance sheets.

Foreign Currency Translation

The Company's functional currency is the U.S. dollar. The functional currency of the Company's Canadian subsidiary is the local currency, the Canadian dollar. Assets and liabilities of this subsidiary are translated at the spot rate in effect at the applicable reporting date and the consolidated results of operations are translated at the average exchange rates in effect during the applicable period. The resulting foreign currency translation adjustment is recorded as accumulated other comprehensive (loss) income, which is reflected as a separate component of shareholders' equity.

Income Taxes

Deferred income taxes are provided to reflect the differences between the tax bases of assets and liabilities and their reported amounts in the consolidated financial statements using enacted tax rates in effect for the year in which the differences are expected to reverse. The Company performs an evaluation of the realizability of deferred tax assets on a quarterly basis. This evaluation requires management to make use of estimates and assumptions and considers all positive and negative evidence and factors, such as the scheduled reversal of temporary differences, the mix of earnings in the jurisdictions in which the Company operates, and prudent and feasible tax planning strategies.

The Company accounts for unrecognized tax benefits based upon its assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. The Company reports a liability for unrecognized tax benefits resulting from unrecognized tax benefits taken or expected to be taken in a tax return and recognizes interest and penalties, if any, related to its unrecognized tax benefits in income tax expense.

2. Recent Accounting Pronouncements

Disclosure of the Effects of Reclassifications from Accumulated Other Comprehensive Income

In February 2013, the Financial Accounting Standards Board issued Accounting Standards Update 2013-02, which required that the effects of significant reclassifications from accumulated other comprehensive income to net income be shown parenthetically on the face of the consolidated financial statements or disclosed in a note. The adoption of this new guidance on January 1, 2013 did not have an impact on the Company's consolidated financial position, results of operations or cash flows.

3. Property and Equipment

Property and equipment consisted of the following:

(in millions)	December 31,	
	2013	2012
Land	$ 27.7	$ 27.7
Machinery and equipment	53.0	50.9
Building and leasehold improvements	104.8	104.0
Computer and data processing equipment	61.2	56.4
Computer software	30.9	30.2
Furniture and fixtures	21.6	21.6
Construction in progress	10.9	11.9
Total property and equipment	310.1	302.7
Less accumulated depreciation	179.0	160.0
Net property and equipment	$ 131.1	$ 142.7

During 2013, 2012 and 2011, the Company recorded disposals of $7.9 million, $12.2 million and $10.5 million, respectively, to remove assets that were no longer in use from property and equipment. The Company recorded a pre-tax loss of $0.0 million, $0.1 million and $0.3 million in 2013, 2012 and 2011, respectively, for certain disposed assets that were not fully depreciated.

Depreciation expense for the years ended December 31, 2013, 2012 and 2011 was $27.2 million, $32.0 million and $31.3 million, respectively.

4. Goodwill and Other Intangible Assets

As described in Note 1, the Company is required to perform an evaluation of goodwill on an annual basis or more frequently if circumstances indicate a potential impairment. The annual test for impairment is conducted as of December 1. The Company’s reporting units used to assess potential goodwill impairment are the same as its operating segments. The Company has two reportable segments: Corporate, which is comprised primarily of business customers, and Public, which is comprised of government entities and education and healthcare institutions. The Company also has two other operating segments, CDW Advanced Services and Canada, which do not meet the reportable segment quantitative thresholds and, accordingly, are combined together as “Other” for segment reporting purposes. The Company has the option of performing a qualitative assessment of a reporting unit's fair value from the last quantitative assessment to determine if it is more likely than not that the reporting unit's goodwill is impaired or performing a quantitative assessment by comparing a reporting unit's estimated fair value to its carrying amount. Under the quantitative assessment, testing for impairment of goodwill is a two-step process. The first step compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, the second step compares the implied fair value of reporting unit goodwill with the carrying amount of that goodwill to determine the amount of impairment loss. Fair value of a reporting unit is determined by using a weighted combination of an income approach and a market approach, as this combination is considered the most indicative of the Company’s fair value in an orderly transaction between market participants. Under the income

approach, the Company determined fair value based on estimated future cash flows of a reporting unit, discounted by an estimated weighted-average cost of capital, which reflects the overall level of inherent risk of a reporting unit and the rate of return an outside investor would expect to earn. Under the market approach, the Company utilized valuation multiples derived from publicly available information for guideline companies to provide an indication of how much a knowledgeable investor in the marketplace would be willing to pay for a company. The valuation multiples were applied to the reporting units. Determining the fair value of a reporting unit is judgmental in nature and requires the use of significant estimates and assumptions, including revenue growth rates, gross margins, operating margins, discount rates and future market conditions, among others.

December 1, 2013 Evaluation

The Company performed its annual evaluation of goodwill as of December 1, 2013 by utilizing a quantitative assessment for all reporting units. All reporting units passed the first step of the goodwill evaluation (with the fair value exceeding the carrying value by 107%, 82%, 167% and 168% for the Corporate, Public, Canada and CDW Advanced Services reporting units, respectively) and, accordingly, the Company was not required to perform the second step of the goodwill evaluation.

To determine the fair value of the reporting units, the Company used a 75%/25% weighting of the income approach and market approach, respectively. Under the income approach, the Company estimated future cash flows of each reporting unit based on internally generated forecasts for the remainder of 2013 and the next six years. The Company used a 3.5% long-term assumed consolidated annual revenue growth rate for periods after the six-year forecast. The estimated future cash flows for the Corporate and Public reporting units were discounted at 10.0%; cash flows for the Canada and CDW Advanced Services reporting units were discounted at 10.3% and 10.5%, respectively, based on the future growth rates assumed in the discounted cash flows. Discount rates utilized during the 2013 goodwill evaluation declined compared to those used in 2012 as a result of the market performance of the Company's common stock and a lower equity risk premium.

December 1, 2012 Evaluation

The Company performed its annual evaluation of goodwill as of December 1, 2012 by utilizing a quantitative assessment for all reporting units. All reporting units passed the first step of the goodwill evaluation (with the fair value exceeding the carrying value by 49%, 44%, 104% and 17% for the Corporate, Public, Canada and CDW Advanced Services reporting units, respectively) and, accordingly, the Company was not required to perform the second step of the goodwill evaluation.

To determine the fair value of the reporting units, the Company used a 75%/25% weighting of the income approach and market approach, respectively. Under the income approach, the Company estimated future cash flows of each reporting unit based on internally generated forecasts for the remainder of 2012 and the next six years. The Company used a 3.5% long-term assumed consolidated annual revenue growth rate for periods after the six-year forecast. The estimated future cash flows for the Corporate and Public reporting units were discounted at 11.5%; cash flows for the Canada and CDW Advanced Services reporting units were discounted at 11.8% and 12.0%, respectively, based on the future growth rates assumed in the discounted cash flows.

December 1, 2011 Evaluation

The Company performed its annual evaluation of goodwill as of December 1, 2011 by utilizing a quantitative assessment for all reporting units. All reporting units passed the first step of the goodwill evaluation (with the fair value exceeding the carrying value by 43%, 27%, 159% and 17%, for the Corporate, Public, Canada and CDW Advanced Services reporting units, respectively) and, accordingly, the Company was not required to perform the second step of the goodwill evaluation.

To determine the fair value of the reporting units, the Company used a 75%/25% weighting of the income approach and market approach, respectively. Under the income approach, the Company estimated future cash flows of each reporting unit based on internally generated forecasts for the remainder of 2011 and the next six years. The Company used a 3.5% long-term assumed consolidated annual revenue growth rate for periods after the six-year forecast. The estimated future cash flows for the Corporate, Public and CDW Advanced Services reporting units were discounted at 11.5%; cash flows for the Canada reporting unit were discounted at 12.0% given inherent differences in the business model and risk profile.

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table presents the change in goodwill by segment for the years ended December 31, 2013 and 2012:

(in millions)	Corporate	Public	Other [1]	Consolidated
Balances as of December 31, 2011:				
Goodwill	$ 2,794.4	$ 1,261.4	$ 106.4	$ 4,162.2
Accumulated impairment charges	(1,571.4)	(354.1)	(28.3)	(1,953.8)
	$ 1,223.0	$ 907.3	$ 78.1	$ 2,208.4
2012 Activity:				
Translation adjustment	$ —	$ —	$ 0.9	$ 0.9
	$ —	$ —	$ 0.9	$ 0.9
Balances as of December 31, 2012:				
Goodwill	$ 2,794.4	$ 1,261.4	$ 107.3	$ 4,163.1
Accumulated impairment charges	(1,571.4)	(354.1)	(28.3)	(1,953.8)
	$ 1,223.0	$ 907.3	$ 79.0	$ 2,209.3
2013 Activity:				
Translation adjustment	$ —	$ —	$ (2.1)	$ (2.1)
Contingent consideration [2]	8.8	4.0	0.3	13.1
	$ 8.8	$ 4.0	$ (1.8)	$ 11.0
Balances as of December 31, 2013:				
Goodwill	$ 2,803.2	$ 1,265.4	$ 105.5	$ 4,174.1
Accumulated impairment charges	(1,571.4)	(354.1)	(28.3)	(1,953.8)
	$ 1,231.8	$ 911.3	$ 77.2	$ 2,220.3

(1) Other is comprised of CDW Advanced Services and Canada reporting units.

(2) During 2013, the Company recorded a $13.1 million net-of-tax addition to goodwill in connection with the settlement of the MPK Coworker Incentive Plan II and related charitable contribution. The charitable contribution was accounted for as additional purchase price (goodwill) in accordance with pre-2009 business combinations accounting guidance. See Note 10 for additional discussion of this transaction.

The following table presents a summary of intangible assets at December 31, 2013 and 2012:

(in millions)

December 31, 2013	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	$ 1,860.8	$ 872.8	$ 988.0
Trade name	421.0	130.9	290.1
Internally developed software	128.5	79.8	48.7
Other	3.1	1.9	1.2
Total	$ 2,413.4	$ 1,085.4	$ 1,328.0
December 31, 2012			
Customer relationships	$ 1,861.7	$ 733.3	$ 1,128.4
Trade name	421.0	109.9	311.1
Internally developed software	97.4	60.1	37.3
Other	3.3	1.6	1.7
Total	$ 2,383.4	$ 904.9	$ 1,478.5

Amortization expense related to intangible assets for the years ended December 31, 2013, 2012 and 2011 was $181.0 million, $178.2 million and $173.5 million, respectively.

Estimated future amortization expense related to intangible assets for the next five years is as follows:

(in millions) Years ending December 31,	
2014	$ 179.0
2015	171.7
2016	163.9
2017	161.5
2018	161.3

5. Inventory Financing Agreements

The Company has entered into agreements with certain financial intermediaries to facilitate the purchase of inventory from various suppliers under certain terms and conditions, as described below. These amounts are classified separately as accounts payable-inventory financing on the accompanying consolidated balance sheets. The Company does not incur any interest expense associated with these agreements as balances are paid when they are due.

The following table presents the amounts included in accounts payable-inventory financing:

(in millions)	December 31,	
	2013	2012
Revolving Loan inventory financing agreement	$ 256.1	$ 248.3
Other inventory financing agreements	0.5	0.9
Accounts payable-inventory financing	$ 256.6	$ 249.2

The Company maintains a senior secured asset-based revolving credit facility as described in Note 7, which incorporates a $400.0 million floorplan sub-facility to facilitate the purchase of inventory from a certain vendor. In connection with the floorplan sub-facility, the Company maintains an inventory financing agreement on an unsecured basis with a financial intermediary to facilitate the purchase of inventory from this vendor (the “Revolving Loan inventory financing agreement”). Amounts outstanding under the Revolving Loan inventory financing agreement are unsecured and non-interest bearing. At December 31, 2013 and 2012, the Company reported $256.1 million and $248.3 million, respectively, for this agreement within accounts payable-inventory financing on the consolidated balance sheets.

The Company also maintains other inventory financing agreements with financial intermediaries to facilitate the purchase of inventory from certain vendors. At December 31, 2013 and 2012, amounts owed under other inventory financing agreements of $0.5 million and $0.9 million, respectively, were collateralized by the inventory purchased under these financing agreements and a second lien on the related accounts receivable.

6. Lease Commitments

The Company is obligated under various non-cancelable operating lease agreements for office facilities that generally provide for minimum rent payments and a proportionate share of operating expenses and property taxes and include certain renewal and expansion options. For the years ended December 31, 2013, 2012 and 2011, rent expense under these lease arrangements was $20.7 million, $22.4 million and $21.6 million, respectively.

Future minimum lease payments are as follows:

(in millions) Years ending December 31,	
2014	$ 17.9
2015	17.7
2016	13.2
2017	10.7
2018	9.0
Thereafter	20.7
Total future minimum lease payments	$ 89.2

7. Long-Term Debt

Long-term debt was as follows:

(dollars in millions)		December 31,	
	Interest Rate [1]	2013	2012
Senior secured asset-based revolving credit facility	—%	$ —	$ —
Senior secured term loan facility	3.25%	1,528.9	1,339.5
Unamortized discount on senior secured term loan facility		(4.4)	—
Senior secured notes due 2018	8.0%	325.0	500.0
Senior notes due 2019	8.5%	1,305.0	1,305.0
Unamortized premium on senior notes due 2019		4.2	5.0
Senior subordinated notes due 2017	12.535%	92.5	621.5
Total long-term debt		3,251.2	3,771.0
Less current maturities of long-term debt		(45.4)	(40.0)
Long-term debt, excluding current maturities		$ 3,205.8	$ 3,731.0

(1) Interest rate at December 31, 2013.

At December 31, 2013, the Company was in compliance with the covenants under its various credit agreements and indentures as described below. Under the indentures governing the 8.5% Senior Notes due 2019 and 8.0% Senior Secured Notes due 2018, which contain the most restrictive restricted payment provisions in the Company's various credit agreements and indentures, CDW LLC and its restricted subsidiaries are generally restricted from paying dividends and making other restricted payments unless CDW LLC could incur an additional dollar of indebtedness under its fixed charges ratio covenant and the amount of such dividend or other restricted payment, together with the amount of all other dividends and restricted payments made from January 1, 2011 through the end of the most recently ended fiscal quarter, is less than the sum of 50% of cumulative consolidated net income or 100% of any consolidated net loss incurred over the period plus the amount of certain other items occurring during that period that increase (and in some cases decrease) the amounts available for such payments. For the purpose of determining restricted payment capacity, consolidated net income or loss includes certain adjustments that are defined in the indentures. At December 31, 2013, the amount of cumulative consolidated net income free of restrictions under the credit agreements and indentures ("Restricted Payment Capacity") was $148.0 million. However, the subsequent events transactions described in Note 19 have since reduced the Restricted Payment Capacity to approximately $89 million.

Senior Secured Asset-Based Revolving Credit Facility ("Revolving Loan")

At December 31, 2013, the Company had no outstanding borrowings under the Revolving Loan, $2.2 million of undrawn letters of credit and $256.7 million reserved related to the floorplan sub-facility.

On June 24, 2011, the Company entered into the Revolving Loan, a five-year $900.0 million senior secured asset-based revolving credit facility, with the facility being available to the Company for borrowings, issuance of letters of credit and floorplan financing for certain vendor products. The Revolving Loan matures on June 24, 2016. The Revolving Loan replaced the Company's previous revolving loan credit facility that was to mature on October 12, 2012. In connection with the termination of the previous facility, the Company recorded a loss on extinguishment of

long-term debt of $1.6 million in the Company's consolidated statement of operations for the year ended December 31, 2011, representing a write-off of a portion of unamortized deferred financing costs. Fees of $7.2 million related to the Revolving Loan were capitalized as deferred financing costs and are being amortized over the term of the facility on a straight-line basis.

As described in Note 5, the Company has entered into agreements with certain financial intermediaries to facilitate the purchase of inventory from various suppliers. In connection with the floorplan sub-facility, the Company entered into the Revolving Loan inventory financing agreement. Amounts outstanding under the Revolving Loan inventory financing agreement are unsecured and noninterest bearing. The Company will either pay the outstanding Revolving Loan inventory financing agreement amounts when they become due, or the Revolving Loan's administrative agent will automatically initiate an advance on the Revolving Loan and use the proceeds to pay the balance on the due date. At December 31, 2013, the financial intermediary reported an outstanding balance of $246.8 million under the Revolving Loan inventory financing agreement. The total amount reported on the Company's consolidated balance sheet as accounts payable-inventory financing related to the Revolving Loan inventory financing agreement is $9.3 million more than the $246.8 million owed to the financial intermediary due to differences in the timing of reporting activity under the Revolving Loan inventory financing agreement. The outstanding balance reported by the financial intermediary excludes $9.9 million in reserves for open orders that reduce the availability under the Revolving Loan. Changes in cash flows from the Revolving Loan inventory financing agreement are reported in financing activities on the Company's consolidated statements of cash flows.

Borrowings under the Revolving Loan bear interest at a variable interest rate plus an applicable margin. The variable interest rate is based on one of two indices, either (i) LIBOR, or (ii) the Alternate Base Rate (“ABR”) with the ABR being the greatest of (a) the prime rate, (b) the federal funds effective rate plus 50 basis points or (c) the one-month LIBOR plus 1.00%. The applicable margin varies (2.00% to 2.50% for LIBOR borrowings and 1.00% to 1.50% for ABR borrowings) depending upon the Company's average daily excess cash availability under the agreement and is subject to a reduction of 0.25% if, and for as long as, the senior secured leverage ratio is less than 3.0. The senior secured leverage ratio is defined as the ratio of senior secured debt (including amounts owed under certain inventory floorplan arrangements) less cash and cash equivalents, to Adjusted EBITDA, a non-GAAP measure, for the four most recently ended fiscal quarters. For the four quarters ended December 31, 2013, the senior secured leverage ratio was 2.1.

Availability under the Revolving Loan is limited to (a) the lesser of the revolving commitment of $900.0 million and the amount of the borrowing base less (b) outstanding borrowings, letters of credit, and amounts outstanding under the Revolving Loan inventory financing agreement plus a reserve of 15% of open orders. The borrowing base is (a) the sum of the products of the applicable advance rates on eligible accounts receivable and on eligible inventory as defined in the agreement less (b) any reserves. At December 31, 2013, the borrowing base was $1,065.5 million based on the amount of eligible inventory and accounts receivable balances as of November 30, 2013. The Company could have borrowed up to an additional $641.1 million under the Revolving Loan at December 31, 2013. The fee on the unused portion of the Revolving Loan ranges from 25 basis points to either 37.5 or 50 basis points, depending on the amount of utilization.

CDW LLC is the borrower under the Revolving Loan. All obligations under the Revolving Loan are guaranteed by Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries. Borrowings under the Revolving Loan are collateralized by a first priority interest in inventory (excluding inventory collateralized under the inventory floorplan arrangements as described in Note 5), deposits, and accounts receivable, and a second priority interest in substantially all other assets. The Revolving Loan contains negative covenants that, among other things, place restrictions and limitations on the ability of Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries to dispose of assets, incur additional indebtedness, incur guarantee obligations, prepay other indebtedness, make distributions or other restricted payments, create liens, make equity or debt investments, make acquisitions, engage in mergers or consolidations, or engage in certain transactions with affiliates. The Revolving Loan also includes maintenance of a minimum average daily excess cash availability requirement. Should the Company fall below the minimum average daily excess cash availability requirement for five consecutive business days, the Company becomes subject to a fixed charge coverage ratio until such time as the daily excess cash availability requirement is met for 30 consecutive business days.

Senior Secured Term Loan Facility

On April 29, 2013, the Company entered into a new seven-year, $1,350.0 million aggregate principal amount senior secured term loan facility (the "Term Loan"). The Term Loan was issued at a price that was 99.75% of par, which

resulted in a discount of $3.4 million. Substantially all of the proceeds from the Term Loan were used to repay the $1,299.5 million outstanding aggregate principal amount of the prior senior secured term loan facility (the "Prior Term Loan Facility"). In connection with this refinancing, the Company recorded a loss on extinguishment of long-term debt of $10.3 million in the consolidated statement of operations for the year ended December 31, 2013. This loss represented a write-off of the remaining unamortized deferred financing costs related to the Prior Term Loan Facility.

On July 31, 2013, the Company borrowed an additional $190.0 million aggregate principal amount under the Term Loan at a price that was 99.25% of par, which resulted in a discount of $1.4 million. Such proceeds were used to redeem a portion of outstanding Senior Subordinated Notes. The discounts are reported on the consolidated balance sheet as a reduction to the face amount of the Term Loan and are being amortized to interest expense over the term of the related debt. Fees of $6.1 million related to the Term Loan were capitalized as deferred financing costs and are being amortized over the term of the facility using the effective interest method.

Borrowings under the Term Loan bear interest at either (a) the alternate base rate ("ABR") plus a margin or (b) LIBOR plus a margin; provided that for the purposes of the Term Loan, LIBOR shall not be less than 1.00% per annum at any time ("LIBOR Floor"). The margin is based upon a net leverage ratio as defined in the agreement governing the Term Loan, ranging from 1.25% to 1.50% for ABR borrowings and 2.25% to 2.50% for LIBOR borrowings. An interest rate of 3.25%, LIBOR Floor plus a 2.25% margin, was in effect during the three-month period ended December 31, 2013.

Unlike the Prior Term Loan Facility, the Term Loan does not include a senior secured leverage ratio requirement or a hedging requirement. Additionally, the definition of debt under the Term Loan was revised to exclude amounts outstanding under the Company's inventory financing agreements. The Term Loan is subject to certain requirements as was the Prior Term Loan Facility to make mandatory annual excess cash flow prepayments under designated circumstances, including (i) a prepayment in an amount equal to 50% of the Company's excess cash flow for a fiscal year (the percentage rate of which decreases to 25% when the total net leverage ratio, as defined in the governing agreement, is less than or equal to 5.5 but greater than 4.5; and decreases to 0% when the total net leverage ratio is less than or equal to 4.5), and (ii) the net cash proceeds from the incurrence of certain additional indebtedness by the Company or its subsidiaries. The total net leverage ratio was 3.8 at December 31, 2013.

The Company is required to pay quarterly principal installments equal to 0.25% of the original principal amount of the Term Loan, with the remaining principal amount payable on the maturity date of April 29, 2020. The quarterly principal installment payments commenced during the quarter ended June 30, 2013. At December 31, 2013, the outstanding principal amount of the Term Loan was $1,528.9 million, excluding $4.4 million in unamortized discount.

The Company has interest rate cap agreements in effect through January 14, 2015 with a combined notional amount of $1,150.0 million. These cap agreements have not been designated as cash flow hedges of interest rate risk for GAAP accounting purposes. Of the total $1,150.0 million notional amount, $500.0 million entitle the Company to payments from the counterparty of the amount, if any, by which three-month LIBOR exceeds 3.5% during the agreement period. The remaining cap agreements with a notional amount of $650.0 million entitle the Company to payments from the counterparty of the amount, if any, by which the three-month LIBOR exceeds 1.5% during the agreement period. The fair value of the Company's interest rate cap agreements was zero at December 31, 2013 and $0.1 million at December 31, 2012.

During the first quarters of 2013, 2012 and 2011, the Company made principal prepayments totaling $40.0 million, $201.0 million and $132.0 million, respectively, under the Prior Term Loan Facility. These prepayments satisfied the excess cash flow payment provision of the Prior Term Loan Facility with respect to the years ended December 31, 2012, 2011 and 2010, respectively.

On March 11, 2011, the Company entered into an amendment to the Prior Term Loan Facility, which became effective on March 14, 2011. In connection with this amendment, the Company recorded a loss on extinguishment of long-term debt of $3.2 million in the Company's consolidated statement of operations for the year ended December 31, 2011. This loss represented a write-off of a portion of the unamortized deferred financing costs related to the Prior Term Loan Facility.

CDW LLC is the borrower under the Term Loan. All obligations under the Term Loan are guaranteed by Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries. The Term Loan is collateralized by a second priority interest in substantially all inventory (excluding inventory collateralized under the inventory floorplan arrangements as described in Note 5), deposits, and accounts receivable, and by a first priority interest in substantially all other assets. The Term Loan contains negative covenants that, among other things, place restrictions and limitations on the ability of Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries to dispose of

assets, incur additional indebtedness, incur guarantee obligations, prepay other indebtedness, make distributions or other restricted payments, create liens, make equity or debt investments, make acquisitions, engage in mergers or consolidations, or engage in certain transactions with affiliates.

8.0% Senior Secured Notes due 2018 ("Senior Secured Notes")

The Senior Secured Notes were issued on December 17, 2010 and will mature on December 15, 2018. At December 31, 2013, the outstanding principal amount of the Senior Secured Notes was $325.0 million.

On July 2, 2013, the Company used a portion of the net proceeds from the IPO to redeem $175.0 million aggregate principal amount of Senior Secured Notes. The redemption price of the Senior Secured Notes was 108.0% of the principal amount redeemed, plus $0.7 million of accrued and unpaid interest to the date of redemption. The Company used cash on hand to pay such accrued and unpaid interest. In connection with this redemption, the Company recorded a loss on extinguishment of long-term debt of $16.7 million in the consolidated statement of operations for the year ended December 31, 2013. This loss represented $14.0 million in redemption premium and $2.7 million for the write-off of a portion of the remaining deferred financing costs related to the Senior Secured Notes.

CDW LLC and CDW Finance Corporation are the co-issuers of the Senior Secured Notes and the obligations under the notes are guaranteed by Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries. The Senior Secured Notes are secured on a pari passu basis with the Term Loan by a second priority interest in substantially all inventory (excluding inventory collateralized under the inventory floorplan arrangements as described in Note 5), deposits, and accounts receivable, and by a first priority interest in substantially all other assets. The Senior Secured Note indenture contains negative covenants that, among other things, place restrictions and limitations on the ability of Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries to dispose of assets, incur additional indebtedness, incur guarantee obligations, prepay other indebtedness, make distributions or other restricted payments, create liens, make equity or debt investments, make acquisitions, engage in mergers or consolidations, or engage in certain transactions with affiliates. The Senior Secured Note indenture does not contain any financial covenants.

11.0% Senior Exchange Notes due 2015 ("Senior Exchange Notes"); 11.5% / 12.25% Senior PIK Election Exchange Notes due 2015 ("PIK Election Notes" together with the Senior Exchange Notes, the "Senior Notes due 2015")

At December 31, 2013, there were no outstanding Senior Notes due 2015.

On April 13, 2011, the Company completed a cash tender offer (the "Initial Senior Notes due 2015 Tender Offer") and purchased $665.1 million aggregate principal amount of Senior Notes due 2015 comprised of $519.2 million of the Senior Exchange Notes and $145.9 million of the PIK Election Notes. The Company concurrently issued $725.0 million aggregate principal amount of Senior Notes (as defined below). The proceeds from this offering, together with cash on hand and borrowings under the then-outstanding revolving loan credit facility, were used to fund the purchase of the tendered Senior Notes due 2015, including $665.1 million aggregate principal amount of Senior Notes due 2015, $59.9 million in tender offer premium and $36.5 million of accrued and unpaid interest, along with transaction fees and expenses.

On May 20, 2011, the Company completed a follow-on cash tender offer (the "Follow-on Senior Notes due 2015 Tender Offer," and together with the Initial Senior Notes due 2015 Tender Offer, the "Senior Notes due 2015 Tender Offers") and purchased an additional $412.8 million aggregate principal amount of Senior Notes due 2015 comprised of $321.4 million of the Senior Exchange Notes and $91.4 million of the PIK Election Notes. The Company concurrently issued $450.0 million in aggregate principal amount of additional Senior Notes. The proceeds from this offering, together with cash on hand and borrowings under the then-outstanding revolving loan credit facility, were used to fund the purchase of the tendered Senior Notes due 2015, including $412.8 million aggregate principal amount of Senior Notes due 2015, $37.2 million in tender offer premium and $4.5 million of accrued and unpaid interest, along with transaction fees and expenses.

In connection with the Senior Notes due 2015 Tender Offers, the Company recorded a loss on extinguishment of long-term debt of $114.1 million in the Company's consolidated statement of operations for the year ended December 31, 2011. This loss represented $97.0 million in tender offer premiums and $17.1 million for the write-off of a portion of the unamortized deferred financing costs related to the Senior Notes due 2015. In connection with the issuance of Senior Notes, fees of $19.1 million were capitalized as deferred financing costs and are being amortized over the term of the notes using the effective interest method.

On February 2, 2012, the Company commenced a tender offer to purchase any and all of the remaining $129.0 million aggregate principal amount of Senior Notes due 2015. On February 17, 2012, the Company accepted for purchase $120.6 million aggregate principal amount of the outstanding Senior Notes due 2015 that were tendered. On March 5, 2012, the Company accepted for purchase an additional $0.1 million aggregate principal amount of the outstanding Senior Notes due 2015 that were tendered prior to the expiration of the tender offer on March 2, 2012. On March 19, 2012, the Company redeemed the remaining $8.3 million aggregate principal amount that was not tendered.

The Company funded the purchases and redemptions of the Senior Notes due 2015 with the issuance of $130.0 million aggregate principal amount of additional Senior Notes on February 17, 2012. The proceeds from this issuance, together with cash on hand and borrowings under the Revolving Loan, funded the payment of $129.0 million aggregate principal amount of Senior Notes due 2015, $7.9 million in tender and redemption premiums and $5.0 million of accrued and unpaid interest, along with transaction fees and expenses.

In connection with these transactions, the Company recorded a loss on extinguishment of long-term debt of $9.4 million in the Company's consolidated statement of operations for the year ended December 31, 2012. This loss represented $7.9 million in tender and redemption premiums and $1.5 million for the write-off of the remaining unamortized deferred financing costs related to the Senior Notes due 2015.

8.5% Senior Notes due 2019 (“Senior Notes”)

At December 31, 2013, the outstanding principal amount of Senior Notes was $1,305.0 million, excluding $4.2 million in unamortized premium. The Senior Notes mature on April 1, 2019.

On February 17, 2012, the Company issued $130.0 million aggregate principal amount of additional Senior Notes at an issue price of 104.375% of par. The $5.7 million premium received is reported on the consolidated balance sheet as an addition to the face amount of the Senior Notes and is being amortized as a reduction of interest expense over the term of the related debt.

As discussed above, on April 13, 2011, the Company issued $725.0 million aggregate principal amount of Senior Notes and on May 20, 2011, the Company issued an additional $450.0 million aggregate principal amount of Senior Notes. The proceeds from these issuances together with cash on hand and borrowings under the then-outstanding revolving loan credit facility were used to fund the Senior Notes due 2015 Tender Offers.

CDW LLC and CDW Finance Corporation are the co-issuers of the Senior Notes. Obligations under the Senior Notes are guaranteed on an unsecured senior basis by Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries. The Senior Note indenture contains negative covenants that, among other things, place restrictions and limitations on the ability of Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries to dispose of assets, incur additional indebtedness, incur guarantee obligations, prepay other indebtedness, make distributions or other restricted payments, create liens, make equity or debt investments, make acquisitions, engage in mergers or consolidations, or engage in certain transactions with affiliates. The Senior Notes do not contain any financial covenants.

12.535% Senior Subordinated Exchange Notes due 2017 (“Senior Subordinated Notes”)

At December 31, 2013, the outstanding principal amount of the Senior Subordinated Notes was $92.5 million. The Senior Subordinated Notes have a maturity date of October 12, 2017.

On October 18, 2013, the Company redeemed $155.0 million aggregate principal amount of Senior Subordinated Notes at a redemption price that was 104.178% of the principal amount redeemed. A combination of cash on hand and the net proceeds from the sale of shares of common stock related to the underwriters' July 26, 2013 exercise in full of the overallotment option granted to them in connection with the IPO, in the amount of $56.0 million, was used to fund the redemption of $155.0 million aggregate principal amount, $6.5 million of redemption premium and $0.2 million in accrued and unpaid interest to the date of redemption. See Note 9 for additional discussion of the underwriters' overallotment option. In connection with this redemption, the Company recorded a loss on extinguishment of long-term debt of $8.5 million in the Company's consolidated statement of operations for the year ended December 31, 2013. This loss represented $6.5 million in redemption premium and $2.0 million for the write-off of a portion of the remaining unamortized deferred financing costs related to the Senior Subordinated Notes.

On August 1, 2013, the Company redeemed $324.0 million aggregate principal amount of Senior Subordinated Notes at a redemption price that was 106.268% of the principal amount redeemed. The Company used a portion of the net

proceeds from the IPO to redeem $146.0 million aggregate principal amount of Senior Subordinated Notes and incremental borrowings of $190.0 million under the Term Loan to redeem $178.0 million aggregate principal amount of Senior Subordinated Notes. The Company used cash on hand to pay $12.0 million of accrued and unpaid interest to the date of redemption. In connection with this redemption, the Company recorded a loss on extinguishment of long-term debt of $24.6 million in the consolidated statement of operations for the year ended December 31, 2013. This loss represented $20.3 million in redemption premium and $4.3 million for the write-off of a portion of the remaining deferred financing costs related to the Senior Subordinated Notes.

On March 8, 2013, the Company redeemed $50.0 million aggregate principal amount of Senior Subordinated Notes at a redemption price that was 106.268% of the principal amount redeemed. Cash on hand was used to fund the redemption of $50.0 million aggregate principal amount, $3.1 million of redemption premium and $2.5 million in accrued and unpaid interest to the date of redemption. In connection with this redemption, the Company recorded a loss on extinguishment of long-term debt of $3.9 million in the Company's consolidated statement of operations for the year ended December 31, 2013. This loss represented $3.1 million in redemption premium and $0.8 million for the write-off of a portion of the remaining unamortized deferred financing costs related to the Senior Subordinated Notes.

On December 21, 2012, the Company redeemed $100.0 million aggregate principal amount of Senior Subordinated Notes at a redemption price that was 106.268% of the principal amount redeemed. Cash on hand was used to fund the redemption of $100.0 million aggregate principal amount, $6.3 million of redemption premium and $2.3 million in accrued and unpaid interest to the date of redemption. In connection with this redemption, the Company recorded a loss on extinguishment of long-term debt of $7.8 million in the Company's consolidated statement of operations for the year ended December 31, 2012. This loss represented $6.3 million in redemption premium and $1.5 million for the write-off of a portion of the remaining unamortized deferred financing costs related to the Senior Subordinated Notes.

CDW LLC and CDW Finance Corporation are the co-issuers of the Senior Subordinated Notes. Obligations under the Senior Subordinated Notes are guaranteed on an unsecured senior basis by Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries. The Senior Subordinated Note indenture contains negative covenants that, among other things, place restrictions and limitations on the ability of Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries to dispose of assets, incur additional indebtedness, incur guarantee obligations, prepay other indebtedness, make distributions or other restricted payments, create liens, make equity or debt investments, make acquisitions, engage in mergers or consolidations, or engage in certain transactions with affiliates. The Senior Subordinated Notes do not contain any financial covenants.

Long-Term Debt Maturities

As of December 31, 2013, the maturities of long-term debt were as follows:

(in millions) Years ending December 31,	
2014	$ 45.4
2015	15.4
2016	15.4
2017	77.9
2018	340.4
Thereafter	2,756.9
	$ 3,251.4

See Note 19 for a description of refinancing transactions completed during 2014.

Fair Value

The fair value of the Company's long-term debt instruments at December 31, 2013 was $3,415.2 million. The fair value of the Senior Secured Notes, Senior Notes and Senior Subordinated Notes is estimated using quoted market prices for identical assets or liabilities that are traded in over-the-counter secondary markets that are not considered active. The fair value of the Term Loan is estimated using dealer quotes for identical assets or liabilities in markets that are not considered active. Consequently, the Company's long-term debt is classified as Level 2 within the fair value hierarchy.

At December 31, 2013, the carrying value of the Company's long-term debt was $3,251.4 million, excluding $4.2 million in unamortized premium and $4.4 million in unamortized discount.

Deferred Financing Costs

The following table summarizes the deferred financing costs activity for the years ended December 31, 2013 and 2012:

(in millions)	December 31,	
	2013	2012
Beginning balance	$ 53.2	$ 68.5
Additional costs capitalized	6.1	2.1
Recognized in interest expense	(9.1)	(14.4)
Write-off of unamortized deferred financing costs	(20.1)	(3.0)
Ending balance	$ 30.1	$ 53.2

As of December 31, 2013 and December 31, 2012, the weighted-average remaining life of unamortized deferred financing costs was 4.9 and 5.1 years, respectively.

8. Income Taxes

Income before income taxes was taxed under the following jurisdictions:

(in millions)	Years Ended December 31,		
	2013	2012	2011
Domestic	$ 179.4	$ 170.3	$ 11.4
Foreign	16.1	15.8	16.9
Total	$ 195.5	$ 186.1	$ 28.3

Components of the income tax expense (benefit) consisted of the following:

(in millions)	Years Ended December 31,		
	2013	2012	2011
Current:			
Federal	$ 96.7	$ 110.3	$ 17.9
State	10.1	8.0	(0.6)
Foreign	4.6	5.1	4.1
Total current	111.4	123.4	21.4
Deferred:			
Domestic	(48.6)	(56.2)	(9.9)
Foreign	(0.1)	(0.1)	(0.3)
Total deferred	(48.7)	(56.3)	(10.2)
Income tax expense	$ 62.7	$ 67.1	$ 11.2

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The reconciliation between the statutory tax rate expressed as a percentage of income before income taxes and the effective tax rate is as follows:

(dollars in millions)	Years Ended December 31,					
	2013		2012		2011	
Statutory federal income tax rate	$ 68.4	35.0%	$ 65.1	35.0%	$ 9.9	35.0%
State taxes, net of federal effect	(5.0)	(2.6)	0.4	0.2	(3.4)	(11.8)
Equity-based compensation	1.5	0.7	5.7	3.1	5.1	17.9
Effect of rates different than statutory	(1.4)	(0.7)	(1.4)	(0.8)	(1.1)	(4.0)
Valuation allowance	—	—	—	—	(0.9)	(3.1)
Other	(0.8)	(0.3)	(2.7)	(1.5)	1.6	5.7
Effective tax rate	$ 62.7	32.1%	$ 67.1	36.0%	$ 11.2	39.7%

The tax effect of temporary differences that give rise to the net deferred income tax liability is presented below:

(in millions)	December 31,	
	2013	2012
Deferred Tax Assets:		
Deferred interest	$ 42.5	$ 58.3
State net operating loss and credit carryforwards, net	20.6	18.0
Payroll and benefits	16.2	16.7
Rent	6.4	1.2
Accounts receivable	5.4	4.2
Equity compensation plans	1.6	10.3
Trade credits	1.5	1.8
Interest rate caps	0.8	1.8
Charitable contribution carryforward	0.5	4.1
Deferred financing costs	0.2	2.3
Other	7.1	7.2
Total deferred tax assets	102.8	125.9
Deferred Tax Liabilities:		
Software and intangibles	486.2	551.4
Deferred income	145.5	146.3
Property and equipment	25.0	29.3
Other	11.6	9.1
Total deferred tax liabilities	668.3	736.1
Deferred tax asset valuation allowance	—	—
Net deferred tax liability	$ 565.5	$ 610.2

The Company has state income tax net operating loss carryforwards of $202.8 million, which will expire at various dates from 2014 through 2033 and state tax credit carryforwards of $17.0 million, which expire at various dates from 2016 through 2018.

The Company has not provided for U.S. federal income taxes or tax benefits on the undistributed earnings of its international subsidiary because such earnings are reinvested and it is currently intended that they will continue to be reinvested indefinitely. At December 31, 2013, the Company has not provided for federal income taxes on earnings of approximately $52.5 million from its international subsidiary.

The Company had no unrecognized tax benefits at December 31, 2013, 2012 and 2011.

In the ordinary course of business, the Company is subject to review by domestic and foreign taxing authorities, including the Internal Revenue Service (“IRS”). In general, the Company is no longer subject to audit by the IRS for

tax years through 2010 and state, local or foreign taxing authorities for tax years through 2008. Various other taxing authorities are in the process of auditing income tax returns of the Company and its subsidiaries. The Company does not anticipate that any adjustments from the audits would have a material impact on its consolidated financial position, results of operations or cash flows.

The Company accrues net interest and penalties related to unrecognized tax benefits in income tax expense in its consolidated statements of operations. For the years ended December 31, 2013, 2012 and 2011, the Company had no liability recorded for the payment of interest and penalties on unrecognized tax benefits and did not recognize any such interest and penalty expense.

9. Shareholders' Equity

On July 2, 2013, the Company completed an IPO of 23,250,000 shares of common stock. On July 31, 2013, the Company completed the sale of an additional 3,487,500 shares of common stock to the underwriters of the IPO pursuant to the underwriters' July 26, 2013 exercise in full of the overallotment option granted to them in connection with the IPO. Such shares were registered under the Securities Act of 1933, as amended, pursuant to the Company's Registration Statement on Form S-1, which was declared effective by the SEC on June 26, 2013. The shares of common stock are listed on the NASDAQ Global Select Market under the symbol “CDW.” The Company's shares of common stock were sold to the underwriters at a price of $17.00 per share in the IPO and upon the exercise of the overallotment option, which together, generated aggregate net proceeds of $424.7 million to the Company after deducting underwriting discounts, expenses and transaction costs.

On November 19, 2013, the Company completed a secondary public offering, whereby certain selling stockholders sold 15,000,000 shares of common stock. On December 18, 2013, such selling stockholders sold an additional 2,250,000 shares of common stock to the underwriters of the secondary public offering pursuant to the underwriters' December 13, 2013 exercise in full of the overallotment option granted to them in connection with the secondary public offering. The Company did not receive any proceeds from the sale of shares in the secondary public offering or upon the exercise of the overallotment option.

The following pre-tax IPO- and secondary-offering related expenses were included within selling and administrative expenses in the consolidated statement of operations for the year ended December 31, 2013:

(in millions)	Year Ended December 31, 2013
Acceleration charge for certain equity awards and related employer payroll taxes[1]	$ 40.7
RDU Plan cash retention pool accrual[2]	7.5
Management services agreement termination fee[3]	24.4
Other expenses	2.4
IPO- and secondary-offering related expenses	$ 75.0

(1) See Note 10 for additional discussion of the impact of the IPO on the Company's equity awards.

(2) See Note 12 for additional discussion of this transaction.

(3) Represents the payment of a termination fee to affiliates of the Sponsors in connection with the termination of the management services agreement with such entities.

In June 2013, the Company’s Board of Directors and the Company's sole shareholder at that time, CDW Holdings, approved the reclassification of the Company’s Class A common shares and Class B common shares into a single class of common shares and a 143.0299613-for-1 stock split, effective immediately. The par value of the common shares was maintained at $0.01 per share. All references to common shares and per share amounts in the accompanying consolidated financial statements have been adjusted to reflect the reclassification and stock split on a retroactive basis.

In June 2013, the Company amended and restated its certificate of incorporation to authorize the issuance of 100,000,000 shares of preferred stock with a par value of $0.01. No shares of preferred stock have been issued or are outstanding as of December 31, 2013. Additionally, the amended and restated certificate of incorporation increased the number of authorized common shares to 1,000,000,000.

On December 2, 2013, the Company paid a cash dividend on the Company's common stock of $0.0425 per share, or $7.3 million, to all stockholders of record as of the close of business on November 15, 2013. See Note 19 for a discussion of the dividend declared during the first quarter of 2014. Future dividends will be subject to the approval of the Company's board of directors.

10. Equity-Based Compensation

Equity-Based Compensation Plan Descriptions

CDW has established certain equity-based compensation plans for the benefit of the Company’s coworkers and senior management.

Pre-IPO Equity Awards

Prior to the IPO, the Company had the following equity-based compensation plans in place:

Class B Common Units

The Board of Managers of CDW Holdings adopted the CDW Holdings LLC 2007 Incentive Equity Plan (the “Plan”) for coworkers, managers, consultants and advisors of the Company and its subsidiaries. The Plan permitted a committee designated by the Board of Managers of CDW Holdings (the “Committee”) to grant or sell to any participant Class A Common Units or Class B Common Units of CDW Holdings in such quantity, at such price, on such terms and subject to such conditions that were consistent with the Plan and as established by the Committee.

The Class B Common Units that were granted vested daily on a pro rata basis between the date of grant and the fifth anniversary thereof and were subject to repurchase by, with respect to vested units, or forfeiture to, with respect to unvested units, the Company upon the coworker's separation from service as was set forth in each holder’s Class B Common Unit Grant Agreement.

On June 30, 2011, the Board of Managers approved the terms of a modified Class B Common Unit grant agreement with the Company's former Chief Executive Officer, who retired as the Company's Chief Executive Officer effective October 1, 2011 but continued to serve as Chairman of the Board through December 31, 2012. As a result of this modification, the Company recorded incremental equity-based compensation expense of $6.6 million and $3.3 million during the years ended December 31, 2012 and 2011, respectively.

MPK II Units

Contemporaneous with the Acquisition, the Company agreed with Michael P. Krasny, CDW Corporation founder, former chairman and CEO and significant selling shareholder, to establish the MPK Coworker Incentive Plan II (the “MPK Plan”) for the benefit of all of the coworkers of the Company other than members of senior management who received incentive equity awards under the Plan.

The MPK Plan established an “account” for each eligible participant which was notionally credited with a number of Class A Common Units of CDW Holdings LLC on October 15, 2007, the day the plan was established. The notional units credited to participants' accounts were to cliff-vest at the end of ten years, subject to acceleration upon the occurrence of certain events.

On July 2, 2013, the Company completed an IPO of its common shares. Under the terms of the MPK Plan, vesting accelerated for all unvested units upon completion of the IPO. The Company recorded a pre-tax charge of $36.7 million for compensation expense related to the acceleration of the expense recognition for MPK Plan units in the year ended December 31, 2013. In connection with the completion of the IPO, the Company distributed common stock to each participant and withheld the number of shares of common stock equal to the required tax withholding for each participant. The Company paid required withholding taxes of $24.0 million to federal, state and foreign taxing authorities. This amount is reported as a financing activity in the consolidated statement of cash flows and as an increase to accumulated deficit in the consolidated statement of shareholders' equity for the year ended December 31, 2013. In addition, the Company paid $4.0 million of employer payroll taxes that are included as an operating activity in the consolidated statement of cash flows for the year ended December 31, 2013.

In connection with the establishment of the MPK Plan, the Company agreed to make charitable contributions in amounts equal to the net income tax benefits derived from payouts to participants under the MPK Plan (net of any related employer payroll tax costs). The contributions of these amounts are due by March 15 of the calendar year

following the year in which the Company realizes the benefits of the deductions. This arrangement has been accounted for as contingent consideration. Pre-2009 business combinations were accounted for under a former accounting standard which, among other aspects, precluded the recognition of certain contingent consideration as of the business combination date. Instead, under the former accounting standard, contingent consideration is accounted for as additional purchase price (goodwill) at the time the contingency is resolved. As of December 31, 2013, the Company has accrued approximately $21 million related to this arrangement within other current liabilities, as the Company expects to realize the tax benefit of the compensation deductions during the 2013 tax year. The Company expects to make the related cash contribution during the first quarter of 2014.

Post-IPO Equity Awards

2013 Long-Term Incentive Plan (the "2013 LTIP")

In June 2013, the Company adopted the 2013 Long-Term Incentive Plan (the "2013 LTIP"). The 2013 LTIP provides for the grant of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units, bonus stock and performance awards. The maximum aggregate number of shares that may be issued under the 2013 LTIP is 11,700,000 shares of the Company's common stock, in addition to the 3,798,508 shares of restricted stock granted in exchange for unvested Class B Common Units in connection with the Company's IPO, as discussed below.

Restricted Stock

In connection with the IPO, CDW Holdings distributed all of its shares of the Company's common stock to its existing members in accordance with their respective membership interests. Common stock received by holders of Class B Common Units in connection with the distribution is subject to any vesting provisions previously applicable to the holder's Class B Common Units. Class B Common Unit holders received 3,798,508 shares of restricted stock with respect to Class B Common Units that had not yet vested at the time of the distribution. For the year ended December 31, 2013, 1,200,544 shares of such restricted stock vested/settled and 5,931 shares were forfeited. As of December 31, 2013, 2,592,033 shares of restricted stock were outstanding.

Stock Options

In addition, in connection with the IPO, the Company issued 1,268,986 stock options to the Class B Common Unit holders to preserve their fully diluted equity ownership percentage. These options were issued with a per-share exercise price equal to the IPO price of $17.00 and are also subject to the same vesting provisions as the Class B Common Units to which they relate. The Company also granted 19,412 stock options under the 2013 LTIP during the year ended December 31, 2013.

Restricted Stock Units ("RSUs")

In connection with the IPO, the Company granted 1,416,543 RSUs under the 2013 LTIP at a weighted-average grant-date fair value of $17.03 per unit. The RSUs cliff-vest at the end of four years.

Valuation Information

The Company attributes the value of equity-based compensation awards to the various periods during which the recipient must perform services in order to vest in the award using the straight-line method.

Post-IPO Equity Awards

The Company has elected to use the Black-Scholes option pricing model to estimate the fair value of stock options granted. The Black-Scholes option pricing model incorporates various assumptions including volatility, expected term, risk-free interest rates and dividend yields. The assumptions used to value the stock options granted during the year ended December 31, 2013 are presented below.

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Assumptions	Year Ended December 31, 2013
Weighted-average grant date fair value	$ 4.75
Weighted-average volatility [1]	35.00%
Weighted-average risk-free rate [2]	1.58%
Dividend yield	1.00%
Expected term (in years) [3]	5.4

(1) Based upon an assessment of the two-year, five-year and implied volatility for the Company's selected peer group, adjusted for the Company's leverage.

(2) Based on a composite U.S. Treasury rate.

(3) The expected term is calculated using the simplified method. The simplified method defines the expected term as the average of the option's contractual term and the option's weighted-average vesting period. The Company utilizes this method as it has limited historical stock option data that is sufficient to derive a reasonable estimate of the expected stock option term.

The following table sets forth a summary of the Company's stock option activity for the year ended December 31, 2013:

Options	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value (millions)
Outstanding at January 1, 2013	—	$ —		
Granted	1,288,398	$ 17.00		
Forfeited/Expired	(8,143)	$ 17.00		
Exercised	—	$ —		N/A
Outstanding at December 31, 2013	1,280,255	$ 17.00	8.4	$ 8.1
Vested at December 31, 2013	393,517	$ 17.00	8.0	$ 2.5
Exercisable at December 31, 2013	393,517	$ 17.00	8.0	$ 2.5
Expected to vest at December 31, 2013	852,713	$ 17.00	8.6	$ 5.4

The following table sets forth a summary of the Company's RSU activity for the year ended December 31, 2013:

	Number of Units	Weighted-Average Grant-Date Fair Value
Nonvested at January 1, 2013	—	$ —
Granted	1,416,543	17.03
Vested/Settled	(1,844)	17.00
Forfeited	(63,127)	17.01
Nonvested at December 31, 2013	1,351,572	$ 17.04

The aggregate fair value of restricted stock and RSUs that vested during the year ended December 31, 2013, was $26.7 million.

Pre-IPO Equity Awards

The grant date fair value of Class B Common Unit grants was calculated using the Option-Pricing Method. This method considered Class A Common Units and Class B Common Units as call options on the total equity value, giving consideration to liquidation preferences and conversion of the preferred units. Such Class A Common Units and Class B Common Units were modeled as call options that gave their owners the right, but not the obligation, to buy the underlying equity value at a predetermined (or exercise) price. Class B Common Units were considered to be call options with a claim on equity value at an exercise price equal to the remaining value immediately after the Class A Common Units and Class B Common Units with a lower participation threshold were liquidated. The Option-Pricing Method is highly sensitive to key assumptions, such as the volatility assumption. As such, the use of this method can be applied when the range of possible future outcomes is difficult to predict.

The following table summarizes the assumptions and resulting fair value of the Class B Common Unit grants for the years ended December 31, 2013, 2012 and 2011:

	Class B Common Units		
	Years Ended December 31,		
Assumptions	2013	2012	2011
Weighted-average grant date fair value	$ 119.00	$ 125.65	$ 148.89
Weighted-average volatility	65.50%	65.26%	82.87%
Weighted-average risk-free rate	0.18%	0.19%	0.84%
Dividend yield	0.00%	0.00%	0.00%

The Company calculated the expected future volatility based upon an assessment of the two-year, five-year and implied volatility for the Company’s selected peer group, adjusted for the Company’s leverage.

The risk-free interest rate of return used is based on a composite U.S. Treasury rate.

Notional units granted under the MPK Plan were valued on the grant date at $1,000 per unit, the fair value equivalent of the Class A Common Units at the time the awards were granted.

The following table sets forth a summary of equity plan activity for the year ended December 31, 2013:

	Class B Common Units	MPK Plan Units
Outstanding at January 1, 2013	216,483	66,137
Granted	400	—
Forfeited	(860)	(2,228)
Converted/Settled [1]	(216,023)	(63,909)
Outstanding at December 31, 2013	—	—
Vested at December 31, 2013	—	—

(1) As discussed above, the Class B Common Units and MPK Plan Units were converted/settled into shares of the Company's common stock upon completion of the IPO. The converted Class B Common Units, to the extent unvested at the time of the IPO, relate to the grants of restricted stock disclosed above.

Expense Information

The Company’s net income included $46.6 million, $22.1 million and $19.5 million of compensation cost and $16.5 million, $2.3 million and $1.9 million of income tax benefits related to the Company’s equity-based compensation arrangements for the years ended December 31, 2013, 2012 and 2011, respectively. No portion of equity-based compensation was capitalized. Equity-based compensation expense for the year ended December 31, 2013 included incremental expense of $36.7 million related to the acceleration of the expense recognition for MPK units as discussed above. Equity-based compensation expense included incremental expense of $6.6 million and $3.3 million related to the Class B Common Unit modification for the Company's former Chief Executive Officer for the years ended December 31, 2012 and 2011, respectively.

As of December 31, 2013, the Company estimated there was $24.9 million of total unrecognized compensation cost to be recognized over the next 3.3 years.

11. Earnings per Share

The numerator for both basic and diluted earnings per share is net income. The denominator for basic earnings per share is the weighted-average number of common shares outstanding during the period. The 2013 denominator was impacted by the common shares issued during both the IPO and the underwriters' exercise in full of the overallotment option granted to them in connection with the IPO. Because such common shares were issued on July 2, 2013 and July 31, 2013, respectively, they are only partially reflected in the 2013 denominator. Such shares will be fully reflected in the 2014 denominator. See Note 9 for additional discussion of the IPO.

The dilutive effect of outstanding restricted stock, restricted stock units, stock options and MPK Plan units is reflected in the denominator for diluted earnings per share using the treasury stock method.

The following is a reconciliation of basic shares to diluted shares:

	Years Ended December 31,		
(in millions)	2013	2012	2011
Weighted-average shares - basic	156.6	145.1	144.8
Effect of dilutive securities	2.1	0.7	0.1
Weighted-average shares - diluted	158.7	145.8	144.9

For the years ended December 31, 2013, 2012 and 2011, diluted earnings per share excludes the impact of 0.0 million, 0.0 million, and 4.3 million potential common shares, respectively, as their inclusion would have had an anti-dilutive effect.

12. Deferred Compensation Plan

On March 10, 2010, in connection with the Company's purchase of $28.5 million principal amount of its outstanding senior subordinated debt, the Company established the Restricted Debt Unit Plan (the "RDU Plan"), an unfunded nonqualified deferred compensation plan. The total number of RDUs that can be granted under the RDU Plan is 28,500. At December 31, 2013, 28,500 RDUs were outstanding. RDUs that are outstanding vest daily on a pro rata basis over the three-year period from January 1, 2012 (or, if later, the date of hire or the date of a subsequent RDU grant) through December 31, 2014. Participants have no rights to the underlying debt.

The total amount of compensation available to be paid under the RDU Plan was initially to be based on two components, a principal component and an interest component. The principal component credits the RDU Plan with a notional amount equal to the $28.5 million face value of the Senior Subordinated Notes (the "Debt Pool"), together with certain redemption premium equivalents as noted below. The interest component credits the RDU Plan with amounts equal to the interest that would have been earned on the Debt Pool from March 10, 2010 through maturity on October 12, 2017, except as discussed below. Interest amounts for 2010 and 2011 were deferred until 2012, and thereafter, interest amounts were paid to participants semi-annually on the interest payment due dates. Payments totaling $1.7 million and $1.3 million were made to participants under the RDU Plan in April and October 2013, respectively, in connection with the semi-annual interest payments due.

The Company used a portion of the IPO proceeds together with incremental borrowings to redeem $324.0 million of the total Senior Subordinated Notes outstanding on August 1, 2013. In connection with the IPO and the partial redemption of the Senior Subordinated Notes, the Company amended the RDU Plan to increase the retentive value of the plan. In accordance with the original terms of the RDU Plan, the principal component of the RDUs converted to a cash-denominated pool upon the redemption of the Senior Subordinated Notes. In addition, the Company added $1.4 million to the principal component in the year ended December 31, 2013 as redemption premium equivalents in accordance with the terms of the RDU plan. Under the terms of the amended RDU Plan, upon the partial redemption of outstanding Senior Subordinated Notes, the RDUs ceased to accrue the proportionate related interest component credits. The amended RDU Plan provides participants the opportunity to share on a pro rata basis in cash retention pools payable to participants who satisfy certain retention requirements. The aggregate amount of the retention pools was determined to be $15.0 million based upon the amount of interest component credits that would have been allocated to the RDU Plan if the Senior Subordinated Notes had remained outstanding from August 1, 2013 through maturity. The Company recorded a pre-tax charge of $7.5 million in the year ended December 31, 2013 for payment of the first cash retention pool. The second cash retention pool payment is expected to be made to participants who remain employed through December 31, 2015 in the first quarter of 2016. Participants continue to accrue an interest component credit for the proportionate amount of Senior Subordinated Notes still outstanding, payable on the aforementioned semi-annual due dates; such payments, however, will be deducted from the second retention pool payment amount of $7.5 million.

Unrecognized compensation expense as of December 31, 2013 of approximately $9 million is expected to be recognized through 2014 and approximately $7 million in 2015 through 2017. Payments under the RDU Plan may be impacted if certain significant events occur or circumstances change that would impact the financial condition or structure of the Company.

Compensation expense of $16.8 million, $8.4 million, and $8.1 million related to the RDU Plan was recognized in the years ended December 31, 2013, 2012 and 2011, respectively. At December 31, 2013 and 2012, the Company had $21.8 million and $15.5 million of liabilities related to the RDU Plan recorded on the consolidated balance sheets, respectively.

Payment of the principal component of the RDU Plan is expected to be made on October 12, 2017, unless accelerated due to a sale of the Company.

13. Profit Sharing and 401(k) Plan

The Company has a profit sharing plan that includes a salary reduction feature established under the Internal Revenue Code Section 401(k) covering substantially all coworkers. Company contributions to the profit sharing plan are made in cash and determined at the discretion of the Board of Directors. For the years ended December 31, 2013, 2012 and 2011, the amounts charged to expense for this plan totaled $17.3 million, $14.6 million and $15.3 million, respectively.

14. Commitments and Contingencies

The Company is party to various legal proceedings that arise in the ordinary course of its business, which include commercial, intellectual property, employment, tort and other litigation matters. The Company is also subject to audit by federal, state and local authorities, and by various partners and large customers, including government agencies, relating to purchases and sales under various contracts. In addition, the Company is subject to indemnification claims under various contracts. From time to time, certain customers of the Company file voluntary petitions for reorganization or liquidation under the U.S. bankruptcy laws. In such cases, certain pre-petition payments received by the Company could be considered preference items and subject to return to the bankruptcy administrator.

As of December 31, 2013, the Company does not believe that there is a reasonable possibility that any material loss exceeding the amounts already recognized for these proceedings and matters, if any, has been incurred. However, the ultimate resolutions of these proceedings and matters are inherently unpredictable. As such, the Company's financial condition and results of operations could be adversely affected in any particular period by the unfavorable resolution of one or more of these proceedings or matters.

The Company previously filed a claim as part of a class action settlement in a case alleging price fixing during the period of January 1, 1996 through December 31, 2006, by certain manufacturers of thin-film liquid crystal display panels. On July 13, 2013, the United Stated District Court for the Northern District of California approved distribution of the settlement proceeds, including a net payment to the Company of $10.4 million after fees and expenses. The Company has recognized a pre-tax benefit of $10.4 million within selling and administrative expenses in the consolidated statement of operations for the year ended December 31, 2013. The first of two settlement payments was received by the Company on July 29, 2013 in the amount of $8.5 million. The balance of $1.9 million was received in February 2014.

15. Related Party Transactions

The Company had previously entered into a management services agreement with the Sponsors pursuant to which they had agreed to provide it with management and consulting services and financial and other advisory services. Pursuant to such agreement, the Sponsors received an annual management fee of $5.0 million and reimbursement of out-of-pocket expenses incurred in connection with the provision of such services. Such amounts were classified as selling and administrative expenses within the consolidated statements of operations. The management services agreement included customary indemnification and provisions in favor of the Sponsors.

On July 2, 2013, the Company completed an IPO of its common stock. Using a portion of the net proceeds from the IPO, the Company paid a $24.4 million termination fee to affiliates of the Sponsors in connection with the termination of the management services agreement with such entities that was effective upon completion of the IPO. The Company paid an annual management fee of $2.5 million, $5.0 million and $5.0 million in the years ended December 31, 2013, 2012 and 2011, respectively.

16. Segment Information

Segment information is presented in accordance with a "management approach," which designates the internal reporting used by the chief operating decision-maker for making decisions and assessing performance as the source of the Company's reportable segments. The Company's segments are organized in a manner consistent with which separate financial information is available and evaluated regularly by the chief operating decision-maker in deciding how to allocate resources and in assessing performance.

The Company has two reportable segments: Corporate, which is comprised primarily of business customers, and Public, which is comprised of government entities and education and healthcare institutions. The Company also has two other operating segments, CDW Advanced Services and Canada, which do not meet the reportable segment quantitative thresholds and, accordingly, are combined together as "Other."

The Company has centralized logistics and headquarters functions that provide services to the segments. The logistics function includes purchasing, distribution and fulfillment services to support both the Corporate and Public segments. As a result, costs and intercompany charges associated with the logistics function are fully allocated to both of these segments based on a percent of sales. The centralized headquarters function provides services in areas such as accounting, information technology, marketing, legal and coworker services. Headquarters' function costs that are not allocated to the segments are included under the heading of "Headquarters" in the tables below. Depreciation expense is included in Headquarters as it is not allocated among segments or used in measuring segment performance.

IPO- and secondary-offering related expenses primarily relating to coworker compensation were included within operating segment results for the year ended December 31, 2013. See Note 9 for additional discussion of IPO- and secondary-offering related expenses.

The Company allocates resources to and evaluates performance of its segments based on net sales, income (loss) from operations and Adjusted EBITDA, a non-GAAP measure as defined in the Company's credit agreements. However, the Company has concluded that income (loss) from operations is the more useful measure in terms of discussion of operating results, as it is a GAAP measure.

Segment information for total assets and capital expenditures is not presented, as such information is not used in measuring segment performance or allocating resources between segments.

Selected Segment Financial Information

The following table presents information about the Company's segments for the years ended December 31, 2013, 2012 and 2011:

(in millions)	Corporate	Public	Other	Headquarters	Total
2013:					
Net sales	$ 5,960.1	$ 4,164.5	$ 644.0	$ —	$ 10,768.6
Income (loss) from operations	363.3	246.5	27.2	(128.4)	508.6
Depreciation and amortization expense	(97.3)	(44.0)	(8.6)	(58.3)	(208.2)
IPO- and secondary-offering related expenses	(26.4)	(14.4)	(3.6)	(30.6)	(75.0)
2012:					
Net sales	$ 5,512.8	$ 4,023.0	$ 592.4	$ —	$ 10,128.2
Income (loss) from operations	349.0	246.7	18.6	(103.7)	510.6
Depreciation and amortization expense	(97.6)	(44.0)	(9.3)	(59.3)	(210.2)
IPO- and secondary-offering related expenses	—	—	—	—	—
2011:					
Net sales	$ 5,334.4	$ 3,757.2	$ 510.8	$ —	$ 9,602.4
Income (loss) from operations	331.6	233.3	17.5	(111.7)	470.7
Depreciation and amortization expense	(97.4)	(43.9)	(8.7)	(54.9)	(204.9)
IPO- and secondary-offering related expenses	—	—	—	—	—

Major Customers, Geographic Areas, and Product Mix

Net sales to the federal government were $764.4 million, $964.7 million and $953.6 million and accounted for approximately 7%, 10% and 10% of total net sales in 2013, 2012 and 2011, respectively. Net sales to customers outside of the U.S., primarily in Canada, were approximately 4% of the Company's total net sales in 2013, 2012 and 2011. Approximately 1% and 2% of the Company's long-lived assets were located outside of the U.S. as of December 31, 2013 and 2012, respectively.

The following table presents net sales by major category for the years ended December 31, 2013, 2012 and 2011. Categories are based upon internal classifications. Amounts for the years ended December 31, 2012 and 2011 have been reclassified for certain changes in individual product classifications to conform to the presentation for the year ended December 31, 2013.

	Year Ended December 31, 2013		Year Ended December 31, 2012		Year Ended December 31, 2011	
	Dollars in Millions	Percentage of Total Net Sales	Dollars in Millions	Percentage of Total Net Sales	Dollars in Millions	Percentage of Total Net Sales
Notebooks/Mobile Devices	$ 1,706.0	15.8%	$ 1,470.1	14.5%	$ 1,336.9	13.9%
NetComm Products	1,489.1	13.8	1,351.1	13.3	1,237.7	12.9
Enterprise and Data Storage (Including Drives)	998.1	9.3	979.4	9.7	929.9	9.7
Other Hardware	4,173.3	38.8	4,068.8	40.2	3,988.3	41.5
Software	1,994.7	18.5	1,849.4	18.3	1,767.2	18.4
Services	327.1	3.0	284.6	2.8	254.3	2.6
Other [1]	80.3	0.8	124.8	1.2	88.1	1.0
Total net sales	$ 10,768.6	100.0%	$ 10,128.2	100.0%	$ 9,602.4	100.0%

(1) Includes items such as delivery charges to customers and certain commission revenue.

17. Supplemental Guarantor Information

As described in Note 7, the Senior Secured Notes, Senior Subordinated Notes and Senior Notes are guaranteed by Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries (the "Guarantor Subsidiaries"). All guarantees by Parent and Guarantor Subsidiaries are joint and several, and full and unconditional; provided that each guarantee by the Guarantor Subsidiaries is subject to certain customary release provisions contained in the indentures governing the Senior Secured Notes, Senior Subordinated Notes and Senior Notes. CDW LLC's Canada subsidiary (the "Non-Guarantor Subsidiary") does not guarantee the debt obligations. CDW LLC and CDW Finance Corporation, as co-issuers, are 100% owned by Parent, and each of the Guarantor Subsidiaries and the Non-Guarantor Subsidiary is 100% owned by CDW LLC.

The following tables set forth condensed consolidating balance sheets as of December 31, 2013 and 2012, consolidating statements of operations for the years ended December 31, 2013, 2012 and 2011, condensed consolidating statements of comprehensive income for the years ended December 31, 2013, 2012 and 2011, and condensed consolidating statements of cash flows for the years ended December 31, 2013, 2012 and 2011, in accordance with Rule 3-10 of Regulation S-X. The consolidating financial information includes the accounts of CDW Corporation (the "Parent Guarantor"), which has no independent assets or operations, the accounts of CDW LLC (the "Subsidiary Issuer"), the combined accounts of the Guarantor Subsidiaries, the accounts of the Non-Guarantor Subsidiary, and the accounts of CDW Finance Corporation (the "Co-Issuer") for the periods indicated. The information was prepared on the same basis as the Company's consolidated financial statements.

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Condensed Consolidating Balance Sheet

	December 31, 2013						
(in millions)	Parent Guarantor	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiary	Co-Issuer	Consolidating Adjustments	Consolidated
Assets							
Current assets:							
Cash and cash equivalents	$ —	$ 196.5	$ —	$ 14.0	$ —	$ (22.4)	$ 188.1
Accounts receivable, net	—	—	1,375.9	75.1	—	—	1,451.0
Merchandise inventory	—	—	378.9	3.1	—	—	382.0
Miscellaneous receivables	—	49.9	91.0	5.4	—	—	146.3
Prepaid expenses and other	—	10.7	33.4	5.1	—	(3.1)	46.1
Total current assets	—	257.1	1,879.2	102.7	—	(25.5)	2,213.5
Property and equipment, net	—	69.7	59.6	1.8	—	—	131.1
Goodwill	—	751.9	1,439.0	29.4	—	—	2,220.3
Other intangible assets, net	—	338.5	982.8	6.7	—	—	1,328.0
Deferred financing costs, net	—	30.1	—	—	—	—	30.1
Other assets	4.9	1.4	0.1	0.9	—	(5.7)	1.6
Investment in and advances to subsidiaries	706.8	2,909.4	—	—	—	(3,616.2)	—
Total assets	$ 711.7	$ 4,358.1	$ 4,360.7	$ 141.5	$ —	$ (3,647.4)	$ 5,924.6
Liabilities and Shareholders' Equity							
Current liabilities:							
Accounts payable-trade	$ —	$ 21.4	$ 637.3	$ 26.5	$ —	$ (22.4)	$ 662.8
Accounts payable-inventory financing	—	—	256.6	—	—	—	256.6
Current maturities of long-term debt	—	45.4	—	—	—	—	45.4
Deferred revenue	—	—	89.9	4.9	—	—	94.8
Accrued expenses	—	163.5	175.1	7.5	—	(3.1)	343.0
Total current liabilities	—	230.3	1,158.9	38.9	—	(25.5)	1,402.6
Long-term liabilities:							
Debt	—	3,205.8	—	—	—	—	3,205.8
Deferred income taxes	—	178.3	388.4	1.6	—	(4.8)	563.5
Other liabilities	—	36.9	3.6	1.4	—	(0.9)	41.0
Total long-term liabilities	—	3,421.0	392.0	3.0	—	(5.7)	3,810.3
Total shareholders' equity	711.7	706.8	2,809.8	99.6	—	(3,616.2)	711.7
Total liabilities and shareholders' equity	$ 711.7	$ 4,358.1	$ 4,360.7	$ 141.5	$ —	$ (3,647.4)	$ 5,924.6

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Condensed Consolidating Balance Sheet

(in millions)	December 31, 2012						
	Parent Guarantor	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiary	Co-Issuer	Consolidating Adjustments	Consolidated
Assets							
Current assets:							
Cash and cash equivalents	$ —	$ 48.0	$ —	$ 9.8	$ —	$ (19.9)	$ 37.9
Accounts receivable, net	—	—	1,217.7	67.3	—	—	1,285.0
Merchandise inventory	—	—	313.2	1.4	—	—	314.6
Miscellaneous receivables	—	61.7	82.0	4.8	—	—	148.5
Deferred income taxes	—	8.7	5.5	(0.1)	—	—	14.1
Prepaid expenses and other	—	10.1	24.4	0.1	—	—	34.6
Total current assets	—	128.5	1,642.8	83.3	—	(19.9)	1,834.7
Property and equipment, net	—	73.9	66.2	2.6	—	—	142.7
Goodwill	—	749.4	1,428.5	31.4	—	—	2,209.3
Other intangible assets, net	—	348.6	1,121.7	8.2	—	—	1,478.5
Deferred financing costs, net	—	53.2	—	—	—	—	53.2
Other assets	5.4	1.1	0.4	0.6	—	(5.9)	1.6
Investment in and advances to subsidiaries	131.1	2,946.0	—	—	—	(3,077.1)	—
Total assets	$ 136.5	$ 4,300.7	$ 4,259.6	$ 126.1	$ —	$ (3,102.9)	$ 5,720.0
Liabilities and Shareholders' Equity							
Current liabilities:							
Accounts payable-trade	$ —	$ 16.5	$ 500.3	$ 21.7	$ —	$ (19.9)	$ 518.6
Accounts payable-inventory financing	—	—	249.2	—	—	—	249.2
Current maturities of long-term debt	—	40.0	—	—	—	—	40.0
Deferred revenue	—	—	57.8	—	—	—	57.8
Accrued expenses	—	139.3	157.4	5.9	—	—	302.6
Total current liabilities	—	195.8	964.7	27.6	—	(19.9)	1,168.2
Long-term liabilities:							
Debt	—	3,731.0	—	—	—	—	3,731.0
Deferred income taxes	—	188.1	440.0	1.7	—	(5.5)	624.3
Accrued interest	—	8.0	—	—	—	—	8.0
Other liabilities	—	46.7	4.0	1.7	—	(0.4)	52.0
Total long-term liabilities	—	3,973.8	444.0	3.4	—	(5.9)	4,415.3
Total shareholders' equity	136.5	131.1	2,850.9	95.1	—	(3,077.1)	136.5
Total liabilities and shareholders' equity	$ 136.5	$ 4,300.7	$ 4,259.6	$ 126.1	$ —	$ (3,102.9)	$ 5,720.0

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Consolidating Statement of Operations

(in millions)	Year Ended December 31, 2013						
	Parent Guarantor	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiary	Co-Issuer	Consolidating Adjustments	Consolidated
Net sales	$ —	$ —	$ 10,293.3	$ 475.3	$ —	$ —	$ 10,768.6
Cost of sales	—	—	8,592.1	416.2	—	—	9,008.3
Gross profit	—	—	1,701.2	59.1	—	—	1,760.3
Selling and administrative expenses	24.4	103.9	957.3	35.3	—	—	1,120.9
Advertising expense	—	—	126.8	4.0	—	—	130.8
(Loss) income from operations	(24.4)	(103.9)	617.1	19.8	—	—	508.6
Interest (expense) income, net	—	(250.6)	0.2	0.3	—	—	(250.1)
Net loss on extinguishments of long-term debt	—	(64.0)	—	—	—	—	(64.0)
Management fee	—	4.3	—	(4.3)	—	—	—
Other (expense) income, net	—	(0.5)	1.2	0.3	—	—	1.0
(Loss) income before income taxes	(24.4)	(414.7)	618.5	16.1	—	—	195.5
Income tax benefit (expense)	9.2	142.2	(209.5)	(4.6)	—	—	(62.7)
(Loss) income before equity in earnings of subsidiaries	(15.2)	(272.5)	409.0	11.5	—	—	132.8
Equity in earnings of subsidiaries	148.0	420.5	—	—	—	(568.5)	—
Net income	$ 132.8	$ 148.0	$ 409.0	$ 11.5	$ —	$ (568.5)	$ 132.8

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Consolidating Statement of Operations

(in millions)	Year Ended December 31, 2012						
	Parent Guarantor	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiary	Co-Issuer	Consolidating Adjustments	Consolidated
Net sales	$ —	$ —	$ 9,683.0	$ 445.2	$ —	$ —	$ 10,128.2
Cost of sales	—	—	8,071.5	387.1	—	—	8,458.6
Gross profit	—	—	1,611.5	58.1	—	—	1,669.6
Selling and administrative expenses	—	103.7	891.6	34.2	—	—	1,029.5
Advertising expense	—	—	125.1	4.4	—	—	129.5
(Loss) income from operations	—	(103.7)	594.8	19.5	—	—	510.6
Interest (expense) income, net	—	(308.0)	0.4	0.2	—	—	(307.4)
Net loss on extinguishments of long-term debt	—	(17.2)	—	—	—	—	(17.2)
Management fee	—	3.8	—	(3.8)	—	—	—
Other income (expense), net	—	—	0.2	(0.1)	—	—	0.1
(Loss) income before income taxes	—	(425.1)	595.4	15.8	—	—	186.1
Income tax benefit (expense)	—	210.6	(272.6)	(5.1)	—	—	(67.1)
(Loss) income before equity in earnings of subsidiaries	—	(214.5)	322.8	10.7	—	—	119.0
Equity in earnings of subsidiaries	119.0	333.5	—	—	—	(452.5)	—
Net income	$ 119.0	$ 119.0	$ 322.8	$ 10.7	$ —	$ (452.5)	$ 119.0

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Consolidating Statement of Operations

(in millions)	Year Ended December 31, 2011						
	Parent Guarantor	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiary	Co-Issuer	Consolidating Adjustments	Consolidated
Net sales	$ —	$ —	$ 9,222.4	$ 380.0	$ —	$ —	$ 9,602.4
Cost of sales	—	—	7,688.8	330.1	—	—	8,018.9
Gross profit	—	—	1,533.6	49.9	—	—	1,583.5
Selling and administrative expenses	—	111.7	849.2	29.2	—	—	990.1
Advertising expense	—	—	119.0	3.7	—	—	122.7
(Loss) income from operations	—	(111.7)	565.4	17.0	—	—	470.7
Interest (expense) income, net	—	(324.5)	0.2	0.1	—	—	(324.2)
Net loss on extinguishments of long-term debt	—	(118.9)	—	—	—	—	(118.9)
Management fee	—	9.2	—	(9.2)	—	—	—
Other income (expense), net	—	0.4	0.5	(0.2)	—	—	0.7
(Loss) income before income taxes	—	(545.5)	566.1	7.7	—	—	28.3
Income tax benefit (expense)	—	215.1	(222.4)	(3.9)	—	—	(11.2)
(Loss) income before equity in earnings of subsidiaries	—	(330.4)	343.7	3.8	—	—	17.1
Equity in earnings of subsidiaries	17.1	347.5	—	—	—	(364.6)	—
Net income	$ 17.1	$ 17.1	$ 343.7	$ 3.8	$ —	$ (364.6)	$ 17.1

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidating Statement of Comprehensive Income

	Year Ended December 31, 2013						
(in millions)	Parent Guarantor	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiary	Co-Issuer	Consolidating Adjustments	Consolidated
Comprehensive income	$ 126.1	$ 141.3	$ 409.0	$ 4.8	$ —	$ (555.1)	$ 126.1

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidating Statement of Comprehensive Income

	Year Ended December 31, 2012						
(in millions)	Parent Guarantor	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiary	Co-Issuer	Consolidating Adjustments	Consolidated
Comprehensive income	$ 121.5	$ 121.5	$ 322.8	$ 13.2	$ —	$ (457.5)	$ 121.5

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidating Statement of Comprehensive Income

	Year Ended December 31, 2011						
(in millions)	Parent Guarantor	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiary	Co-Issuer	Consolidating Adjustments	Consolidated
Comprehensive income	$ 17.2	$ 17.2	$ 343.7	$ 2.0	$ —	$ (362.9)	$ 17.2

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidating Statement of Cash Flows

	Year Ended December 31, 2013						
(in millions)	Parent Guarantor	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiary	Co-Issuer	Consolidating Adjustments	Consolidated
Net cash (used in) provided by operating activities	$ (15.2)	$ (130.3)	$ 508.8	$ 5.5	$ —	$ (2.5)	$ 366.3
Cash flows from investing activities:							
Capital expenditures	—	(40.8)	(6.2)	(0.1)	—	—	(47.1)
Net cash used in investing activities	—	(40.8)	(6.2)	(0.1)	—	—	(47.1)
Cash flows from financing activities:							
Proceeds from borrowings under revolving credit facility	—	63.0	—	—	—	—	63.0
Repayments of borrowings under revolving credit facility	—	(63.0)	—	—	—	—	(63.0)
Repayments of long-term debt	—	(51.1)	—	—	—	—	(51.1)
Proceeds from issuance of long-term debt	—	1,535.2	—	—	—	—	1,535.2
Payments to extinguish long-term debt	—	(2,047.4)	—	—	—	—	(2,047.4)
Payment of debt financing costs	—	(6.1)	—	—	—	—	(6.1)
Net change in accounts payable-inventory financing	—	—	7.4	—	—	—	7.4
Payment of incentive compensation plan withholding taxes	—	(4.0)	(19.6)	(0.5)	—	—	(24.1)
Net proceeds from issuance of common shares	424.7	—	—	—	—	—	424.7
Dividends paid	(7.3)	—	—	—	—	—	(7.3)
Advances to/from affiliates	(402.2)	892.6	(490.4)	—	—	—	—
Other financing activities	—	0.4	—	—	—	—	0.4
Net cash provided by (used in) financing activities	15.2	319.6	(502.6)	(0.5)	—	—	(168.3)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	(0.7)	—	—	(0.7)
Net increase in cash and cash equivalents	—	148.5	—	4.2	—	(2.5)	150.2
Cash and cash equivalents – beginning of period	—	48.0	—	9.8	—	(19.9)	37.9
Cash and cash equivalents – end of period	$ —	$ 196.5	$ —	$ 14.0	$ —	$ (22.4)	$ 188.1

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidating Statement of Cash Flows

	Year Ended December 31, 2012						
(in millions)	Parent Guarantor	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiary	Co-Issuer	Consolidating Adjustments	Consolidated
Net cash (used in) provided by operating activities	$ —	$ (204.3)	$ 514.2	$ 1.3	$ —	$ 6.2	$ 317.4
Cash flows from investing activities:							
Capital expenditures	—	(27.0)	(14.0)	(0.4)	—	—	(41.4)
Premium payments on interest rate cap agreements	—	(0.3)	—	—	—	—	(0.3)
Net cash used in investing activities	—	(27.3)	(14.0)	(0.4)	—	—	(41.7)
Cash flows from financing activities:							
Proceeds from borrowings under revolving credit facility	—	289.0	—	—	—	—	289.0
Repayments of borrowings under revolving credit facility	—	(289.0)	—	—	—	—	(289.0)
Repayments of long-term debt	—	(201.0)	—	—	—	—	(201.0)
Proceeds from issuance of long-term debt	—	135.7	—	—	—	—	135.7
Payments to extinguish long-term debt	—	(243.2)	—	—	—	—	(243.2)
Payment of debt financing costs	—	(2.1)	—	—	—	—	(2.1)
Net change in accounts payable-inventory financing	—	—	(29.5)	—	—	—	(29.5)
Advances to/from affiliates	—	486.0	(486.5)	0.5	—	—	—
Other financing activities	—	2.1	—	—	—	—	2.1
Net cash provided by (used in) financing activities	—	177.5	(516.0)	0.5	—	—	(338.0)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	0.3	—	—	0.3
Net (decrease) increase in cash and cash equivalents	—	(54.1)	(15.8)	1.7	—	6.2	(62.0)
Cash and cash equivalents – beginning of period	—	102.1	15.8	8.1	—	(26.1)	99.9
Cash and cash equivalents – end of period	$ —	$ 48.0	$ —	$ 9.8	$ —	$ (19.9)	$ 37.9

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidating Statement of Cash Flows

	Year Ended December 31, 2011						
(in millions)	Parent Guarantor	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiary	Co-Issuer	Consolidating Adjustments	Consolidated
Net cash (used in) provided by operating activities	$ —	$ (93.8)	$ 327.5	$ (0.3)	$ —	$ (18.7)	$ 214.7
Cash flows from investing activities:							
Capital expenditures	—	(33.4)	(10.6)	(1.7)	—	—	(45.7)
Cash settlements on interest rate swap agreements	—	(6.6)	—	—	—	—	(6.6)
Premium payments on interest rate cap agreements	—	(3.7)	—	—	—	—	(3.7)
Net cash used in investing activities	—	(43.7)	(10.6)	(1.7)	—	—	(56.0)
Cash flows from financing activities:							
Proceeds from borrowings under revolving credit facility	—	1,295.0	—	—	—	—	1,295.0
Repayments of borrowings under revolving credit facility	—	(1,483.2)	—	—	—	—	(1,483.2)
Repayments of long-term debt	—	(132.0)	—	—	—	—	(132.0)
Proceeds from issuance of long-term debt	—	1,175.0	—	—	—	—	1,175.0
Payments to extinguish long-term debt	—	(1,175.0)	—	—	—	—	(1,175.0)
Payment of debt financing costs	—	(26.3)	—	—	—	—	(26.3)
Net change in accounts payable-inventory financing	—	—	250.5	—	—	—	250.5
Advances to/from affiliates	—	552.6	(552.7)	0.1	—	—	—
Other financing activities	—	0.6	—	—	—	—	0.6
Net cash provided by (used in) financing activities	—	206.7	(302.2)	0.1	—	—	(95.4)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	—	—	—	—
Net increase (decrease) in cash and cash equivalents	—	69.2	14.7	(1.9)	—	(18.7)	63.3
Cash and cash equivalents – beginning of period	—	32.9	1.1	10.0	—	(7.4)	36.6
Cash and cash equivalents – end of period	$ —	$ 102.1	$ 15.8	$ 8.1	$ —	$ (26.1)	$ 99.9

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

18. Selected Quarterly Financial Results (unaudited)

(in millions, except per-share amounts)	2013			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net Sales Detail:				
Corporate:				
Medium/Large	$ 1,146.2	$ 1,271.4	$ 1,203.4	$ 1,281.6
Small Business	257.7	266.0	262.4	271.4
Total Corporate	1,403.9	1,537.4	1,465.8	1,553.0
Public:				
Government	252.3	295.7	375.3	327.3
Education	232.2	420.6	513.4	282.8
Healthcare	362.3	366.3	355.9	380.4
Total Public	846.8	1,082.6	1,244.6	990.5
Other	161.0	159.3	153.9	169.8
Net sales	$ 2,411.7	$ 2,779.3	$ 2,864.3	$ 2,713.3
Gross profit	$ 402.0	$ 451.6	$ 458.4	$ 448.3
Income from operations [1]	$ 120.1	$ 153.6	$ 92.9	$ 142.0
Net income (loss) [1]	$ 28.3	$ 46.7	$ (2.2)	$ 60.0
Net income (loss) per common share [1] [2]:				
Basic	$ 0.19	$ 0.32	$ (0.01)	$ 0.35
Diluted	$ 0.19	$ 0.32	$ (0.01)	$ 0.35

(in millions, except per-share amounts)	2012			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net Sales Detail:				
Corporate:				
Medium/Large	$ 1,089.6	$ 1,124.7	$ 1,055.7	$ 1,178.5
Small Business	273.2	269.7	257.1	264.3
Total Corporate	1,362.8	1,394.4	1,312.8	1,442.8
Public:				
Government	262.6	318.0	408.6	404.9
Education	221.7	349.5	394.7	226.4
Healthcare	333.3	372.9	360.4	370.0
Total Public	817.6	1,040.4	1,163.7	1,001.3
Other	138.8	149.9	146.8	156.9
Net sales	$ 2,319.2	$ 2,584.7	$ 2,623.3	$ 2,601.0
Gross profit	$ 384.6	$ 426.9	$ 432.7	$ 425.4
Income from operations	$ 103.6	$ 136.4	$ 139.7	$ 130.9
Net income	$ 10.9	$ 36.8	$ 38.0	$ 33.3
Net income per common share [2]:				
Basic	$ 0.08	$ 0.25	$ 0.26	$ 0.23
Diluted	$ 0.07	$ 0.25	$ 0.26	$ 0.23

(1) The third quarter of 2013 included pre-tax IPO-related charges of $74.1 million. See Note 9 for additional discussion of the IPO.

(2) Basic and diluted net income (loss) per share are computed independently for each of the quarters presented. Therefore, the sum of quarterly basic and diluted per share information may not equal annual basic and diluted net income (loss) per share.

19. Subsequent Events

The Company redeemed $30.0 million and $20.0 million aggregate principal amounts of Senior Subordinated Notes on January 22, 2014 and February 21, 2014, respectively. The redemption prices were 104.178% of the principal amounts redeemed plus $1.0 million and $0.9 million in accrued and unpaid interest to the date of each redemption, respectively. Following these redemptions, $42.5 million aggregate principal amount of the Senior Subordinated Notes remain outstanding. In connection with these redemptions, the Company expects to record a loss on extinguishment of long-term debt of $2.7 million in the consolidated statement of operations during the first quarter of 2014. This loss represents $2.1 million in redemption premiums and $0.6 million for the write-off of a portion of the remaining deferred financing costs related to the Senior Subordinated Notes.

On February 13, 2014, the Company announced that its board of directors declared a cash dividend on the Company's common stock of $0.0425 per share. The dividend will be paid on March 10, 2014 to all stockholders of record as of the close of business on February 25, 2014. Future dividends will be subject to the approval of the Company's board of directors.

SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS
Years ended December 31, 2013, 2012 and 2011

(in millions)

	Balance at Beginning of Period	Charged to Costs and Expenses	Deductions	Balance at End of Period
Allowance for doubtful accounts:				
Year Ended December 31, 2013	$ 5.4	$ 2.8	$ (2.8)	$ 5.4
Year Ended December 31, 2012	5.4	3.9	(3.9)	5.4
Year Ended December 31, 2011	5.0	3.6	(3.2)	5.4
Reserve for sales returns:				
Year Ended December 31, 2013	$ 4.4	$ 35.0	$ (34.3)	$ 5.1
Year Ended December 31, 2012	4.5	33.2	(33.3)	4.4
Year Ended December 31, 2011	3.2	32.0	(30.7)	4.5

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rule13a-15(e) or Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, has concluded that, as of the end of such period, the Company's disclosure controls and procedures were effective in recording, processing, summarizing, and reporting, on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act, and that information is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely discussions regarding required disclosure.

Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements and can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2013. Management based this assessment on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in "Internal Control — Integrated Framework (1992 framework)."

Based on its assessment, management concluded that, as of December 31, 2013, the Company's internal control over financial reporting is effective.

Ernst & Young LLP, independent registered public accounting firm, has audited the consolidated financial statements of the Company and the Company's internal control over financial reporting and has included their reports herein.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the fiscal quarter ended December 31, 2013 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
CDW Corporation

We have audited CDW Corporation and subsidiaries' internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) (the COSO criteria). CDW Corporation and subsidiaries' management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, CDW Corporation and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of CDW Corporation and subsidiaries as of December 31, 2013 and 2012, and the related consolidated statements of operations, comprehensive income, shareholders' equity (deficit) and cash flows for each of the three years in the period ended December 31, 2013 of CDW Corporation and subsidiaries and our report dated March 5, 2014 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Chicago, Illinois
March 5, 2014

Item 9B. Other Information

None.

PART III

Item 10. Directors, Managers, Executive Officers and Corporate Governance

We have adopted The CDW Way Code, our code of business conduct and ethics, that is applicable to all of our coworkers. Additionally, within The CDW Way Code is a Financial Integrity Code of Ethics that sets forth an even higher standard applicable to our executives, officers, members of our internal disclosure committee and all managers and above in our finance department. A copy of this code is available on our corporate website at www.cdw.com. If we make any substantive amendments to this code or grant any waiver from a provision to our chief executive officer, principal financial officer or principal accounting officer, we will disclose the nature of such amendment or waiver on our website or in a report on Form 8-K.

See Part I - "Executive Officers" for information about our executive officers, which is incorporated by reference in this Item 10. Other information required under this Item 10 is incorporated herein by reference to our definitive proxy statement for our 2014 annual meeting of stockholders on May 22, 2014 ("2014 proxy statement"), which we will file with the SEC on or before 120 days after our 2013 fiscal year-end.

Item 11. Executive Compensation

Information required under this Item 11 is incorporated herein by reference to the 2014 proxy statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information required under this Item 12 is incorporated herein by reference to the 2014 proxy statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required under this Item 13 is incorporated herein by reference to the 2014 proxy statement.

Item 14. Principal Accountant Fees and Services

Information required under this Item 14 is incorporated herein by reference to the 2014 proxy statement.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Financial Statements and Schedules

The following documents are filed as part of this report:

(1) Consolidated Financial Statements:

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Consolidated Balance Sheets as of December 31, 2013 and 2012	63
Consolidated Statements of Operations for the years ended December 31, 2013, 2012 and 2011	64
Consolidated Statements of Comprehensive Income for the years ended December 31, 2013, 2012 and 2011	65
Consolidated Statements of Shareholders' Equity (Deficit) for the years ended December 31, 2013, 2012 and 2011	66
Consolidated Statements of Cash Flows for the years ended December 31, 2013, 2012 and 2011	67
Notes to Consolidated Financial Statements	68

(2) Financial Statement Schedules:

	Page
Schedule II – Valuation and Qualifying Accounts	108

All other schedules are omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements or notes thereto.

(b) Exhibits

The information required by this Item is set forth on the exhibit index that follows the signature page of this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CDW CORPORATION

Date: March 5, 2014

By: /s/ Thomas E. Richards
Thomas E. Richards
Chairman, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Thomas E. Richards Thomas E. Richards	Chairman, President and Chief Executive Officer (principal executive officer) and Director	March 5, 2014
/s/ Ann E. Ziegler Ann E. Ziegler	Senior Vice President and Chief Financial Officer (principal financial officer)	March 5, 2014
/s/ Virginia L. Seggerman Virginia L. Seggerman	Vice President and Controller (principal accounting officer)	March 5, 2014
/s/ Steven W. Alesio Steven W. Alesio	Director	March 5, 2014
/s/ Barry K. Allen Barry K. Allen	Director	March 5, 2014
/s/ Benjamin D. Chereskin Benjamin D. Chereskin	Director	March 5, 2014
/s/ Glenn M. Creamer Glenn M. Creamer	Director	March 5, 2014
/s/ Michael J. Dominguez Michael J. Dominguez	Director	March 5, 2014
/s/ Paul J. Finnegan Paul J. Finnegan	Director	March 5, 2014
/s/ David W. Nelms David W. Nelms	Director	March 5, 2014
/s/ Robin P. Selati Robin P. Selati	Director	March 5, 2014
/s/ Donna F. Zarcone Donna F. Zarcone	Director	March 5, 2014

EXHIBIT INDEX

Exhibit Number	Description
3.1	Fifth Amended and Restated Certificate of Incorporation of CDW Corporation, previously filed as Exhibit 3.1 with CDW Corporation's Amendment No. 2 to Form S-1 filed on June 14, 2013 (Reg. No. 333-187472) and incorporated herein by reference.
3.2	Amended and Restated By-Laws of CDW Corporation, previously filed as Exhibit 3.2 with CDW Corporation's Amendment No. 2 to Form S-1 filed on June 14, 2013 (Reg. No. 333-187472) and incorporated herein by reference.
3.3	Articles of Organization of CDW LLC, previously filed as Exhibit 3.3 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
3.4	Amended and Restated Limited Liability Company Agreement of CDW LLC, previously filed as Exhibit 3.4 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
3.5	Certificate of Incorporation of CDW Finance Corporation, previously filed as Exhibit 3.5 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
3.6	By-Laws of CDW Finance Corporation, previously filed as Exhibit 3.6 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
3.7	Amended and Restated Articles of Incorporation of CDW Technologies, Inc., previously filed as Exhibit 3.7 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
3.8	Amended and Restated By-Laws of CDW Technologies, Inc., previously filed as Exhibit 3.8 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
3.9	Articles of Organization of CDW Direct, LLC, previously filed as Exhibit 3.9 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
3.10	Amended and Restated Limited Liability Company Agreement of CDW Direct, LLC, previously filed as Exhibit 3.10 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
3.11	Articles of Organization of CDW Government LLC, previously filed as Exhibit 3.11 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
3.12	Amended and Restated Limited Liability Company Agreement of CDW Government LLC, previously filed as Exhibit 3.12 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
3.13	Articles of Incorporation of CDW Logistics, Inc., previously filed as Exhibit 3.13 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
3.14	By-Laws of CDW Logistics, Inc., previously filed as Exhibit 3.14 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
4.1	Specimen Common Stock Certificate, previously filed as Exhibit 4.1 with CDW Corporation's Amendment No. 3 to Form S-1 filed on June 25, 2013 (Reg. No. 333-187472) and incorporated herein by reference.
4.2	Senior Secured Note Indenture, dated as of December 17, 2010, by and among CDW LLC, CDW Finance Corporation, the guarantors party thereto and U.S. Bank National Association as trustee, previously filed as Exhibit 4.1 with CDW Corporation's Form 8-K filed on December 21, 2010 and incorporated herein by reference.

Exhibit Number	Description
4.3	Senior Secured Note Supplemental Indenture, dated as of March 29, 2011, by and among CDW LLC, CDW Finance Corporation, the guarantors party thereto and U.S. Bank National Association as trustee, previously filed as Exhibit 4.1 with CDW Corporation's Form 8-K filed on March 30, 2011 and incorporated herein by reference.
4.4	Second Senior Secured Note Supplemental Indenture, dated as of May 10, 2012, by and among CDW LLC, CDW Finance Corporation, the guarantors party thereto and U.S. Bank National Association as trustee, previously filed as Exhibit 4.1 with CDW Corporation's Form 8-K filed on May 11, 2012 and incorporated herein by reference.
4.5	Form of Senior Secured Note (included as Exhibit A to Exhibit 4.1), previously filed as Exhibit 4.2 with CDW Corporation's Form 8-K filed on December 21, 2010 and incorporated herein by reference.
4.6	Senior Note Indenture, dated as of April 13, 2011, between CDW Escrow Corporation and U.S. Bank National Association as trustee, previously filed as Exhibit 4.1 with CDW Corporation's Form 8-K filed on April 14, 2011 and incorporated herein by reference.
4.7	Senior Note Supplemental Indenture, dated as of April 13, 2011, by and among CDW LLC, CDW Finance Corporation, the guarantors party thereto and U.S. Bank National Association as trustee, previously filed as Exhibit 4.2 with CDW Corporation's Form 8-K filed on April 14, 2011 and incorporated herein by reference.
4.8	Second Senior Note Supplemental Indenture, dated as of May 20, 2011, by and among CDW LLC, CDW Finance Corporation, CDW Escrow Corporation, the guarantors party thereto and U.S. Bank National Association as Trustee, previously filed as Exhibit 4.1 with CDW Corporation's Form 8-K filed on May 23, 2011 and incorporated herein by reference.
4.9	Third Senior Note Supplemental Indenture, dated as of February 17, 2012, by and among CDW LLC, CDW Finance Corporation, the guarantors party thereto and U.S. Bank National Association as Trustee, previously filed as Exhibit 4.5 with CDW Corporation's Form 8-K filed on February 17, 2012 and incorporated herein by reference.
4.10	Fourth Senior Note Supplemental Indenture, dated as of May 10, 2012, by and among CDW LLC, CDW Finance Corporation, the guarantors party thereto and U.S. Bank National Association as trustee, previously filed as Exhibit 4.3 with CDW Corporation's Form 8-K filed on May 11, 2012 and incorporated herein by reference.
4.11	Form of Senior Note (included as Exhibit A to Exhibit 4.5), previously filed as Exhibit 4.3 with CDW Corporation's Form 8-K filed on April 14, 2011 and incorporated herein by reference.
4.12	Senior Notes Registration Rights Agreement, dated as of February 17, 2012, by and among CDW LLC, CDW Finance Corporation, the guarantors party thereto and Barclays Capital Inc. as initial purchaser, previously filed as Exhibit 4.7 with CDW Corporation's Form 8-K filed on February 17, 2012 and incorporated herein by reference.
4.13	Senior Subordinated Exchange Note Indenture, dated as of October 10, 2008, by and among CDW Corporation, the guarantors party thereto and U.S. Bank National Association as trustee, previously filed as Exhibit 4.6 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
4.14	Senior Subordinated Exchange Note Supplemental Indenture, dated as of May 10, 2010, by and among CDW LLC, the guarantors party thereto and U.S. Bank National Association as trustee, previously filed as Exhibit 4.7 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
4.15	Second Senior Subordinated Exchange Note Supplemental Indenture, dated as of August 23, 2010, by and among CDW LLC, CDW Finance Corporation, the guarantors party thereto and U.S. Bank National Association as trustee, previously filed as Exhibit 4.8 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
4.16	Third Senior Subordinated Exchange Note Supplemental Indenture, dated as of May 10, 2012, by and among CDW LLC, CDW Finance Corporation, the guarantors party thereto and U.S. Bank National Association as trustee, previously filed as Exhibit 4.2 with CDW Corporation's Form 8-K filed on May 11, 2012 and incorporated herein by reference.

Exhibit Number	Description
4.17	Form of Fixed Rate Senior Subordinated Exchange Note due 2017 (included as Exhibit B to Exhibit 4.12), previously filed as Exhibit 4.10 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
4.18	Form of Global Fixed Rate Senior Subordinated Exchange Note due 2017, Series B, previously filed as Exhibit 4.11 with CDW Corporation's Form 10-K for the fiscal year ended December 31, 2010 and incorporated herein by reference.
10.1	Revolving Loan Credit Agreement, dated as of June 24, 2011, by and among CDW LLC, the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as administrative agent, GE Commercial Distribution Finance Corporation, as floorplan funding agent, and the joint lead arrangers, joint bookrunners, co-collateral agents and other agents party thereto, previously filed as Exhibit 10.1 with CDW Corporation's Amendment No. 1 to Form S-4 filed on September 26, 2011 (Reg. No. 333-175597) and incorporated herein by reference.
10.2	Term Loan Agreement, dated as of April 29, 2013, by and among CDW LLC, the lenders from time to time party thereto, Barclays Bank PLC, as administrative agent and collateral agent, and the joint lead arrangers, joint bookrunners, co-syndication agents and co-documentation agents party thereto, previously filed as Exhibit 10.1 with CDW Corporation’s Form 8-K filed on May 1, 2013 and incorporated herein by reference.
10.3	First Amendment to Term Loan Agreement, dated as of May 30, 2013, by and among CDW LLC, the lenders from time to time party thereto, and Barclays Bank PLC, as administrative agent and collateral agent, previously filed as Exhibit 10.3 with CDW Corporation’s Amendment No. 2 to Form S-1 filed on June 14, 2013 (Reg. No. 333-187472) and incorporated herein by reference.
10.4	Incremental Amendment, dated as of July 31, 2013, by and among CDW LLC, the lenders party thereto and Barclays Bank PLC, as administrative agent, previously filed as Exhibit 10.1 with CDW Corporation’s Form 8-K filed on August 1, 2013 and incorporated herein by reference.
10.5	Third Amendment to the Term Loan Agreement, dated as of September 12, 2013, by and among CDW LLC, the lenders from time to time party thereto and Barclays Bank PLC, as administrative agent and collateral agent, previously filed as Exhibit 10.2 with CDW Corporation's Form 10-Q filed on November 7, 2013 and incorporated herein by reference.
10.6	Second Amended and Restated Guarantee and Collateral Agreement, dated April 29, 2013, by and among CDW LLC, the guarantors party thereto and Barclays Bank PLC, as collateral agent, previously filed as Exhibit 10.2 with CDW Corporation’s Form 8-K filed on May 1, 2013 and incorporated herein by reference.
10.7	Management Services Agreement, dated as of October 12, 2007, by and between CDW Corporation, Madison Dearborn Partners V-B, L.P. and Providence Equity Partners L.L.C., previously filed as Exhibit 10.9 with CDW Corporation’s Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
10.8	Termination Agreement, dated as of June 12, 2013, by and among CDW Corporation, Madison Dearborn Partners V-B, L.P. and Providence Equity Partners L.L.C., previously filed as Exhibit 10.6 with CDW Corporation’s Amendment No. 2 to Form S-1 filed on June 14, 2013 (Reg. No. 333-187472) and incorporated herein by reference.
10.9	Registration Agreement, dated as of October 12, 2007, by and among VH Holdings, Inc., CDW Holdings LLC, Madison Dearborn Capital Partners V-A, L.P., Madison Dearborn Capital Partners V-C, L.P., Madison Dearborn Partners V Executive-A, L.P., Providence Equity Partners VI L.P., Providence Equity Partners VI-A L.P., and the other securityholders party thereto, previously filed as Exhibit 10.10 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
10.10*	Withdrawal from Registration Agreement, dated as of November 12, 2013, by and between CDW Corporation and Paul S. Shain.
10.11*	Withdrawal from Registration Agreement, dated as of November 20, 2013, by and among CDW Corporation, James R. Shanks and BOS Holdings, LLC.
10.12§	CDW Holdings LLC 2007 Incentive Equity Plan, adopted as of October 12, 2007, previously filed as Exhibit 10.11 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.

Exhibit Number	Description
10.13§	Form of CDW Holdings LLC Class A Common Unit Purchase and Exchange Agreement under the CDW Holdings LLC 2007 Incentive Equity Plan (executed by Thomas E. Richards, John A. Edwardson, Dennis G. Berger, Douglas E. Eckrote, Christine A. Leahy, Jonathan J. Stevens and Ann E. Ziegler), previously filed as Exhibit 10.12 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
10.14§	Form of CDW Holdings LLC Class A Common Unit Purchase and Exchange Agreement under the CDW Holdings LLC 2007 Incentive Equity Plan (executed by Neal J. Campbell, Christina M. Corley, Christina V. Rother and Matthew A. Troka and to be used for certain future investors), previously filed as Exhibit 10.13 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
10.15§	Form of CDW Holdings LLC Class B Common Unit Grant Agreement under the CDW Holdings LLC 2007 Incentive Equity Plan (executed by Thomas E. Richards, John A. Edwardson, Dennis G. Berger, Douglas E. Eckrote, Christine A. Leahy, Jonathan J. Stevens and Ann E. Ziegler), previously filed as Exhibit 10.12 with CDW Corporation's Form 10-K filed on March 8, 2013 and incorporated herein by reference.
10.16§	Form of CDW Holdings LLC Class B Common Unit Grant Agreement under the CDW Holdings LLC 2007 Incentive Equity Plan (executed by Neal J. Campbell, Christina M. Corley, Christina V. Rother and Matthew A. Troka and to be used for certain future grantees), previously filed as Exhibit 10.13 with CDW Corporation's Form 10-K filed on March 8, 2013 and incorporated herein by reference.
10.17§	Form of Compensation Protection Agreement (executed by Dennis G. Berger, Douglas E. Eckrote, Christine A. Leahy, Jonathan J. Stevens and Ann E. Ziegler), previously filed as Exhibit 10.18 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
10.18§	CDW Compensation Protection Plan, adopted as of December 10, 2002 and amended and restated effective as of January 1, 2009 (applicable to Neal J. Campbell, Christina M. Corley, Christina V. Rother and Matthew A. Troka), previously filed as Exhibit 10.19 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
10.19§	First Amendment to CDW Compensation Protection Plan, adopted as of December 10, 2002 and amended and restated effective as of January 1, 2009, dated as of January 3, 2012, previously filed as Exhibit 10.18 with CDW Corporation's Form 10-K filed on March 9, 2012 and incorporated herein by reference.
10.20§	Form of Noncompetition Agreement under the Compensation Protection Agreement, previously filed as Exhibit 10.20 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
10.21§	Form of Noncompetition Agreement under the CDW Compensation Protection Plan, previously filed as Exhibit 10.21 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
10.22§	CDW Restricted Debt Unit Plan, adopted as of March 10, 2010, previously filed as Exhibit 10.22 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
10.23§	Form of CDW Restricted Debt Unit Grant Notice and Agreement (executed by Thomas E. Richards, Dennis G. Berger, Douglas E. Eckrote, Christine A. Leahy, Jonathan J. Stevens and Ann E. Ziegler), previously filed as Exhibit 10.23 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
10.24§	Form of CDW Restricted Debt Unit Grant Notice and Agreement (executed by Neal J. Campbell, Christina M. Corley, Christina V. Rother and Matthew A. Troka and to be used for certain future grantees), previously filed as Exhibit 10.24 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
10.25§	Senior Management Incentive Plan, as amended and restated effective January 1, 2010, previously filed as Exhibit 10.1 with CDW Corporation's Form 8-K filed on November 15, 2010 and incorporated herein by reference.
10.26§	Amended and Restated Compensation Protection Agreement, dated as of June 30, 2011, by and between CDW LLC and Thomas E. Richards, previously filed as Exhibit 10.3 with CDW Corporation's Form 8-K filed on July 1, 2011 and incorporated herein by reference.

Exhibit Number	Description
10.27§	Letter Agreement, dated as of September 13, 2011, by and between CDW Direct, LLC and Christina M. Corley, previously filed as Exhibit 10.31 with CDW Corporation's Form 10-K filed on March 9, 2012 and incorporated herein by reference.
10.28§	Form of CDW Holdings LLC (Director) Class A Common Unit Purchase Agreement (executed by Steven W. Alesio, Barry K. Allen, Benjamin D. Chereskin and Chereskin Dynasty Trust and Donna F. Zarcone), previously filed as Exhibit 10.32 with CDW Corporation's Form 10-K filed on March 8, 2013 and incorporated herein by reference.
10.29§	Form of Indemnification Agreement by and between CDW Corporation and its directors and officers, previously filed as Exhibit 10.32 with CDW Corporation's Amendment No. 2 to Form S-1 filed on June 14, 2013 (Reg. No. 333-187472) and incorporated herein by reference.
10.30	Stockholders Agreement, dated as of June 10, 2013, by and among CDW Corporation, Madison Dearborn Capital Partners V-A, L.P., Madison Dearborn Capital Partners V-C, L.P., Madison Dearborn Capital Partners V Executive-A, L.P., Providence Equity Partners VI L.P., Providence Equity Partners VI-A L.P. and the other securityholders party thereto, previously filed as Exhibit 10.33 with CDW Corporation's Amendment No. 2 to Form S-1 filed on June 14, 2013 (Reg. No. 333-187472) and incorporated herein by reference.
10.31§	CDW Corporation 2013 Senior Management Incentive Plan, previously filed as Exhibit 10.34 with CDW Corporation's Amendment No. 2 to Form S-1 filed on June 14, 2013 (Reg. No. 333-187472) and incorporated herein by reference.
10.32§	CDW Corporation 2013 Long-Term Incentive Plan, previously filed as Exhibit 10.35 with CDW Corporation's Amendment No. 2 to Form S-1 filed on June 14, 2013 (Reg. No. 333-187472) and incorporated herein by reference.
10.33§	CDW Corporation Coworker Stock Purchase Plan, previously filed as Exhibit 10.36 with CDW Corporation's Amendment No. 2 to Form S-1 filed on June 14, 2013 (Reg. No. 333-187472) and incorporated herein by reference.
10.34§	Form of CDW Corporation Option Award Notice and Stock Option Agreement (executed by Thomas E. Richards), previously filed as Exhibit 10.37 with CDW Corporation's Amendment No. 2 to Form S-1 filed on June 14, 2013 (Reg. No. 333-187472) and incorporated herein by reference.
10.35§	Form of CDW Corporation Option Award Notice and Stock Option Agreement (executed by Neal J. Campbell and Christina M. Corley), previously filed as Exhibit 10.38 with CDW Corporation's Amendment No. 2 to Form S-1 filed on June 14, 2013 (Reg. No. 333-187472) and incorporated herein by reference.
10.36§	Form of CDW Corporation Restricted Stock Award Notice and Restricted Stock Award Agreement (executed by Thomas E. Richards, Dennis G. Berger, Douglas E. Eckrote, Christine A. Leahy, Jonathan J. Stevens and Ann E. Ziegler), previously filed as Exhibit 10.12 with CDW Corporation's Form 10-Q filed on August 12, 2013 and incorporated herein by reference.
10.37§	Form of CDW Corporation Restricted Stock Award Notice and Restricted Stock Award Agreement (executed by Neal J. Campbell, Christina M. Corley, Christina V. Rother and Matthew A. Troka), previously filed as Exhibit 10.13 with CDW Corporation's Form 10-Q filed on August 12, 2013 and incorporated herein by reference.
10.38§	CDW Amended and Restated Restricted Debt Unit Plan, previously filed as Exhibit 10.3 with CDW Corporation's Form 10-Q filed on November 7, 2013 and incorporated herein by reference.
12.1*	Computation of ratio of earnings to fixed charges.
21.1	List of subsidiaries, previously filed as Exhibit 21.1 with CDW Corporation's Form S-4 filed on April 13, 2012 (Reg. No. 333-180715) and incorporated herein by reference.
23.1*	Consent of Ernst & Young LLP.
31.1*	Certification of Chief Executive Officer pursuant to Rule 15d-14(a) under the Securities Exchange Act of 1934.

Exhibit Number	Description
31.2*	Certification of Chief Financial Officer pursuant to Rule 15d-14(a) under the Securities Exchange Act of 1934.
32.1**	Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350.
32.2**	Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith

** These items are furnished and not filed.

§ A management contract or compensatory arrangement required to be filed as an exhibit pursuant to Item 601 of Regulation S-K.

EDGAR Online

CDW CORP

FORM 10-K
(Annual Report)

Filed 02/26/15 for the Period Ending 12/31/14

Address	200 N MILWAUKEE AVE VERNON HILLS, IL 60061
Telephone	8474656000
CIK	0001402057
Symbol	CDW
SIC Code	5961 - Catalog and Mail-Order Houses
Fiscal Year	12/31

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2014

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____to _____

Commission File Number 001-35985

CDW CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**26-0273989**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
200 N. Milwaukee Avenue Vernon Hills, Illinois	**60061**
(Address of principal executive offices)	**(Zip Code)**

(847) 465-6000
(Registrant's telephone number, including area code)

None
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	**Name of each exchange on which registered**
Common stock, par value $0.01 per share	**NASDAQ Global Select Market**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer ☒ Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2014 , the last business day of the registrant's most recently completed second fiscal quarter, was $2,762.3 million , based on the per share closing sale price of $31.88 on that date.

As of February 20, 2015 , there were 172,275,656 shares of common stock, $0.01 par value, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement for use in connection with its 2015 Annual Meeting of Shareholders, to be filed not later than 120 days after December 31, 2014 , are incorporated by reference into Part III of this report.

CDW CORPORATION AND SUBSIDIARIES

ANNUAL REPORT ON FORM 10-K
Year Ended December 31, 2014

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FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the federal securities laws. All statements other than statements of historical fact included in this report are forward-looking statements. These statements relate to analyses and other information, which are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to our future prospects, developments and business strategies. We claim the protection of The Private Securities Litigation Reform Act of 1995 for all forward-looking statements in this report.

These forward-looking statements are identified by the use of terms and phrases such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “predict,” “project,” “should,” “will” and similar terms and phrases, including references to assumptions. However, these words are not the exclusive means of identifying such statements. Although we believe that our plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, we cannot assure you that we will achieve those plans, intentions or expectations. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected.

Important factors that could cause actual results to differ materially from our expectations, or cautionary statements, are disclosed under the section entitled “Risk Factors” included elsewhere in this report. All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements contained in the section entitled “Risk Factors” included elsewhere in this report as well as other cautionary statements that are made from time to time in our other Securities and Exchange Commission ("SEC") filings and public communications. You should evaluate all forward-looking statements made in this report in the context of these risks and uncertainties.

We caution you that the important factors referenced above may not contain all of the factors that are important to you. In addition, we cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our operations in the way we expect. The forward-looking statements included in this report are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

PART I

Item 1. Business

Our Company

CDW is a Fortune 500 company and a leading provider of integrated information technology (“IT”) solutions in the U.S. and Canada. We help our customer base of approximately 250,000 small, medium and large business, government, education and healthcare customers by delivering critical solutions to their increasingly complex IT needs. Our broad array of offerings ranges from discrete hardware and software products to integrated IT solutions such as mobility, security, data center optimization, cloud computing, virtualization and collaboration. We are technology "agnostic," with a product portfolio that includes over 100,000 products from more than 1,000 brands. We provide our products and solutions through sales force and service delivery teams consisting of nearly 4,600 coworkers, including more than 1,800 field sellers, highly-skilled technology specialists and advanced service delivery engineers.

We are a leading U.S. sales channel partner for many original equipment manufacturers (“OEMs”) and software publishers (collectively, our “vendor partners”), whose products we sell or include in the solutions we offer. We believe we are an important extension of our vendor partners' sales and marketing capabilities, providing them with a cost-effective way to reach customers and deliver a consistent brand experience through our established end-market coverage and extensive customer access.

We provide value to our customers by simplifying the complexities of technology across design, selection, procurement, integration and management. Our goal is to have our customers, regardless of their size, view us as an indispensable extension of their IT staffs. We seek to achieve this goal by providing our customers with superior service through our large and experienced sales force and service delivery teams. Our multi-brand offering approach enables us to identify the products or combination of products that best address each customer's specific organizational IT requirements and to evolve our offerings as new technologies develop.

We believe we offer the following value proposition to our customers and our vendor partners:

Our value proposition to our customers

- Broad selection of products and multi-branded IT solutions
- Value-added services with integration capabilities
- Highly-skilled specialists and engineers
- Solutions across a very broad IT landscape

Our value proposition to our vendor partners

- Access to approximately 250,000 customers throughout the U.S. and Canada
- Large and established customer channels
- Strong distribution and implementation capabilities
- Value-added solutions and marketing programs that generate end-user demand

Our customers include private sector businesses many of which employ fewer than 5,000 employees, government agencies and educational and healthcare institutions. We serve our customers through channel-specific sales teams and service delivery teams with extensive technical skills and knowledge of the specific markets they serve. This market segmentation allows us to customize our offerings and to provide enhanced expertise in designing and implementing IT solutions for our customers. We currently have five dedicated customer channels: medium/large business, small business, government, education and healthcare, each of which generated nearly $1 billion or more in net sales in 2014 . The scale and diversity of our customer channels provide us with multiple avenues for growth and a balanced customer base to weather economic and technology cycles.

The following table provides information regarding our reportable segments and our customer channels:

	Corporate Segment		Public Segment			
Customer Channels	**Medium/Large Business**	**Small Business**	**Government**	**Education**	**Healthcare**	**Other**
Target Customers	100 - 5,000 employees	10 - 100 employees	Various federal, state and local agencies	Higher education and K-12	Hospitals, ambulatory service providers and long-term care facilities	Advanced services customers plus Canada
2014 Net Sales (in billions)	$5.5	$1.0	$1.5	$1.8	$1.6	$0.7

For further information on our segments, including financial results, see Note 17 to the accompanying audited consolidated financial statements included elsewhere in this report.

We offer more than 1,000 brands, from well-established companies such as APC, Apple, Cisco, EMC, Google, Hewlett-Packard, IBM, Lenovo, Microsoft, NetApp, Samsung, Symantec and VMware to emerging vendor partners such as Aerohive Networks, Box, Inc., Drobo, Jive, Nimble Storage, Nutanix, and Ruckus. In 2014 , we generated over $1 billion of revenue for each of four of our vendor partners and over $100 million of revenue for each of 12 other vendor partners. We have received the highest level of certification from major vendor partners such as Cisco, EMC and Microsoft, which reflects the extensive product and solution knowledge and capabilities that we bring to our customers' IT challenges. These certifications also provide us with access to favorable pricing, tools and resources, including vendor incentive programs, which we use to provide additional value to our customers. Our vendor partners also regularly recognize us with top awards and select us to develop and grow new customer solutions.

History

CDW was founded in 1984. In 2003, we purchased selected U.S. assets and the Canadian operations of Micro Warehouse, which extended our growth platform into Canada. In 2006, we acquired Berbee Information Networks Corporation, a regional provider of technology products, solutions and customized engineering services in advanced technologies primarily across Cisco, IBM and Microsoft portfolios. This acquisition increased our capabilities in customized engineering services and managed services.

On October 12, 2007, CDW Corporation, an Illinois corporation, was acquired through a merger transaction by an entity controlled by investment funds affiliated with Madison Dearborn Partners, LLC and Providence Equity Partners L.L.C. (the “Acquisition”). CDW Corporation continued as the surviving corporation and same legal entity after the Acquisition, but became a wholly owned subsidiary of VH Holdings, Inc., a Delaware corporation.

On December 31, 2009, CDW Corporation merged into CDWC LLC, an Illinois limited liability company owned by VH Holdings, Inc., with CDWC LLC as the surviving entity. This change had no impact on our operations or management. On December 31, 2009, CDWC LLC was renamed CDW LLC (“CDW LLC”). On August 17, 2010, VH Holdings, Inc. was renamed CDW Corporation (“Parent”), a Delaware corporation.

Throughout this report, the terms “the Company” and “CDW” refer to Parent and its 100% owned subsidiaries.

Prior to July 2, 2013, the date of our initial public offering (“IPO”), Parent was owned directly by CDW Holdings LLC ("CDW Holdings"), a company controlled by investment funds affiliated with Madison Dearborn Partners, LLC and Providence Equity Partners L.L.C. (the "Sponsors"), certain other co-investors and certain members of CDW management. Before the IPO, Madison Dearborn Partners, LLC and Providence Equity Partners L.L.C. owned 46.0% and 40.6% of our common stock, respectively. After the IPO and through subsequent secondary offerings in fourth quarter of 2013 and during 2014, the Sponsors' ownership has significantly decreased. As of December 31, 2014, the Sponsors own 15.5% and 13.7% of our common stock, respectively.

On July 2, 2013, Parent completed the IPO of its common stock. In connection with the IPO, CDW Holdings distributed all of its shares of Parent's common stock to its members in June 2013 in accordance with the members' respective membership interests and was subsequently dissolved in August 2013. See Note 9 to the accompanying audited consolidated financial statements included elsewhere in this report for additional discussion of the IPO.

On November 10, 2014, we completed the acquisition of a 35% non-controlling equity interest in Kelway TopCo Limited ("Kelway"), a UK-based IT solutions provider, which has global supply chain relationships that enable it to conduct business in more than 100 countries. This investment strengthens our ability to provide a more comprehensive solution to our customers and enhances our ability to serve our existing multi-national customers.

Our Market

We operate in the U.S. and Canadian IT markets, which are large and growing markets. According to IDC, the overall U.S. IT market generated approximately $675 billion in sales in 2014 . We believe our addressable market in the U.S. in the indirect sales channel represents more than $215 billion in annual sales and for the year ended December 31, 2014 , our U.S. net sales of $11.5 billion represented approximately 5% of that highly diverse and fragmented market. According to IDC, the overall Canadian IT market generated more than $50 billion in sales in 2014 . We believe our addressable market in Canada in the indirect sales channel represents more than $11 billion in annual sales and for the year ended December 31, 2014, our net sales of $532 million in Canada represented approximately 5% of that market. We believe we have the largest market share in our addressable market, with our 2014 net sales exceeding the cumulative North American net sales of our four largest publicly traded sales channel competitors, based upon publicly available information for those companies. New technologies, including cloud, virtualization and mobility, coupled with the resulting increase in demand for data as well as aging infrastructure, are increasingly requiring businesses and institutions to seek integrated solutions to their IT needs. We expect this trend to continue for the foreseeable future, with end-user demand for business efficiency and productivity driving future IT spending growth.

Our Offerings

Our offerings range from discrete hardware and software products and services to complex integrated solutions that include one or more of these elements. We believe our customers increasingly view technology purchases as integrated solutions rather than discrete product and service categories and we estimate t hat approximately 47% of our net sales in 2014 came from sales of product categories and services typically associated with solutions. Our hardware products include notebooks/mobile devices (including tablets), network communications, enterprise and data storage, video monitors, printers, desktop computers and servers. Our software products include application suites, security, virtualization, operating systems, network management and Software as a Service (“SaaS”) offerings. We also provide a full suite of value-added-services, which range from basic installation, warranty and repair services to custom configuration, data center and network implementation services, as well as managed services that include Infrastructure as a Service (“IaaS”) offerings.

We also offer a variety of integrated solutions, such as:

- *Mobility* : We assist our customers with the selection, procurement and integration of mobile security software, hardware devices such as smartphones, tablets and notebooks, and cellular wireless activation systems. We also provide mobile device management applications with policy and security management capabilities across a variety of mobile operating systems and platforms.

- *Security* : We assess our customers' security needs and provide them with threat prevention tools in order to protect their networks, servers and applications, such as anti-virus, anti-spam, content filtering, intrusion prevention, firewall and virtual private network services, and network access control. We also design and implement data loss prevention solutions, using data monitoring and encryption across a wide array of devices to ensure the security of customer information, personal employee information and research and development data.

- *Data Center Optimization* : We help our customers evaluate their data centers for convergence and optimization opportunities. Our data center optimization solutions consist of server virtualization, physical server consolidation, data storage management and energy-efficient power and cooling systems.

- *Cloud Computing* : We provide our customers with a broad portfolio of cloud-based solutions, which are technology delivered as a service. Our cloud offerings include: Infrastructure as a Service (IaaS), which delivers compute, networking, storage, and data center capabilities via the cloud; Software as a Service (SaaS), which connects users to cloud-based software applications; and Platform as a Service (PaaS), which enables development and ongoing maintenance of cloud-based solutions. We provide public cloud solutions which reside off customer premises on a public (shared) infrastructure, and private cloud solutions, which reside on customer premises. We also offer hybrid cloud solutions that deliver the benefits of both public and private solutions. Our migration, integration and managed

services offerings help our customers simplify cloud adoption, as well as the ongoing management of cloud solutions across the entire IT lifecycle. Dedicated Cloud Client Executives work with our customers to architect cloud solutions that meet their organizational, technology and financial objectives.

- *Virtualization* : We design and implement server, storage and desktop virtualization solutions. Virtualization enables our customers to efficiently utilize hardware resources by running multiple, independent, virtual operating systems on a single computer and multiple virtual servers simultaneously on a single server. Virtualization also can separate a desktop environment and associated application software from the hardware device that is used to access it, and provides employees with remote desktop access. Our specialists assist customers with the steps of implementing virtualization solutions, including evaluating network environments, deploying shared storage options and licensing platform software.

- *Collaboration* : We provide our customers with communication tools that allow employees to share knowledge, ideas and information among each other and with clients and partners effectively and quickly. Our collaboration solutions unite communications and applications via the integration of products that facilitate the use of multiple enterprise communication methods including email, instant messaging, presence, social media, voice, video, hardware, software and services. We also host cloud-based collaboration solutions.

While we believe customers increasingly view technology purchases as solutions rather than discrete product and service categories, the following table shows our net sales by major category, based upon our internal category classifications.

	Year Ended December 31, 2014		Year Ended December 31, 2013 [1]		Year Ended December 31, 2012 [1]	
	Dollars in Millions	Percentage of Total Net Sales	Dollars in Millions	Percentage of Total Net Sales	Dollars in Millions	Percentage of Total Net Sales
Notebooks/Mobile Devices	$ 2,352.3	19.5%	$ 1,698.4	15.8%	$ 1,462.8	14.4%
NetComm Products	1,615.9	13.4	1,486.3	13.8	1,351.5	13.3
Enterprise and Data Storage (Including Drives)	1,024.3	8.5	999.2	9.3	981.5	9.7
Other Hardware	4,549.2	37.6	4,178.5	38.8	4,075.7	40.3
Software [2]	2,076.7	17.2	1,993.1	18.5	1,877.7	18.5
Services	371.4	3.1	332.7	3.1	285.0	2.8
Other [3]	84.7	0.7	80.4	0.7	94.0	1.0
Total net sales	$ 12,074.5	100.0%	$ 10,768.6	100.0%	$ 10,128.2	100.0%

(1) Amounts have been reclassified for changes in individual product classifications to conform to the presentation for the year ended December 31, 2014.

(2) The decline in software as a percentage of total net sales is primarily driven by a higher proportion of revenue recorded on a net basis, including SaaS.

(3) Includes items such as delivery charges to customers and certain commission revenue.

Our Customers

We provide integrated IT solutions to approximately 250,000 small, medium and large business, government, education and healthcare customers throughout the U.S. and Canada. Sales to the U.S. federal government, which are diversified across multiple agencies and departments, collectively accounted for approximately 7% , 7% and 10% of total net sales in 2014, 2013 and 2012, respectively. However, there are several independent purchasing decision-makers across these agencies and departments. Excluding these sales to the federal government, we are not reliant on any one customer, as our next five largest customers cumulatively comprised approximately 3% of our net sales in 2014 .

Inventory Management

We utilize our IT systems to manage our inventory in a cost-efficient manner, resulting in a rapid-turn inventory model. We generally only stock items that have attained a minimum sales volume.

Our distribution process is highly automated. Once a customer order is received and credit approved, orders are automatically routed to one of our distribution centers for picking and shipping as well as configuration and imaging services. We operate two distribution centers: a 450,000 square foot facility in Vernon Hills, Illinois, and a 513,000 square foot facility in North Las Vegas, Nevada. We ship almost 37 million units annually on an aggregate basis from our two distribution centers. We believe that the location of our distribution centers allows us to efficiently ship products throughout the U.S. and provide timely access to our principal distributors. In addition, in the event of weather-related or other disruptions at one of our distribution centers, we are able to shift order processing and fulfillment from one center to the other quickly and efficiently, enabling us to continue to ship products in a timely manner. We believe that competitive sources of supply are available in substantially all of the product categories we offer. We continue to improve the productivity of our distribution centers as measured by key performance indicators such as units shipped per hour worked and bin accuracy.

We also have drop-shipment arrangements with many of our OEMs and wholesale distributors, which permit us to offer products to our customers without having to take physical delivery at either of our distribution centers. These arrangements generally represent approximately 40% to 50% of total net sales, including approximately 15% to 20% related to electronic delivery for software licenses.

Information Technology Systems

We maintain customized IT and unified communication systems that enhance our ability to provide prompt, efficient and expert service to our customers. In addition, these systems enable centralized management of key functions, including purchasing, inventory management, billing and collection of accounts receivable, sales and distribution. Our systems provide us with thorough, detailed and real-time information regarding key aspects of our business. This capability helps us to continuously enhance productivity, ship customer orders quickly and efficiently, respond appropriately to industry changes and provide high levels of customer service. We believe that our websites, which provide electronic order processing and advanced tools, such as order tracking, reporting and asset management, make it easy for customers to transact business with us and ultimately strengthen our customer relationships.

Product Procurement

We may purchase all or only some of the products that our vendor partners offer for resale to our customers or for inclusion in the solutions we offer. Each vendor partner agreement provides for specific terms and conditions, which may include one or more of the following: product return privileges, price protection policies, purchase discounts and vendor incentive programs, such as purchase or sales rebates and cooperative advertising reimbursements. We also purchase software from major software publishers for resale to our customers or for inclusion in the solutions we offer. Our agreements with software publishers allow the end-user customer to acquire software or licensed products and services.

In addition to purchasing products directly from our vendor partners, we purchase products from wholesale distributors for resale to our customers or for inclusion in the solutions we offer. These wholesale distributors provide logistics management and supply-chain services for us, as well as for our vendor partners. For the year ended December 31, 2014 , we purchased 54% of the products we sold as discrete products or as components of a solution directly from our vendor partners and the remaining 46% from wholesale distributors. Purchases from our three largest wholesale distributors, Tech Data, SYNNEX and Ingram Micro each represented 9% of our total purchases. Sales of products manufactured by Apple, Cisco, EMC, Hewlett-Packard, Lenovo and Microsoft, whether purchased directly from these vendor partners or from a wholesale distributor, represented in the aggregate 54% of our net sales in 2014 . Sales of products manufactured by Hewlett-Packard and Cisco represented 18% and 14% , of our 2014 net sales, respectively.

Competition

The market for technology products and services is highly competitive. Competition is based on the ability to tailor specific solutions to customer needs, quality and breadth of product and service offerings, knowledge and expertise of sales force, customer service, price, product availability, speed of delivery and credit availability. Our competition includes:

- resellers such as Dimension Data, ePlus, Insight Enterprises, PC Connection, PCM, Presidio, Softchoice, World Wide Technology and many smaller resellers;
- manufacturers who sell directly to customers, such as Dell, Hewlett-Packard and Apple;
- large service providers and system integrators, such as IBM, Accenture, Hewlett-Packard and Dell;
- e-tailers such as Amazon, Newegg, and TigerDirect.com;
- cloud providers such as AT&T, Amazon Web Services and Box; and

- retailers (including their e-commerce activities) such as Staples and Office Depot.

We expect the competitive landscape in which we compete to continue to change as new technologies are developed. While innovation can help our business as it creates new offerings for us to sell, it can also disrupt our business model and create new and stronger competitors. For a discussion of the risks associated with competition, see “Risk Factors” included elsewhere in this report.

Marketing

We market the CDW brand to both national and local audiences using a variety of channels that include online, broadcast, print, social and other media. This promotion is supported by integrated communication efforts that target decision-makers, influencers and the general public using a combination of news releases, case studies, media interviews and speaking opportunities. We also market to current and prospective customers through integrated marketing programs that include behaviorally targeted email, print, online media, events and sponsorships, as well as broadcast media.

As a result of our relationships with our vendor partners, a significant portion of our advertising and marketing expenses are reimbursed through cooperative advertising reimbursement programs. These programs are at the discretion of our vendor partners and are typically tied to sales or purchasing volumes or other commitments to be met by us within a specified period of time. We believe that our national scale and analytical techniques that measure the efficacy of our marketing programs differentiate us from our competitors.

Coworkers

As of December 31, 2014 , we employed 7,211 coworkers, none of whom is covered by collective bargaining agreements. We consider our coworker relations to be good.

Intellectual Property

The CDW trademark and certain variations thereon are registered or subject to pending trademark applications in the U.S., Canada and certain other jurisdictions. We believe our trademarks have significant value and are important factors in our marketing programs. In addition, we own registrations for domain names, including cdw.com and cdwg.com, for certain of our primary trademarks. We also have unregistered copyrights in our website content.

Item 1A. Risk Factors

There are many factors that affect our business, results of operations and cash flows, some of which are beyond our control. The following is a description of some important factors that may cause our actual results of operations and cash flows in future periods to differ materially from those currently expected or desired.

Risks Related to Our Business

General economic conditions could negatively affect technology spending by our customers and put downward pressure on prices, which may have an adverse impact on our business, results of operations or cash flows.

Weak economic conditions generally, sustained uncertainty about global economic conditions, U.S. federal government spending cuts and the impact of new government programs, or a tightening of credit markets could cause our customers and potential customers to postpone or reduce spending on technology products or services or put downward pressure on prices, which could have an adverse effect on our business, results of operations or cash flows.

Our financial performance could be adversely affected by decreases in spending on technology products and services by our Public segment customers.

Our sales to our Public segment customers are impacted by government spending policies, budget priorities and revenue levels. Although our sales to the federal government are diversified across multiple agencies and departments, they collectively accounted for approximately 7% of 2014 net sales. An adverse change in government spending policies (including ongoing budget cuts at the federal level), budget priorities or revenue levels could cause our Public segment customers to reduce their purchases or to terminate or not renew their contracts with us, which could adversely affect our business, results of operations or cash flows. For example, in 2013, as a result of sequestration and related budget uncertainty and the partial shutdown of the federal government for 16 days, we experienced significantly reduced Federal sales in our Public segment.

Our business depends on our vendor partner relationships and the availability of their products.

We purchase products for resale from vendor partners, which include OEMs and software publishers, and wholesale distributors. For the year ended December 31, 2014 , we purchased approximately 54% of the products we sold directly from vendor partners and the remaining amount from wholesale distributors. We are authorized by vendor partners to sell all or some of their products via direct marketing activities. Our authorization with each vendor partner is subject to specific terms and conditions regarding such things as sales channel restrictions, product return privileges, price protection policies, purchase discounts and vendor partner programs and funding, including purchase rebates, sales volume rebates, purchasing incentives and cooperative advertising reimbursements. However, we do not have any long-term contracts with our vendor partners and many of these arrangements are terminable upon notice by either party. A reduction in vendor partner programs or funding or our failure to timely react to changes in vendor partner programs or funding could have an adverse effect on our business, results of operations or cash flows. In addition, a reduction in the amount of credit granted to us by our vendor partners could increase our need for, and the cost of, working capital and could have an adverse effect on our business, results of operations or cash flows, particularly given our substantial indebtedness.

From time to time, vendor partners may terminate or limit our right to sell some or all of their products or change the terms and conditions or reduce or discontinue the incentives that they offer us. For example, there is no assurance that, as our vendor partners continue to sell directly to end users and through resellers, they will not limit or curtail the availability of their products to solutions providers like us. Any such termination or limitation or the implementation of such changes could have a negative impact on our business, results of operations or cash flows.

Although we purchase from a diverse vendor base, in 2014 , products we purchased from distributors Tech Data, SYNNEX and Ingram Micro each represented 9% of our total purchases. In addition, sales of Apple, Cisco, EMC, Hewlett-Packard, Lenovo and Microsoft products comprise a substantial portion of our sales, representing approximately 54% of net sales in 2014 . Sales of products manufactured by Hewlett-Packard and Cisco represented approximately 18% and 14% , respectively, of our 2014 net sales. The loss of, or change in business relationship with, any of these or any other key vendor partners, the diminished availability of their products, or backlogs for their products leading to manufacturer allocation, could reduce the supply and increase the cost of products we sell and negatively impact our competitive position.

Additionally, the relocation of key distributors utilized in our purchasing model could increase our need for, and the cost of, working capital and have an adverse effect on our business, results of operations or cash flows. Further, the sale, spin-off or combination of any of our vendor partners and/or certain of their business units, including any such sale to or combination with a vendor with whom we do not currently have a commercial relationship or whose products we do not sell, could have an adverse impact on our business, results of operations or cash flows.

Our sales are dependent on continued innovations in hardware, software and services offerings by our vendor partners and the competitiveness of their offerings, and our ability to partner with new and emerging technology providers.

The technology industry is characterized by rapid innovation and the frequent introduction of new and enhanced hardware, software and services offerings, such as cloud-based solutions, including SaaS, IaaS and PaaS. We have been and will continue to be dependent on innovations in hardware, software and services offerings, as well as the acceptance of those innovations by customers. A decrease in the rate of innovation, or the lack of acceptance of innovations by customers, could have an adverse effect on our business, results of operations or cash flows.

In addition, if we are unable to keep up with changes in technology and new hardware, software and services offerings, for example by providing the appropriate training to our account managers, sales technology specialists and engineers to enable them to effectively sell and deliver such new offerings to customers, our business, results of operations or cash flows could be adversely affected.

We also are dependent upon our vendor partners for the development and marketing of hardware, software and services to compete effectively with hardware, software and services of vendors whose products and services we do not currently offer or that we are not authorized to offer in one or more customer channels. In addition, our success is dependent on our ability to develop relationships with and sell hardware, software and services from new emerging vendors and vendors that we have not historically represented in the marketplace. To the extent that a vendor's offering that is highly in demand is not available to us for resale in one or more customer channels, and there is not a competitive offering from another vendor that we are authorized to sell in such customer channels, or we are unable to develop relationships with new technology providers or companies that we have not historically represented, our business, results of operations or cash flows could be adversely impacted.

Substantial competition could reduce our market share and significantly harm our financial performance.

Our current competition includes:

- resellers, such as Dimension Data, ePlus, Insight Enterprises, PC Connection, PCM, Presidio, Softchoice, World Wide Technology and many smaller resellers;
- manufacturers who sell directly to customers, such as Dell, Hewlett-Packard and Apple;
- large service providers and system integrators, such as IBM, Accenture, Hewlett-Packard and Dell;
- e-tailers, such as Amazon, Newegg and TigerDirect.com;
- cloud providers, such as AT&T, Amazon Web Services and Box; and
- retailers (including their e-commerce activities), such as Staples and Office Depot.

We expect the competitive landscape in which we compete to continue to change as new technologies are developed. While innovation can help our business as it creates new offerings for us to sell, it can also disrupt our business model and create new and stronger competitors. For instance, while cloud-based solutions present an opportunity for us, cloud-based solutions and technologies that deliver technology solutions as a service could increase the amount of sales directly to customers rather than through solutions providers like us, or could reduce the amount of hardware we sell, leading to a reduction in our sales and/or profitability. In addition, some of our hardware and software vendor partners sell, and could intensify their efforts to sell, their products directly to our customers. Moreover, traditional OEMs have increased their services capabilities through mergers and acquisitions with service providers, which could potentially increase competition in the market to provide comprehensive technology solutions to customers. If any of these trends becomes more prevalent, it could adversely affect our business, results of operations or cash flows.

We focus on offering a high level of service to gain new customers and retain existing customers. To the extent we face increased competition to gain and retain customers, we may be required to reduce prices, increase advertising expenditures or take other actions which could adversely affect our business, results of operations or cash flows. Additionally, some of our competitors may reduce their prices in an attempt to stimulate sales, which may require us to reduce prices. This would require us to sell a greater number of products to achieve the same level of net sales and gross profit. If such a reduction in prices occurs and we are unable to attract new customers and sell increased quantities of products, our sales growth and profitability could be adversely affected.

The success of our business depends on the continuing development, maintenance and operation of our information technology systems.

Our success is dependent on the accuracy, proper utilization and continuing development of our information technology systems, including our business systems, such as our sales, customer management, financial and accounting, marketing, purchasing, warehouse management, e-commerce and mobile systems, as well as our operational platforms, including voice and data networks and power systems. The quality and our utilization of the information generated by our information technology systems, and our success in implementing new systems and upgrades, affects, among other things, our ability to:

- conduct business with our customers, including delivering services and solutions to them;
- manage our inventory and accounts receivable;
- purchase, sell, ship and invoice our hardware and software products and provide and invoice our services efficiently and on a timely basis; and
- maintain our cost-efficient operating model while scaling our business.

The integrity of our information technology systems is vulnerable to disruption due to forces beyond our control. While we have taken steps to protect our information technology systems from a variety of threats, including computer viruses, malware, phishing, social engineering, unauthorized access and other malicious attacks, both internal and external, and human error, there can be no guarantee that those steps will be effective. Furthermore, although we have redundant systems at a separate location to back up our primary systems, there can be no assurance that these redundant systems will operate properly if and when required. Any disruption to or infiltration of our information technology systems could significantly harm our business and results of operations.

Breaches of data security could adversely impact our business.

Our business involves the storage and transmission of proprietary information and sensitive or confidential data, including personal information of coworkers, customers and others. In addition, we operate data centers for our customers which host their technology infrastructure and may store and transmit both business-critical data and confidential information. In connection with our services business, our coworkers also have access to our customers' confidential data and other information. We have privacy and data security policies in place that are designed to prevent security breaches; however, as newer technologies evolve, we could be exposed to increased risk of breaches in security. Breaches in security could expose us, our customers or other individuals to a risk of public disclosure, loss or misuse of this information, resulting in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy of personal information, as well as the loss of existing or potential customers and damage to our brand and reputation. In addition, the cost and operational consequences of implementing further data protection measures could be significant. Such breaches, costs and consequences could adversely affect our business, results of operations or cash flows.

The failure to comply with our Public segment contracts or applicable laws and regulations could result in, among other things, termination, fines or other liabilities, and changes in procurement regulations could adversely impact our business, results of operations or cash flows.

Revenues in our Public segment are derived from sales to governmental entities, educational institutions and healthcare customers, through various contracts and open market sales of products and services. Sales to Public segment customers are highly regulated. Noncompliance with contract provisions, government procurement regulations or other applicable laws or regulations (including but not limited to the False Claims Act and the Medicare and Medicaid Anti-Kickback Statute) could result in civil, criminal and administrative liability, including substantial monetary fines or damages, termination of government contracts or other Public segment customer contracts, and suspension, debarment or ineligibility from doing business with the government and other customers in the Public segment. In addition, contracts in the Public segment are generally terminable at any time for convenience of the contracting agency or group purchasing organization (“GPO”) or upon default. Furthermore, our inability to enter into or retain contracts with GPOs may threaten our ability to sell to customers in those GPOs and compete. The effect of any of these possible actions could adversely affect our business, results of operations or cash flows. In addition, the adoption of new or modified procurement regulations and other requirements may increase our compliance costs and reduce our gross margins, which could have a negative effect on our business, results of operations or cash flows.

If we fail to provide high-quality services to our customers, or if our third-party service providers fail to provide high-quality services to our customers, our reputation, business, results of operations or cash flows could be adversely affected.

Our service offerings include field services, managed services, warranties, configuration services, partner services and telecom services. Additionally, we deliver and manage mission critical software, systems and network solutions for our customers. We also offer certain services, such as implementation and installation services and repair services, to our customers through various third-party service providers engaged to perform these services on our behalf. If we or our third-party service providers fail to provide high quality services to our customers or such services result in a disruption of our customers' businesses, this could, among other things, result in legal claims and proceedings and liability. Moreover, as we expand our services and solutions business, we may be exposed to additional operational, regulatory and other risks. We also could incur liability for failure to comply with the rules and regulations applicable to the new services and solutions we provide to our customers. If any of the foregoing were to occur, our reputation with our customers, our brand and our business, results of operations or cash flows could be adversely affected.

If we lose any of our key personnel, or are unable to attract and retain the talent required for our business, our business could be disrupted and our financial performance could suffer.

Our success is heavily dependent upon our ability to attract, develop, engage and retain key personnel to manage and grow our business, including our key executive, management, sales, services and technical coworkers.

Our future success will depend to a significant extent on the efforts of Thomas E. Richards, our Chairman and Chief Executive Officer, as well as the continued service and support of our other executive officers. Our future success also will depend on our ability to retain our customer-facing coworkers, who have been given critical CDW knowledge regarding, and the opportunity to develop strong relationships with, many of our customers. In addition, as we seek to expand our offerings of value-added services and solutions, our success will even more heavily depend on attracting and retaining highly skilled technology specialists and engineers, for whom the market is extremely competitive.

Our inability to attract, develop and retain key personnel could have an adverse effect on our relationships with our vendor partners and customers and adversely affect our ability to expand our offerings of value-added services and solutions. Moreover, our inability to train our sales, services and technical personnel effectively to meet the rapidly changing technology

needs of our customers could cause a decrease in the overall quality and efficiency of such personnel. Such consequences could adversely affect our business, results of operations or cash flows.

The interruption of the flow of products from suppliers could disrupt our supply chain.

A significant portion of the products we sell are manufactured or purchased by our vendor partners outside of the U.S., primarily in Asia. Political, social or economic instability in Asia, or in other regions in which our vendor partners purchase or manufacture the products we sell, could cause disruptions in trade, including exports to the U.S. Other events that could also cause disruptions to our supply chain include:

- the imposition of additional trade law provisions or regulations;
- the imposition of additional duties, tariffs and other charges on imports and exports;
- foreign currency fluctuations;
- natural disasters or other adverse occurrences at, or affecting, any of our suppliers' facilities;
- restrictions on the transfer of funds;
- the financial instability or bankruptcy of manufacturers; and
- significant labor disputes, such as strikes.

We cannot predict whether the countries in which the products we sell are purchased or manufactured, or may be purchased or manufactured in the future, will be subject to new or additional trade restrictions or sanctions imposed by the U.S. or foreign governments, including the likelihood, type or effect of any such restrictions. Trade restrictions, including new or increased tariffs or quotas, embargoes, sanctions, safeguards and customs restrictions against the products we sell, as well as foreign labor strikes and work stoppages or boycotts, could increase the cost or reduce the supply of product available to us and adversely affect our business, results of operations or cash flows. In addition, our exports are subject to regulations and noncompliance with these requirements could have a negative effect on our business, results of operations or cash flows.

A natural disaster or other adverse occurrence at one of our primary facilities or customer data centers could damage our business.

Substantially all of our corporate, warehouse and distribution functions are located at our Vernon Hills, Illinois facilities and our second distribution center in North Las Vegas, Nevada. If the warehouse and distribution equipment at one of our distribution centers were to be seriously damaged by a natural disaster or other adverse occurrence, we could utilize the other distribution center or third-party distributors to ship products to our customers. However, this may not be sufficient to avoid interruptions in our service and may not enable us to meet all of the needs of our customers and would cause us to incur incremental operating costs. In addition, we operate three customer data centers and numerous sales offices which may contain both business-critical data and confidential information of our customers. A natural disaster or other adverse occurrence at any of the customer data centers or at any of our major sales offices could negatively impact our business, results of operations or cash flows.

We are heavily dependent on commercial delivery services.

We generally ship hardware products to our customers by FedEx, United Parcel Service and other commercial delivery services and invoice customers for delivery charges. If we are unable to pass on to our customers future increases in the cost of commercial delivery services, our profitability could be adversely affected. Additionally, strikes, inclement weather, natural disasters or other service interruptions by such shippers could adversely affect our ability to deliver products on a timely basis.

We are exposed to accounts receivable and inventory risks.

We extend credit to our customers for a significant portion of our net sales, typically on 30-day payment terms. We are subject to the risk that our customers may not pay for the products they have purchased, or may pay at a slower rate than we have historically experienced, the risk of which is heightened during periods of economic downturn or uncertainty or, in the case of Public segment customers, during periods of budget constraints.

We are also exposed to inventory risks as a result of the rapid technological changes that affect the market and pricing for the products we sell. We seek to minimize our inventory exposure through a variety of inventory management procedures and policies, including our rapid-turn inventory model, as well as vendor price protection and product return programs. However, if we were unable to maintain our rapid-turn inventory model, if there were unforeseen product developments that

created more rapid obsolescence or if our vendor partners were to change their terms and conditions, our inventory risks could increase. We also from time to time take advantage of cost savings associated with certain opportunistic bulk inventory purchases offered by our vendor partners or we may decide to carry high inventory levels of certain products that have limited or no return privileges due to customer demand or request. These bulk purchases could increase our exposure to inventory obsolescence.

We could be exposed to additional risks if we continue to make strategic investments or acquisitions or enter into alliances.

We may continue to pursue transactions, including strategic investments, acquisitions or alliances, in an effort to extend or complement our existing business. These types of transactions involve numerous business risks, including finding suitable transaction partners and negotiating terms that are acceptable to us, the diversion of management's attention from other business concerns, extending our product or service offerings into areas in which we have limited experience, entering into new geographic markets, the potential loss of key coworkers or business relationships and successfully integrating acquired businesses, any of which could adversely affect our operations.

In addition, our financial results could be adversely affected by financial adjustments required by accounting principles generally accepted in the United States of America (“GAAP”) in connection with these types of transactions where significant goodwill or intangible assets are recorded. To the extent the value of goodwill or identifiable intangible assets with indefinite lives becomes impaired, we may be required to incur material charges relating to the impairment of those assets.

Our future operating results may fluctuate significantly.

We may experience significant variations in our future quarterly results of operations. These fluctuations may cause the market price of our common stock to be volatile and may result from many factors, including the condition of the technology industry in general, shifts in demand and pricing for hardware, software and services and the introduction of new products or upgrades.

Our operating results are also highly dependent on our level of gross profit as a percentage of net sales. Our gross profit percentage fluctuates due to numerous factors, some of which may be outside of our control, including general macroeconomic conditions; pricing pressures; changes in product costs from our vendor partners; the availability of price protection, purchase discounts and incentive programs from our vendor partners; changes in product, order size and customer mix; the risk of some items in our inventory becoming obsolete; increases in delivery costs that we cannot pass on to customers; and general market and competitive conditions.

In addition, our cost structure is based, in part, on anticipated sales and gross margins. Therefore, we may not be able to adjust our cost structure quickly enough to compensate for any unexpected sales or gross margin shortfall, and any such inability could have an adverse effect on our business, results of operations or cash flows.

We are exposed to risks from legal proceedings and audits.

We are party to various legal proceedings that arise in the ordinary course of our business, which include commercial, employment, tort and other litigation.

We are subject to intellectual property infringement claims against us in the ordinary course of our business, either because of the products and services we sell or the business systems and processes we use to sell such products and services, in the form of cease-and-desist letters, licensing inquiries, lawsuits and other communications and demands. In our industry, such intellectual property claims have become more frequent as the complexity of technological products and the intensity of competition in our industry have increased. Increasingly, many of these assertions are brought by non-practicing entities whose principal business model is to secure patent licensing revenue, but we may also be subject to suits from inventors, competitors or other patent holders who may seek licensing revenue, lost profits and/or an injunction preventing us from engaging in certain activities, including selling certain products and services.

Because of our significant sales to governmental entities, we also are subject to audits by federal, state and local authorities. We also are subject to audits by various vendor partners and large customers, including government agencies, relating to purchases and sales under various contracts. In addition, we are subject to indemnification claims under various contracts.

Current and future litigation, infringement claims, governmental proceedings, audits or indemnification claims that we face may result in substantial costs and expenses and significantly divert the attention of our management regardless of the outcome. In addition, current and future litigation, infringement claims, governmental proceedings, audits or indemnification claims could lead to increased costs or interruptions of our normal business operations. Litigation, infringement claims, governmental proceedings, audits or indemnification claims involve uncertainties and the eventual outcome of any litigation,

infringement claim, governmental proceeding, audit or indemnification claim could adversely affect our business, results of operations or cash flows.

Failure to comply with the laws and regulations applicable to our operations could adversely impact our business, results of operations or cash flows.

Our operations are subject to numerous U.S. and foreign laws and regulations in a number of areas including, but not limited to, areas of labor and employment, advertising, e-commerce, tax, import and export requirements, anti-corruption, data privacy requirements, anti-competition, and environmental, health, and safety. Compliance with these laws, regulations and similar requirements may be onerous and expensive, and they may be inconsistent from jurisdiction to jurisdiction, further increasing the cost of compliance and doing business, and the risk of noncompliance. We have implemented policies and procedures designed to help ensure compliance with applicable laws and regulations, but there can be no guarantee against coworkers, contractors, or agents violating such laws and regulations or our policies and procedures.

We have significant deferred cancellation of debt income.

As a result of a 2009 debt modification, we realized $395.5 million of cancellation of debt income (“CODI”). We made an election under Code Section 108(i) to defer this CODI from taxable income, pursuant to which we are also required to defer certain original issue discount (“OID”) deductions as they accrue. As of December 31, 2013, we had deferred approximately $114.5 million of OID deductions. Starting in 2014, we were required to include the deferred CODI and the deferred OID into taxable income ratably over a five-year period ending in 2018. Because we have more CODI than the aggregate of our deferred OID on the relevant remaining debt instruments, we will have a future cash tax liability associated with our significant deferred CODI. We have reflected the associated cash tax liability in our deferred taxes for financial accounting purposes.

All of our deferred CODI will be accelerated into current taxable income if, prior to 2018, we engage in a so-called “impairment transaction” and the gross value of our assets immediately afterward is less than 110% of the sum of our total liabilities and the tax on the net amount of our deferred CODI and OID (the “110% test”) as determined under the applicable Treasury Regulations. An “impairment transaction” is any transaction that impairs our ability to pay the tax on our deferred CODI, and includes dividends or distributions with respect to our equity and charitable contributions, in each case in a manner that is not consistent with our historical practice within the meaning of the applicable Treasury Regulations.

Prior to 2018, our willingness to pay dividends or make distributions with respect to our equity could be adversely affected if, at the time, we do not meet the 110% test and, as a result, the payment of a dividend or the making of a distribution would accelerate the tax payable with respect to our deferred CODI. We believe that, based on our interpretation of applicable Treasury Regulations, the gross value of our assets exceeds 110% of the sum of our total liabilities and the tax on the net amount of our deferred CODI and OID as of the filing date of this Annual Report on Form 10-K. However, we cannot assure you that this will continue to be true in the future.

Risks Related to Our Indebtedness

We have a substantial amount of indebtedness, which could have important consequences to our business.

We have a substantial amount of indebtedness. As of December 31, 2014 , we had $3.2 billion of total long-term debt outstanding, as defined by GAAP, and $332.1 million of obligations outstanding under our inventory financing agreements, and the ability to borrow an additional $935.6 million under our senior secured asset-based revolving credit facility (the “Revolving Loan”). Our substantial indebtedness could have important consequences, including the following:

- making it more difficult for us to satisfy our obligations with respect to our indebtedness;
- requiring us to dedicate a substantial portion of our cash flow from operations to debt service payments on our and our subsidiaries' debt, which reduces the funds available for working capital, capital expenditures, acquisitions and other general corporate purposes;
- requiring us to comply with restrictive covenants in our senior credit facilities and indentures, which limit the manner in which we conduct our business;
- making it more difficult for us to obtain vendor financing from our vendor partners, including original equipment manufacturers and software publishers;
- limiting our flexibility in planning for, or reacting to, changes in the industry in which we operate;

- placing us at a competitive disadvantage compared to any of our less-leveraged competitors;
- increasing our vulnerability to both general and industry-specific adverse economic conditions; and
- limiting our ability to obtain additional debt or equity financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements and increasing our cost of borrowing.

Restrictive covenants under our senior credit facilities and, to varying degrees, our indentures may adversely affect our operations and liquidity.

Our senior credit facilities and, to varying degrees, our indentures contain, and any future indebtedness of ours may contain, various covenants that limit our ability to, among other things:

- incur or guarantee additional debt;
- pay dividends or make distributions to holders of our capital stock or to make certain other restricted payments or investments;
- repurchase or redeem capital stock;
- make loans, capital expenditures or investments or acquisitions;
- receive dividends or other payments from our subsidiaries;
- enter into transactions with affiliates;
- create liens;
- merge or consolidate with other companies or transfer all or substantially all of our assets;
- transfer or sell assets, including capital stock of subsidiaries; and
- prepay, repurchase or redeem debt.

As a result of these covenants, we are limited in the manner in which we conduct our business and we may be unable to engage in favorable business activities or finance future operations or capital needs. A breach of any of these covenants or any of the other restrictive covenants would result in a default under our senior credit facilities. Upon the occurrence of an event of default under our senior credit facilities, the lenders:

- will not be required to lend any additional amounts to us;
- could elect to declare all borrowings outstanding thereunder, together with accrued and unpaid interest and fees, to be due and payable; or
- could require us to apply all of our available cash to repay these borrowings.

The acceleration of amounts outstanding under our senior credit facilities would likely trigger an event of default under our existing indentures.

If we were unable to repay those amounts, the lenders under our senior credit facilities could proceed against the collateral granted to them to secure our borrowings thereunder. We have pledged a significant portion of our assets as collateral under our senior credit facilities. If the lenders under our senior credit facilities accelerate the repayment of borrowings, we cannot assure you that we will have sufficient assets to repay our senior credit facilities and our other indebtedness or the ability to borrow sufficient funds to refinance such indebtedness. Even if we were able to obtain new financing, it may not be on commercially reasonable terms, or terms that are acceptable to us.

In addition, under our Revolving Loan, we are permitted to borrow an aggregate amount of up to $1,250.0 million. However, our ability to borrow under our Revolving Loan is limited by a borrowing base and a liquidity condition. The borrowing base at any time equals the sum of up to 85% of CDW LLC and its subsidiary guarantors' eligible accounts receivable (net of accounts reserves) (up to 30% of such eligible accounts receivable which can consist of federal government accounts receivable) plus the lesser of (i) 75% of CDW LLC and its subsidiary guarantors' eligible inventory (valued at cost and net of inventory reserves) and (ii) the product of 85% multiplied by the net orderly liquidation value percentage multiplied by eligible inventory (valued at cost and net of inventory reserves), less reserves (other than accounts reserves and inventory

reserves). The borrowing base in effect as of December 31, 2014 was $1,253.4 million , and therefore, did not restrict our ability to borrow under our Revolving Loan as of that date.

Our ability to borrow under our Revolving Loan is also limited by a minimum liquidity condition, which provides that, if excess cash availability is less than the lesser of (i) $125.0 million and (ii) the greater of (A) 10% of the borrowing base and (B) $100.0 million, the lenders are not required to lend any additional amounts under our Revolving Loan unless the consolidated fixed charge coverage ratio (as defined in the credit agreement for our Revolving Loan) is at least 1.0 to 1.0. Moreover, our Revolving Loan provides discretion to the agent bank acting on behalf of the lenders to impose additional availability reserves, which could materially impair the amount of borrowings that would otherwise be available to us. We cannot assure you that the agent bank will not impose such reserves or, were it to do so, that the resulting impact of this action would not materially and adversely impair our liquidity.

We will be required to generate sufficient cash to service our indebtedness and, if not successful, we may be forced to take other actions to satisfy our obligations under our indebtedness.

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. Our outstanding long-term debt will impose significant cash interest payment obligations on us and, accordingly, we will have to generate significant cash flow from operating activities to fund our debt service obligations. We cannot assure you that we will maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations-Liquidity and Capital Resources” included elsewhere in this report.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets or operations, seek additional debt or equity capital, restructure or refinance our indebtedness, or revise or delay our strategic plan. We cannot assure you that we would be able to take any of these actions, that these actions would be successful and permit us to meet our scheduled debt service obligations or satisfy our capital requirements, or that these actions would be permitted under the terms of our existing or future debt agreements, including our senior credit facilities and indentures. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. Our senior credit facilities and the indenture governing our 8.5% Senior Notes due 2019 ("2019 Senior Notes") restrict our ability to dispose of assets and use the proceeds from the disposition. We may not be able to consummate those dispositions or to obtain the proceeds which we could realize from them and these proceeds may not be adequate to meet any debt service obligations then due. Furthermore, the Sponsors have no obligation to provide us with debt or equity financing.

If we cannot make scheduled payments on our debt, we will be in default and, as a result:

- our debt holders could declare all outstanding principal and interest to be due and payable;
- the lenders under our senior credit facilities could foreclose against the assets securing the borrowings from them and the lenders under our term loan facility could terminate their commitments to lend us money; and
- we could be forced into bankruptcy or liquidation.

Despite our indebtedness levels, we and our subsidiaries may be able to incur substantially more debt, including secured debt. This could further increase the risks associated with our leverage.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. The terms of our senior credit facilities and indentures do not fully prohibit us or our subsidiaries from doing so. To the extent that we incur additional indebtedness or such other obligations, the risks associated with our substantial indebtedness described above, including our possible inability to service our debt, will increase. As of December 31, 2014 , we had approximately $935.6 million available for additional borrowing under our Revolving Loan after taking into account borrowing base limitations (net of $2.1 million of issued and undrawn letters of credit and $332.1 million of reserves related to our floorplan sub-facility).

Variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Certain of our borrowings, primarily borrowings under our senior credit facilities, are at variable rates of interest and expose us to interest rate risk. As of December 31, 2014 , we had $1,513.5 million of variable rate debt outstanding. If interest rates increase above 1% per annum, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income would decrease. Although we have entered into interest rate cap

agreements on our term loan facility to reduce interest rate volatility, we cannot assure you we will be able to enter into interest rate cap agreements in the future on acceptable terms or that such caps or the caps we have in place now will be effective.

Risks Related to Ownership of Our Common Stock

Our common stock price may be volatile and may decline regardless of our operating performance, and holders of our common stock could lose a significant portion of their investment.

The market price for our common stock may be volatile. Our stockholders may not be able to resell their shares of common stock at or above the price at which they purchased such shares, due to fluctuations in the market price of our common stock, which may be caused by a number of factors, many of which we cannot control, including the risk factors described in this Annual Report on Form 10-K and the following:

- changes in financial estimates by any securities analysts who follow our common stock, our failure to meet these estimates or failure of securities analysts to initiate or maintain coverage of our common stock;
- downgrades by any securities analysts who follow our common stock;
- future sales of our common stock by our officers, directors and significant stockholders, including the Sponsors;
- market conditions or trends in our industry or the economy as a whole;
- investors' perceptions of our prospects;
- announcements by us or our competitors of significant contracts, acquisitions, joint ventures or capital commitments;
- changes in key personnel; and
- our limited public float in light of the Sponsors' beneficial ownership of a majority of our common stock, which may result in the trading of relatively small quantities of shares by our stockholders having a disproportionate positive or negative influence on the market price of our common stock.

In addition, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies, including companies in our industry. In the past, securities class action litigation has followed periods of market volatility. If we were involved in securities litigation, we could incur substantial costs, and our resources and the attention of management could be diverted from our business.

The Sponsors have influence over significant corporate activities and their interests may not align with yours.

Madison Dearborn beneficially owns approximately 15.5% of our common stock and Providence Equity beneficially owns approximately 13.7% of our common stock as of February 20, 2015. As a result of their ownership, each Sponsor, so long as it holds a sizable portion of our outstanding common stock, will have substantial voting power with respect to matters submitted to a vote of stockholders. In addition, so long as each Sponsor has representation on our board of directors, it will have the ability to exercise influence over decision-making with respect to our business direction and policies. Matters over which each of the Sponsors may, directly or indirectly, exercise influence include:

- the election of our board of directors and the appointment and removal of our officers;
- mergers and other business combination transactions, including proposed transactions that would result in our stockholders receiving a premium price for their shares;
- other acquisitions or dispositions of businesses or assets;
- incurrence of indebtedness and the issuance of equity securities;
- repurchase of stock and payment of dividends; and
- the issuance of shares to management under our equity incentive plans.

Under our amended and restated certificate of incorporation, each Sponsor and its affiliates do not have any obligation to present to us, and each Sponsor may separately pursue, corporate opportunities of which it becomes aware, even if those opportunities are ones that we would have pursued if granted the opportunity.

Future sales of our common stock, or the perception in the public markets that these sales may occur, may depress our stock price.

Sales of substantial amounts of our common stock in the public market, or the perception that these sales could occur, could adversely affect the price of our common stock and could impair our ability to raise capital through the sale of additional shares. As of February 20, 2015, there were 172,275,656 shares of our common stock outstanding. The shares of our common stock sold in our initial public offering and in registered secondary offerings are freely tradable without restriction under the Securities Act of 1933, as amended (the "Securities Act"), except that any shares of our common stock that may be acquired by our directors, executive officers and other affiliates, as that term is defined in the Securities Act, may be sold only in compliance with certain volume limitations and other restrictions of Rule 144 under the Securities Act.

The remaining shares of our common stock, to the extent not previously sold pursuant to an exemption from registration, will continue to be "restricted securities" within the meaning of Rule 144 under the Securities Act and subject to certain restrictions on resale. Restricted securities may be sold in the public market only if they are registered under the Securities Act or are sold pursuant to an exemption from registration such as Rule 144 under the Securities Act.

As of February 20, 2015, the holders of approximately 53,000,000 shares of our common stock will continue to have the right to require us to register the sales of such shares under the Securities Act, under the terms of an agreement between us and the holders.

In the future, we may also issue our securities in connection with investments or acquisitions. The number of shares of our common stock issued in connection with an investment or acquisition could constitute a material portion of our then-outstanding shares of our common stock.

Anti-takeover provisions in our charter documents and Delaware law might discourage or delay acquisition attempts for us that you might consider favorable.

Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that may make the acquisition of the Company more difficult without the approval of our board of directors. These provisions:

- authorize the issuance of undesignated preferred stock, the terms of which may be established and the shares of which may be issued without stockholder approval, and which may include super voting, special approval, dividend, or other rights or preferences superior to the rights of the holders of common stock;
- establish a classified board of directors so that not all members of our board of directors are elected at one time;
- generally prohibit stockholder action by written consent, requiring all stockholder actions be taken at a meeting of our stockholders;
- provide that special meetings of the stockholders can only be called by or at the direction of (i) our board of directors pursuant to a written resolution adopted by the affirmative vote of the majority of the total number of directors that the Company would have if there were no vacancies;
- establish advance notice requirements for nominations for elections to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings; and
- provide that our board of directors is expressly authorized to make, alter or repeal our amended and restated bylaws.

Our amended and restated certificate of incorporation also contains a provision that provides us with protections similar to Section 203 of the Delaware General Corporation Law, and will prevent us from engaging in a business combination with a person who acquires at least 15% of our common stock for a period of three years from the date such person acquired such common stock, unless board or stockholder approval is obtained prior to the acquisition. These anti-takeover provisions and other provisions under Delaware law could discourage, delay or prevent a transaction involving a change in control of the Company, even if doing so would benefit our stockholders. These provisions could also discourage proxy contests and make it more difficult for our stockholders to elect directors of their choosing and to cause us to take other corporate actions our stockholders desire.

Conflicts of interest may arise because some of our directors are principals of our largest stockholders.

Paul Finnegan and Robin Selati, who are principals of Madison Dearborn, and Glenn Creamer and Michael Dominguez, who are managing directors of Providence Equity, serve on our board of directors. As of February 20, 2015, Madison Dearborn and Providence Equity each continue to hold a sizable portion of our outstanding common stock. The Sponsors and the entities respectively controlled by them may hold equity interests in entities that directly or indirectly compete with us, and companies in which they currently invest may begin competing with us. As a result of these relationships, when conflicts arise between the interests of Madison Dearborn or Providence Equity, on the one hand, and of other stockholders, on the other hand, these directors may not be disinterested. Although our directors and officers have a duty of loyalty to us under Delaware law and our amended and restated certificate of incorporation, transactions that we enter into in which a director or officer has a conflict of interest are generally permissible so long as (1) the material facts relating to the director's or officer's relationship or interest as to the transaction are disclosed to our board of directors and a majority of our disinterested directors approves the transaction, (2) the material facts relating to the director's or officer's relationship or interest as to the transaction are disclosed to our stockholders and a majority of our disinterested stockholders approve the transaction or (3) the transaction is otherwise fair to us. Our amended and restated certificate of incorporation also provides that any principal, officer, member, manager and/or employee of a Sponsor or any entity that controls, is controlled by or under common control with a Sponsor (other than us or any company that is controlled by us) or a Sponsor-managed investment fund will not be required to offer any transaction opportunity of which they become aware to us and could take any such opportunity for themselves or offer it to other companies in which they have an investment, unless such opportunity is offered to them solely in their capacities as our directors.

We cannot assure you that we will continue to pay dividends on our common stock or repurchase any of our common stock under our share repurchase program, and our indebtedness and certain tax considerations could limit our ability to continue to pay dividends on, or make share repurchases of, our common stock. If we do not continue to pay dividends, you may not receive any return on investment unless you are able to sell your common stock for a price greater than your purchase price.

We expect to continue to pay a cash dividend on our common stock of $0.0675 per share per quarter, or $0.27 per share per annum. Any determination to pay dividends in the future will be at the discretion of our board of directors. Any determination to pay dividends on, or repurchase, shares of our common stock in the future will depend upon our results of operations, financial condition, business prospects, capital requirements, contractual restrictions, including those under our senior credit facilities and indentures, any potential indebtedness we may incur, restrictions imposed by applicable law, tax considerations and other factors our board of directors deems relevant. In addition, our ability to pay dividends on, or repurchase, shares of our common stock will be limited by restrictions on our ability to pay dividends or make distributions to our stockholders and on the ability of our subsidiaries to pay dividends or make distributions to us, in each case, under the terms of our current and any future agreements governing our indebtedness. There can be no assurance that we will continue to pay a dividend at the current rate or at all or that we will repurchase shares of our common stock. If we do not pay dividends in the future, realization of a gain on your investment will depend entirely on the appreciation of the price of our common stock, which may never occur. See "--Risks Related to Our Business--We have significant deferred cancellation of debt income" for a discussion of certain tax considerations that could affect our willingness to pay dividends in the future .

We are a holding company and rely on dividends, distributions and other payments, advances and transfers of funds from our subsidiaries to meet our obligations.

We are a holding company that does not conduct any business operations of our own. As a result, we are largely dependent upon cash dividends and distributions and other transfers from our subsidiaries to meet our obligations. The agreements governing the indebtedness of our subsidiaries impose restrictions on our subsidiaries' ability to pay dividends or other distributions to us. The deterioration of the earnings from, or other available assets of, our subsidiaries for any reason could also limit or impair their ability to pay dividends or other distributions to us.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

As of December 31, 2014 , we owned or leased a total of 2.3 million square feet of space throughout the U.S. and Canada. We own two properties: a combined office and a 450,000 square foot distribution center in Vernon Hills, Illinois, and a 513,000 square foot distribution center in North Las Vegas, Nevada. In addition, we conduct sales, services and administrative activities in various leased locations throughout the U.S. and Canada, including data centers in Madison, Wisconsin and Minneapolis, Minnesota.

We believe that our facilities are well maintained, suitable for our business and occupy sufficient space to meet our operating needs. As part of our normal business, we regularly evaluate sales center performance and site suitability. Leases covering our currently occupied leased properties expire at varying dates, generally within the next ten years. We anticipate no difficulty in retaining occupancy through lease renewals, month-to-month occupancy or replacing the leased properties with equivalent properties. We believe that suitable additional or substitute leased properties will be available as required.

Item 3. Legal Proceedings

We are party to various legal proceedings that arise in the ordinary course of our business, which include commercial, intellectual property, employment, tort and other litigation matters. We are also subject to audit by federal, state and local authorities, and by various partners, group purchasing organizations and customers, including government agencies, relating to purchases and sales under various contracts. In addition, we are subject to indemnification claims under various contracts. From time to time, certain of our customers file voluntary petitions for reorganization or liquidation under the U.S. bankruptcy laws. In such cases, certain pre-petition payments received by us could be considered preference items and subject to return to the bankruptcy administrator.

As of December 31, 2014 , we do not believe that there is a reasonable possibility that any material loss exceeding the amounts already recognized for these proceedings and matters, if any, has been incurred. However, the ultimate resolutions of these proceedings and matters are inherently unpredictable. As such, our financial condition and results of operations could be adversely affected in any particular period by the unfavorable resolution of one or more of these proceedings or matters.

Item 4. Mine Safety Disclosures

Not applicable.

Executive Officers

Name	Age	Position
Thomas E. Richards	60	Chairman, President and Chief Executive Officer, and Director
Dennis G. Berger	50	Senior Vice President and Chief Coworker Services Officer
Neal J. Campbell	53	Senior Vice President and Chief Marketing Officer
Christina M. Corley	47	Senior Vice President - Corporate Sales
Douglas E. Eckrote	50	Senior Vice President - Strategic Solutions and Services
Christine A. Leahy	50	Senior Vice President, General Counsel and Corporate Secretary
Christina V. Rother	51	Senior Vice President - Public and Advanced Technology Sales
Jonathan J. Stevens	45	Senior Vice President - Operations and Chief Information Officer
Matthew A. Troka	44	Senior Vice President - Product and Partner Management
Ann E. Ziegler	56	Senior Vice President and Chief Financial Officer

Thomas E. Richards serves as our Chairman, President and Chief Executive Officer, as a member of our board of directors and as a manager of CDW LLC. Mr. Richards has served as our President and Chief Executive Officer since October 2011 and was named Chairman on January 1, 2013. From September 2009 to October 2011, Mr. Richards served as our President and Chief Operating Officer. Prior to joining CDW, Mr. Richards held leadership positions with Qwest Communications International Inc. ("Qwest"), a broadband Internet-based communications company. From 2008 to 2009, he served as Executive Vice President and Chief Operating Officer, where he was responsible for the day-to-day operation and performance of Qwest, and before assuming that role, was the Executive Vice President of the Business Markets Group from 2005 to 2008. Mr. Richards also has served as Chairman and Chief Executive Officer of Clear Communications Corporation and as Executive Vice President of Ameritech Corporation. Mr. Richards serves as a board member of Junior Achievement of Chicago, Rush University Medical Center and the University of Pittsburgh. Mr. Richards also is a member of the Economic Club of Chicago and the Executives' Club of Chicago. Mr. Richards is a graduate of the University of Pittsburgh where he earned a bachelor's degree and a graduate of Massachusetts Institute of Technology where he earned a Master of Science in Management as a Sloan Fellow.

Dennis G. Berger serves as our Senior Vice President and Chief Coworker Services Officer. Mr. Berger joined CDW in September 2005 as Vice President-Coworker Services. In January 2007, he was named Senior Vice President and Chief Coworker Services Officer. Mr. Berger is responsible for leading CDW's programs in coworker learning and development, benefits, compensation, performance management, coworker relations and talent acquisition. Prior to joining CDW, he served as Vice President of Human Resources at PepsiAmericas, a beverage company, from 2002 to 2005. Mr. Berger has also held human resources positions of increasing responsibility at Pepsi Bottling Group, Inc., Pepsico, Inc. and GTE Corporation. Mr. Berger serves on the board of directors of Glenwood Academy, Anti-Defamation League of Chicago and Skills for Chicagoland's Future. Mr. Berger is a graduate of Northeastern University where he earned a bachelor's degree and a graduate of John M. Olin School of Business at Washington University in St. Louis where he earned a Master of Business Administration.

Neal J. Campbell serves as our Senior Vice President and Chief Marketing Officer. Mr. Campbell joined CDW in January 2011, and is responsible for the strategy and development of CDW's advertising, public relations, channel marketing, marketing intelligence and research, merchandising, microsites, creative services and direct marketing content, along with relationship marketing, corporate communications and e-commerce initiatives including content development, online marketing and e-procurement. Prior to joining CDW, Mr. Campbell served as Chief Executive Officer of TrafficCast, a provider of real-time and predictive traffic information to Google, Yahoo and others from 2008 to 2011. From 2006 to 2008, he served as Executive Vice President and General Manager-Strategic Marketing and Next Generation Products for ISCO International, a manufacturer of wireless telecommunications components. Mr. Campbell also spent 17 years with Motorola, most recently as Vice President and General Manager, GSM Portfolio Marketing and Planning for the company's mobile device business. He currently serves as a board member of TrafficCast and Junior Achievement of Chicago, and is on the Executive Advisory Council of Bradley University. Mr. Campbell is a graduate of Bradley University where he earned a bachelor's degree and a graduate of Northwestern University's Kellogg School of Management where he earned a Master of Business Administration.

Christina M. Corley serves as our Senior Vice President of Corporate Sales and is responsible for managing all aspects of our corporate sales force, including sales force strategy, structure, goals, operations, revenue generation and training and development. Prior to joining CDW in September 2011, Ms. Corley served as President and Chief Operating Officer of Zones, Inc., a provider of IT products and solutions, from 2006 to 2011. She served as Executive Vice President of Purchasing and Operations for Zones, Inc. from April 2005 to October 2006. She served as President of Corporate PC Source ("CPCS"), a

wholly owned subsidiary of Zones, Inc., from March 2003 to April 2005. Prior to its acquisition by Zones, Inc., Ms. Corley served as Chief Executive Officer of CPCS from 1999 to 2003. Ms. Corley began her career in sales and marketing, holding various positions at IBM, Dataflex and VisionTek. She currently serves as a board member of the Boys and Girls Club of Chicago. Ms. Corley is a graduate of the University of Illinois at Urbana-Champaign where she earned a bachelor's degree and a graduate of Northwestern University's Kellogg School of Management where she earned a Master of Business Administration in management and strategy.

Douglas E. Eckrote serves as our Senior Vice President of Strategic Solutions and Services and is responsible for our technology specialist teams focusing on servers and storage, unified communications, security, wireless, power and cooling, networking, software licensing and mobility solutions. He also holds responsibility for CDW Canada, Inc. Mr. Eckrote joined CDW in 1989 as an account manager. Mr. Eckrote was appointed Director of Operations in 1996, Vice President of Operations in 1999 and Senior Vice President of Purchasing in April 2001. In October 2001, he was named Senior Vice President of Purchasing and Operations. He was named Senior Vice President of Operations, Services and Canada in 2006 and assumed his current role in 2009. Prior to joining CDW, Eckrote worked in outside sales for Arrow Electronics and Cintas Uniform Company. From 2003 to 2009, Mr. Eckrote served on the board of directors of the Make-A-Wish Foundation of Illinois, completing the last two years as board chair, and served on the Make-A-Wish Foundation of America National Chapter Performance Committee from 2009-2014. Mr. Eckrote also served on the board of directors of the Center for Enriched Living from 2002-2011, serving as Vice President from 2004-2005, President from 2006-2008, board emeritus from 2009-2011 and currently serves as a trustee. Mr. Eckrote is a graduate of Purdue University where he earned a bachelor's degree and a graduate of Northwestern University's Kellogg School of Management where he earned an Executive Master of Business Administration.

Christine A. Leahy serves as our Senior Vice President, General Counsel and Corporate Secretary and is responsible for our legal, corporate governance, enterprise risk management and ethics and compliance functions. She also is responsible for our international strategy and serves on the board of directors of Kelway, a UK-based technology solutions provider in which CDW has a minority investment. Ms. Leahy joined CDW in January 2002. Prior to that, Ms. Leahy served as a corporate partner in the Chicago office of Sidley Austin LLP where she specialized in mergers and acquisitions, strategic counseling, corporate governance and securities law. Ms. Leahy serves on the board of trustees of Children's Home and Aid. Ms. Leahy is a graduate of Brown University where she earned a bachelor's degree and a graduate of Boston College Law School where she earned her Juris Doctor. She also completed the CEO Perspective and Women's Director Development Programs at Northwestern University's Kellogg School of Management.

Christina V. Rother serves as our Senior Vice President of Public and Advanced Technology Sales and is responsible for managing all aspects of our public sector and advanced technology sales forces, including sales force strategy, structure, goals, operations, revenue generation and training and development. Ms. Rother joined CDW in 1991 as an account manager. In 2002, she was appointed Vice President for Education and State and Local Sales. In 2005, she was chosen to lead our newly formed healthcare sales team. Beginning in 2006, Ms. Rother has held various positions ranging from Group Vice President of CDW Government LLC, President of CDW Government LLC and Senior Vice President of Sales. In September 2011, Ms. Rother assumed her current role as Senior Vice President of Public and Advanced Technology Sales. Prior to joining CDW, Ms. Rother held a number of sales positions with technology companies including Laser Computers and Price Electronics. Ms. Rother currently serves as chair of the board of directors of the Make-A-Wish Foundation of Illinois. Ms. Rother is a graduate of the University of Illinois at Chicago where she earned a bachelor's degree.

Jonathan J. Stevens serves as our Senior Vice President of Operations and Chief Information Officer. Mr. Stevens joined CDW in June 2001 as Vice President-Information Technology, was named Chief Information Officer in January 2002 and Vice President-International and Chief Information Officer from 2005 until December 2006. In January 2007, he was named Senior Vice President and Chief Information Officer and assumed his current role in November 2009. Mr. Stevens is responsible for the strategic direction of our information technology. Additionally, he holds responsibility for our distribution centers, transportation, facilities, customer relations and operational excellence practices. Prior to joining CDW, Mr. Stevens served as regional technology director for Avanade, an international technology integration company formed through a joint venture between Microsoft and Accenture from 2000 to 2001. Prior to that, Mr. Stevens was a principal with Microsoft Consulting Services and led an information technology group for a corporate division of AT&T/NCR. He currently serves on the board of directors of SingleWire Software, LLC and Northeast Illinois Council: Boy Scouts of America. Mr. Stevens is a graduate of the University of Dayton where he earned a bachelor's degree.

Matthew A. Troka serves as our Senior Vice President of Product and Partner Management. Mr. Troka is responsible for managing our relationships with all of our vendor partners. In addition, he directs the day-to-day operations of our purchasing department. Mr. Troka joined CDW in 1992 as an account manager and became a sales manager in 1995. From 1998 to 2001, he served as Corporate Sales Director. From 2001 to 2004, Mr. Troka was Senior Director of Purchasing. From 2004 to 2006, Mr. Troka served as Vice President of Purchasing. From 2006 to 2011, Mr. Troka was Vice President of Product and Partner Management. On March 3, 2011, Mr. Troka was elected Senior Vice President of Product and Partner Management.

Mr. Troka serves as a member of the board of directors of Encompass Championship Charities. Mr. Troka is a graduate of the University of Illinois where he earned a bachelor's degree.

Ann E. Ziegler joined CDW in April 2008 as Senior Vice President and Chief Financial Officer. Prior to joining CDW, Ms. Ziegler spent 15 years at Sara Lee Corporation ("Sara Lee"), a global consumer goods company, in a number of executive roles including finance, mergers and acquisitions, strategy and general management positions in both U.S. and international businesses. Most recently, from 2005 until April 2008, Ms. Ziegler served as Chief Financial Officer and Senior Vice President of Administration for Sara Lee Food and Beverage. Prior to joining Sara Lee, Ms. Ziegler was a corporate attorney at Skadden, Arps, Slate, Meagher & Flom. Ms. Ziegler serves on the board of directors of Hanesbrands, Inc, Groupon, Inc., and the board of governors of the Smart Museum of Art at the University of Chicago. During the previous five years, Ms. Ziegler also served on the board of directors of Unitrin, Inc. Ms. Ziegler is a graduate of The College of William and Mary where she earned a bachelor's degree and a graduate of the University of Chicago Law School where she earned her Juris Doctor.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock has been listed on the NASDAQ Global Select Market since June 27, 2013 under the symbol “CDW.” Prior to that date, there was no public market for our common stock. Shares sold in our initial public offering ("IPO") were priced at $17.00 per share on June 26, 2013. The following table sets forth the ranges of high and low sales prices per share of our common stock as reported on the NASDAQ Global Select Market and the cash dividends per share of common stock declared for the periods indicated.

Year ended December 31, 2014	High	Low	Dividends declared per share
Fourth quarter	$ 36.08	$ 27.59	$ 0.0675
Third quarter	$ 33.80	$ 30.07	$ 0.0425
Second quarter	$ 32.41	$ 26.70	$ 0.0425
First quarter	$ 27.53	$ 22.72	$ 0.0425

Year ended December 31, 2013	High	Low	Dividends declared per share
Fourth quarter	$ 23.56	$ 20.50	$ 0.0425
Third quarter	$ 24.51	$ 18.26	$ —
Second quarter (beginning June 27, 2013)	$ 19.17	$ 17.38	$ —

Holders

As of February 20, 2015 , there were 71 holders of record of our common stock. The number of beneficial stockholders is substantially greater than the number of holders of record because a portion of our common stock is held through brokerage firms.

Dividends

On February 10, 2015 , we announced that our board of directors declared a quarterly cash dividend on our common stock of $0.0675 per share. The dividend will be paid on March 10, 2015 to all stockholders of record as of the close of business on February 25, 2015 .

We expect to continue to pay quarterly cash dividends on our common stock in the future, but such payments remain at the discretion of our board of directors and will depend upon our results of operations, financial condition, business prospects, capital requirements, contractual restrictions, any potential indebtedness we may incur, restrictions imposed by applicable law, tax considerations and other factors that our board of directors deems relevant. In addition, our ability to pay dividends on our common stock will be limited by restrictions on our ability to pay dividends or make distributions to our stockholders and on the ability of our subsidiaries to pay dividends or make distributions to us, in each case, under the terms of our current and any future agreements governing our indebtedness. For a discussion of our cash resources and needs and restrictions on our ability to pay dividends, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources” included elsewhere in this report. For additional discussion of restrictions on our ability to pay dividends, see Note 7 to the accompanying audited consolidated financial statements included elsewhere in this report.

Issuer Purchases of Equity Securities

On November 6, 2014, we announced that the board of directors approved a $500 million share repurchase program, which became effective immediately, under which we may repurchase shares of our common stock in the open market or through privately negotiated transactions, depending on share price, market conditions and other factors. The share repurchase program does not obligate us to repurchase any dollar amount or number of shares, and repurchases may be commenced or

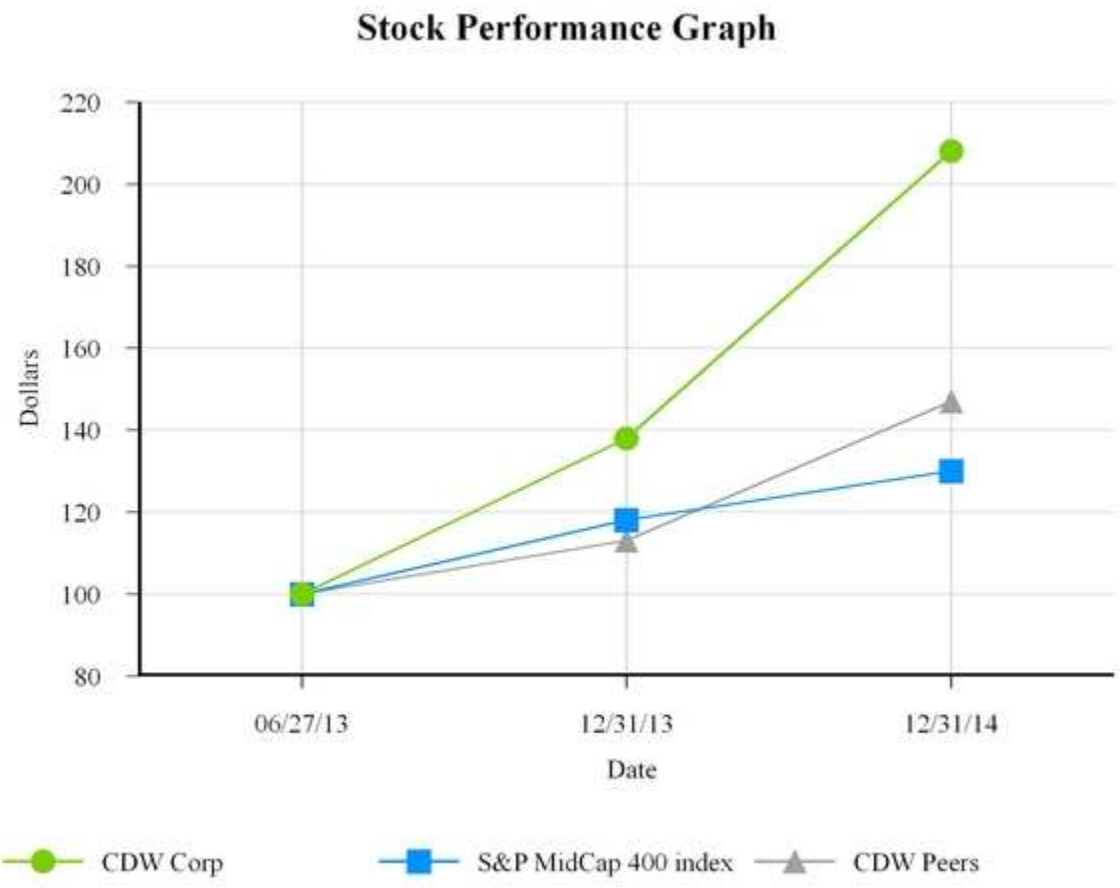
suspended from time to time without prior notice. As of the date of this filing, no shares have been repurchased under the share repurchase program.

Stock Performance Graph

The information contained in this Stock Performance Graph section shall not be deemed to be "soliciting material" or "filed" or incorporated by reference in future filings with the SEC, or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, except to the extent that we specifically incorporate it by reference into a document filed under the Securities Act of 1933 or the Securities Exchange Act of 1934.

The following graph compares the cumulative total shareholder return, calculated on a dividend reinvested basis, on $100.00 invested at the opening of the market on June 27, 2013, the date our common stock first traded on the NASDAQ Global Select Market, through and including the market close on December 31, 2014, with the cumulative total return for the same time period of the same amount invested in the S&P MidCap 400 index and a peer group index. Our peer group index for 2014 consists of the following companies: Accenture plc, Anixter International, Inc., Arrow Electronics, Inc., Avnet, Inc., CGI Group Inc., Genuine Parts Company, Henry Schein, Inc., Insight Enterprises, Inc., Owens & Minor, Inc., Patterson Companies, Inc., SYNNEX Corporation, United Stationers Inc., W.W. Grainger, Inc. and Wesco International, Inc. This peer group was selected based on a review of publicly available information about these companies and our determination that they met one or more of the following criteria: (i) similar size in terms of revenue and/or enterprise value (one-third to three times our revenue or enterprise value); (ii) operates in a business-to-business distribution environment; (iii) members of the technology industry; (iv) similar customers (*i.e.* , business, government, healthcare, and education); (v) companies that provide services and/or solutions; and (vi) similar EBITDA and gross margins.

Shareholder returns over the indicated period are based on historical data and should not be considered indicative of future shareholder returns.



	June 27, 2013	December 31, 2013	December 31, 2014
CDW Corp	$ 100	$ 138	$ 208
S&P MidCap 400 index	100	118	130
CDW Peers	100	113	147

Recent Sales of Unregistered Securities

None.

Use of Proceeds from Registered Securities

None.

Item 6. Selected Financial Data

The selected financial data set forth below are not necessarily indicative of the results of future operations and should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our audited consolidated financial statements and the related notes included elsewhere in this report.

We have derived the selected financial data presented below as of December 31, 2014 and December 31, 2013 and for the years ended December 31, 2014, 2013, and 2012 from our audited consolidated financial statements and related notes, which are included elsewhere in this report. The selected financial data as of December 31, 2011 and December 31, 2010 have been derived from our audited consolidated financial statements as of and for those periods, which are not included in this report.

The following are some of the items affecting comparability of the selected financial data for the periods presented:

- During the years ended December 31, 2014, 2013, 2012, and 2011, we recorded net losses on extinguishments of long-term debt of $90.7 million , $64.0 million , $17.2 million , and $118.9 million , respectively. The losses represented the difference between the amount paid upon extinguishment, including call premiums and expenses paid to the debt holders and agents, and the net carrying amount of the extinguished debt, adjusted for a portion of the unamortized deferred financing costs. Refer to Note 7 to the accompanying audited consolidated financial statements included elsewhere in this report for additional information on long-term debt.
- During the year ended December 31, 2013, we recorded IPO- and secondary-offering related expenses of $75.0 million. Refer to Note 9 to the accompanying audited consolidated financial statements included elsewhere in this report for additional information on the IPO- and secondary-offering related expenses.

(dollars and shares in millions, except per share amounts)	Years Ended December 31, 2014	2013	2012	2011	2010
Statement of Operations Data:					
Net sales	$ 12,074.5	$ 10,768.6	$ 10,128.2	$ 9,602.4	$ 8,801.2
Cost of sales	10,153.2	9,008.3	8,458.6	8,018.9	7,410.4
Gross profit	1,921.3	1,760.3	1,669.6	1,583.5	1,390.8
Selling and administrative expenses	1,110.3	1,120.9	1,029.5	990.1	932.1
Advertising expense	138.0	130.8	129.5	122.7	106.0
Income from operations	673.0	508.6	510.6	470.7	352.7
Interest expense, net	(197.3)	(250.1)	(307.4)	(324.2)	(391.9)
Net (loss) gain on extinguishments of long-term debt	(90.7)	(64.0)	(17.2)	(118.9)	2.0
Other income, net	2.7	1.0	0.1	0.7	0.2
Income (loss) before income taxes	387.7	195.5	186.1	28.3	(37.0)
Income tax (expense) benefit	(142.8)	(62.7)	(67.1)	(11.2)	7.8
Net income (loss)	$ 244.9	$ 132.8	$ 119.0	$ 17.1	$ (29.2)
Net income (loss) per common share:					
Basic	$1.44	$0.85	$0.82	$0.12	$(0.20)
Diluted	$1.42	$0.84	$0.82	$0.12	$(0.20)
Weighted-average common shares outstanding:					
Basic	170.6	156.6	145.1	144.8	144.4
Diluted	172.8	158.7	145.8	144.9	144.4
Balance Sheet Data (at period end):					
Cash and cash equivalents	$ 344.5	$ 188.1	$ 37.9	99.9	$ 36.6
Working capital	985.4	810.9	666.5	538.1	675.4
Total assets	6,099.9	5,924.6	5,720.0	5,967.7	5,943.8
Total debt and capitalized lease obligations [1]	3,190.0	3,251.2	3,771.0	4,066.0	4,290.0
Total shareholders' equity (deficit)	936.5	711.7	136.5	(7.3)	(43.5)
Other Financial Data:					
Capital expenditures	$ 55.0	$ 47.1	$ 41.4	45.7	$ 41.5
Depreciation and amortization	207.9	208.2	210.2	204.9	209.4
Gross profit as a percentage of net sales	15.9%	16.3%	16.5%	16.5%	15.8%
Ratio of earnings to fixed charges [2]	2.9	1.8	1.6	1.1	(a)
EBITDA [3]	$ 792.9	$ 653.8	$ 703.7	557.4	$ 564.3
Adjusted EBITDA [3]	907.0	808.5	766.6	717.3	601.8
Non-GAAP net income [4]	409.9	314.3	247.1	198.8	85.7
Statement of Cash Flows Data:					
Net cash provided by (used in):					
Operating activities	$ 435.0	$ 366.3	$ 317.4	$ 214.7	$ 423.7
Investing activities	(164.8)	(47.1)	(41.7)	(56.0)	(125.4)
Financing activities	(112.0)	(168.3)	(338.0)	(95.4)	(350.1)

(1) Excludes borrowings of $332.1 million , $256.6 million , $249.2 million , $278.7 million and $28.2 million , as of December 31, 2014, 2013, 2012, 2011, and 2010, respectively, under our inventory financing agreements. We do not include these borrowings in total debt because we have not in the past incurred, and in the future do not expect to incur, any interest expense or late fees under these agreements.

(2) For purposes of calculating the ratio of earnings to fixed charges, earnings consist of earnings before income taxes minus income from equity investments plus distributed income from equity investments and fixed charges. Fixed charges consist of interest expense and the portion of rental expense we believe is representative of the interest component of rental expense.

(a) For the year ended December 31, 2010, earnings available for fixed charges were inadequate to cover fixed charges by $37.0 million.

(3) EBITDA is defined as consolidated net income (loss) before interest expense, income tax expense (benefit), depreciation, and amortization. Adjusted EBITDA, which is a measure defined in our credit agreements, is calculated by adjusting EBITDA for certain items of income and expense including (but not limited to) the following: (a) non-cash equity-based compensation; (b) goodwill impairment charges; (c) sponsor fees; (d) certain consulting fees; (e) debt-related legal and accounting costs; (f) equity investment income and losses; (g) certain severance and retention costs; (h) gains and losses from the early extinguishment of debt; (i) gains and losses from asset dispositions outside the ordinary course of business; and (j) non-recurring, extraordinary or unusual gains or losses or expenses.

We have included a reconciliation of EBITDA and Adjusted EBITDA in the table below. Both EBITDA and Adjusted EBITDA are considered non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flows that either excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. Non-GAAP measures used by the Company may differ from similar measures used by other companies, even when similar terms are used to identify such measures. We believe that EBITDA and Adjusted EBITDA provide helpful information with respect to our operating performance and cash flows including our ability to meet our future debt service, capital expenditures and working capital requirements. Adjusted EBITDA also provides helpful information as it is the primary measure used in certain financial covenants contained in our credit agreements.

The following unaudited table sets forth reconciliations of net income (loss) to EBITDA and EBITDA to Adjusted EBITDA for the periods presented:

	Years Ended December 31,				
(in millions)	2014	2013	2012	2011	2010
Net income (loss)	$ 244.9	$ 132.8	$ 119.0	$ 17.1	$ (29.2)
Depreciation and amortization	207.9	208.2	210.2	204.9	209.4
Income tax expense (benefit)	142.8	62.7	67.1	11.2	(7.8)
Interest expense, net	197.3	250.1	307.4	324.2	391.9
EBITDA	792.9	653.8	703.7	557.4	564.3
Non-cash equity-based compensation	16.4	8.6	22.1	19.5	11.5
Sponsor fees	—	2.5	5.0	5.0	5.0
Consulting and debt-related professional fees	—	0.1	0.6	5.1	15.1
Net loss (gain) on extinguishments of long-term debt	90.7	64.0	17.2	118.9	(2.0)
Litigation, net [(i)]	(0.9)	(4.1)	4.3	—	—
IPO- and secondary-offering related expenses	1.4	75.0	—	—	—
Other adjustments [(ii)]	6.5	8.6	13.7	11.4	7.9
Adjusted EBITDA	$ 907.0	$ 808.5	$ 766.6	$ 717.3	$ 601.8

(i) Relates to unusual, non-recurring litigation matters.

(ii) Other adjustments primarily include certain retention costs and equity investment income.

The following unaudited table sets forth a reconciliation of EBITDA to net cash provided by operating activities for the periods presented:

	Years Ended December 31,				
(in millions)	2014	2013	2012	2011	2010
EBITDA	$ 792.9	$ 653.8	$ 703.7	$ 557.4	$ 564.3
Depreciation and amortization	(207.9)	(208.2)	(210.2)	(204.9)	(209.4)
Income tax (expense) benefit	(142.8)	(62.7)	(67.1)	(11.2)	7.8
Interest expense, net	(197.3)	(250.1)	(307.4)	(324.2)	(391.9)
Net income (loss)	244.9	132.8	119.0	17.1	(29.2)
Depreciation and amortization	207.9	208.2	210.2	204.9	209.4
Equity-based compensation expense	16.4	46.6	22.1	19.5	11.5
Amortization of deferred financing costs, debt premium, and debt discount, net	6.4	8.8	13.6	15.7	18.0
Deferred income taxes	(89.1)	(48.7)	(56.3)	(10.2)	(4.3)
Allowance for doubtful accounts	0.3	—	—	0.4	(1.3)
Realized loss on interest rate swap agreements	—	—	—	2.8	51.5
Net loss (gain) on extinguishments of long-term debt	90.7	64.0	17.2	118.9	(2.0)
Income from equity investments	(1.2)	—	—	—	—
Changes in assets and liabilities	(41.8)	(47.1)	(9.4)	(158.3)	165.3
Other non-cash items	0.5	1.7	1.0	3.9	4.8
Net cash provided by operating activities	$ 435.0	$ 366.3	$ 317.4	$ 214.7	$ 423.7

(4) Non-GAAP net income is considered a non-GAAP financial measure. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flows that either excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. Non-GAAP measures used by the Company may differ from similar measures used by other companies, even when similar terms are used to identify such measures. We believe that non-GAAP net income provides meaningful information regarding our operating performance and our prospects for the future. This supplemental measure excludes, among other things, charges related to the amortization of acquisition-related intangibles, non-cash equity-based compensation and gains and losses from the early extinguishment of debt. The following unaudited table sets forth a reconciliation of net income (loss) to non-GAAP net income for the periods presented:

	Years Ended December 31,				
(in millions)	2014	2013	2012	2011	2010
Net income (loss)	$ 244.9	$ 132.8	$ 119.0	$ 17.1	$ (29.2)
Amortization of intangibles [(i)]	161.2	161.2	163.7	165.7	166.8
Non-cash equity-based compensation	16.4	8.6	22.1	19.5	11.5
Litigation, net [(ii)]	(0.6)	(6.3)	—	—	—
Net loss on extinguishments of long-term debt	90.7	64.0	17.2	118.9	(2.0)
Interest expense adjustment related to extinguishments of long-term debt [(iii)]	(1.1)	(7.5)	(3.3)	(19.4)	(0.7)
IPO- and secondary-offering related expenses [(iv)]	1.4	75.0	—	—	—
Debt-related refinancing costs [(v)]	—	—	—	3.8	5.6
Aggregate adjustment for income taxes [(vi)]	(103.0)	(113.5)	(71.6)	(106.8)	(66.3)
Non-GAAP net income	$ 409.9	$ 314.3	$ 247.1	$ 198.8	$ 85.7

(i) Includes amortization expense for acquisition-related intangible assets, primarily customer relationships and trade names.

(ii) Relates to unusual, non-recurring litigation matters.

(iii) Reflects adjustments to interest expense resulting from debt extinguishments. Represents the difference between interest expense previously recognized under the effective interest method and actual interest paid.

(iv) IPO- and secondary-offering related expenses consist of the following:

(in millions)	Years Ended December 31,	
	2014	2013
Acceleration charge for certain equity awards and related employer payroll taxes	$ —	$ 40.7
RDU Plan cash retention pool accrual	—	7.5
Management services agreement termination fee	—	24.4
Other expenses	1.4	2.4
IPO- and secondary-offering related expenses	$ 1.4	$ 75.0

(v) Represents fees and costs expensed related to the December 2010 and March 2011 amendments to our prior senior secured term loan facility.

(vi) Based on a normalized effective tax rate of 39.0%.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Unless otherwise indicated or the context otherwise requires, as used in this "Management's Discussion and Analysis of Financial Condition and Results of Operations," the terms "we," "us," "the Company," "our," "CDW" and similar terms refer to CDW Corporation and its subsidiaries. "Management's Discussion and Analysis of Financial Condition and Results of Operations" should be read in conjunction with the audited consolidated financial statements and the related notes included elsewhere in this report. This discussion contains forward-looking statements that are subject to numerous risks and uncertainties. Actual results may differ materially from those contained in any forward-looking statements. See "Forward-Looking Statements" above.

Overview

CDW is a Fortune 500 company and a leading provider of integrated information technology ("IT") solutions in the U.S. and Canada. We help our customer base of approximately 250,000 small, medium and large business, government, education and healthcare customers by delivering critical solutions to their increasingly complex IT needs. Our broad array of offerings ranges from discrete hardware and software products to integrated IT solutions such as mobility, security, data center optimization, cloud computing, virtualization and collaboration. We are technology "agnostic," with a product portfolio that includes more than 100,000 products from more than 1,000 brands. We provide our products and solutions through sales force and service delivery teams consisting of nearly 4,600 coworkers, including more than 1,800 field sellers, highly-skilled technology specialists and advanced service delivery engineers.

We are a leading U.S. sales channel partner for many original equipment manufacturers ("OEMs") and software publishers (collectively, our "vendor partners"), whose products we sell or include in the solutions we offer. We believe we are an important extension of our vendor partners' sales and marketing capabilities, providing them with a cost-effective way to reach customers and deliver a consistent brand experience through our established end-market coverage and extensive customer access.

We have two reportable segments: Corporate, which is comprised primarily of private sector business customers, and Public, which is comprised of government agencies and education and healthcare institutions. Our Corporate segment is divided into a medium/large business customer channel, primarily serving customers with more than 100 employees, and a small business customer channel, primarily serving customers with up to 100 employees. We also have three other operating segments, CDW Advanced Services, Canada and Kelway TopCo Limited ("Kelway"), which do not meet the reportable segment quantitative thresholds and, accordingly, are combined together as "Other." In November 2014, we acquired a 35% non-controlling equity interest in Kelway. See Note 15 to the accompanying audited consolidated financial statements included elsewhere in this report for additional details.

The CDW Advanced Services business consists primarily of customized engineering services delivered by technology specialists and engineers, and managed services that include Infrastructure as a Service ("IaaS") offerings. Revenues from the sale of hardware, software, custom configuration and third-party provided services are recorded within our Corporate and Public segments.

We may sell all or only select products that our vendor partners offer. Each vendor partner agreement provides for specific terms and conditions, which may include one or more of the following: product return privileges, price protection policies, purchase discounts and vendor incentive programs, such as purchase or sales rebates and cooperative advertising reimbursements. We also resell software for major software publishers. Our agreements with software publishers allow the end-user customer to acquire software or licensed products and services. In addition to helping our customers determine the best software solutions for their needs, we help them manage their software agreements, including warranties and renewals. A significant portion of our advertising and marketing expenses is reimbursed through cooperative advertising reimbursement programs with our vendor partners. These programs are at the discretion of our vendor partners and are typically tied to sales or purchasing volumes or other commitments to be met by us within a specified period of time.

Trends and Key Factors Affecting our Financial Performance

We believe the following trends may have an important impact on our financial performance:

- Our Public segment sales are impacted by government spending policies, budget priorities and revenue levels. An adverse change in any of these factors could cause our Public segment customers to reduce their purchases or to terminate or not renew contracts with us, which could adversely affect our business, results of operations or cash flows. Although our sales to the federal government are diversified across multiple

agencies and departments, they collectively accounted for approximately 7% , 7% and 10% of our net sales for the years ended December 31, 2014, 2013 and 2012, respectively. In 2013, and through the second quarter of 2014, Public segment results were impacted by the combined and residual negative effects of sequestration, the partial shutdown of the federal government in 2013 and federal government budget uncertainty. However, with the finalization of federal budget allocations in early 2014, we began to see improvement in federal sales in the second quarter of 2014. The momentum continued through the third quarter of 2014 in conjunction with the federal fiscal year-end. This recovery continued into the fourth quarter of 2014 in connection with increased customer confidence that a federal budget for 2015 would be in place.

- An important factor affecting our ability to generate sales and achieve our targeted operating results is the impact of general economic conditions on our customers' willingness to spend on information technology. While macroeconomic uncertainty drove a cautious approach to customer spending in the early part of 2013, uncertainty began to dissipate in the back half of 2013 and continued to dissipate throughout 2014. Our sales to small business customers increased in 2014 as a result of the improvement in the macroeconomic environment. We will continue to closely monitor macroeconomic conditions during 2015. Uncertainties related to potential reductions in government spending, requirements associated with implementation of the Affordable Care Act, potential changes in tax and regulatory policy, weakening consumer and business confidence or increased unemployment could result in reduced or deferred spending on information technology products and services by our customers and result in increased competitive pricing pressures.
- We believe that our customers' transition to more complex technology solutions will continue to be an important growth area for us in the future. However, because the market for technology products and services is highly competitive, our success at capitalizing on this transition will be based on our ability to tailor specific solutions to customer needs, the quality and breadth of our product and service offerings, the knowledge and expertise of our sales force, price, product availability and speed of delivery. In 2014, market dynamics, including client device refresh and digital testing needs for K-12 students, drove customer demand for transactional products, primarily client devices, which include notebooks/mobile devices and desktops. Our diverse product suite of more than 100,000 products from over 1,000 leading and emerging brands and efficient, distribution capabilities enabled us to capitalize on this demand. While sales growth for transactional products was strong during the year, growth in solutions-focused products, including netcomm and software, also contributed to the increase in net sales during 2014. We expect the demand for client devices to moderate in 2015, both from the client device refresh slowing and a wind-down in preparation for digital testing requirements.

Key Business Metrics

Our management monitors a number of financial and non-financial measures and ratios on a regular basis in order to track the progress of our business and make adjustments as necessary. We believe that the most important of these measures and ratios include average daily sales, gross margin, operating margin, net income, Non-GAAP net income, net income per diluted share, Non-GAAP net income per diluted share, EBITDA and Adjusted EBITDA, return on invested capital, cash and cash equivalents, cash flow, net working capital, cash conversion cycle (defined to be days of sales outstanding in accounts receivable plus days of supply in inventory minus days of purchases outstanding in accounts payable, based on a rolling three-month average), debt levels including available credit and leverage ratios, sales per coworker and coworker turnover. These measures and ratios are compared to standards or objectives set by management, so that actions can be taken, as necessary, in order to achieve the standards and objectives. Non-GAAP net income, Non-GAAP net income per diluted share and Adjusted EBITDA are non-GAAP financial measures. We believe these measures provide helpful information with respect to the company's operating performance and cash flows including our ability to meet our future debt service, capital expenditures, dividend payments, and working capital requirements. Adjusted EBITDA also provides helpful information as it is the primary measure used in certain financial covenants contained in our senior credit facilities. See "Selected Financial Data" included elsewhere in this report for the definitions of Non-GAAP net income and Adjusted EBITDA and reconciliations to net income.

The results of certain key business metrics are as follows:

(dollars in millions)	Years Ended December 31,		
	2014	2013	2012
Net sales	$ 12,074.5	$ 10,768.6	$ 10,128.2
Gross profit	1,921.3	1,760.3	1,669.6
Income from operations	673.0	508.6	510.6
Net income	244.9	132.8	119.0
Non-GAAP net income	409.9	314.3	247.1
Adjusted EBITDA	907.0	808.5	766.6
Average daily sales	47.5	42.4	39.9
Net debt (defined as total debt minus cash and cash equivalents)	2,845.5	3,063.1	3,733.1
Cash conversion cycle (in days) [(1)]	21	23	24

(1) Cash conversion cycle is defined as days of sales outstanding in accounts receivable plus days of supply in inventory minus days of purchases outstanding in accounts payable, based on a rolling three-month average. The prior periods have been revised to conform to the current definition.

Results of Operations

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

The following table presents our results of operations, in dollars and as a percentage of net sales, for the years ended December 31, 2014 and 2013 :

	Year Ended December 31, 2014		Year Ended December 31, 2013	
	Dollars in Millions	Percentage of Net Sales	Dollars in Millions	Percentage of Net Sales
Net sales	$ 12,074.5	100.0 %	$ 10,768.6	100.0 %
Cost of sales	10,153.2	84.1	9,008.3	83.7
Gross profit	1,921.3	15.9	1,760.3	16.3
Selling and administrative expenses	1,110.3	9.2	1,120.9	10.4
Advertising expense	138.0	1.1	130.8	1.2
Income from operations	673.0	5.6	508.6	4.7
Interest expense, net	(197.3)	(1.6)	(250.1)	(2.3)
Net loss on extinguishments of long-term debt	(90.7)	(0.8)	(64.0)	(0.6)
Other income, net	2.7	—	1.0	—
Income before income taxes	387.7	3.2	195.5	1.8
Income tax expense	(142.8)	(1.2)	(62.7)	(0.6)
Net income	$ 244.9	2.0 %	$ 132.8	1.2 %

Net sales

The following table presents our net sales by segment, in dollars and as a percentage of total net sales, and the year-over-year dollar and percentage change in net sales for the years ended December 31, 2014 and 2013 :

	Years Ended December 31,					
	2014		2013			
	Dollars in Millions	Percentage of Total Net Sales	Dollars in Millions	Percentage of Total Net Sales	Dollar Change	Percent Change [1]
Corporate	$ 6,475.5	53.6%	$ 5,960.1	55.3%	$ 515.4	8.6%
Public	4,879.4	40.4	4,164.5	38.7	714.9	17.2
Other	719.6	6.0	644.0	6.0	75.6	11.7
Total net sales	$ 12,074.5	100.0%	$ 10,768.6	100.0%	$ 1,305.9	12.1%

(1) There were 254 selling days in both the years ended December 31, 2014 and 2013 .

The following table presents our net sales by customer channel for our Corporate and Public segments and the year-over-year dollar and percentage change in net sales for the years ended December 31, 2014 and 2013 . Net sales of $150.1 million for the year ended December 31, 2013 have been reclassified from the small business customer channel to the medium/large customer channel to conform to the current period presentation.

(dollars in millions)	Years Ended December 31,			
	2014	2013	Dollar Change	Percent Change
Corporate:				
Medium / Large	$ 5,485.4	$ 5,052.7	$ 432.7	8.6%
Small Business	990.1	907.4	82.7	9.1
Total Corporate	$ 6,475.5	$ 5,960.1	$ 515.4	8.6%
Public:				
Government	$ 1,449.4	$ 1,250.6	$ 198.8	15.9%
Education	1,824.0	1,449.0	375.0	25.9
Healthcare	1,606.0	1,464.9	141.1	9.6
Total Public	$ 4,879.4	$ 4,164.5	$ 714.9	17.2%

Total net sales in 2014 increased $1,305.9 million , or 12.1% , to $12,074.5 million , compared to $10,768.6 million in 2013 . There were 254 selling days for both the years ended December 31, 2014 and 2013 . The increase in total net sales was primarily the result of continued growth in transactional products driven by notebooks/mobile devices and desktop computers as customers across all channels refreshed their client devices and K-12 customers continued to prepare for digital testing requirements, and the addition of more than 140 customer-facing coworkers, the majority in pre- and post-sale technical positions such as technical specialists and service delivery roles. Growth in solutions-focused products, including netcomm and software, also contributed to the increase in net sales during 2014 .

Corporate segment net sales in 2014 increased $515.4 million , or 8.6% , compared to 2013 , driven by sales growth in the medium/large customer channel. Within our Corporate segment, net sales to medium/large customers increased $432.7 million , or 8.6% , between years primarily due to customers refreshing their client devices and making continued investments in technology infrastructure and a continued focus on seller productivity. This increase was led by growth in notebooks/mobile devices, netcomm products, software, and desktop computers. Net sales to small business customers increased $82.7 million , or 9.1% , between years, driven by growth in notebooks/mobile devices and desktop computers due to customers refreshing their client devices.

Public segment net sales in 2014 increased $714.9 million , or 17.2% , between years, driven by strong performance across all channels. In 2013, and through the second quarter of 2014, Public segment results were impacted by the combined and residual negative effects of sequestration, the partial shutdown of the federal government in 2013 and federal government budget uncertainty. However, with the finalization of federal budget allocations in early 2014, we began to see improvement in federal sales in the second quarter of 2014 and saw continued momentum through the third quarter of 2014 in conjunction with

the federal fiscal year-end. This recovery continued into the fourth quarter of 2014 in connection with increased customer confidence that a federal budget for 2015 would be in place. Net sales to government customers increased $198.8 million , or 15.9% . The increase in net sales to the federal government was led by increases in sales of notebooks/mobile devices and desktop computers. The increase in net sales to state/local government customers was led by growth in sales of notebooks/mobile devices, netcomm products, enterprise storage, and software due to a continued focus on public safety solutions. Net sales to education customers increased $375.0 million , or 25.9% , between years, led by growth in net sales to K-12 customers, reflecting increased sales of notebooks/mobile devices to support digital testing requirements. Net sales to healthcare customers increased $141.1 million , or 9.6% , between periods, driven by growth in netcomm products, notebook/mobile devices, and desktop computers.

Gross profit

Gross profit increased $161.0 million , or 9.1% , to $1,921.3 million in 2014 , compared to $1,760.3 million in 2013 . As a percentage of total net sales, gross profit decreased 40 basis points to 15.9% during 2014 , down from 16.3% in 2013 . Gross profit margin was negatively impacted 30 basis points by unfavorable price/mix changes within product margin, as transactional product categories such as notebooks/mobile devices and desktops experienced a higher rate of net sales growth than our overall net sales growth, accompanied by continuing product margin compression in these product categories. Additionally, we experienced an unfavorable impact of 10 basis points from vendor funding in 2014. Although vendor funding dollars increased, it represented a lower percentage of net sales in 2014 compared to 2013 . Vendor funding includes purchase discounts, volume rebates and cooperative advertising.

The gross profit margin may fluctuate based on various factors, including vendor incentive and inventory price protection programs, cooperative advertising funds classified as a reduction of cost of sales, product mix, net service contract revenue, commission revenue, pricing strategies, market conditions and other factors, any of which could result in changes in gross profit margins.

Selling and administrative expenses

Selling and administrative expenses decreased $10.6 million , or 0.9% , to $1,110.3 million in 2014 , compared to $1,120.9 million in 2013 . The overall decrease was largely driven by the absence of $74.3 million in costs incurred during 2013 related to the completion of our IPO. This decrease was partially offset by an increase of $31.4 million, or 14.3%, of certain coworker costs between years which was primarily due to higher compensation consistent with increased coworker count and attainment-based compensation accruals tied to annual performance. Total coworker count was 7,211, up 244 from 6,967 at December 31, 2013 . In addition, sales payroll, including sales commissions and other variable compensation costs, increased $18.6 million, or 3.9% between years, consistent with higher sales and gross profit. Further offsetting the decrease in selling and administrative expenses was an increase in long-term compensation expense and equity compensation expense of $7.2 million during 2014.

As a percentage of total net sales, selling and administrative expenses decreased 120 basis points to 9.2% in 2014 , down from 10.4% in 2013 . The decrease in selling and administrative expenses as a percentage of net sales was largely driven by a decline of 70 basis points in costs related to the IPO in 2013 . Sales payroll as a percentage of net sales also decreased 30 basis points during 2014 reflecting the lower cost to serve transactional sales compared to solutions-focused sales, consistent with our variable compensation cost structure.

Advertising expense

Advertising expense increase d $7.2 million , or 5.5% , to $138.0 million in 2014 , compared to $130.8 million in 2013 . As a percentage of net sales, advertising expense remained relatively consistent at 1.1% in 2014 , compared to 1.2% in 2013 . The dollar increase in advertising expense was due to a continued focus on advertising our solutions and products, which reinforces our reputation as a leading IT solutions provider.

Income from operations

The following table presents income from operations by segment, in dollars and as a percentage of net sales, and the year-over-year percentage change in income from operations for the years ended December 31, 2014 and 2013 :

	Year Ended December 31, 2014		Year Ended December 31, 2013		
	Dollars in Millions	Operating Margin Percentage	Dollars in Millions	Operating Margin Percentage	Percent Change in Income from Operations
Segments: [1]					
Corporate	$ 439.8	6.8%	$ 363.3	6.1%	21.1%
Public	313.2	6.4	246.5	5.9	27.1
Other	32.9	4.6	27.2	4.2	20.9
Headquarters [2]	(112.9)	nm*	(128.4)	nm*	12.0
Total income from operations	$ 673.0	5.6%	$ 508.6	4.7%	32.3%

* Not meaningful

(1) Segment income (loss) from operations includes the segment's direct operating income (loss) and allocations for Headquarters' costs, allocations for income and expenses from logistics services, certain inventory adjustments and volume rebates and cooperative advertising from vendors.

(2) Includes certain Headquarters' function costs that are not allocated to the segments.

Income from operations was $673.0 million in 2014 , an increase of $164.4 million , or 32.3% , compared to $508.6 million in 2013 . The increase in income from operations was driven by higher net sales and gross profit and the absence of IPO-related costs. Total operating margin percentage increased 90 basis points to 5.6% in 2014 , from 4.7% in 2013 . Operating margin percentage benefited from the decrease in selling and administrative expenses as a percentage of net sales, which was driven by the absence of $74.3 million in costs related to our IPO in 2013, and was partially offset by a decrease in gross profit margin.

Corporate segment income from operations was $439.8 million in 2014 , an increase of $76.5 million , or 21.1% , compared to $363.3 million in 2013 . This increase was primarily driven by higher net sales and gross profit. Corporate segment operating margin percentage increased 70 basis points to 6.8% in 2014 , from 6.1% in 2013 . Operating margin percentage benefited from the decrease in selling and administrative expenses as a percentage of net sales, which was driven by the absence of costs related to our IPO in 2013, and was partially offset by a decrease in gross profit margin.

Public segment income from operations was $313.2 million in 2014 , an increase of $66.7 million , or 27.1% , compared to $246.5 million in 2013 . This increase was primarily driven by higher net sales and gross profit. Public segment operating margin percentage increased 50 basis points to 6.4% in 2014 , from 5.9% in 2013 . Operating margin percentage benefited from the decrease in selling and administrative expenses as a percentage of net sales, which was driven by the absence of costs related to our IPO in 2013, and was partially offset by a decrease in gross profit margin.

Interest expense, net

At December 31, 2014 , our outstanding long-term debt totaled $3,190.0 million , compared to $3,251.2 million at December 31, 2013 . We reduced our long-term debt during 2014 through refinancing activities to redeem our higher interest debt. Net interest expense in 2014 was $197.3 million , a decrease of $52.8 million compared to $250.1 million in 2013 . This decrease was primarily due to lower debt balances and effective interest rates for 2014 compared to 2013 as a result of debt repayments and refinancing activities completed during 2014 and 2013 . See "Liquidity and Capital Resources" below for a description of the significant debt refinancings in 2014.

Net loss on extinguishments of long-term debt

During 2014, we recorded a net loss on extinguishments of long-term debt of $90.7 million compared to $64.0 million in 2013.

In December 2014, we redeemed $541.4 million aggregate principal amount of the 2019 Senior Notes. We recorded a loss on extinguishment of debt of $36.9 million , representing the difference between the redemption price and the net carrying amount of the purchased debt, adjusted for a portion of the unamortized deferred financing costs and unamortized premium.

In September 2014, we redeemed $234.7 million aggregate principal amount of the 2019 Senior Notes. We recorded a loss on extinguishment of debt of $22.1 million , representing the difference between the redemption price and the net carrying amount of the purchased debt, adjusted for a portion of the unamortized deferred financing costs and unamortized premium.

In August 2014, we redeemed all of the remaining $325.0 million aggregate principal amount of the 8.0% Senior Secured Notes due 2018 ("Senior Secured Notes"). We recorded a loss on extinguishment of debt of $23.7 million , representing the difference between the redemption price and the net carrying amount of the purchased debt, adjusted for the remaining unamortized deferred financing costs.

In June 2014, we entered into the Senior Secured Asset-Based Revolving Credit Facility ("Revolving Loan"), a new five-year $1,250.0 million senior secured asset-based revolving credit facility. The Revolving Loan replaces our previous revolving loan credit facility that was to mature on June 24, 2016. In connection with the termination of the previous facility, we recorded a loss on extinguishment of long-term debt of $0.4 million , representing a write-off of a portion of unamortized deferred financing costs.

In May 2014, we redeemed all of the remaining $42.5 million aggregate principal amount of the 12.535% Senior Subordinated Exchange Notes due 2017 ("Senior Subordinated Notes"). We recorded a loss on extinguishment of long-term debt of $2.2 million , representing the difference between the redemption price and the net carrying amount of the purchased debt, adjusted for the remaining unamortized deferred financing costs.

In March 2014, we repurchased $25.0 million aggregate principal amount of the 2019 Senior Notes. We recorded a loss on extinguishment of long-term debt of $2.7 million , representing the difference between the repurchase price and the net carrying amount of the purchased debt, adjusted for a portion of the unamortized deferred financing costs.

In January and February 2014, we redeemed $50.0 million aggregate principal amounts of the Senior Subordinated Notes. We recorded a loss on extinguishment of long-term debt of $2.7 million , representing the difference between the redemption price and the net carrying amount of the purchased debt, adjusted for a portion of the unamortized deferred financing costs.

In October 2013, we redeemed $155.0 million aggregate principal amount of the Senior Subordinated Notes. In connection with this redemption, we recorded a loss on extinguishment of long-term debt of $8.5 million , representing the difference between the redemption price and the net carrying amount of the purchased debt, adjusted for a portion of the unamortized deferred financing costs.

In August 2013, we redeemed $324.0 million aggregate principal amount of the Senior Subordinated Notes. In connection with this redemption, we recorded a loss on extinguishment of long-term debt of $24.6 million , representing the difference between the redemption price and the net carrying amount of the purchased debt, adjusted for a portion of the unamortized deferred financing costs.

In July 2013, we redeemed $175.0 million aggregate principal amount of the Senior Secured Notes. In connection with this redemption, we recorded a loss on extinguishment of long-term debt of $16.7 million , representing the difference between the redemption price and the net carrying amount of the purchased debt, adjusted for a portion of the unamortized deferred financing costs.

In April 2013, we entered into a new seven-year, $1,350.0 million aggregate principal amount Senior Secured Term Loan Facility ("Term Loan"). Substantially all of the proceeds were used to repay the $1,299.5 million outstanding aggregate principal amount of the prior senior secured term loan facility. In connection with this refinancing, we recorded a loss on extinguishment of long-term debt of $10.3 million , representing a write-off of the remaining unamortized deferred financing costs related to the prior senior secured term loan facility.

In March 2013, we redeemed $50.0 million aggregate principal amount of the Senior Subordinated Notes. We recorded a loss on extinguishment of long-term debt of $3.9 million , representing the difference between the redemption price and the net carrying amount of the purchased debt, adjusted for a portion of the unamortized deferred financing costs.

Income tax expense

Income tax expense was $142.8 million in 2014 , compared to $62.7 million in 2013 . The effective income tax rate, expressed by calculating income tax expense or benefit as a percentage of income before income taxes, was 36.8% and 32.1% for 2014 and 2013 , respectively.

For 2014 , the effective tax rate differed from the U.S. federal statutory rate primarily due to state income taxes, including current year state income tax credits. For 2013 , the effective tax rate differed from the U.S. federal statutory rate primarily due to state income taxes, including current year state income tax credits and an adjustment to deferred state income taxes due to changes in apportionment factors. The higher effective tax rate for 2014 as compared to 2013 was primarily attributable to the favorable impact of changes in state tax apportionment factors had on deferred state income taxes in 2013 and a lower rate impact of state income tax credits due to the increase in income before income taxes in 2014.

Net income

Net income was $244.9 million in 2014 , compared to $132.8 million in 2013 . Significant factors and events causing the net changes between the periods are discussed above.

Non-GAAP net income

Non-GAAP net income was $409.9 million for the year ended December 31, 2014 , an increase of $95.6 million , or 30.4% , compared to $314.3 million for the year ended December 31, 2013 .

We have included a reconciliation of Non-GAAP net income for the years ended December 31, 2014 and 2013 below. Non-GAAP net income excludes, among other things, charges related to the amortization of acquisition-related intangible assets, non-cash equity-based compensation, and gains and losses from the early extinguishment of debt. Non-GAAP net income is considered a non-GAAP financial measure. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position, or cash flows that either excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. Non-GAAP measures used by the Company may differ from similar measures used by other companies, even when similar terms are used to identify such measures. We believe that Non-GAAP net income provides helpful information with respect to our operating performance and cash flows including our ability to meet our future debt service, capital expenditures and working capital requirements.

(in millions)	Years Ended December 31,	
	2014	2013
Net income	$ 244.9	$ 132.8
Amortization of intangibles [1]	161.2	161.2
Non-cash equity-based compensation	16.4	8.6
Litigation, net [2]	(0.6)	(6.3)
Net loss on extinguishments of long-term debt	90.7	64.0
Interest expense adjustment related to extinguishments of long-term debt [3]	(1.1)	(7.5)
IPO- and secondary-offering related expenses [4]	1.4	75.0
Aggregate adjustment for income taxes [5]	(103.0)	(113.5)
Non-GAAP net income	$ 409.9	$ 314.3

(1) Includes amortization expense for acquisition-related intangible assets, primarily customer relationships and trade names.

(2) Relates to unusual, non-recurring litigation matters.

(3) Reflects adjustments to interest expense resulting from debt extinguishments. Represents the difference between interest expense previously recognized under the effective interest method and actual interest paid.

(4) IPO- and secondary-offering related expenses consist of the following:

(in millions)	Years Ended December 31,	
	2014	2013
Acceleration charge for certain equity awards and related employer payroll taxes	$ —	$ 40.7
RDU Plan cash retention pool accrual	—	7.5
Management services agreement termination fee	—	24.4
Other expenses	1.4	2.4
IPO- and secondary-offering related expenses	$ 1.4	$ 75.0

(5) Based on a normalized effective tax rate of 39.0%.

Adjusted EBITDA

Adjusted EBITDA was $907.0 million for the year ended December 31, 2014 , an increase of $98.5 million , or 12.2% , compared to $808.5 million for the year ended December 31, 2013 . As a percentage of net sales, Adjusted EBITDA was 7.5% for both the years ended December 31, 2014 and 2013 .

We have included a reconciliation of EBITDA and Adjusted EBITDA for the years ended December 31, 2014 and 2013 in the tables below. EBITDA is defined as consolidated net income before interest expense, income tax expense, depreciation and amortization. Adjusted EBITDA, which is a measure defined in our credit agreements, means EBITDA adjusted for certain items which are described in the table below. Both EBITDA and Adjusted EBITDA are considered non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flows that either excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. Non-GAAP measures used by the Company may differ from similar measures used by other companies, even when similar terms are used to identify such measures. We believe that EBITDA and Adjusted EBITDA provide helpful information with respect to our operating performance and cash flows including our ability to meet our future debt service, capital expenditures and working capital requirements. Adjusted EBITDA also provides helpful information as it is the primary measure used in certain financial covenants contained in our credit agreements.

(in millions)	Years Ended December 31, 2014	2013
Net income	$ 244.9	$ 132.8
Depreciation and amortization	207.9	208.2
Income tax expense	142.8	62.7
Interest expense, net	197.3	250.1
EBITDA	792.9	653.8
Adjustments:		
Non-cash equity-based compensation	16.4	8.6
Sponsor fee	—	2.5
Net loss on extinguishments of long-term debt	90.7	64.0
Litigation, net [(1)]	(0.9)	(4.1)
IPO- and secondary-offering related expenses [(2)]	1.4	75.0
Other adjustments [(3)]	6.5	8.7
Total adjustments	114.1	154.7
Adjusted EBITDA	$ 907.0	$ 808.5

(1) Relates to unusual, non-recurring litigation matters.

(2) As defined under *Non-GAAP net income* above.

(3) Other adjustments primarily include certain retention costs and equity investment income.

The following table sets forth a reconciliation of EBITDA to net cash provided by operating activities for the years ended December 31, 2014 and 2013 .

(in millions)	Years Ended December 31, 2014	2013
EBITDA	$ 792.9	$ 653.8
Depreciation and amortization	(207.9)	(208.2)
Income tax expense	(142.8)	(62.7)
Interest expense, net	(197.3)	(250.1)
Net income	244.9	132.8
Depreciation and amortization	207.9	208.2
Equity-based compensation expense	16.4	46.6
Deferred income taxes	(89.1)	(48.7)
Amortization of deferred financing costs, debt premium, and debt discount, net	6.4	8.8
Net loss on extinguishments of long-term debt	90.7	64.0
Other	(0.4)	1.7
Changes in assets and liabilities	(41.8)	(47.1)
Net cash provided by operating activities	$ 435.0	$ 366.3

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

The following table presents our results of operations, in dollars and as a percentage of net sales, for the years ended December 31, 2013 and 2012:

	Year Ended December 31, 2013		Year Ended December 31, 2012	
	Dollars in Millions	Percentage of Net Sales	Dollars in Millions	Percentage of Net Sales
Net sales	$ 10,768.6	100.0 %	$ 10,128.2	100.0 %
Cost of sales	9,008.3	83.7	8,458.6	83.5
Gross profit	1,760.3	16.3	1,669.6	16.5
Selling and administrative expenses	1,120.9	10.4	1,029.5	10.2
Advertising expense	130.8	1.2	129.5	1.3
Income from operations	508.6	4.7	510.6	5.0
Interest expense, net	(250.1)	(2.3)	(307.4)	(3.0)
Net loss on extinguishments of long-term debt	(64.0)	(0.6)	(17.2)	(0.2)
Other income, net	1.0	—	0.1	—
Income before income taxes	195.5	1.8	186.1	1.8
Income tax expense	(62.7)	(0.6)	(67.1)	(0.7)
Net income	$ 132.8	1.2 %	$ 119.0	1.1 %

Net sales

The following table presents our net sales by segment, in dollars and as a percentage of total net sales, and the year-over-year dollar and percentage change in net sales for the years ended December 31, 2013 and 2012:

	Years Ended December 31,					
	2013		2012			
	Dollars in Millions	Percentage of Total Net Sales	Dollars in Millions	Percentage of Total Net Sales	Dollar Change	Percent Change (1)
Corporate	$ 5,960.1	55.3%	$ 5,512.8	54.4%	$ 447.3	8.1%
Public	4,164.5	38.7	4,023.0	39.7	141.5	3.5
Other	644.0	6.0	592.4	5.9	51.6	8.7
Total net sales	$ 10,768.6	100.0%	$ 10,128.2	100.0%	$ 640.4	6.3%

(1) There were 254 selling days in both the years ended December 31, 2013 and 2012.

The following table presents our net sales by customer channel for our Corporate and Public segments and the year-over-year dollar and percentage change in net sales for the years ended December 31, 2013 and 2012. Net sales of $150.1 million and $124.2 million for the years ended December 31, 2013 and 2012 have been reclassified from the small business customer channel to the medium/large customer channel to conform to the 2014 presentation.

(in millions)	Years Ended December 31,			
	2013	2012	Dollar Change	Percent Change
Corporate:				
Medium / Large	$ 5,052.7	$ 4,572.7	$ 480.0	10.5 %
Small Business	907.4	940.1	(32.7)	(3.5)
Total Corporate	$ 5,960.1	$ 5,512.8	$ 447.3	8.1 %
Public:				
Government	$ 1,250.6	$ 1,394.1	$ (143.5)	(10.3)%
Education	1,449.0	1,192.3	256.7	21.5
Healthcare	1,464.9	1,436.6	28.3	2.0
Total Public	$ 4,164.5	$ 4,023.0	$ 141.5	3.5 %

Total net sales in 2013 increased $640.4 million , or 6.3% , to $10,768.6 million , compared to $10,128.2 million in 2012. There were 254 selling days for both the years ended December 31, 2013 and 2012. The increase in total net sales was primarily the result of growth in hardware and software, a more tenured sales force, a continued focus on seller productivity across all areas of the organization and the addition of nearly 120 customer-facing coworkers, the majority in pre- and post-sale technical positions such as technical specialists and service delivery roles. Our total net sales growth for the year ended December 31, 2013 reflected growth in notebooks/mobile devices, netcomm products and software. Software gains were driven by growth in security, document management software and network management software, partially offset by a decline in application suites.

Corporate segment net sales in 2013 increased $447.3 million , or 8.1% , compared to 2012, driven by sales growth in the medium/large customer channel. Within our Corporate segment, net sales to medium/large customers increased 10.5% between years primarily due to certain of these customers increasing their IT spending, a more tenured sales force, a continued focus on seller productivity and additional customer-facing coworkers, the majority in pre- and post-sale technical positions such as technical specialists and service delivery roles. This increase was led by unit volume growth in netcomm products and growth in notebooks/mobile devices and software. Partially offsetting the growth in the medium/large customer channel was a 3.5% decline in net sales to small business customers, due to certain of these customers taking a more cautious approach to spending as macroeconomic and regulatory uncertainty impacted decision-making. This decrease was led by unit volume declines in notebooks/mobile devices, partially offset by growth in netcomm products.

Public segment net sales in 2013 increased $141.5 million , or 3.5% , between years, driven by strong performance in the education customer channel. Net sales to education customers increased $256.7 million , or 21.5% , between years, led by growth in net sales to K-12 customers, reflecting increased sales of notebooks/mobile devices to support new standardized digital testing requirements that will take effect in 2014. Net sales to government customers decreased $143.5 million , or 10.3% , in 2013 compared to 2012 due to reductions and delays in federal government spending following sequestration, uncertainty over future budget negotiations and the partial shutdown of the federal government. The government customer channel net sales decline was led by decreases in sales of enterprise storage and notebooks/mobile devices, partially offset by growth in software. Net sales to healthcare customers increased $28.3 million , or 2.0% , between years, driven by growth in notebooks/mobile devices and desktop computers.

Gross profit

Gross profit increased $90.7 million , or 5.4% , to $1,760.3 million in 2013, compared to $1,669.6 million in 2012. As a percentage of total net sales, gross profit decreased 20 basis points to 16.3% in 2013, down from 16.5% in 2012. Gross profit margin was negatively impacted 30 basis points by unfavorable price/mix changes within product margin, as we experienced product margin compression in transactional product categories such as desktops and notebooks. Partially offsetting this decrease was an increase of 10 basis points due to a higher mix of net service contract revenue. Net service contract revenue, including items such as third-party services and warranties, has a positive impact on gross profit margin as our cost paid to the vendor or third-party service provider is recorded as a reduction to net sales, resulting in net sales being equal to the gross profit on the transaction.

The gross profit margin may fluctuate based on various factors, including vendor incentive and inventory price protection programs, cooperative advertising funds classified as a reduction of cost of sales, product mix, net service contract revenue, commission revenue, pricing strategies, market conditions and other factors, any of which could result in changes in gross profit margins.

Selling and administrative expenses

Selling and administrative expenses increased $91.3 million , or 8.9% , to $1,120.9 million in 2013, compared to $1,029.5 million in 2012. As a percentage of total net sales, selling and administrative expenses increased 20 basis points to 10.4% in 2013, up from 10.2% in 2012. Sales payroll, including sales commissions and other variable compensation costs, increased $28.9 million, or 6.4%, between years, consistent with higher sales and gross profit. Additionally, selling and administrative expenses for 2013 included IPO- and secondary-offering related expenses of $75.0 million, as follows:

- Pre-tax charges of $36.7 million related to the acceleration of the expense recognition for certain equity awards and $4.0 million for the related employer payroll taxes. See Note 10 of the accompanying audited consolidated financial statements for additional discussion of the impact of the IPO on our equity awards.
- A pre-tax charge of $24.4 million related to the payment of a termination fee to affiliates of the Sponsors in connection with the termination of the management services agreement with such entities.
- A pre-tax charge of $7.5 million related to compensation expense in connection with the Restricted Debt Unit Plan. See Note 12 of the accompanying audited consolidated financial statements for additional discussion of this charge.
- Other IPO- and secondary-offering related expenses of $2.4 million.

We did not record any IPO- or secondary-offering related expenses during 2012. Partially offsetting these increases in 2013 was the favorable resolution of a class action legal proceeding in which we were a claimant, which reduced selling and administrative expenses by $10.4 million in 2013 compared to 2012. Total coworker count increased by 163 coworkers, from 6,804 at December 31, 2012, to 6,967 at December 31, 2013.

Advertising expense

Advertising expense increased $1.3 million , or 0.9% , to $130.8 million in 2013, compared to $129.5 million in 2012. As a percentage of net sales, advertising expense was 1.2% in 2013, compared to 1.3% in 2012. The dollar increase in advertising expense was due to a continued focus on advertising our solutions and products, which reinforces our reputation as a leading IT solutions provider.

Income from operations

The following table presents income from operations by segment, in dollars and as a percentage of net sales, and the year-over-year percentage change in income from operations for the years ended December 31, 2013 and 2012:

	Year Ended December 31, 2013		Year Ended December 31, 2012		
	Dollars in Millions	Operating Margin Percentage	Dollars in Millions	Operating Margin Percentage	Percent Change in Income from Operations
Segments: [1]					
Corporate	$ 363.3	6.1%	$ 349.0	6.3%	4.1 %
Public	246.5	5.9	246.7	6.1	(0.1)
Other	27.2	4.2	18.6	3.1	46.3
Headquarters [2]	(128.4)	nm*	(103.7)	nm*	(23.8)
Total income from operations	$ 508.6	4.7%	$ 510.6	5.0%	(0.4)%

* Not meaningful

(1) Segment income (loss) from operations includes the segment's direct operating income (loss) and allocations for Headquarters' costs, allocations for logistics services, certain inventory adjustments, and volume rebates and cooperative advertising from vendors.

(2) Includes Headquarters' function costs that are not allocated to the segments.

Income from operations was $508.6 million in 2013, a decrease of $2.0 million, or 0.4% , compared to $510.6 million in 2012. The decrease in income from operations was driven by higher selling and administrative expenses primarily resulting from $75.0 million of IPO- and secondary-offering related expenses recorded during 2013, mostly offset by higher net sales and gross profit. Total operating margin percentage decreased 30 basis points to 4.7% in 2013, from 5.0% in 2012. Operating margin percentage was negatively impacted by the increase in selling and administrative expenses as a percentage of net sales and gross profit margin compression, partially offset by a decrease in advertising expense as a percentage of net sales.

Corporate segment income from operations was $363.3 million in 2013, an increase of $14.3 million, or 4.1% , compared to $349.0 million in 2012. Corporate segment operating margin percentage decreased 20 basis points to 6.1% in 2013, from 6.3% in 2012. Results for 2013 included $26.4 million of IPO- and secondary-offering related expenses, which reduced Corporate segment operating margin by 40 basis points. Higher sales and gross profit dollars offset the effect of IPO- and secondary-offering related expenses on income from operations for 2013.

Public segment income from operations was $246.5 million in 2013, a decrease of $0.2 million, or 0.1%, compared to $246.7 million in 2012. Public segment operating margin percentage decreased 20 basis points to 5.9% in 2013, from 6.1% in 2012. Results for 2013 included $14.4 million of IPO- and secondary-offering related expenses, which reduced Public segment operating margin by 30 basis points. Higher sales and gross profit dollars nearly offset the effect of IPO- and secondary-offering related expenses on income from operations for 2013.

Interest expense, net

At December 31, 2013 , our outstanding long-term debt totaled $3,251.2 million, compared to $3,771.0 million at December 31, 2012. We reduced long-term debt throughout the year primarily through the use of a portion of the net proceeds from the IPO and cash flows provided by operating activities. Net interest expense in 2013 was $250.1 million , a decrease of $57.3 million compared to $307.4 million in 2012. This decrease was primarily due to lower debt balances and effective interest rates for 2013 compared to 2012 as a result of debt repayments and refinancing activities completed during 2012 and 2013.

Net loss on extinguishments of long-term debt

During 2013 , we recorded a net loss on extinguishments of long-term debt of $64.0 million compared to $17.2 million in 2012 .

In October 2013, we redeemed $155.0 million aggregate principal amount of the Senior Subordinated Notes. In connection with this redemption, we recorded a loss on extinguishment of long-term debt of $8.5 million, representing the difference between the redemption price and the net carrying amount of the purchased debt, adjusted for a portion of the unamortized deferred financing costs.

In August 2013, we redeemed $324.0 million aggregate principal amount of the Senior Subordinated Notes. In connection with this redemption, we recorded a loss on extinguishment of long-term debt of $24.6 million, representing the difference between the redemption price and the net carrying amount of the purchased debt, adjusted for a portion of the unamortized deferred financing costs.

In July 2013, we redeemed $175.0 million aggregate principal amount of the Senior Secured Notes. In connection with this redemption, we recorded a loss on extinguishment of long-term debt of $16.7 million, representing the difference between the redemption price and the net carrying amount of the purchased debt, adjusted for a portion of the unamortized deferred financing costs.

In April 2013, we entered into a new seven-year, $1,350.0 million aggregate principal amount Term Loan. Substantially all of the proceeds were used to repay the $1,299.5 million outstanding aggregate principal amount of the prior senior secured term loan facility. In connection with this refinancing, we recorded a loss on extinguishment of long-term debt of $10.3 million, representing a write-off of the remaining unamortized deferred financing costs related to the prior senior secured term loan facility.

In March 2013, we redeemed $50.0 million aggregate principal amount of the Senior Subordinated Notes. We recorded a loss on extinguishment of long-term debt of $3.9 million, representing the difference between the redemption price and the net carrying amount of the purchased debt, adjusted for a portion of the unamortized deferred financing costs.

In December 2012, we redeemed $100.0 million aggregate principal amount of the Senior Subordinated Notes. We recorded a loss on extinguishment of long-term debt of $7.8 million representing the difference between the redemption price and the net carrying amount of the purchased debt, adjusted for a portion of the unamortized deferred financing costs.

In February and March 2012, we purchased or redeemed the remaining $129.0 million of 11.0% Senior Exchange Notes due 2015 and 11.5%/12.25% Senior PIK Election Exchange Notes due 2015 (together, the "Senior Notes due 2015"), funded with the issuance of an additional $130.0 million of Senior Notes due 2019. As a result, we recorded a loss on extinguishment of long-term debt of $9.4 million, representing the difference between the purchase or redemption price of the Senior Notes due 2015 and the net carrying amount of the purchased debt, adjusted for the remaining unamortized deferred financing costs.

Income tax expense

Income tax expense was $62.7 million in 2013 , compared to $67.1 million in 2012 . The effective income tax rate was 32.1% and 36.0% for 2013 and 2012 , respectively.

For 2013 , the effective tax rate differed from the U.S. federal statutory rate primarily due to state income taxes, including current year state income tax credits and an adjustment to deferred state income taxes due to changes in apportionment factors. For 2012 , the effective tax rate differed from the U.S. federal statutory rate primarily due to favorable adjustments to state tax credits which were partially offset by the unfavorable impact of adjustments to deferred state income taxes due to changes in state tax laws and non-deductible expenses, primarily equity-based compensation and meals and entertainment. The lower effective tax rate for 2013 as compared to 2012 was primarily driven by the favorable impact of adjustments to deferred state income taxes due to changes in state tax apportionment factors and lower non-deductible expenses.

Net income

Net income was $132.8 million in 2013, compared to $119.0 million in 2012. Significant factors and events causing the net changes between the periods are discussed above.

Non-GAAP net income

Non-GAAP net income was $314.3 million for the year ended December 31, 2013, an increase of $67.2 million , or 27.2% , compared to $247.1 million for the year ended December 31, 2012.

We have included a reconciliation of Non-GAAP net income for the years ended December 31, 2013 and 2012 below. Non-GAAP net income excludes, among other things, charges related to the amortization of acquisition-related intangibles, non-cash equity-based compensation, IPO- and secondary-offering related expenses and gains and losses from the early extinguishment of debt. Non-GAAP net income is considered a non-GAAP financial measure. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position, or cash flows that either excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. Non-GAAP measures used by the Company may differ from similar measures used by other companies, even when similar terms are used to identify such measures. We believe that Non-GAAP net income provides helpful information with respect to our operating performance and cash flows including our ability to meet our future debt service, capital expenditures and working capital requirements.

(in millions)	Years Ended December 31, 2013	2012
Net income	$ 132.8	$ 119.0
Amortization of intangibles [1]	161.2	163.7
Non-cash equity-based compensation	8.6	22.1
Litigation, net [2]	(6.3)	—
Net loss on extinguishments of long-term debt	64.0	17.2
Interest expense adjustment related to extinguishments of long-term debt [3]	(7.5)	(3.3)
IPO- and secondary-offering related expenses [4]	75.0	—
Aggregate adjustment for income taxes [5]	(113.5)	(71.6)
Non-GAAP net income	$ 314.3	$ 247.1

(1) Includes amortization expense for acquisition-related intangible assets, primarily customer relationships and trade names.

(2) Relates to unusual, non-recurring litigation matters.

(3) Reflects adjustments to interest expense resulting from debt extinguishments. Represents the difference between interest expense previously recognized under the effective interest method and actual interest paid.

(4) IPO- and secondary-offering related expenses consist of the following:

(in millions)	Years Ended December 31, 2013	2012
Acceleration charge for certain equity awards and related employer payroll taxes	$ 40.7	$ —
RDU Plan cash retention pool accrual	7.5	—
Management services agreement termination fee	24.4	—
Other expenses	2.4	—
IPO- and secondary-offering related expenses	$ 75.0	$ —

(5) Based on a normalized effective tax rate of 39.0%.

Adjusted EBITDA

Adjusted EBITDA was $808.5 million in 2013, an increase of $41.9 million, or 5.5%, compared to $766.6 million in 2012. As a percentage of net sales, Adjusted EBITDA was 7.5% and 7.6% in 2013 and 2012, respectively.

We have included a reconciliation of EBITDA and Adjusted EBITDA for 2013 and 2012 in the table below. EBITDA is defined as consolidated net income before interest expense, income tax expense, depreciation and amortization. Adjusted EBITDA, which is a measure defined in our credit agreements, means EBITDA adjusted for certain items which are described in the table below. Both EBITDA and Adjusted EBITDA are considered non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flows that either excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. Non-GAAP measures used by the Company may differ from similar measures used by other companies, even when similar terms are used to identify such measures. We believe that EBITDA and Adjusted EBITDA provide helpful information with respect to our operating performance and cash flows including our ability to meet our future debt service, capital expenditures and working capital requirements. Adjusted EBITDA also provides helpful information as it is the primary measure used in certain financial covenants contained in our credit agreements.

(in millions)	Years Ended December 31, 2013	2012
Net income	$ 132.8	$ 119.0
Depreciation and amortization	208.2	210.2
Income tax expense	62.7	67.1
Interest expense, net	250.1	307.4
EBITDA	653.8	703.7
Adjustments:		
Non-cash equity-based compensation	8.6	22.1
Sponsor fee	2.5	5.0
Consulting and debt-related professional fees	0.1	0.6
Net loss on extinguishments of long-term debt	64.0	17.2
Litigation, net [1]	(4.1)	4.3
IPO- and secondary-offering related expenses [2]	75.0	—
Other adjustments [3]	8.6	13.7
Total adjustments	154.7	62.9
Adjusted EBITDA	$ 808.5	$ 766.6

(1) Relates to unusual, non-recurring litigation matters.

(2) As defined under *Non-GAAP net income* above.

(3) Other adjustments primarily include certain retention costs and equity investment income.

The following table sets forth a reconciliation of EBITDA to net cash provided by operating activities for the years ended December 31, 2013 and 2012.

(in millions)	Years Ended December 31, 2013	2012
EBITDA	$ 653.8	$ 703.7
Depreciation and amortization	(208.2)	(210.2)
Income tax expense	(62.7)	(67.1)
Interest expense, net	(250.1)	(307.4)
Net income	132.8	119.0
Depreciation and amortization	208.2	210.2
Equity-based compensation expense	46.6	22.1
Deferred income taxes	(48.7)	(56.3)
Amortization of deferred financing costs, debt premium, and debt discount, net	8.8	13.6
Net loss on extinguishments of long-term debt	64.0	17.2
Other	1.7	1.0
Changes in assets and liabilities	(47.1)	(9.4)
Net cash provided by operating activities	$ 366.3	$ 317.4

Seasonality

While we have not historically experienced significant seasonality throughout the year, sales in our Corporate segment, which primarily serves private sector business customers, are typically higher in the fourth quarter than in other quarters due to customers spending their remaining technology budget dollars at the end of the year. Additionally, sales in our Public segment have historically been higher in the third quarter than in other quarters primarily due to the buying patterns of the federal government and education customers.

Liquidity and Capital Resources

Overview

We finance our operations and capital expenditures through a combination of internally generated cash from operations and from borrowings under our senior secured asset-based revolving credit facility. We believe that our current sources of funds will be sufficient to fund our cash operating requirements for the next year. In addition, we believe that, in spite of the uncertainty of future macroeconomic conditions, we have adequate sources of liquidity and funding available to meet our longer-term needs. However, there are a number of factors that may negatively impact our available sources of funds. The amount of cash generated from operations will be dependent upon factors such as the successful execution of our business plan and general economic conditions.

Long-Term Debt Activities

During the year ended December 31, 2014, we had significant debt refinancings. In connection with these refinancings, we recorded a loss on extinguishment of long-term debt of $90.7 million in our consolidated statement of operations for the year ended December 31, 2014. See Note 7 to the accompanying audited consolidated financial statements included elsewhere in this report for additional details.

Share Repurchase Program

On November 6, 2014, we announced that our Board of Directors approved a $500 million share repurchase program effective immediately under which we may repurchase shares of our common stock in the open market or through privately negotiated transactions, depending on share price, market conditions and other factors. The share repurchase program does not obligate us to repurchase any dollar amount or number of shares, and repurchases may be commenced or suspended from time to time without prior notice. As of the date of this filing, no shares have been repurchased under the share repurchase program.

Dividends

A summary of 2014 dividend activity for our common stock is shown below:

Dividend Amount	Declaration Date	Record Date	Payment Date
$0.0425	February 12, 2014	February 25, 2014	March 10, 2014
$0.0425	May 8, 2014	May 27, 2014	June 10, 2014
$0.0425	July 31, 2014	August 25, 2014	September 10, 2014
$0.0675	November 6, 2014	November 25, 2014	December 10, 2014

On February 10, 2015, we announced that our board of directors declared a quarterly cash dividend on our common stock of $0.0675 per share. The dividend will be paid on March 10, 2015 to all stockholders of record as of the close of business on February 25, 2015.

The payment of any future dividends will be at the discretion of our board of directors and will depend upon our results of operations, financial condition, business prospects, capital requirements, contractual restrictions, any potential indebtedness we may incur, restrictions imposed by applicable law, tax considerations and other factors that our board of directors deems relevant. In addition, our ability to pay dividends on our common stock will be limited by restrictions on our ability to pay dividends or make distributions to our stockholders and on the ability of our subsidiaries to pay dividends or make distributions to us, in each case, under the terms of our current and any future agreements governing our indebtedness.

Cash Flows

Cash flows from operating, investing and financing activities were as follows:

(in millions)	Years Ended December 31,		
	2014	2013	2012
Net cash provided by (used in):			
Operating activities	$ 435.0	$ 366.3	$ 317.4
Investing activities	(164.8)	(47.1)	(41.7)
Net change in accounts payable - inventory financing	75.5	7.4	(29.5)
Other financing activities	(187.5)	(175.7)	(308.5)
Financing activities	(112.0)	(168.3)	(338.0)
Effect of exchange rate changes on cash and cash equivalents	(1.8)	(0.7)	0.3
Net increase (decrease) in cash and cash equivalents	$ 156.4	$ 150.2	$ (62.0)

Operating Activities

Net cash provided by operating activities for 2014 increased $68.7 million compared to 2013 . Net income adjusted for the impact of non-cash items such as depreciation and amortization, equity-based compensation expense and net loss on extinguishments of long-term debt was $476.8 million during 2014 , compared to $413.4 million during 2013 . The increase in cash of $63.4 million reflected stronger operating results in 2014 compared to 2013 . Net changes in assets and liabilities reduced cash by $41.8 million in 2014 compared to a reduction of $47.1 million in 2013 , resulting in a change of $5.3 million between periods. The decrease in inventory balances year over year contributed to a $111.7 million increase in cash flows which was primarily due to the timing of inventory receipts and earlier than expected inventory shipments at the end of 2014 due to accelerated customer roll-outs. Partially offsetting the increase in cash flows from inventory was a decline in cash inflows from accounts payable of $102.4 million driven by the timing of inventory receipts at the end of 2014 versus 2013.

Net cash provided by operating activities for 2013 increased $48.9 million compared to 2012. Net income adjusted for the impact of non-cash items such as depreciation and amortization, equity-based compensation expense and net loss on extinguishments of long-term debt was $413.4 million during 2013, compared to $326.8 million during 2012, an increase of $86.6 million. The increase in cash of $86.6 million reflected stronger operating results in 2013 compared to 2012. Net changes in assets and liabilities reduced cash by $47.1 million in 2013 compared to a reduction of $9.4 million in 2012, resulting in a change of $37.7 million between periods. While changes in assets and liabilities were relatively flat during 2012, during 2013, accounts receivable and accounts payable balances decreased and increased cash by $170.8 million and $146.1 million, respectively, primarily as a result of accelerated sales growth during the final month of 2013. Merchandise inventory also increased during 2013 to support strong sales order volume near the end of 2013.

In order to manage our working capital and operating cash needs, we monitor our cash conversion cycle, defined as days of sales outstanding in accounts receivable plus days of supply in inventory minus days of purchases outstanding in accounts payable, based on a rolling three-month average. The following table presents the components of our cash conversion cycle:

(in days)	December 31,		
	2014	2013	2012
Days of sales outstanding (DSO) [1]	42	44	42
Days of supply in inventory (DIO) [2]	13	14	14
Days of purchases outstanding (DPO) [3]	(34)	(35)	(32)
Cash conversion cycle	21	23	24

(1) Represents the rolling three-month average of the balance of trade accounts receivable, net at the end of the period divided by average daily net sales for the same three-month period. Also incorporates components of other miscellaneous receivables.

(2) Represents the rolling three-month average of the balance of inventory at the end of the period divided by average daily cost of goods sold for the same three-month period. The prior period has been revised to conform to the current definition.

(3) Represents the rolling three-month average of the combined balance of accounts payable-trade, excluding cash overdrafts, and accounts payable-inventory financing at the end of the period divided by average daily cost of goods sold for the same three-month period.

The cash conversion cycle decreased to 21 days at December 31, 2014 compared to 23 days at December 31, 2013, primarily driven by improvement in DSO. The decline in DSO was primarily driven by improved collections and early payments from certain customers. Additionally, the timing of inventory receipts at the end of 2014 had a favorable impact on DIO and an unfavorable impact on DPO.

The cash conversion cycle decreased to 23 days at December 31, 2013 compared to 24 days at December 31, 2012. The increase in DSO was primarily driven by an increase in receivables for third-party services such as software assurance and warranties. These services have an unfavorable impact on DSO as the receivable is recognized on the balance sheet on a gross basis while the corresponding sales amount in the statement of operations is recorded on a net basis. The DPO increase was primarily due to an increase in payables for third-party services, which offsets the related increase in DSO discussed above. These services have a favorable impact on DPO as the payable is recognized on the balance sheet without a corresponding cost of sales in the statement of operations because the cost paid to the vendor or third-party service provider is recorded as a reduction to net sales. The timing of quarter-end payments also had a favorable impact on DPO at December 31, 2013.

Investing Activities

Net cash used in investing activities increased $117.7 million in 2014 compared to 2013 . We paid $86.8 million in the fourth quarter of 2014 to acquire a 35% non-controlling interest in Kelway. Additionally, capital expenditures increased $7.9 million to $55.0 million from $47.1 million for 2014 and 2013 , respectively, primarily for improvements to our information technology systems during both years.

Net cash used in investing activities increased $5.4 million in 2013 compared to 2012. Capital expenditures were $47.1 million and $41.4 million for 2013 and 2012, respectively, primarily for improvements to our information technology systems during both years.

Financing Activities

Net cash used in financing activities decreased $56.3 million in 2014 compared to 2013 . The decrease was primarily driven by several debt refinancing transactions during each period and our July 2013 IPO, which generated net proceeds of $424.7 million after deducting underwriting discounts, expenses and transaction costs. The net impact of our debt transactions resulted in cash outflows of $161.3 million and $569.4 million during 2014 and 2013 , respectively, as cash was used in each period to reduce our total long-term debt. See Note 7 to the accompanying audited consolidated financial statements included elsewhere in this report for a description of the debt transactions impacting each period.

Net cash used in financing activities decreased $169.7 million in 2013 compared to 2012. The decrease was primarily driven by various debt transactions during each period and our July 2013 IPO, which generated net proceeds of $424.7 million after deducting underwriting discounts, expenses and transaction costs. The net impact of our debt transactions resulted

in cash outflows of $569.4 million and $310.6 million during 2013 and 2012, respectively, as cash was used in each period to reduce our total long-term debt.

Long-Term Debt and Financing Arrangements

As of December 31, 2014, we had total indebtedness of $ 3.2 billion , of which $1.5 billion was secured indebtedness.

At December 31, 2014, we were in compliance with the covenants under our various credit agreements and indentures. Under the indenture governing the 8.5% Senior Notes due 2019, which contains the most restrictive restricted payment provisions in our various credit agreements and indentures, we are generally restricted from paying dividends and making other restricted payments. For the purpose of determining restricted payment capacity, consolidated net income or loss includes certain adjustments that are defined in the applicable indenture. At December 31, 2014, the amount of cumulative consolidated net income free of restrictions under our credit agreements and indentures was $230.3 million .

See Note 7 to the accompanying audited consolidated financial statements included elsewhere in this report for further details regarding our debt and each of the transactions described below.

During the year ended December 31, 2014, the following events occurred with respect to our debt structure:

- On January 22, 2014 and February 21, 2014, we redeemed $30.0 million and $20.0 million aggregate principal amounts of the 12.535% Senior Subordinated Exchange Notes due 2017, respectively.
- On March 20, 2014, we repurchased and subsequently canceled $25.0 million aggregate principal amount of the 8.5% Senior Notes due 2019 from an affiliate of Providence Equity in a privately-negotiated transaction on an arms' length basis.
- On May 9, 2014, we redeemed all of the remaining $42.5 million aggregate principal amount of the 12.535% Senior Subordinated Exchange Notes due 2017.
- On June 6, 2014, we entered into a new five-year $1,250.0 million senior secured asset-based revolving credit facility which will mature on June 6, 2019.
- On August 5, 2014, we completed the issuance of $600.0 million aggregate principal amount of 6.0% Senior Notes due 2022 which will mature on August 15, 2022.
- On September 5, 2014, we redeemed all of the remaining $325.0 million aggregate principal amount of the 12.535% Senior Subordinated Exchange Notes due 2017, plus accrued and unpaid interest through the date of redemption.
- On September 5, 2014, we redeemed $234.7 million aggregate principal amount of the 8.5% Senior Notes due 2019, plus accrued and unpaid interest through the date of redemption.
- On December 1, 2014, we completed the issuance of $575.0 million principal amount of 5.5% Senior Notes due 2024 which will mature on December 1, 2024.
- On December 31, 2014, we redeemed $541.4 million aggregate principal amount of the 8.5% Senior Notes due 2019, plus accrued and unpaid interest through the date of redemption.

Inventory Financing Agreements

We have entered into agreements with certain financial intermediaries to facilitate the purchase of inventory from various suppliers under certain terms and conditions. These amounts are classified separately as accounts payable-inventory financing on the consolidated balance sheets. We do not incur any interest expense associated with these agreements as balances are paid when they are due. See Note 5 to the accompanying audited consolidated financial statements included elsewhere in this report for further details.

Contractual Obligations

We have future obligations under various contracts relating to debt and interest payments, operating leases and asset retirement obligations. The following table presents our estimated future payments under contractual obligations that existed as of December 31, 2014, based on undiscounted amounts.

(in millions)	Payments Due by Period				
	Total	< 1 year	1-3 years	4-5 years	> 5 years
Term Loan [1]	$ 1,767.8	$ 64.4	$ 127.3	$ 125.3	$ 1,450.8
Senior Notes due 2019 [2]	696.6	42.8	85.7	568.1	—
Senior Notes due 2022 [2]	889.0	37.0	72.0	72.0	708.0
Senior Notes due 2024 [2]	891.3	31.6	63.3	63.3	733.1
Operating leases [3]	127.5	19.1	31.4	26.4	50.6
Asset retirement obligations [4]	0.5	—	0.5	—	—
Total	$ 4,372.7	$ 194.9	$ 380.2	$ 855.1	$ 2,942.5

(1) Includes future principal and cash interest payments on long-term borrowings through scheduled maturity dates. Interest payments for variable rate debt were calculated using interest rates as of December 31, 2014. Excluded from these amounts are the amortization of debt issuance and other costs related to indebtedness.

(2) Includes future principal and cash interest payments on long-term borrowings through scheduled maturity dates. Interest on the Senior Notes is calculated using the stated interest rates. Excluded from these amounts are the amortization of debt issuance and other costs related to indebtedness.

(3) Includes the minimum lease payments for non-cancelable leases of properties and equipment used in our operations. Additionally, included in these amounts are future minimum lease payments commencing in the fourth quarter of 2016 that relate to a new lease entered into in December 2014 for our future headquarters in Lincolnshire, Illinois. Also reflected in these amounts is the future expiration of two leases in the first quarter of 2016 for facilities currently in use by us which we plan to consolidate into the new headquarters location and accordingly, these leases will not be renewed.

(4) Represent commitments to return property subject to operating leases to original condition upon lease termination.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Inflation

Inflation has not had a material impact on our operating results. We generally have been able to pass along price increases to our customers, though certain economic factors and technological advances in recent years have tended to place downward pressure on pricing. We also have been able to generally offset the effects of inflation on operating costs by continuing to emphasize productivity improvements and by accelerating our overall cash conversion cycle. There can be no assurances, however, that inflation would not have a material impact on our sales or operating costs in the future.

Commitments and Contingencies

The information set forth in Note 14 to the accompanying audited consolidated financial statements included in Part II, Item 8 of this Form 10-K is incorporated herein by reference.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with GAAP requires management to make use of certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported periods. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

In Note 1 to the accompanying audited consolidated financial statements, we include a discussion of the significant accounting policies used in the preparation of our consolidated financial statements. We believe the following are the most critical accounting policies and estimates that include significant judgments used in the preparation of our financial statements. We consider an accounting policy or estimate to be critical if it requires assumptions to be made that were uncertain at the time they were made, and if changes in these assumptions could have a material impact on our financial condition or results of operations.

Revenue Recognition

We are a primary distribution channel for a large group of vendors and suppliers, including OEMs, software publishers and wholesale distributors. We record revenue from sales transactions when title and risk of loss are passed to our customer, there is persuasive evidence of an arrangement for sale, delivery has occurred and/or services have been rendered, the sales price is fixed or determinable, and collectability is reasonably assured. Our shipping terms typically specify F.O.B. destination, at which time title and risk of loss have passed to the customer.

Revenues from the sales of hardware products and software products and licenses are generally recognized on a gross basis with the selling price to the customer recorded as sales and the acquisition cost of the product recorded as cost of sales. These items can be delivered to customers in a variety of ways, including (i) as physical product shipped from our warehouse, (ii) via drop-shipment by the vendor or supplier, or (iii) via electronic delivery for software licenses. At the time of sale, we record an estimate for sales returns and allowances based on historical experience. Our vendor partners warrant most of the products we sell.

We leverage drop-shipment arrangements with many of our vendors and suppliers to deliver products to our customers without having to physically hold the inventory at our warehouses, thereby increasing efficiency and reducing costs. We recognize revenue for drop-shipment arrangements on a gross basis upon delivery to the customer with contract terms that typically specify F.O.B. destination. We recognize revenue on a gross basis as the principal in the transaction because we are the primary obligor in the arrangement, we assume inventory risk if the product is returned by the customer, we set the price of the product charged to the customer, we assume credit risk for the amounts invoiced, and we work closely with our customers to determine their hardware and software specifications. These arrangements generally represent approximately 40% to 50% of total net sales, including approximately 15% to 20% related to electronic delivery for software licenses.

Revenue from professional services is either recognized as provided for services billed at an hourly rate or recognized using a proportional performance model for services provided at a fixed fee. Revenue from cloud computing solutions including Software as a Service ("SaaS") and Infrastructure as a Service ("IaaS") arrangements, as well as data center services such as managed and remote managed services, server co-location, internet connectivity and data backup and storage, is recognized over the period service is provided.

We also sell certain products for which we act as an agent. Products in this category include the sale of third-party services, warranties, software assurance (“SA”) and third-party hosted SaaS and IaaS arrangements. SA is a product that allows customers to upgrade, at no additional cost, to the latest technology if new applications are introduced during the period that the SA is in effect. These sales do not meet the criteria for gross sales recognition, and thus are recognized on a net basis at the time of sale. Under net sales recognition, the cost paid to the vendor or third-party service provider is recorded as a reduction to sales, resulting in net sales being equal to the gross profit on the transaction.

Our larger customers are offered the opportunity by certain of our vendors to purchase software licenses and SA under enterprise agreements (“EAs”). Under EAs, customers are considered to be compliant with applicable license requirements for the ensuing year, regardless of changes to their employee base. Customers are charged an annual true-up fee for changes in the number of users over the year. With most EAs, our vendors will transfer the license and bill the customer directly, paying resellers such as us an agency fee or commission on these sales. We record these fees as a component of net sales as earned and there is no corresponding cost of sales amount. In certain instances, we bill the customer directly under an EA and account for the individual items sold based on the nature of the item. Our vendors typically dictate how the EA will be sold to the customer.

From time to time, we sell some of our products and services as part of bundled contract arrangements containing multiple deliverables, which may include a combination of the products and services. For each deliverable that represents a separate unit of accounting, total arrangement consideration is allocated based upon the relative selling prices of each element. The allocated arrangement consideration is recognized as revenue in accordance with the principles described above. Selling prices are determined by using vendor specific objective evidence (“VSOE”) if it exists. Otherwise, selling prices are determined using third party evidence (“TPE”). If neither VSOE or TPE is available, we use our best estimate of selling prices.

We record freight billed to our customers as net sales and the related freight costs as a cost of sales.

Deferred revenue includes (1) payments received from customers in advance of providing the product or performing services, and (2) amounts deferred if other conditions of revenue recognition have not been met.

We perform an analysis of the estimated number of days of sales in-transit to customers at the end of each period based on a weighted-average analysis of commercial delivery terms that includes drop-shipment arrangements. This analysis is the basis upon which we estimate the amount of sales in-transit at the end of the period and adjust revenue and the related costs

to reflect only what has been received by the customer. Changes in delivery patterns may result in a different number of business days used in making this adjustment and could have a material impact on our revenue recognition for the period.

Inventory Valuation

Inventory is valued at the lower of cost or market value. Cost is determined using a weighted-average cost method. Price protection is recorded when earned as a reduction to the cost of inventory. We decrease the value of inventory for estimated obsolescence equal to the difference between the cost of inventory and the estimated market value, based upon an aging analysis of the inventory on hand, specifically known inventory-related risks, and assumptions about future demand and market conditions. If future demand or actual market conditions are less favorable than those projected by management, additional inventory write-downs may be required.

Vendor Programs

We receive incentives from certain of our vendors related to cooperative advertising allowances, volume rebates, bid programs, price protection and other programs. These incentives generally relate to written agreements with specified performance requirements with the vendors and are recorded as adjustments to cost of sales or inventory, depending on the nature of the incentive. Vendors may change the terms of some or all of these programs, which could have an impact on our results of operations.

We record receivables from vendors related to these programs when the amounts are probable and reasonably estimable. Some programs are based on the achievement of specific targets, and we base our estimates on information provided by our vendors and internal information to assess our progress toward achieving those targets. If actual performance does not match our estimates, we may be required to adjust our receivables. We record reserves for vendor receivables for estimated losses due to vendors' inability to pay or rejections by vendors of claims; however, if actual collections differ from our estimates, we may incur additional losses that could have a material impact on gross margin and operating income.

Goodwill and Other Intangible Assets

Goodwill is not amortized but is subject to periodic testing for impairment at the reporting unit level. Our reporting units used to assess potential goodwill impairment are the same as our operating segments. We are required to perform an evaluation of goodwill on an annual basis or more frequently if circumstances indicate a potential impairment. The annual test for impairment is conducted as of December 1. We have the option of performing a qualitative assessment of a reporting unit's fair value from the last quantitative assessment to determine if it is more likely than not that the reporting unit's goodwill is impaired or performing a quantitative assessment by comparing a reporting unit's estimated fair value to its carrying amount. Under the quantitative assessment, testing for impairment of goodwill is a two-step process. The first step compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, the second step compares the implied fair value of reporting unit goodwill with the carrying amount of that goodwill to determine the amount of impairment loss. Fair value of a reporting unit is determined by using a weighted combination of an income approach and a market approach, as this combination is considered the most indicative of the reporting units' fair value in an orderly transaction between market participants. Under the income approach, we determine fair value based on estimated future cash flows of a reporting unit, discounted by an estimated weighted-average cost of capital, which reflects the overall level of inherent risk of a reporting unit and the rate of return an outside investor would expect to earn. Under the market approach, we utilize valuation multiples derived from publicly available information for peer group companies to provide an indication of how much a knowledgeable investor in the marketplace would be willing to pay for a company. We have weighted the income approach and the market approach at 75% and 25%, respectively.

Determining the fair value of a reporting unit (and the allocation of that fair value to individual assets and liabilities within the reporting unit to determine the implied fair value of goodwill in the event a step two analysis is required) is judgmental in nature and requires the use of significant estimates and assumptions. These estimates and assumptions include primarily, but are not limited to, discount rate, terminal growth rate, selection of appropriate peer group companies and control premium applied, and forecasts of revenue growth rates, gross margins, operating margins, and working capital requirements. The allocation requires analysis to determine the fair value of assets and liabilities including, among others, customer relationships, trade names, and property and equipment. Any changes in the judgments, estimates, or assumptions used could produce significantly different results. Although we believe our assumptions are reasonable, actual results may vary significantly and may expose us to material impairment charges in the future.

Intangible assets include customer relationships, trade names, internally developed software and other intangibles. Intangible assets with determinable lives are amortized on a straight-line basis over the estimated useful lives of the assets. The cost of software developed or obtained for internal use is capitalized and amortized on a straight-line basis over the estimated useful life of the software. These intangible assets are reviewed for impairment whenever events or changes in circumstances

indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability is based on an estimate of undiscounted future cash flows resulting from the use of the asset and its eventual disposition. If the carrying amount of an asset exceeds its estimated future undiscounted cash flows, an impairment loss is recorded for the excess of the asset's carrying amount over its fair value.

Allowance for Doubtful Accounts

We record an allowance for doubtful accounts related to trade accounts receivable for estimated losses resulting from the inability of our customers to make required payments. We take into consideration historical loss experience, the overall quality of the receivable portfolio and specifically identified customer risks. If actual collections of customer receivables differ from our estimates, additional allowances may be required which could have an impact on our results of operations.

Income Taxes

Deferred income taxes are provided to reflect the differences between the tax bases of assets and liabilities and their reported amounts in the consolidated financial statements using enacted tax rates in effect for the year in which the differences are expected to reverse. We perform an evaluation of the realizability of our deferred tax assets on a quarterly basis. This evaluation requires us to use estimates and make assumptions and considers all positive and negative evidence and factors, such as the scheduled reversal of temporary differences, the mix of earnings in the jurisdictions in which we operate, and prudent and feasible tax planning strategies.

We account for unrecognized tax benefits based upon our assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. We report a liability for unrecognized tax benefits resulting from unrecognized tax benefits taken or expected to be taken in a tax return and recognize interest and penalties, if any, related to unrecognized tax benefits in income tax expense.

Recent Accounting Pronouncements

The information set forth in Note 2 to the accompanying audited consolidated financial statements included in Part II, Item 8 of this Form 10-K is incorporated herein by reference.

Subsequent Events

The information set forth in Note 20 to the accompanying audited consolidated financial statements included in Part II, Item 8 of this Form 10-K is incorporated herein by reference.

Item 7A. Quantitative and Qualitative Disclosures of Market Risks

Our market risks relate primarily to changes in interest rates. The interest rates on borrowings under our senior secured asset-based revolving credit facility and our senior secured term loan facility are floating and, therefore, are subject to fluctuations. In order to manage the risk associated with changes in interest rates on borrowings under our senior secured term loan facility, we have entered into interest rate derivative agreements to economically hedge a portion of the cash flows associated with the facility. Our objectives in using interest rate derivatives are to add stability to interest expense and to manage our exposure to interest rate fluctuations.

W e utilize interest rate caps for the purpose of limiting current and future exposure to interest rate risk on our floating-rate debt under the senior secured term loan facility.

As of December 31, 2014 we have ten interest rate cap agreements in effect through January 14, 2015 with a combined notional amount of $1,150.0 million which entitled the Company to payments from the counterparty of the amount, if any, by which three-month LIBOR exceeds a weighted average rate of 2.4% during the agreement period.

During the year ended December 31, 2014 , we entered into 14 additional interest rate cap agreements with a combined notional amount of $1,000.0 million . These interest rate cap agreements have not been designated as cash flow hedges of interest rate risk for GAAP accounting purposes. The entire $1,000.0 million notional amount entitles us to payments from the counterparty of the amount, if any, by which three-month LIBOR exceeds 2.0% during the agreement period. The interest rate cap agreements are effective from January 14, 2015 through January 14, 2017. See Note 7 to the accompanying audited consolidated financial statements included elsewhere in this report for additional details.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources - Contractual Obligations" for information on cash flows, interest rates and maturity dates of our debt obligations.

Item 8. Financial Statements and Supplementary Data

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
CDW Corporation

We have audited the accompanying consolidated balance sheets of CDW Corporation and subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive income, shareholders' equity (deficit) and cash flows for each of the three years in the period ended December 31, 2014. Our audits also included the financial statement schedule listed in the Index at Item 15(a)(2). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of CDW Corporation and subsidiaries at December 31, 2014 and 2013, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2014, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), CDW Corporation and subsidiaries' internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 26, 2015 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Chicago, Illinois
February 26, 2015

CDW CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in millions, except per-share amounts)

	December 31,	
	2014	2013
Assets		
Current assets:		
Cash and cash equivalents	$ 344.5	$ 188.1
Accounts receivable, net of allowance for doubtful accounts of $5.7 and $5.4, respectively	1,561.1	1,451.0
Merchandise inventory	337.5	382.0
Miscellaneous receivables	155.6	146.3
Prepaid expenses and other	54.7	46.1
Total current assets	2,453.4	2,213.5
Property and equipment, net	137.2	131.1
Equity investments	86.7	—
Goodwill	2,217.6	2,220.3
Other intangible assets, net	1,168.8	1,328.0
Deferred financing costs, net	33.0	30.1
Other assets	3.2	1.6
Total assets	$ 6,099.9	$ 5,924.6
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable-trade	$ 704.0	$ 662.8
Accounts payable-inventory financing	332.1	256.6
Current maturities of long-term debt	15.4	45.4
Deferred revenue	81.3	94.8
Accrued expenses:		
Compensation	130.1	112.2
Interest	28.1	31.8
Sales taxes	29.1	29.2
Advertising	34.0	33.2
Income taxes	0.2	6.3
Other	113.7	130.3
Total current liabilities	1,468.0	1,402.6
Long-term liabilities:		
Debt	3,174.6	3,205.8
Deferred income taxes	475.0	563.5
Other liabilities	45.8	41.0
Total long-term liabilities	3,695.4	3,810.3
Commitments and contingencies (Note 14)		
Shareholders' equity:		
Preferred shares, $0.01 par value, 100.0 shares authorized, and no shares issued or outstanding for both periods	—	—
Common shares, $0.01 par value, 1,000.0 shares authorized; 172.2 and 172.0 shares issued, respectively; 172.2 and 172.0 shares outstanding, respectively	1.7	1.7
Paid-in capital	2,711.9	2,688.1
Accumulated deficit	(1,760.5)	(1,971.8)
Accumulated other comprehensive loss	(16.6)	(6.3)
Total shareholders' equity	936.5	711.7
Total liabilities and shareholders' equity	$ 6,099.9	$ 5,924.6

The accompanying notes are an integral part of the consolidated financial statements.

CDW CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per-share amounts)

	Years Ended December 31,		
	2014	2013	2012
Net sales	$ 12,074.5	$ 10,768.6	$ 10,128.2
Cost of sales	10,153.2	9,008.3	8,458.6
Gross profit	1,921.3	1,760.3	1,669.6
Selling and administrative expenses	1,110.3	1,120.9	1,029.5
Advertising expense	138.0	130.8	129.5
Income from operations	673.0	508.6	510.6
Interest expense, net	(197.3)	(250.1)	(307.4)
Net loss on extinguishments of long-term debt	(90.7)	(64.0)	(17.2)
Other income, net	2.7	1.0	0.1
Income before income taxes	387.7	195.5	186.1
Income tax expense	(142.8)	(62.7)	(67.1)
Net income	$ 244.9	$ 132.8	$ 119.0
Net income per common share:			
Basic	$ 1.44	$ 0.85	$ 0.82
Diluted	$ 1.42	$ 0.84	$ 0.82
Weighted-average number of common shares outstanding:			
Basic	170.6	156.6	145.1
Diluted	172.8	158.7	145.8
Cash dividends declared per common share	$ 0.1950	$ 0.0425	$ —

The accompanying notes are an integral part of the consolidated financial statements.

CDW CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)

	Years Ended December 31,		
	2014	2013	2012
Net income	$ 244.9	$ 132.8	$ 119.0
Foreign currency translation adjustment (net of tax benefit of $0.5 million, $0 million, and $0 million, respectively)	(10.3)	(6.7)	2.5
Other comprehensive (loss) income	(10.3)	(6.7)	2.5
Comprehensive income	$ 234.6	$ 126.1	$ 121.5

The accompanying notes are an integral part of the consolidated financial statements.

CDW CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)
(in millions)

	Preferred Stock		Common Stock					
	Shares	Amount	Shares	Amount	Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total Shareholders' (Deficit) Equity
Balance at December 31, 2011	—	$ —	144.9	$ 1.4	$ 2,184.7	$ (2,191.3)	$ (2.1)	$ (7.3)
Equity-based compensation expense	—	—	—	—	22.1	—	—	22.1
Investment from CDW Holdings LLC	—	—	—	—	2.8	—	—	2.8
Repurchase of common shares	—	—	—	—	—	(0.7)	—	(0.7)
Accrued charitable contribution related to the MPK Coworker Incentive Plan II, net of tax	—	—	0.3	—	(1.4)	—	—	(1.4)
Net income	—	—	—	—	—	119.0	—	119.0
Incentive compensation plan units withheld for taxes	—	—	—	—	(0.5)	—	—	(0.5)
Foreign currency translation adjustment	—	—	—	—	—	—	2.5	2.5
Balance at December 31, 2012	—	$ —	145.2	$ 1.4	$ 2,207.7	$ (2,073.0)	$ 0.4	$ 136.5
Equity-based compensation expense	—	—	—	—	46.6	—	—	46.6
Issuance of common shares	—	—	26.8	0.3	424.4	—	—	424.7
Repurchase of common shares	—	—	—	—	—	(0.2)	—	(0.2)
Dividends declared	—	—	—	—	—	(7.3)		(7.3)
Reclassification to goodwill for accrued charitable contributions	—	—	—	—	9.4	—	—	9.4
Incentive compensation plan units withheld for taxes	—	—	—	—	—	(24.1)	—	(24.1)
Net income	—	—	—	—	—	132.8	—	132.8
Foreign currency translation adjustment	—	—	—	—	—	—	(6.7)	(6.7)
Balance at December 31, 2013	—	$ —	172.0	$ 1.7	$ 2,688.1	$ (1,971.8)	$ (6.3)	$ 711.7
Equity-based compensation expense	—	—	—	—	16.4	—	—	16.4
Stock options exercised	—	—	—	—	1.3	—	—	1.3
Excess tax benefits from equity-based compensation	—	—	—	—	0.3	—	—	0.3
Coworker stock purchase plan	—	—	0.2	—	5.8	—	—	5.8
Dividends declared	—	—	—	—	—	(33.6)	—	(33.6)
Net income	—	—	—	—	—	244.9	—	244.9
Foreign currency translation adjustment	—	—	—	—	—	—	(10.3)	(10.3)
Balance at December 31, 2014	—	$ —	172.2	$ 1.7	$ 2,711.9	$ (1,760.5)	$ (16.6)	$ 936.5

The accompanying notes are an integral part of the consolidated financial statements.

CDW CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Years Ended December 31,		
	2014	2013	2012
Cash flows from operating activities:			
Net income	$ 244.9	$ 132.8	$ 119.0
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	207.9	208.2	210.2
Equity-based compensation expense	16.4	46.6	22.1
Deferred income taxes	(89.1)	(48.7)	(56.3)
Allowance for doubtful accounts	0.3	—	—
Amortization of deferred financing costs, debt premium, and debt discount, net	6.4	8.8	13.6
Net loss on extinguishments of long-term debt	90.7	64.0	17.2
Income from equity investments	(1.2)	—	—
Other	0.5	1.7	1.0
Changes in assets and liabilities:			
Accounts receivable	(117.6)	(170.8)	(10.4)
Merchandise inventory	44.2	(67.5)	7.1
Other assets	(18.7)	(10.1)	(3.8)
Accounts payable-trade	43.7	146.1	0.8
Other current liabilities	1.7	64.1	(2.1)
Long-term liabilities	4.9	(8.9)	(1.0)
Net cash provided by operating activities	435.0	366.3	317.4
Cash flows from investing activities:			
Capital expenditures	(55.0)	(47.1)	(41.4)
Payment for equity investment	(86.8)	—	—
Payment of accrued charitable contribution related to the MPK Coworker Incentive Plan II	(20.9)	—	—
Premium payments on interest rate cap agreements	(2.1)	—	(0.3)
Net cash used in investing activities	(164.8)	(47.1)	(41.7)
Cash flows from financing activities:			
Proceeds from borrowings under revolving credit facility	—	63.0	289.0
Repayments of borrowings under revolving credit facility	—	(63.0)	(289.0)
Repayments of long-term debt	(15.4)	(51.1)	(201.0)
Proceeds from issuance of long-term debt	1,175.0	1,535.2	135.7
Payments to extinguish long-term debt	(1,299.0)	(2,047.4)	(243.2)
Payments of debt financing costs	(21.9)	(6.1)	(2.1)
Investment from CDW Holdings LLC, net	—	—	2.8
Net change in accounts payable-inventory financing	75.5	7.4	(29.5)
Proceeds from issuance of common shares	—	424.7	—
Proceeds from stock option exercises	1.3	—	—
Proceeds from Coworker Stock Purchase Plan	5.8	—	—
Dividends paid	(33.6)	(7.3)	—
Excess tax benefits from equity-based compensation	0.3	0.6	—
Payment of incentive compensation plan withholding taxes	—	(24.1)	—
Repurchase of common shares	—	(0.2)	(0.7)
Net cash used in financing activities	(112.0)	(168.3)	(338.0)
Effect of exchange rate changes on cash and cash equivalents	(1.8)	(0.7)	0.3
Net increase (decrease) in cash and cash equivalents	156.4	150.2	(62.0)
Cash and cash equivalents – beginning of period	188.1	37.9	99.9
Cash and cash equivalents – end of period	$ 344.5	$ 188.1	$ 37.9
Supplementary disclosure of cash flow information:			

Interest paid	$ (195.8)	$ (267.6)	$ (302.7)
Taxes paid, net of taxes refunded	$ (241.2)	$ (82.5)	$ (123.2)
Non-cash investing and financing activities:			
Capital expenditures accrued in accounts payable-trade	$ 0.6	$ 0.2	$ 0.5

The accompanying notes are an integral part of the consolidated financial statements.

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business and Summary of Significant Accounting Policies

Description of Business

CDW Corporation ("Parent") is a Fortune 500 company and a leading provider of integrated information technology (“IT”) solutions to small, medium and large business, government, education and healthcare customers in the U.S. and Canada. The Company's offerings range from discrete hardware and software products to integrated IT solutions such as mobility, security, data center optimization, cloud computing, virtualization and collaboration.

Throughout this report, the terms “the Company” and “CDW” refer to Parent and its 100% owned subsidiaries.

Parent has two 100% owned subsidiaries, CDW LLC and CDW Finance Corporation. CDW LLC is an Illinois limited liability company that, together with its 100% owned subsidiaries, holds all material assets and conducts all business activities and operations of the Company. On August 6, 2010, CDW Finance Corporation, a Delaware corporation, was formed for the sole purpose of acting as co-issuer of certain debt obligations as described in Note 18 and does not hold any material assets or engage in any business activities or operations.

CDW Corporation was previously owned directly by CDW Holdings LLC ("CDW Holdings"), a company controlled by investment funds affiliated with Madison Dearborn Partners, LLC ("Madison Dearborn") and Providence Equity Partners L.L.C. ("Providence Equity," and together with Madison Dearborn, the "Sponsors"), certain other co-investors and certain members of CDW management. On July 2, 2013, Parent completed an initial public offering ("IPO") of its common stock. In connection with the IPO, CDW Holdings distributed all of its shares of Parent's common stock to its members in June 2013 in accordance with the members’ respective membership interests and was subsequently dissolved in August 2013. See Note 9 for additional discussion of the IPO.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) and the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”).

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Parent and its 100% owned subsidiaries. All intercompany transactions and accounts are eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements in accordance with GAAP requires management to make use of certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reported periods. The Company bases its estimates on historical experience and on various other assumptions that management believes are reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all deposits in banks and short-term (original maturities of three months or less), highly liquid investments that are readily convertible to known amounts of cash and are so near maturity that there is insignificant risk of changes in value due to interest rate changes.

Accounts Receivable

Trade accounts receivable are recorded at the invoiced amount and typically do not bear interest. The Company provides allowances for doubtful accounts related to accounts receivable for estimated losses resulting from the inability of its customers to make required payments. The Company takes into consideration the overall quality of the receivable portfolio along with specifically-identified customer risks.

Merchandise Inventory

Inventory is valued at the lower of cost or market value. Cost is determined using a weighted-average cost method. Price protection is recorded when earned as a reduction to the cost of inventory. The Company decreases the value of inventory for estimated obsolescence equal to the difference between the cost of inventory and the estimated market value, based upon an aging analysis of the inventory on hand, specifically known inventory-related risks, and assumptions about future demand and market conditions.

Miscellaneous Receivables

Miscellaneous receivables generally consist of amounts due from vendors. The Company receives incentives from vendors related to cooperative advertising allowances, volume rebates, bid programs, price protection and other programs. These incentives generally relate to written vendor agreements with specified performance requirements and are recorded as adjustments to cost of sales or inventory, depending on the nature of the incentive.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. The Company calculates depreciation expense using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of their useful lives or the initial lease term. Expenditures for major renewals and improvements that extend the useful life of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. The following table shows estimated useful lives of property and equipment:

Classification	Estimated Useful Lives
Machinery and equipment	5 to 10 years
Building and leasehold improvements	5 to 25 years
Computer and data processing equipment	3 to 5 years
Computer software	3 to 5 years
Furniture and fixtures	5 to 10 years

The Company has asset retirement obligations associated with commitments to return property subject to operating leases to its original condition upon lease termination. The Company’s asset retirement liability was $0.5 million as of December 31, 2014 and 2013.

Equity Investments

If the Company is not required to consolidate its investment in another entity because it does not have control, the Company uses the equity method if it (i) can exercise significant influence over the other entity and (ii) holds common stock of the other entity. Under the equity method, investments are carried at cost, plus or minus the Company’s share of equity in the increases and decreases in the investee’s net assets after the date of acquisition and adjustments for basis differences. The Company’s share of the net income or loss of equity method investees is included in other income, net in the consolidated statements of operations.

Goodwill and Other Intangible Assets

The Company is required to perform an evaluation of goodwill on an annual basis or more frequently if circumstances indicate a potential impairment. The annual test for impairment is conducted as of December 1. The Company’s reporting units used to assess potential goodwill impairment are the same as its operating segments. The Company has the option of performing a qualitative assessment of a reporting unit's fair value from the last quantitative assessment to determine if it is more likely than not that the reporting unit's goodwill is impaired or performing a quantitative assessment by comparing a reporting unit's estimated fair value to its carrying amount. Under the quantitative assessment, testing for impairment of goodwill is a two-step process. The first step compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, the second step compares the implied fair value of reporting unit goodwill with the carrying amount of that goodwill to determine the amount of impairment loss. Fair value of a reporting unit is determined by using a weighted combination of an income approach and a market approach, as this combination is considered the most indicative of the Company’s fair value in an orderly transaction between market participants. This assessment uses significant

accounting judgments, estimates and assumptions. Any changes in the judgments, estimates or assumptions used could produce significantly different results. During the years ended December 31, 2014, 2013 and 2012 , the Company concluded its goodwill was not impaired. See Note 4 for more information on the Company's evaluations of goodwill for impairment.

Intangible assets with determinable lives are amortized on a straight-line basis over their respective estimated useful lives. The cost of computer software developed or obtained for internal use is capitalized and amortized on a straight-line basis over the estimated useful life of the software. These intangible assets are reviewed for impairment when indicators are present using undiscounted cash flows. The Company uses the undiscounted cash flows, excluding interest charges, to assess the recoverability of the carrying value of such assets. To the extent carrying value exceeds the undiscounted cash flows, an impairment loss is recorded based upon the excess of the carrying value over fair value. In addition, each quarter, the Company evaluates whether events and circumstances warrant a revision to the remaining estimated useful life of each of these intangible assets. If the Company were to determine that a change to the remaining estimated useful life of an intangible asset was necessary, then the remaining carrying amount of the intangible asset would be amortized prospectively over that revised remaining useful life. During the years ended December 31, 2014, 2013 and 2012 , no impairment existed with respect to the Company's intangible assets with determinable lives and no significant changes to the remaining useful lives were necessary. The following table shows estimated useful lives of definite-lived intangible assets:

Classification	Estimated Useful Lives
Customer relationships	11 to 14 years
Trade name	20 years
Internally developed software	3 to 5 years
Other	1 to 10 years

Deferred Financing Costs

Deferred financing costs, such as underwriting, financial advisory, professional fees and other similar fees are capitalized and recognized in interest expense over the estimated life of the related debt instrument using the effective interest method or straight-line method, as applicable.

Derivatives

The Company has entered into interest rate cap agreements for the purpose of economically hedging its exposure to fluctuations in interest rates. These derivatives are recorded at fair value in the Company's consolidated balance sheets.

The Company's interest rate cap agreements are not designated as cash flow hedges of interest rate risk. Changes in fair value of the derivatives are recorded directly to interest expense in the Company's consolidated statements of operations.

Fair Value Measurements

Fair value is defined under GAAP as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy has been established for valuation inputs to prioritize the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels which is determined by the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

Level 1 – observable inputs such as quoted prices for identical instruments traded in active markets.

Level 2 – inputs are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models and similar techniques.

Accumulated Other Comprehensive (Loss) Income

Foreign currency translation adjustments are included in shareholders' equity under accumulated other comprehensive (loss) income.

The components of accumulated other comprehensive (loss) income are as follows:

(in millions)	December 31,		
	2014	2013	2012
Foreign currency translation adjustment	$ (16.6)	$ (6.3)	$ 0.4
Accumulated other comprehensive (loss) income	$ (16.6)	$ (6.3)	$ 0.4

Revenue Recognition

The Company is a primary distribution channel for a large group of vendors and suppliers, including original equipment manufacturers ("OEMs"), software publishers and wholesale distributors. The Company records revenue from sales transactions when title and risk of loss are passed to the customer, there is persuasive evidence of an arrangement for sale, delivery has occurred and/or services have been rendered, the sales price is fixed or determinable, and collectability is reasonably assured. The Company's shipping terms typically specify F.O.B. destination, at which time title and risk of loss have passed to the customer.

Revenues from the sales of hardware products and software products and licenses are generally recognized on a gross basis with the selling price to the customer recorded as sales and the acquisition cost of the product recorded as cost of sales. These items can be delivered to customers in a variety of ways, including (i) as physical product shipped from the Company's warehouse, (ii) via drop-shipment by the vendor or supplier, or (iii) via electronic delivery for software licenses. At the time of sale, the Company records an estimate for sales returns and allowances based on historical experience. The Company's vendor partners warrant most of the products the Company sells.

The Company leverages drop-shipment arrangements with many of its vendors and suppliers to deliver products to its customers without having to physically hold the inventory at its warehouses, thereby increasing efficiency and reducing costs. The Company recognizes revenue for drop-shipment arrangements on a gross basis upon delivery to the customer with contract terms that typically specify F.O.B. destination.

Revenue from professional services is either recognized as provided for services billed at an hourly rate or recognized using a proportional performance model for services provided at a fixed fee. Revenue from cloud computing solutions including Software as a Service ("SaaS") and Infrastructure as a Service ("IaaS") arrangements, as well as data center services such as managed and remote managed services, server co-location, internet connectivity and data backup and storage, is recognized over the period service is provided.

The Company also sells certain products for which it acts as an agent. Products in this category include the sale of third-party services, warranties, software assurance ("SA") and third-party hosted SaaS and IaaS arrangements. SA is a product that allows customers to upgrade, at no additional cost, to the latest technology if new applications are introduced during the period that the SA is in effect. These sales do not meet the criteria for gross sales recognition, and thus are recognized on a net basis at the time of sale. Under net sales recognition, the cost paid to the vendor or third-party service provider is recorded as a reduction to sales, resulting in net sales being equal to the gross profit on the transaction.

The Company's larger customers are offered the opportunity by certain of its vendors to purchase software licenses and SA under enterprise agreements ("EAs"). Under EAs, customers are considered to be compliant with applicable license requirements for the ensuing year, regardless of changes to their employee base. Customers are charged an annual true-up fee for changes in the number of users over the year. With most EAs, the Company's vendors will transfer the license and bill the customer directly, paying resellers such as the Company an agency fee or commission on these sales. The Company records these fees as a component of net sales as earned and there is no corresponding cost of sales amount. In certain instances, the Company bills the customer directly under an EA and accounts for the individual items sold based on the nature of the item. The Company's vendors typically dictate how the EA will be sold to the customer.

From time to time, the Company sells some of its products and services as part of bundled contract arrangements containing multiple deliverables, which may include a combination of products and services. For each deliverable that represents a separate unit of accounting, total arrangement consideration is allocated based upon the relative selling

prices of each element. The allocated arrangement consideration is recognized as revenue in accordance with the principles described above. Selling prices are determined by using vendor specific objective evidence (“VSOE”) if it exists. Otherwise, selling prices are determined using third party evidence (“TPE”). If neither VSOE or TPE is available, the Company uses its best estimate of selling prices.

The Company records freight billed to its customers as net sales and the related freight costs as a cost of sales.

Deferred revenue includes (1) payments received from customers in advance of providing the product or performing services, and (2) amounts deferred if other conditions of revenue recognition have not been met.

The Company performs an analysis of the estimated number of days of sales in-transit to customers at the end of each period based on a weighted-average analysis of commercial delivery terms that includes drop-shipment arrangements. This analysis is the basis upon which the Company estimates the amount of sales in-transit at the end of the period and adjusts revenue and the related costs to reflect only what has been received by the customer. Changes in delivery patterns may result in a different number of business days used in making this adjustment and could have a material impact on the Company's revenue recognition for the period.

Sales Taxes

Sales tax amounts collected from customers for remittance to governmental authorities are presented on a net basis in the Company’s consolidated statements of operations.

Advertising

Advertising costs are generally charged to expense in the period incurred. Cooperative reimbursements from vendors are recorded in the period the related advertising expenditure is incurred. The Company classifies vendor consideration as a reduction to cost of sales.

Equity-Based Compensation

The Company measures all equity-based payments using a fair-value-based method and records compensation expense over the requisite service period using the straight-line method in its consolidated financial statements. Estimated forfeiture rates have been developed based upon historical experience.

Interest Expense

Interest expense is typically recognized in the period incurred at the applicable interest rate in effect. For increasing-rate debt, the Company determines the periodic interest cost using the effective interest method over the estimated outstanding term of the debt. The difference between interest expense recorded and cash interest paid is reflected as short-term or long-term accrued interest in the Company’s consolidated balance sheets.

Foreign Currency Translation

The Company’s functional currency is the U.S. dollar. The functional currency of the Company’s Canadian subsidiary is the local currency, the Canadian dollar. The functional currency of the Company's equity investment in Kelway TopCo Limited ("Kelway") is the local currency, the British pound sterling. Assets and liabilities of the Canadian subsidiary and the Company’s share of assets and liabilities in Kelway are translated at the spot rate in effect at the applicable reporting date and the consolidated results of operations of the Canadian subsidiary and the Company’s share of the net income or loss of Kelway are translated at the average exchange rates in effect during the applicable period. The resulting foreign currency translation adjustment is recorded as accumulated other comprehensive (loss) income, which is reflected as a separate component of shareholders’ equity.

Income Taxes

Deferred income taxes are provided to reflect the differences between the tax bases of assets and liabilities and their reported amounts in the consolidated financial statements using enacted tax rates in effect for the year in which the differences are expected to reverse. The Company performs an evaluation of the realizability of deferred tax assets on a quarterly basis. This evaluation requires management to make use of estimates and assumptions and considers all positive and negative evidence and factors, such as the scheduled reversal of temporary differences, the mix of earnings in the jurisdictions in which the Company operates, and prudent and feasible tax planning strategies.

The Company accounts for unrecognized tax benefits based upon its assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. The Company reports a liability for unrecognized tax benefits resulting from unrecognized tax benefits taken or expected to be taken in a tax return and recognizes interest and penalties, if any, related to its unrecognized tax benefits in income tax expense.

2. Recent Accounting Pronouncements

Stock Compensation - Performance Share Awards

In June 2014, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2014-12, “Compensation - Stock Compensation,” which amended the standard on how to account for share-based payments when the terms of an award provide that a performance target could be achieved after the requisite service period. Under this ASU, a performance target that could be achieved after the requisite service period is required to be treated as a performance condition that affects the vesting of the award and should not be reflected in estimating the fair value of the award at the grant date. This ASU is effective for the first quarter of 2016 with early adoption permitted. The Company already accounts for performance shares utilizing the method outlined by this ASU and is not impacted by the new standard.

Revenue Recognition

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers," which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes the most current revenue recognition standard. This ASU is effective for the Company for the first quarter of 2017 and early adoption is not permitted. This ASU allows for either a full retrospective adoption approach or a modified retrospective adoption approach. The Company is currently evaluating the impact that this ASU will have on its consolidated financial position, results of operations and cash flows.

3. Property and Equipment

Property and equipment consisted of the following:

(in millions)	December 31,	
	2014	2013
Land	$ 27.7	$ 27.7
Machinery and equipment	54.3	53.0
Building and leasehold improvements	105.1	104.8
Computer and data processing equipment	65.6	61.2
Computer software	10.6	30.9
Furniture and fixtures	21.7	21.6
Construction in progress	24.7	10.9
Property and equipment	309.7	310.1
Less: accumulated depreciation	172.5	179.0
Property and equipment, net	$ 137.2	$ 131.1

During 2014, 2013 and 2012, the Company recorded disposals of $32.0 million , $7.9 million and $12.2 million , respectively, to remove assets that were no longer in use from property and equipment. The Company recorded a pre-tax loss of $0.1 million , $0.0 million and $0.1 million in 2014, 2013 and 2012, respectively, for certain disposed assets that were not fully depreciated.

Depreciation expense for the years ended December 31, 2014, 2013 and 2012 was $25.8 million , $27.2 million and $32.0 million , respectively.

4. Goodwill and Other Intangible Assets

As described in Note 1, the Company is required to perform an evaluation of goodwill on an annual basis or more frequently if circumstances indicate a potential impairment. The annual test for impairment is conducted as of December 1. The Company’s reporting units used to assess potential goodwill impairment are the same as its operating segments. The Company has two reportable segments: Corporate, which is comprised primarily of business customers,

and Public, which is comprised of government entities and education and healthcare institutions. The Company also has three other operating segments, CDW Advanced Services, Canada, and Kelway, which do not meet the reportable segment quantitative thresholds and, accordingly, are combined together as “Other” for segment reporting purposes. The Company has the option of performing a qualitative assessment of a reporting unit's fair value from the last quantitative assessment to determine if it is more likely than not that the reporting unit's goodwill is impaired or performing a quantitative assessment by comparing a reporting unit's estimated fair value to its carrying amount. Under the quantitative assessment, testing for impairment of goodwill is a two-step process. The first step compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, the second step compares the implied fair value of reporting unit goodwill with the carrying amount of that goodwill to determine the amount of impairment loss. Fair value of a reporting unit is determined by using a weighted combination of an income approach and a market approach, as this combination is considered the most indicative of the Company’s fair value in an orderly transaction between market participants. Under the income approach, the Company determined fair value based on estimated future cash flows of a reporting unit, discounted by an estimated weighted-average cost of capital, which reflects the overall level of inherent risk of a reporting unit and the rate of return an outside investor would expect to earn. Under the market approach, the Company utilized valuation multiples derived from publicly available information for guideline companies to provide an indication of how much a knowledgeable investor in the marketplace would be willing to pay for a company. The valuation multiples were applied to the reporting units. Determining the fair value of a reporting unit is judgmental in nature and requires the use of significant estimates and assumptions, including revenue growth rates, gross margins, operating margins, discount rates and future market conditions, among others.

December 1, 2014 Evaluation

The Company performed its annual evaluation of goodwill as of December 1, 2014 by utilizing a quantitative assessment for all reporting units. All reporting units passed the first step of the goodwill evaluation (with the fair value exceeding the carrying value by 169% , 147% , 276% and 78% for the Corporate, Public, Canada and CDW Advanced Services reporting units, respectively) and, accordingly, the Company was not required to perform the second step of the goodwill evaluation.

To determine the fair value of the reporting units, the Company used a 75% / 25% weighting of the income approach and market approach, respectively. Under the income approach, the Company estimated future cash flows of each reporting unit based on internally generated forecasts for the remainder of 2014 and the next six years. The Company used a 3.5% long-term assumed consolidated annual revenue growth rate for periods after the six-year forecast. The estimated future cash flows for the Corporate and Public reporting units were discounted at 9.0% ; cash flows for the Canada and CDW Advanced Services reporting units were discounted at 9.3% and 11.5% , respectively, based on the future growth rates assumed in the discounted cash flows. Discount rates utilized during the 2014 goodwill evaluation declined compared to those used in 2013 as a result of the market performance of the Company's common stock and a lower equity risk premium with the exception of CDW Advanced Services. The discount rate for CDW Advanced Services increased to account for additional forecast risk.

December 1, 2013 Evaluation

The Company performed its annual evaluation of goodwill as of December 1, 2013 by utilizing a quantitative assessment for all reporting units. All reporting units passed the first step of the goodwill evaluation (with the fair value exceeding the carrying value by 107% , 82% , 167% and 168% for the Corporate, Public, Canada and CDW Advanced Services reporting units, respectively) and, accordingly, the Company was not required to perform the second step of the goodwill evaluation.

To determine the fair value of the reporting units, the Company used a 75% / 25% weighting of the income approach and market approach, respectively. Under the income approach, the Company estimated future cash flows of each reporting unit based on internally generated forecasts for the remainder of 2013 and the next six years. The Company used a 3.5% long-term assumed consolidated annual revenue growth rate for periods after the six-year forecast. The estimated future cash flows for the Corporate and Public reporting units were discounted at 10.0% ; cash flows for the Canada and CDW Advanced Services reporting units were discounted at 10.3% and 10.5% , respectively, based on the future growth rates assumed in the discounted cash flows. Discount rates utilized during the 2013 goodwill evaluation declined compared to those used in 2012 as a result of the market performance of the Company's common stock and a lower equity risk premium.

December 1, 2012 Evaluation

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company performed its annual evaluation of goodwill as of December 1, 2012 by utilizing a quantitative assessment for all reporting units. All reporting units passed the first step of the goodwill evaluation (with the fair value exceeding the carrying value by 49% , 44% , 104% and 17% for the Corporate, Public, Canada and CDW Advanced Services reporting units, respectively) and, accordingly, the Company was not required to perform the second step of the goodwill evaluation.

To determine the fair value of the reporting units, the Company used a 75% / 25% weighting of the income approach and market approach, respectively. Under the income approach, the Company estimated future cash flows of each reporting unit based on internally generated forecasts for the remainder of 2012 and the next six years. The Company used a 3.5% long-term assumed consolidated annual revenue growth rate for periods after the six-year forecast. The estimated future cash flows for the Corporate and Public reporting units were discounted at 11.5% ; cash flows for the Canada and CDW Advanced Services reporting units were discounted at 11.8% and 12.0% , respectively, based on the future growth rates assumed in the discounted cash flows.

The following table presents the change in goodwill by segment for the years ended December 31, 2014 and 2013 :

(in millions)	Corporate	Public	Other [1]	Consolidated
Balances as of December 31, 2012:				
Goodwill	$ 2,794.4	$ 1,261.4	$ 107.3	$ 4,163.1
Accumulated impairment charges	(1,571.4)	(354.1)	(28.3)	(1,953.8)
	$ 1,223.0	$ 907.3	$ 79.0	$ 2,209.3
2013 Activity:				
Translation adjustment	$ —	$ —	$ (2.1)	$ (2.1)
Contingent consideration [2]	8.8	4.0	0.3	13.1
	$ 8.8	$ 4.0	$ (1.8)	$ 11.0
Balances as of December 31, 2013:				
Goodwill	$ 2,803.2	$ 1,265.4	$ 105.5	$ 4,174.1
Accumulated impairment charges	(1,571.4)	(354.1)	(28.3)	(1,953.8)
	$ 1,231.8	$ 911.3	$ 77.2	$ 2,220.3
2014 Activity:				
Translation adjustment	$ —	$ —	$ (2.7)	$ (2.7)
	$ —	$ —	$ (2.7)	$ (2.7)
Balances as of December 31, 2014:				
Goodwill	$ 2,803.2	$ 1,265.4	$ 102.8	$ 4,171.4
Accumulated impairment charges	(1,571.4)	(354.1)	(28.3)	(1,953.8)
	$ 1,231.8	$ 911.3	$ 74.5	$ 2,217.6

(1) Other is comprised of CDW Advanced Services, Canada, and Kelway reporting units. There is no goodwill attributable to the Kelway reporting unit.

(2) During 2013, the Company recorded a $13.1 million net-of-tax addition to goodwill in connection with the settlement of the MPK Coworker Incentive Plan II and related charitable contribution. The charitable contribution was accounted for as additional purchase price (goodwill) in accordance with pre-2009 business combinations accounting guidance. See Note 10 for additional discussion of this transaction.

The following table presents a summary of intangible assets at December 31, 2014 and 2013 :

(in millions)

December 31, 2014	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	$ 1,859.7	$ 1,012.1	$ 847.6
Trade name	421.0	152.0	269.0
Internally developed software	110.1	58.9	51.2
Other	3.2	2.2	1.0
Total	$ 2,394.0	$ 1,225.2	$ 1,168.8

December 31, 2013			
Customer relationships	$ 1,860.8	$ 872.8	$ 988.0
Trade name	421.0	130.9	290.1
Internally developed software	128.5	79.8	48.7
Other	3.1	1.9	1.2
Total	$ 2,413.4	$ 1,085.4	$ 1,328.0

During 2014, the Company recorded disposals of $41.7 million to remove fully amortized internally developed software assets that were no longer in use from intangible assets.

Amortization expense related to intangible assets for the years ended December 31, 2014, 2013 and 2012 was $182.1 million , $181.0 million and $178.2 million , respectively.

Estimated future amortization expense related to intangible assets for the next five years is as follows:

(in millions)

Years ending December 31,	
2015	$ 180.7
2016	172.8
2017	167.1
2018	160.4
2019	158.9

5. Inventory Financing Agreements

The Company has entered into agreements with certain financial intermediaries to facilitate the purchase of inventory from various suppliers under certain terms and conditions, as described below. These amounts are classified separately as accounts payable-inventory financing on the accompanying consolidated balance sheets. The Company does not incur any interest expense associated with these agreements as balances are paid when they are due.

The following table presents the amounts included in accounts payable-inventory financing:

(in millions)	December 31,	
	2014	2013
Revolving Loan inventory financing agreement	$ 330.1	$ 256.1
Other inventory financing agreements	2.0	0.5
Accounts payable-inventory financing	$ 332.1	$ 256.6

As described in Note 7, in June 2014, the Company entered into a new senior secured asset-based revolving credit facility, which incorporates the previous inventory floorplan sub-facility and, among other changes, removes the $400.0 million limit on the size of the floorplan sub-facility. In connection with the floorplan sub-facility, the Company maintains an inventory financing agreement on an unsecured basis with a financial intermediary to facilitate

the purchase of inventory from this vendor (the "Revolving Loan inventory financing agreement"). Amounts outstanding under the Revolving Loan inventory financing agreement are unsecured and non-interest bearing.

The Company also maintains other inventory financing agreements with financial intermediaries to facilitate the purchase of inventory from certain vendors. At December 31, 2014 and 2013 , amounts owed under other inventory financing agreements of $2.0 million and $0.5 million , respectively, were collateralized by the inventory purchased under these financing agreements and a second lien on the related accounts receivable.

6. Lease Commitments

The Company is obligated under various non-cancelable operating lease agreements for office facilities that generally provide for minimum rent payments and a proportionate share of operating expenses and property taxes and include certain renewal and expansion options. For the years ended December 31, 2014, 2013 and 2012 , rent expense under these lease arrangements was $21.4 million , $20.7 million and $22.4 million , respectively.

Future minimum lease payments are as follows:

(in millions) Years ending December 31,	
2015	$ 19.1
2016	15.3
2017	16.1
2018	13.6
2019	12.8
Thereafter	50.6
Total future minimum lease payments [1]	$ 127.5

(1) Included in these amounts are future minimum lease payments commencing in the fourth quarter of 2016 that relate to a new lease entered into in December 2014 for the Company's future headquarters in Lincolnshire, Illinois. Also reflected in these amounts is the future expiration of two leases in the first quarter of 2016 for facilities currently in use by the Company which the Company plans to consolidate into the new headquarters location and accordingly, these leases will not be renewed.

7. Long-Term Debt

Long-term debt was as follows:

(dollars in millions)		December 31,	
	Interest Rate [1]	2014	2013
Senior secured asset-based revolving credit facility	—%	$ —	$ —
Senior secured term loan facility	3.25%	1,513.5	1,528.9
Unamortized discount on senior secured term loan facility		(3.7)	(4.4)
Senior secured notes due 2018	—%	—	325.0
Senior notes due 2019	8.5%	503.9	1,305.0
Unamortized premium on senior notes due 2019		1.3	4.2
Senior notes due 2022	6.0%	600.0	—
Senior notes due 2024	5.5%	575.0	—
Senior subordinated notes due 2017	—%	—	92.5
Total long-term debt		3,190.0	3,251.2
Less current maturities of long-term debt		(15.4)	(45.4)
Long-term debt, excluding current maturities		$ 3,174.6	$ 3,205.8

(1) Interest rate at December 31, 2014 .

At December 31, 2014 , the Company was in compliance with the covenants under its various credit agreements and indentures as described below. Under the indenture governing the 8.5% Senior Notes due 2019, which contains the

most restrictive restricted payment provisions in the Company's various credit agreements and indentures, CDW LLC and its restricted subsidiaries are generally restricted from paying dividends and making other restricted payments. For the purpose of determining restricted payment capacity, consolidated net income or loss includes certain adjustments that are defined in the applicable indenture. At December 31, 2014 , the amount of cumulative consolidated net income free of restrictions under the credit agreements and indentures ("Restricted Payment Capacity") was $230.3 million .

Senior Secured Asset-Based Revolving Credit Facility ("Revolving Loan")

At December 31, 2014 , the Company had no outstanding borrowings under the Revolving Loan, $2.1 million of undrawn letters of credit and $312.3 million reserved related to the floorplan sub-facility.

On June 6, 2014, the Company entered into the Revolving Loan, a new five-year $1,250.0 million senior secured asset-based revolving credit facility, with the facility being available to the Company for borrowings, issuance of letters of credit and floorplan financing for certain vendor products. The Revolving Loan matures on June 6, 2019, subject to an acceleration provision discussed below. The Revolving Loan replaces the Company's previous revolving loan credit facility that was to mature on June 24, 2016. The Revolving Loan (i) increases the overall revolving credit facility capacity available to the Company from $900.0 million to $1,250.0 million , (ii) increases the maximum aggregate amount of increases that may be made to the revolving credit facility from $200.0 million to $300.0 million , (iii) maintains a maturity acceleration provision based upon excess cash availability whereby the Revolving Loan may mature 45 days prior to the final maturity of any then outstanding senior debt if excess cash availability does not exceed the outstanding borrowings of the subject maturing debt at the time of the test plus $150.0 million , (iv) decreases the fee on the unused portion of the revolving credit facility from either 37.5 or 50 basis points, depending on the amount of utilization, to 25 basis points, (v) decreases the applicable interest rate margin by 50 basis points, and (vi) amends the existing inventory floorplan sub-facility as discussed below. In connection with the termination of the previous facility, the Company recorded a loss on extinguishment of long-term debt of $0.4 million in the consolidated statement of operations for the year ended December 31, 2014 , representing a write-off of a portion of unamortized deferred financing costs. Fees of $6.4 million related to the Revolving Loan were capitalized as deferred financing costs and are being amortized over the five-year term of the facility on a straight-line basis.

The Revolving Loan incorporates the previous inventory floorplan sub-facility and related Revolving Loan inventory financing agreement while removing the previous $400.0 million limit on the size of the floorplan sub-facility and the in-transit reserve of 15% of open orders. At December 31, 2014 , the financial intermediary reported an outstanding balance of $312.3 million under the Revolving Loan inventory financing agreement. The amount included on the Company's consolidated balance sheet as of December 31, 2014 as accounts payable-inventory financing related to the Revolving Loan inventory financing agreement of $330.1 million includes a $17.8 million accrual for amounts in transit.

Borrowings under the Revolving Loan bear interest at a variable interest rate plus an applicable margin. The interest rate margin is based on one of two indices, either (i) LIBOR, or (ii) the Alternate Base Rate ("ABR") with the ABR being the greater of (a) the prime rate, (b) the federal funds effective rate plus 50 basis points or (c) the one-month LIBOR plus 1.00% . The applicable margin varies (1.50% to 2.00% for LIBOR borrowings and 0.50% to 1.00% for ABR borrowings) depending upon average daily excess cash availability under the agreement evidencing the Revolving Loan and is subject to a reduction of 0.25% if, and for as long as, CDW LLC's corporate credit rating from Standard & Poor's Rating Services is BB or better and CDW LLC's corporate family rating from Moody's Investors Service, Inc. is Ba3 or better (in each case with stable or better outlook).

Under the new Revolving Loan, the Company is permitted to borrow an aggregate amount of $1,250.0 million ; however, its ability to borrow under the Revolving Loan is limited by a borrowing base. The borrowing base is (a) the sum of the products of the applicable advance rates on eligible accounts receivable and on eligible inventory as defined in the agreement less (b) any reserves. At December 31, 2014 , the borrowing base was $1,253.4 million based on the amount of eligible inventory and accounts receivable balances as of November 30, 2014. The Company could have borrowed up to an additional $935.6 million under the Revolving Loan at December 31, 2014 .

The ability to borrow under the Revolving Loan also remains limited by a minimum liquidity condition which provides that, if excess cash availability is less than the lesser of (i) $125.0 million and (ii) the greater of (A) 10.0% of the borrowing base and (B) $100.0 million , the lenders are not required to lend any additional amounts under the Revolving Loan unless the consolidated fixed charge coverage ratio (as described in the agreement evidencing the Revolving Loan) is at least 1.00 to 1.00 .

CDW LLC is the borrower under the Revolving Loan. All obligations under the Revolving Loan are guaranteed by Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries. Borrowings under the Revolving Loan are collateralized by a first priority interest in inventory (excluding inventory collateralized under the inventory floorplan arrangements as described in Note 5), deposits, and accounts receivable, and a second priority interest in substantially all other assets. The Revolving Loan contains negative covenants that, among other things, place restrictions and limitations on the ability of Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries to dispose of assets, incur additional indebtedness, incur guarantee obligations, prepay other indebtedness, make distributions or other restricted payments, create liens, make equity or debt investments, make acquisitions, engage in mergers or consolidations, or engage in certain transactions with affiliates. The Revolving Loan also includes maintenance of a minimum average daily excess cash availability requirement. Should the Company fall below the minimum average daily excess cash availability requirement for five consecutive business days, the Company becomes subject to a fixed charge coverage ratio until such time as the daily excess cash availability requirement is met for 30 consecutive business days.

Senior Secured Term Loan Facility

On April 29, 2013, the Company entered into a seven-year, $1,350.0 million aggregate principal amount senior secured term loan facility (the "Term Loan"). The Term Loan was issued at a price that was 99.75% of par, which resulted in a discount of $3.4 million . Substantially all of the proceeds from the Term Loan were used to repay the $1,299.5 million outstanding aggregate principal amount of the prior senior secured term loan facility (the "Prior Term Loan Facility"). In connection with this refinancing, the Company recorded a loss on extinguishment of long-term debt of $10.3 million in the consolidated statement of operations for the year ended December 31, 2013. This loss represented a write-off of the remaining unamortized deferred financing costs related to the Prior Term Loan Facility.

On July 31, 2013, the Company borrowed an additional $190.0 million aggregate principal amount under the Term Loan at a price that was 99.25% of par, which resulted in a discount of $1.4 million . Such proceeds were used to redeem a portion of outstanding Senior Subordinated Notes. The discounts are reported on the consolidated balance sheet as a reduction to the face amount of the Term Loan and are being amortized to interest expense over the term of the related debt. Fees of $6.1 million related to the Term Loan were capitalized as deferred financing costs and are being amortized over the term of the facility using the effective interest method.

The Company is required to pay quarterly principal installments equal to 0.25% of the original principal amount of the Term Loan, with the remaining principal amount payable on the maturity date of April 29, 2020. The quarterly principal installment payments commenced during the quarter ended June 30, 2013. At December 31, 2014 , the outstanding principal amount of the Term Loan was $1,513.5 million , excluding $3.7 million in unamortized discount.

Borrowings under the Term Loan bear interest at either (a) the alternate base rate ("ABR") plus a margin or (b) LIBOR plus a margin; provided that for the purposes of the Term Loan, LIBOR shall not be less than 1.00% per annum at any time ("LIBOR Floor"). The margin is based upon a net leverage ratio as defined in the agreement governing the Term Loan, ranging from 1.25% to 1.50% for ABR borrowings and 2.25% to 2.50% for LIBOR borrowings. The total net leverage ratio was 3.1 at December 31, 2014 . An interest rate of 3.25% , LIBOR Floor plus a 2.25% margin, was in effect during the three-month period ended December 31, 2014 .

In order to manage the risk associated with changes in interest rates on borrowings under the Term Loan, the Company has entered into interest rate cap agreements. The Company had ten interest rate cap agreements in effect through January 14, 2015 with a combined notional amount of $1,150.0 million which entitled the Company to payments from the counterparty of the amount, if any, by which three-month LIBOR exceeds a weighted average rate of 2.4% during the agreement period. The fair value of these interest rate cap agreements was zero at both December 31, 2014 and 2013.

In connection with the expiration of the ten interest rate cap agreements noted above, during the year ended December 31, 2014 , the Company entered into 14 additional interest rate cap agreements with a combined notional amount of $1,000.0 million . Under these agreements, the Company made premium payments totaling $2.1 million to the counterparties in exchange for the right to receive payments equal to the amount, if any, by which three-month LIBOR exceeds 2.0% during the agreement period. These interest rate cap agreements are effective from January 14, 2015 through January 14, 2017. The fair value of these interest rate cap agreements was $1.7 million at December 31, 2014 .

The Company's interest rate cap agreements have not been designated as cash flow hedges of interest rate risk for GAAP accounting purposes. The interest rate cap agreements are recorded at fair value on the Company’s

consolidated balance sheet in Other Assets each period, with changes in fair value recorded directly to interest expense in the Company's consolidated statements of operations. The fair value of the Company's interest rate cap agreements is classified as Level 2 in the fair value hierarchy. The valuation of the interest rate cap agreements is derived by using a discounted cash flow analysis on the expected cash receipts that would occur if variable interest rates rise above the strike rates of the caps. This analysis reflects the contractual terms of the interest rate cap agreements, including the period to maturity, and uses observable market-based inputs, including LIBOR curves and implied volatilities. The Company also incorporates insignificant credit valuation adjustments to appropriately reflect the respective counterparty's nonperformance risk in the fair value measurements. The counterparty credit spreads are based on publicly available credit information obtained from a third party credit data provider.

See Note 20 for a description of the interest rate cap agreements entered into during the first quarter of 2015.

On January 30, 2013, the Company made an optional prepayment of $40.0 million aggregate principal amount outstanding under the Prior Term Loan Facility. The optional prepayment satisfied the excess cash flow payment provision of the Prior Term Loan Facility with respect to the year ended December 31, 2012.

CDW LLC is the borrower under the Term Loan. All obligations under the Term Loan are guaranteed by Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries. The Term Loan is collateralized by a second priority interest in substantially all inventory (excluding inventory collateralized under the inventory floorplan arrangements as described in Note 5), deposits, and accounts receivable, and by a first priority interest in substantially all other assets. The Term Loan contains negative covenants that, among other things, place restrictions and limitations on the ability of Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries to dispose of assets, incur additional indebtedness, incur guarantee obligations, prepay other indebtedness, make distributions or other restricted payments, create liens, make equity or debt investments, make acquisitions, engage in mergers or consolidations, or engage in certain transactions with affiliates.

8.0% Senior Secured Notes due 2018 ("Senior Secured Notes")

At December 31, 2014 , there were no outstanding Senior Secured Notes.

On August 5, 2014, the proceeds from the issuance of the 2022 Senior Notes discussed below, along with cash on hand, were deposited with the trustee to redeem all of the remaining $325.0 million aggregate principal amount of the Senior Secured Notes at a redemption price of 106.061% of the principal amount redeemed, plus accrued and unpaid interest through the date of redemption. On the same date, the indenture governing the Senior Secured Notes was satisfied and discharged. The redemption date was September 5, 2014. In connection with this redemption, the Company recorded a loss on extinguishment of long-term debt of $23.7 million in the consolidated statement of operations for the year ended December 31, 2014 , which was comprised of $4.0 million for the write-off of the unamortized deferred financing fees, a redemption premium of $13.0 million and a make-whole interest payment of $6.7 million .

On July 2, 2013, the Company used a portion of the net proceeds from the IPO to redeem $175.0 million aggregate principal amount of Senior Secured Notes. The redemption price of the Senior Secured Notes was 108.0% of the principal amount redeemed, plus $0.7 million of accrued and unpaid interest to the date of redemption. The Company used cash on hand to pay such accrued and unpaid interest. In connection with this redemption, the Company recorded a loss on extinguishment of long-term debt of $16.7 million in the consolidated statement of operations for the year ended December 31, 2013. This loss represented $14.0 million in redemption premium and $2.7 million for the write-off of a portion of the remaining deferred financing costs related to the Senior Secured Notes.

8.5% Senior Notes due 2019 ("2019 Senior Notes")

At December 31, 2014 , the outstanding principal amount of 2019 Senior Notes was $503.9 million , excluding $1.3 million in unamortized premium. The 2019 Senior Notes mature on April 1, 2019.

On December 1, 2014, the proceeds from the issuance of the 2024 Senior Notes discussed below, along with cash on hand, were deposited with the trustee to redeem $541.4 million aggregate principal amount of the 2019 Senior Notes at a redemption price of 106.202% of the principal amount redeemed, plus accrued and unpaid interest through the date of redemption. The redemption date was December 31, 2014. In connection with this redemption, the Company recorded a loss on extinguishment of long-term debt of $36.9 million in the consolidated statement of operations for the year ended December 31, 2014 , which was comprised of $4.7 million for the write-off of a portion of the unamortized deferred financing fees, a redemption premium of $23.0 million , and a make-whole interest payment of $10.6 million , partially offset by $1.4 million for the write-off of a portion of the unamortized premium.

On August 5, 2014, the proceeds from the issuance of the 2022 Senior Notes discussed below, along with cash on hand, were deposited with the trustee to redeem $234.7 million aggregate principal amount of the 2019 Senior Notes at a redemption price of 108.764% of the principal amount redeemed, plus accrued and unpaid interest through the date of redemption. The redemption date was September 5, 2014. In connection with this redemption, the Company recorded a loss on extinguishment of long-term debt of $22.1 million in the consolidated statement of operations for the year ended December 31, 2014 , which was comprised of $2.2 million for the write-off of a portion of the unamortized deferred financing fees, a redemption premium of $10.0 million , and a make-whole interest payment of $10.6 million , partially offset by $0.7 million for the write-off of a portion of the unamortized premium.

On March 20, 2014, the Company repurchased and subsequently canceled $25.0 million aggregate principal amount of the 2019 Senior Notes from an affiliate of Providence Equity in a privately negotiated transaction on an arms' length basis at a price of 109.75% of the principal amount. Cash on hand was used to fund the repurchase of $25.0 million aggregate principal amount, $2.4 million of repurchase premium and $1.0 million in accrued and unpaid interest to the date of repurchase. In connection with this repurchase, the Company recorded a loss on extinguishment of long-term debt of $2.7 million in the Company's consolidated statement of operations for the year ended December 31, 2014 . This loss represented $2.4 million in repurchase premium and $0.3 million for the write-off of a portion of the unamortized deferred financing costs related to the 2019 Senior Notes.

CDW LLC and CDW Finance Corporation are the co-issuers of the 2019 Senior Notes. Obligations under the 2019 Senior Notes are guaranteed on an unsecured senior basis by Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries. The 2019 Senior Note indenture contains negative covenants that, among other things, place restrictions and limitations on the ability of Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries to dispose of assets, incur additional indebtedness, incur guarantee obligations, prepay other indebtedness, make distributions or other restricted payments, create liens, make equity or debt investments, make acquisitions, engage in mergers or consolidations, or engage in certain transactions with affiliates. The 2019 Senior Notes do not contain any financial covenants.

6.0% Senior Notes due 2022 ("2022 Senior Notes")

On August 5, 2014, CDW LLC and CDW Finance Corporation, as co-issuers, completed the issuance of $600.0 million aggregate principal amount of 2022 Senior Notes at par. Fees of $8.0 million related to the 2022 Senior Notes were capitalized as deferred financing costs and are being amortized over the term of the notes on a straight-line basis. The 2022 Senior Notes will mature on August 15, 2022 and bear interest at a rate of 6.00% per annum, payable semi-annually on February 15 and August 15 of each year. The first interest payment date was February 15, 2015.

CDW LLC and CDW Finance Corporation are the co-issuers of the 2022 Senior Notes and the obligations under the notes are guaranteed by Parent and each of CDW LLC's direct and indirect, wholly owned, domestic subsidiaries. The 2022 Senior Notes indenture contains negative covenants that, among other things, place restrictions and limitations on the ability of Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries to enter into sale and lease-back transactions, incur additional secured indebtedness, and create liens. The indenture governing the 2022 Senior Notes does not contain any financial covenants.

5.5% Senior Notes due 2024 ("2024 Senior Notes")

On December 1, 2014, CDW LLC and CDW Finance Corporation, as co-issuers, completed the issuance of $575.0 million aggregate principal amount of 2024 Senior Notes at par. Fees of $7.5 million related to the 2024 Senior Notes were capitalized as deferred financing costs and are being amortized over the term of the notes on a straight-line basis. The 2024 Senior Notes will mature on December 1, 2024 and bear interest at a rate of 5.50% per annum, payable semi-annually on June 1 and December 1 of each year. The first interest payment date will be June 1, 2015.

CDW LLC and CDW Finance Corporation are the co-issuers of the 2024 Senior Notes and the obligations under the notes are guaranteed by Parent and each of CDW LLC's direct and indirect, wholly owned, domestic subsidiaries. The 2024 Senior Notes indenture contains negative covenants that, among other things, place restrictions and limitations on the ability of Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries to enter into sale and lease-back transactions, incur additional secured indebtedness, and create liens. The indenture governing the 2024 Senior Notes does not contain any financial covenants.

12.535% Senior Subordinated Exchange Notes due 2017 (“Senior Subordinated Notes”)

At December 31, 2014 , there were no outstanding Senior Subordinated Notes.

On May 9, 2014, the Company redeemed all of the remaining $42.5 million aggregate principal amount of Senior Subordinated Notes at a redemption price that was 104.178% of the principal amount redeemed. Cash on hand was used to fund the redemption of $42.5 million aggregate principal amount, $1.8 million in redemption premium and $0.4 million in accrued and unpaid interest to the date of redemption. In connection with this redemption, the Company recorded a loss on extinguishment of long-term debt of $2.2 million in the consolidated statement of operations for the year ended December 31, 2014 . This loss represented $1.8 million in redemption premium and $0.4 million for the write-off of the remaining deferred financing costs related to the Senior Subordinated Notes.

On January 22, 2014 and February 21, 2014, the Company redeemed $30.0 million and $20.0 million aggregate principal amounts of Senior Subordinated Notes, respectively, at redemption prices that were 104.178% of the principal amounts redeemed. Cash on hand was used to fund the redemptions of $50.0 million aggregate principal amount, $2.1 million in redemption premiums and $1.9 million in aggregate accrued and unpaid interest to the dates of redemption. In connection with these redemptions, the Company recorded a loss on extinguishment of long-term debt of $2.7 million in the consolidated statement of operations for the year ended December 31, 2014 . This loss represented $2.1 million in redemption premiums and $0.6 million for the write-off of a portion of the remaining deferred financing costs related to the Senior Subordinated Notes.

On October 18, 2013, the Company redeemed $155.0 million aggregate principal amount of Senior Subordinated Notes at a redemption price that was 104.178% of the principal amount redeemed. A combination of cash on hand and the net proceeds from the sale of shares of common stock related to the underwriters' exercise in full of the overallotment option granted to them in connection with the IPO, in the amount of $56.0 million , was used to fund the redemption of $155.0 million aggregate principal amount, $6.5 million of redemption premium and $0.2 million in accrued and unpaid interest to the date of redemption. See Note 9 for additional discussion of the underwriters' overallotment option. In connection with this redemption, the Company recorded a loss on extinguishment of long-term debt of $8.5 million in the Company's consolidated statement of operations for the year ended December 31, 2013. This loss represented $6.5 million in redemption premium and $2.0 million for the write-off of a portion of the remaining unamortized deferred financing costs related to the Senior Subordinated Notes.

On August 1, 2013, the Company redeemed $324.0 million aggregate principal amount of Senior Subordinated Notes at a redemption price that was 106.268% of the principal amount redeemed. The Company used a portion of the net proceeds from the IPO to redeem $146.0 million aggregate principal amount of Senior Subordinated Notes and incremental borrowings of $190.0 million under the Term Loan to redeem $178.0 million aggregate principal amount of Senior Subordinated Notes. The Company used cash on hand to pay $12.0 million of accrued and unpaid interest to the date of redemption. In connection with this redemption, the Company recorded a loss on extinguishment of long-term debt of $24.6 million in the consolidated statement of operations for the year ended December 31, 2013. This loss represented $20.3 million in redemption premium and $4.3 million for the write-off of a portion of the remaining deferred financing costs related to the Senior Subordinated Notes.

On March 8, 2013, the Company redeemed $50.0 million aggregate principal amount of Senior Subordinated Notes at a redemption price that was 106.268% of the principal amount redeemed. Cash on hand was used to fund the redemption of $50.0 million aggregate principal amount, $3.1 million of redemption premium and $2.5 million in accrued and unpaid interest to the date of redemption. In connection with this redemption, the Company recorded a loss on extinguishment of long-term debt of $3.9 million in the Company's consolidated statement of operations for the year ended December 31, 2013. This loss represented $3.1 million in redemption premium and $0.8 million for the write-off of a portion of the remaining unamortized deferred financing costs related to the Senior Subordinated Notes.

Long-Term Debt Maturities

As of December 31, 2014 , the maturities of long-term debt were as follows:

(in millions) Years ending December 31,	
2015	$ 15.4
2016	—
2017	—
2018	—
2019	503.9
Thereafter	2,673.1
	$ 3,192.4

Fair Value

The fair value of the Company's long-term debt instruments at December 31, 2014 was $3,208.7 million . The fair value of the 2019 Senior Notes, the 2022 Senior Notes, and the 2024 Senior Notes was estimated using quoted market prices for identical assets or liabilities that are traded in over-the-counter secondary markets that are not considered active. The fair value of the Term Loan was estimated using dealer quotes for identical assets or liabilities in markets that are not considered active. Consequently, the Company's long-term debt is classified as Level 2 within the fair value hierarchy.

At December 31, 2014 , the carrying value of the Company's long-term debt was $3,192.4 million , excluding $1.3 million in unamortized premium and $3.7 million in unamortized discount.

Deferred Financing Costs

The following table summarizes the deferred financing costs activity for the years ended December 31, 2014 and 2013 :

(in millions)	December 31,	
	2014	2013
Beginning balance	$ 30.1	$ 53.2
Additional costs capitalized	21.9	6.1
Recognized in interest expense	(6.4)	(9.1)
Write-off of unamortized deferred financing costs	(12.6)	(20.1)
Ending balance	$ 33.0	$ 30.1

As of December 31, 2014 and December 31, 2013 , the weighted-average remaining life of unamortized deferred financing costs was 6.6 and 4.9 years, respectively.

8. Income Taxes

Income before income taxes was taxed under the following jurisdictions:

(in millions)	Years Ended December 31,		
	2014	2013	2012
Domestic	$ 366.6	$ 179.4	$ 170.3
Foreign	21.1	16.1	15.8
Total	$ 387.7	$ 195.5	$ 186.1

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Components of income tax expense (benefit) consisted of the following:

(in millions)	Years Ended December 31,		
	2014	2013	2012
Current:			
Federal	$ 206.8	$ 96.7	$ 110.3
State	19.3	10.1	8.0
Foreign	5.8	4.6	5.1
Total current	231.9	111.4	123.4
Deferred:			
Domestic	(89.0)	(48.6)	(56.2)
Foreign	(0.1)	(0.1)	(0.1)
Total deferred	(89.1)	(48.7)	(56.3)
Income tax expense	$ 142.8	$ 62.7	$ 67.1

The reconciliation between the statutory tax rate expressed as a percentage of income before income taxes and the effective tax rate is as follows:

(dollars in millions)	Years Ended December 31,					
	2014		2013		2012	
Statutory federal income tax rate	$ 135.7	35.0 %	$ 68.4	35.0 %	$ 65.1	35.0 %
State taxes, net of federal effect	6.5	1.6	(5.0)	(2.6)	0.4	0.2
Equity-based compensation	1.1	0.3	1.5	0.7	5.7	3.1
Effect of rates different than statutory	(1.9)	(0.5)	(1.4)	(0.7)	(1.4)	(0.8)
Other	1.4	0.4	(0.8)	(0.3)	(2.7)	(1.5)
Effective tax rate	$ 142.8	36.8 %	$ 62.7	32.1 %	$ 67.1	36.0 %

The tax effect of temporary differences that give rise to the net deferred income tax liability is presented below:

(in millions)	December 31,	
	2014	2013
Deferred Tax Assets:		
Deferred interest	$ 32.9	$ 43.5
State net operating loss and credit carryforwards, net	18.8	21.1
Payroll and benefits	27.0	16.2
Rent	5.5	6.4
Accounts receivable	6.3	5.4
Equity compensation plans	6.5	1.6
Trade credits	1.5	1.5
Other	5.0	7.1
Total deferred tax assets	103.5	102.8
Deferred Tax Liabilities:		
Software and intangibles	425.3	486.2
Deferred income	116.2	145.5
Property and equipment	22.5	25.0
Other	15.3	11.6
Total deferred tax liabilities	579.3	668.3
Deferred tax asset valuation allowance	—	—
Net deferred tax liability	$ 475.8	$ 565.5

The Company has state income tax net operating loss carryforwards of $124.0 million , which will expire at various dates from 2015 through 2033 and state tax credit carryforwards of $19.6 million , which expire at various dates from 2016 through 2019.

The Company has not provided for U.S. federal income taxes or tax benefits on the undistributed earnings of its international subsidiary because such earnings are reinvested and it is currently intended that they will continue to be reinvested indefinitely. At December 31, 2014 , the Company has not provided for federal income taxes on earnings of approximately $66.6 million from its international subsidiary.

The Company had no unrecognized tax benefits at December 31, 2014, 2013 and 2012 .

In the ordinary course of business, the Company is subject to review by domestic and foreign taxing authorities, including the Internal Revenue Service (“IRS”). In general, the Company is no longer subject to audit by the IRS for tax years through 2010 and state, local or foreign taxing authorities for tax years through 2009. Various other taxing authorities are in the process of auditing income tax returns of the Company and its subsidiaries. The Company does not anticipate that any adjustments from the audits would have a material impact on its consolidated financial position, results of operations or cash flows.

The Company accrues net interest and penalties related to unrecognized tax benefits in income tax expense in its consolidated statements of operations. For the years ended December 31, 2014, 2013 and 2012 , the Company had no liability recorded for the payment of interest and penalties on unrecognized tax benefits and did not recognize any such interest and penalty expense.

9. Shareholders' Equity

The Company declared and paid cash dividends per common share during the periods presented as follows:

(in millions, except per share amounts)	Dividends Per Share	Amount
2014:		
First Quarter	$ 0.0425	$ 7.3
Second Quarter	0.0425	7.3
Third Quarter	0.0425	7.3
Fourth Quarter	0.0675	11.7
2013:		
First Quarter	$ —	$ —
Second Quarter	—	—
Third Quarter	—	—
Fourth Quarter	0.0425	7.3

See Note 20 for a discussion of the dividend declared during the first quarter of 2015. Future dividends will be subject to the approval of the Company's Board of Directors and will depend upon the Company’s results of operations, financial condition, business prospects, capital requirements, contractual restrictions, any potential indebtedness the Company may incur, restrictions imposed by applicable law, tax considerations and other factors that the Company’s Board of Directors deems relevant. In addition, the Company’s ability to pay dividends on its common stock will be limited by restrictions on the ability of subsidiaries to pay dividends or make distributions to the Company, in each case, under the terms of certain current and future agreements governing the Company’s indebtedness.

On November 6, 2014, the Company announced that its Board of Directors approved a $500.0 million share repurchase program effective immediately under which the Company may repurchase shares of its common stock in the open market or through privately negotiated transactions, depending on share price, market conditions and other factors. The share repurchase program does not obligate the Company to repurchase any dollar amount or number of shares, and repurchases may be commenced or suspended from time to time without prior notice. As of the date of this filing, no shares have been repurchased under the share repurchase program.

On January 1, 2014, the first offering period under the Company's Coworker Stock Purchase Plan (the “CSPP”) commenced. The CSPP provides the opportunity for eligible coworkers to acquire shares of the Company's common

stock at a 5% discount from the closing market price on the final day of the offering period. There is no compensation expense associated with the CSPP.

On July 2, 2013, the Company completed an IPO of 23,250,000 shares of common stock. On July 31, 2013, the Company completed the sale of an additional 3,487,500 shares of common stock to the underwriters of the IPO pursuant to the underwriters' July 26, 2013 exercise in full of the overallotment option granted to them in connection with the IPO. Such shares were registered under the Securities Act of 1933, as amended, pursuant to the Company's Registration Statement on Form S-1, which was declared effective by the SEC on June 26, 2013. The shares of common stock are listed on the NASDAQ Global Select Market under the symbol “CDW.” The Company's shares of common stock were sold to the underwriters at a price of $17.00 per share in the IPO and upon the exercise of the overallotment option, which together generated aggregate net proceeds of $424.7 million to the Company after deducting underwriting discounts, expenses and transaction costs.

The Company has completed the following secondary public offerings, whereby certain selling stockholders sold shares of common stock to the underwriters. The Company did not receive any proceeds from these sales of shares.

Secondary Offering Shares	Completion Date of Secondary Offering	Overallotment Shares [1]	Completion Date of Overallotment Shares	Secondary Offering Expenses (in millions)
15,000,000	11/19/2013	2,250,000	12/18/2013	$ 0.6
10,000,000	3/12/2014	1,500,000	3/12/2014	$ 0.4
15,000,000	5/28/2014	2,250,000	6/4/2014	$ 0.5
15,000,000	9/8/2014 [2]	—	—	$ 0.3
15,000,000	12/8/2014	2,250,000	12/8/2014	$ 0.2

(1) Under each underwriting agreement, the selling stockholders granted the underwriters an option, exercisable for thirty days, to purchase up to the additional amount of shares noted.

(2) The option to purchase additional shares was not exercised in connection with the September 2014 secondary offering.

The following pre-tax IPO-related expenses and secondary-offering-related expenses were included within selling and administrative expenses in the consolidated statements of operations for the years ended December 31, 2014 and 2013, respectively.

(in millions)	Year Ended December 31,	
	2014	2013
Acceleration charge for certain equity awards and related employer payroll taxes [1]	$ —	$ 40.7
RDU Plan cash retention pool accrual [2]	—	7.5
Management services agreement termination fee [3]	—	24.4
Other expenses [4]	1.4	2.4
IPO- and secondary-offering-related expenses	$ 1.4	$ 75.0

(1) See Note 10 for additional discussion of the impact of the IPO on the Company's equity awards.

(2) See Note 12 for additional discussion of this transaction.

(3) Represents the payment of a termination fee to affiliates of the Sponsors in connection with the termination of the management services agreement with such entities.

(4) Other expenses include secondary-offering expenses of $1.4 million and $0.6 million for the years ended December 31, 2014 and 2013, respectively.

In June 2013, the Company's Board of Directors and the Company's sole shareholder at that time, CDW Holdings, approved the reclassification of the Company's Class A common shares and Class B common shares into a single class of common shares and a 143.0299613 -for-1 stock split, effective immediately. The par value of the common shares was maintained at $0.01 per share. All references to common shares and per share amounts in the accompanying consolidated financial statements have been adjusted to reflect the reclassification and stock split on a retroactive basis.

In June 2013, the Company amended and restated its certificate of incorporation to authorize the issuance of 100,000,000 shares of preferred stock with a par value of $0.01 . No shares of preferred stock have been issued or are outstanding as of December 31, 2014. Additionally, the amended and restated certificate of incorporation increased the number of authorized common shares to 1,000,000,000 .

10. Equity-Based Compensation

The 2013 Long-Term Incentive Plan ("2013 LTIP") provides for the grant of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units, bonus stock and performance awards. The maximum aggregate number of shares that may be issued under the 2013 LTIP is 11,700,000 shares of the Company's common stock, in addition to the 3,798,508 shares of restricted stock granted in exchange for unvested Class B Common Units in connection with the Company's IPO, as discussed below. As of December 31, 2014, 7,541,891 shares were available for issuance under the 2013 LTIP which was approved by the Company's pre-IPO shareholders. Authorized but unissued shares are reserved for issuance in connection with equity-based awards.

The following table summarizes equity-based compensation expense, which is included in selling and administrative expenses, for the years ended December 31, 2014, 2013 and 2012 :

(in millions)	Year Ended December 31,		
	2014	2013 [1]	2012 [2]
Equity-based compensation expense	$ 16.4	$ 46.6	$ 22.1
Income tax benefit	(5.1)	(16.5)	(2.3)
Total (net of tax)	$ 11.3	$ 30.1	$ 19.8

(1) Includes pre-tax expense of $36.7 million related to the accelerated vesting of certain equity awards granted prior to our IPO. All unvested awards granted pursuant to the MPK Coworker Incentive Plan II (the "MPK Plan") vested in connection with the IPO as discussed further below in the section labeled "MPK II Units."

(2) Includes pre-tax expense of $6.6 million in connection with the modification of Class B Common Unit awards granted pursuant to the CDW Holdings LLC 2007 Incentive Equity Plan to the Company's former Chief Executive Officer, as discussed further below in the section labeled "Class B Common Units."

The total unrecognized compensation cost related to nonvested awards was $28.9 million at December 31, 2014 and is expected to be recognized over a weighted-average period of 2.3 years.

Stock Options

During the year ended December 31, 2014 , the Company granted 1,245,513 stock options under the 2013 LTIP. These options vest annually over three years and have a contractual term of 10 years. The exercise price of a stock option is equal to the fair value of a share of the Company's common stock on the date of the grant. The Company uses the Black-Scholes option pricing model to estimate the fair value of stock options granted. The Black-Scholes option pricing model incorporates various assumptions including volatility, expected term, risk-free interest rates and dividend yields. The weighted-average assumptions used to value the stock options granted during the years ended December 31, 2014 and 2013 are presented below.

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	Year Ended December 31,	
	2014	2013
Weighted-average grant date fair value	$ 7.23	$ 4.75
Weighted-average volatility [1]	30.00%	35.00%
Weighted-average risk-free rate [2]	1.77%	1.58%
Dividend yield	0.70%	1.00%
Expected term (in years) [3]	6.0	5.4

(1) Based upon an assessment of the two-year, five-year and implied volatility for the Company's selected peer group, adjusted for the Company's leverage.

(2) Based on a composite U.S. Treasury rate.

(3) Calculated using the simplified method. The simplified method defines the expected term as the average of the option's contractual term and the option's weighted-average vesting period. The Company utilizes this method as it has limited historical stock option data that is sufficient to derive a reasonable estimate of the expected stock option term.

The following table summarizes the Company's stock option activity for the year ended December 31, 2014 :

Options	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (millions)
Outstanding at January 1, 2014	1,280,255	$17.00		
Granted	1,245,513	24.40		
Forfeited/Expired	(31,209)	21.33		
Exercised	(73,487)	17.00		
Outstanding at December 31, 2014	2,421,072	$20.75	8.3	$34.9
Exercisable at December 31, 2014	576,963	$17.00	7.2	$10.5
Vested and expected to vest at December 31, 2014	2,378,364	$20.74	8.3	$34.3

The total intrinsic value of stock options exercised during the years ended December 31, 2014 and 2013 was $1.0 million and zero , respectively.

Restricted Stock Units ("RSUs")

Restricted stock units represent the right to receive unrestricted shares of the Company's stock at the time of vesting. RSUs generally cliff-vest at the end of four years.

The following table summarizes the Company's RSU activity for the year ended December 31, 2014 :

	Number of Units	Weighted-Average Grant-Date Fair Value
Nonvested at January 1, 2014	1,351,572	$ 17.04
Granted	25,895	24.29
Vested/Settled	(5,984)	17.00
Forfeited	(126,781)	17.04
Nonvested at December 31, 2014	1,244,702	$ 17.19

The weighted-average grant date fair value of RSUs granted during the year ended December 31, 2014 and 2013 was $24.29 and $17.03 , respectively. The aggregate fair value of RSUs that vested during the years ended December 31, 2014 and 2013 , was $0.2 million and zero , respectively.

Performance Share Units ("PSUs")

During the year ended December 31, 2014 , the Company granted 417,784 PSUs under the 2013 LTIP which cliff-vest on December 31, 2016. The percentage of shares that shall vest will range from 0% to 200% of the number of PSUs granted based on the Company's performance against a cumulative adjusted free cash flow measure and cumulative non-GAAP net income per diluted share measure over a three-year performance period. The weighted-average grant-date fair value of the PSUs granted during the period was $24.40 per unit. During the year ended December 31, 2014 , 6,204 PSUs were forfeited at a weighted-average grant-date fair value of $24.29 . As of December 31, 2014 , 411,580 PSUs were outstanding at a weighted-average grant date fair value of $24.40 . No units vested during the year ended December 31, 2014.

Restricted Stock

In connection with the IPO, CDW Holdings distributed all of its shares of the Company's common stock to its existing members in accordance with their respective membership interests. Common stock received by holders of Class B Common Units in connection with the distribution is subject to any vesting provisions previously applicable to the holder's Class B Common Units. Class B Common Unit holders received 3,798,508 shares of restricted stock with respect to Class B Common Units that had not yet vested at the time of the distribution. For the year ended December 31, 2014 , 2,321,973 shares of such restricted stock vested/settled and 9,546 shares were forfeited. As of December 31, 2014 , 260,514 shares of restricted stock were outstanding. The aggregate fair value of restricted stock that vested during the years ended December 31, 2014 and 2013 was $68.6 million and $26.7 million , respectively.

Pre-IPO Equity Awards

Prior to the IPO, the Company had the following equity-based compensation plans in place:

Class B Common Units

The Board of Managers of CDW Holdings adopted the CDW Holdings LLC 2007 Incentive Equity Plan (the “Plan”) for coworkers, managers, consultants and advisors of the Company and its subsidiaries. The Plan permitted a committee designated by the Board of Managers of CDW Holdings (the “Committee”) to grant or sell to any participant Class A Common Units or Class B Common Units of CDW Holdings in such quantity, at such price, on such terms and subject to such conditions that were consistent with the Plan and as established by the Committee.

The Class B Common Units that were granted vested daily on a pro rata basis between the date of grant and the fifth anniversary thereof and were subject to repurchase by, with respect to vested units, or forfeiture to, with respect to unvested units, the Company upon the coworker's separation from service as was set forth in each holder’s Class B Common Unit Grant Agreement.

On June 30, 2011, the Board of Managers approved the terms of a modified Class B Common Unit grant agreement with the Company's former Chief Executive Officer, who retired as the Company's Chief Executive Officer effective October 1, 2011 but continued to serve as Chairman of the Board through December 31, 2012. As a result of this modification, the Company recorded incremental equity-based compensation expense of $6.6 million during the year ended December 31, 2012.

The grant date fair value of Class B Common Unit grants was calculated using the Option-Pricing Method. This method considered Class A Common Units and Class B Common Units as call options on the total equity value, giving consideration to liquidation preferences and conversion of the preferred units. Such Class A Common Units and Class B Common Units were modeled as call options that gave their owners the right, but not the obligation, to buy the underlying equity value at a predetermined (or exercise) price. Class B Common Units were considered to be call options with a claim on equity value at an exercise price equal to the remaining value immediately after the Class A Common Units and Class B Common Units with a lower participation threshold were liquidated. The Option-Pricing Method is highly sensitive to key assumptions, such as the volatility assumption. As such, the use of this method can be applied when the range of possible future outcomes is difficult to predict.

The following table summarizes the assumptions and resulting fair value of the Class B Common Unit grants for the years ended December 31, 2013 and 2012:

	Years Ended December 31,	
Assumptions	2013	2012
Weighted-average grant date fair value	$ 119.00	$ 125.65
Weighted-average volatility [1]	65.50%	65.26%
Weighted-average risk-free rate [2]	0.18%	0.19%
Dividend yield	0.00%	0.00%

(1) Based upon an assessment of the two-year, five-year and implied volatility for the Company's selected peer group, adjusted for the Company's leverage.

(2) Based on a composite U.S. Treasury rate.

MPK II Units

Contemporaneous with the Acquisition, the Company agreed with Michael P. Krasny, CDW Corporation founder, former chairman and CEO and significant selling shareholder, to establish the MPK Plan for the benefit of all of the coworkers of the Company other than members of senior management who received incentive equity awards under the Plan.

The MPK Plan established an "account" for each eligible participant which was notionally credited with a number of Class A Common Units of CDW Holdings LLC on October 15, 2007, the day the plan was established. The notional units credited to participants' accounts were to cliff-vest at the end of ten years, subject to acceleration upon the occurrence of certain events. Notional units granted under the MPK Plan were valued on the grant date at $1,000 per unit, the fair value equivalent of the Class A Common Units at the time the awards were granted.

On July 2, 2013, the Company completed an IPO of its common shares. Under the terms of the MPK Plan, vesting accelerated for all unvested units upon completion of the IPO. The Company recorded a pre-tax charge of $36.7 million for compensation expense related to the acceleration of the expense recognition for MPK Plan units in the year ended December 31, 2013. In connection with the completion of the IPO, the Company distributed common stock to each participant and withheld the number of shares of common stock equal to the required tax withholding for each participant. The Company paid required withholding taxes of $24.0 million to federal, state and foreign taxing authorities. This amount is reported as a financing activity in the consolidated statement of cash flows and as an increase to accumulated deficit in the consolidated statement of shareholders' equity for the year ended December 31, 2013. In addition, the Company paid $4.0 million of employer payroll taxes that are included as an operating activity in the consolidated statement of cash flows for the year ended December 31, 2013.

The following table sets forth a summary of pre-IPO equity plan activity for the year ended December 31, 2013 :

	Class B Common Units	MPK Plan Units
Outstanding at January 1, 2013	216,483	66,137
Granted	400	—
Forfeited	(860)	(2,228)
Converted/Settled [1]	(216,023)	(63,909)
Outstanding at December 31, 2013	—	—
Vested at December 31, 2013	—	—

(1) As discussed above, the Class B Common Units and MPK Plan Units were converted/settled into shares of the Company's common stock upon completion of the IPO. The converted Class B Common Units, to the extent unvested at the time of the IPO, relate to the grants of restricted stock disclosed above.

In connection with the establishment of the MPK Plan, the Company agreed to make charitable contributions in amounts equal to the net income tax benefits derived from payouts to participants under the MPK Plan (net of any

related employer payroll tax costs). The contributions of these amounts are due by March 15 of the calendar year following the year in which the Company realizes the benefits of the deductions. This arrangement has been accounted for as contingent consideration. Pre-2009 business combinations were accounted for under a former accounting standard which, among other aspects, precluded the recognition of certain contingent consideration as of the business combination date. Instead, under the former accounting standard, contingent consideration is accounted for as additional purchase price (goodwill) at the time the contingency is resolved. As of December 31, 2013, the Company accrued $20.9 million related to this arrangement within other current liabilities, as the Company realized the tax benefit of the compensation deductions during the 2013 tax year. The Company made the related cash contribution during the first quarter of 2014.

11. Earnings Per Share

The numerator for both basic and diluted earnings per share is net income. The denominator for basic earnings per share is the weighted-average number of common shares outstanding during the period. The 2013 denominator was impacted by the common shares issued during both the IPO and the underwriters' exercise in full of the overallotment option granted to them in connection with the IPO. Because such common shares were issued on July 2, 2013 and July 31, 2013, respectively, they are only partially reflected in the 2013 denominator. Such shares are fully reflected in the 2014 denominator. See Note 9 for additional discussion of the IPO.

The dilutive effect of outstanding restricted stock, restricted stock units, stock options, Coworker Stock Purchase Plan units and MPK Plan units is reflected in the denominator for diluted earnings per share using the treasury stock method.

The following is a reconciliation of basic shares to diluted shares:

	Years Ended December 31,		
(in millions)	2014	2013	2012
Weighted-average shares - basic	170.6	156.6	145.1
Effect of dilutive securities	2.2	2.1	0.7
Weighted-average shares - diluted	172.8	158.7	145.8

There was an insignificant amount of potential common shares excluded from diluted earnings per share for the years ended December 31, 2014, 2013 and 2012, as their inclusion would have had an anti-dilutive effect.

12. Deferred Compensation Plan

On March 10, 2010, in connection with the Company’s purchase of $28.5 million principal amount of its outstanding senior subordinated debt, the Company established the Restricted Debt Unit Plan (the “RDU Plan”), an unfunded nonqualified deferred compensation plan. The total number of RDUs that could be granted under the RDU Plan was 28,500 . As of December 31, 2014 , 28,500 RDUs were outstanding. RDUs vested daily on a pro rata basis over the three -year period from January 1, 2012 (or, if later, the date of hire or the date of a subsequent RDU grant) through December 31, 2014. All outstanding RDUs were vested as of December 31, 2014. Participants have no rights to the underlying debt.

The total amount of compensation available to be paid under the RDU Plan was initially to be based on two components, a principal component and an interest component. The principal component credits the RDU Plan with a notional amount equal to the $28.5 million face value of the Senior Subordinated Notes (the "Debt Pool"), together with certain redemption premium equivalents as noted below. The interest component credited the RDU Plan with amounts equal to the interest that would have been earned on the Debt Pool from March 10, 2010 through maturity on October 12, 2017, except as discussed below. Interest amounts for 2010 and 2011 were deferred until 2012, and thereafter, interest amounts were paid to participants semi-annually on the interest payment due dates.

The Company used a portion of the IPO proceeds together with incremental borrowings to redeem $324.0 million of the total Senior Subordinated Notes outstanding on August 1, 2013. In connection with the IPO and the partial redemption of the Senior Subordinated Notes, the Company amended the RDU Plan to increase the retentive value of the plan. In accordance with the original terms of the RDU Plan, the principal component of the RDUs converted to a cash-denominated pool upon the redemption of the Senior Subordinated Notes. In addition, the Company added $0.1

million and $1.4 million to the principal component in the years ended December 31, 2014 and 2013, respectively, as redemption premium equivalents in accordance with the terms of the RDU plan.

Under the terms of the amended RDU Plan, upon the partial redemption of outstanding Senior Subordinated Notes, the RDUs ceased to accrue the proportionate related interest component credits. The amended RDU Plan provides participants the opportunity to share on a pro rata basis in cash retention pools payable to participants who satisfy certain retention requirements. The aggregate amount of the retention pools was determined to be $15.0 million based upon the amount of interest component credits that would have been allocated to the RDU Plan if the Senior Subordinated Notes had remained outstanding from August 1, 2013 through maturity. The Company recorded a pre-tax charge of $7.5 million in the year ended December 31, 2013 for payment of the first cash retention pool. The second cash retention pool payment is expected to be made to participants who remain employed through December 31, 2015 in the first quarter of 2016. Participants continued to accrue an interest component credit for the proportionate amount of Senior Subordinated Notes while outstanding, payable on the aforementioned semi-annual due dates; such payments, however, will be deducted from the second retention pool payment amount of $7.5 million .

Unrecognized compensation expense as of December 31, 2014 of approximately $5 million is expected to be recognized through 2015 and approximately $3 million in 2016 through 2017. Payments under the RDU Plan may be impacted if certain significant events occur or circumstances change that would impact the financial condition or structure of the Company.

Compensation expense of $8.8 million , $16.8 million , and $8.4 million related to the RDU Plan was recognized in the years ended December 31, 2014, 2013 and 2012 , respectively. At December 31, 2014 and 2013 , the Company had $30.4 million and $21.8 million of liabilities related to the RDU Plan recorded on the consolidated balance sheets, respectively.

Payment of the principal component of the RDU Plan is expected to be made on October 12, 2017, unless accelerated due to a sale of the Company.

13. Profit Sharing and 401(k) Plan

The Company has a profit sharing plan that includes a salary reduction feature established under the Internal Revenue Code Section 401 (k) covering substantially all coworkers. Company contributions to the profit sharing plan are made in cash and determined at the discretion of the Board of Directors. For the years ended December 31, 2014, 2013 and 2012 , the amounts charged to expense for this plan totaled $21.9 million , $17.3 million and $14.6 million , respectively.

14. Commitments and Contingencies

The Company is party to various legal proceedings that arise in the ordinary course of its business, which include commercial, intellectual property, employment, tort and other litigation matters. The Company is also subject to audit by federal, state and local authorities, and by various partners, group purchasing organizations and customers, including government agencies, relating to purchases and sales under various contracts. In addition, the Company is subject to indemnification claims under various contracts. From time to time, certain customers of the Company file voluntary petitions for reorganization or liquidation under the U.S. bankruptcy laws. In such cases, certain pre-petition payments received by the Company could be considered preference items and subject to return to the bankruptcy administrator.

As of December 31, 2014, the Company does not believe that there is a reasonable possibility that any material loss exceeding the amounts already recognized for these proceedings and matters, if any, has been incurred. However, the ultimate resolutions of these proceedings and matters are inherently unpredictable. As such, the Company’s financial condition and results of operations could be adversely affected in any particular period by the unfavorable resolution of one or more of these proceedings or matters.

15. Equity Investments

On November 10, 2014 , the Company acquired a 35% non-controlling interest in Kelway, a UK-based IT solutions provider, which has global supply chain relationships that enable it to conduct business in over 100 countries. The Company paid $86.8 million to acquire its ownership interest in Kelway, with the option to purchase the remaining 65% between June 2015 and June 2017. The Company accounts for its investment in Kelway using the equity method. As of December 31, 2014 , the amount assigned to goodwill and definite-lived intangible assets related to the

Company's 35% non-controlling equity investment in Kelway was $119.2 million , which represented the excess of the purchase price plus liabilities assumed less tangible assets acquired.

16. Related Party Transactions

The Company had previously entered into a management services agreement with the Sponsors pursuant to which they had agreed to provide it with management and consulting services and financial and other advisory services. Pursuant to such agreement, the Sponsors received an annual management fee of $5.0 million and reimbursement of out-of-pocket expenses incurred in connection with the provision of such services. Such amounts were classified as selling and administrative expenses within the consolidated statements of operations. The management services agreement included customary indemnification and provisions in favor of the Sponsors.

On July 2, 2013, the Company completed an IPO of its common stock. Using a portion of the net proceeds from the IPO, the Company paid a $24.4 million termination fee to affiliates of the Sponsors in connection with the termination of the management services agreement with such entities that was effective upon completion of the IPO. The Company paid an annual management fee of $2.5 million and $5.0 million in the years ended December 31, 2013 and 2012, respectively. There was no management fee paid for the year ended December 31, 2014.

On March 20, 2014, the Company repurchased and subsequently canceled $25.0 million aggregate principal amount of the 2019 Senior Notes from an affiliate of Providence Equity. See Note 7 for additional information related to this transaction.

17. Segment Information

Segment information is presented in accordance with a “management approach,” which designates the internal reporting used by the chief operating decision-maker for making decisions and assessing performance as the source of the Company's reportable segments. The Company's segments are organized in a manner consistent with which separate financial information is available and evaluated regularly by the chief operating decision-maker in deciding how to allocate resources and in assessing performance.

The Company has two reportable segments: Corporate, which is comprised primarily of business customers, and Public, which is comprised of government entities and education and healthcare institutions. The Company also has three other operating segments, CDW Advanced Services, Canada and Kelway, which do not meet the reportable segment quantitative thresholds and, accordingly, are combined together as “Other.” In November 2014, the Company acquired a 35% non-controlling equity interest in Kelway. See Note 15 for additional information on Kelway.

The Company has centralized logistics and headquarters functions that provide services to the segments. The logistics function includes purchasing, distribution and fulfillment services to support both the Corporate and Public segments. As a result, costs and intercompany charges associated with the logistics function are fully allocated to both of these segments based on a percent of sales. The centralized headquarters function provides services in areas such as accounting, information technology, marketing, legal and coworker services. Headquarters' function costs that are not allocated to the segments are included under the heading of “Headquarters” in the tables below. Depreciation expense is included in Headquarters as it is not allocated among segments or used in measuring segment performance.

IPO- and secondary-offering related expenses primarily relating to coworker compensation were included within operating segment results for the year ended December 31, 2013. See Note 9 for additional discussion of IPO- and secondary-offering related expenses.

The Company allocates resources to and evaluates performance of its segments based on net sales, income (loss) from operations and Adjusted EBITDA, a non-GAAP measure as defined in the Company's credit agreements. However, the Company has concluded that income (loss) from operations is the more useful measure in terms of discussion of operating results, as it is a GAAP measure.

Segment information for total assets and capital expenditures is not presented, as such information is not used in measuring segment performance or allocating resources between segments.

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Selected Segment Financial Information

The following table presents information about the Company's segments for the years ended December 31, 2014, 2013 and 2012 :

(in millions)	Corporate	Public	Other	Headquarters	Total
2014:					
Net sales	$ 6,475.5	$ 4,879.4	$ 719.6	$ —	$ 12,074.5
Income (loss) from operations	439.8	313.2	32.9	(112.9)	673.0
Depreciation and amortization expense	(96.3)	(43.8)	(8.8)	(59.0)	(207.9)
2013:					
Net sales	$ 5,960.1	$ 4,164.5	$ 644.0	$ —	$ 10,768.6
Income (loss) from operations [1]	363.3	246.5	27.2	(128.4)	508.6
Depreciation and amortization expense	(97.3)	(44.0)	(8.6)	(58.3)	(208.2)
2012:					
Net sales	$ 5,512.8	$ 4,023.0	$ 592.4	$ —	$ 10,128.2
Income (loss) from operations	349.0	246.7	18.6	(103.7)	510.6
Depreciation and amortization expense	(97.6)	(44.0)	(9.3)	(59.3)	(210.2)

(1) Includes $75.0 million of IPO- and secondary-offering related expenses, as follows: Corporate $26.4 million ; Public $14.4 million ; Other $3.6 million ; and Headquarters $30.6 million .

Major Customers, Geographic Areas, and Product Mix

Net sales to the federal government were $884.2 million , $764.4 million and $964.7 million and accounted for approximately 7% , 7% and 10% of total net sales in 2014, 2013 and 2012, respectively. Net sales to customers outside of the U.S., primarily in Canada, were approximately 4% of the Company's total net sales in 2014, 2013 and 2012. Approximately 1% of the Company's long-lived assets were located outside of the U.S. as of December 31, 2014 and 2013.

The following table presents net sales by major category for the years ended December 31, 2014, 2013 and 2012 . Categories are based upon internal classifications. Amounts for the years ended December 31, 2013 and 2012 have been reclassified for certain changes in individual product classifications to conform to the presentation for the year ended December 31, 2014 .

	Year Ended December 31, 2014		Year Ended December 31, 2013		Year Ended December 31, 2012	
	Dollars in Millions	Percentage of Total Net Sales	Dollars in Millions	Percentage of Total Net Sales	Dollars in Millions	Percentage of Total Net Sales
Notebooks/Mobile Devices	$ 2,352.3	19.5%	$ 1,698.4	15.8%	$ 1,462.8	14.4%
NetComm Products	1,615.9	13.4	1,486.3	13.8	1,351.5	13.3
Enterprise and Data Storage (Including Drives)	1,024.3	8.5	999.2	9.3	981.5	9.7
Other Hardware	4,549.2	37.6	4,178.5	38.8	4,075.7	40.3
Software	2,076.7	17.2	1,993.1	18.5	1,877.7	18.5
Services	371.4	3.1	332.7	3.1	285.0	2.8
Other [1]	84.7	0.7	80.4	0.7	94.0	1.0
Total net sales	$ 12,074.5	100.0%	$ 10,768.6	100.0%	$ 10,128.2	100.0%

(1) Includes items such as delivery charges to customers and certain commission revenue.

18. Supplemental Guarantor Information

The 2019 Senior Notes, the 2022 Senior Notes, and the 2024 Senior Notes are, and, prior to being redeemed in full, the Senior Subordinated Notes and the Senior Secured Notes, were guaranteed by Parent and each of CDW LLC's direct and indirect, 100% owned, domestic subsidiaries (the "Guarantor Subsidiaries"). All guarantees by Parent and Guarantor Subsidiaries are and were joint and several, and full and unconditional; provided that guarantees by the Guarantor Subsidiaries (i) are subject to certain customary release provisions contained in the indentures governing the 2019 Senior Notes, the 2022 Senior Notes, and the 2024 Senior Notes, and (ii) were subject to certain customary release provisions contained in the indentures governing the Senior Subordinated Notes and the Senior Secured Notes until such indentures were satisfied and discharged in 2014. CDW LLC's Canada subsidiary (the "Non-Guarantor Subsidiary") does not guarantee the debt obligations. CDW LLC and CDW Finance Corporation, as co-issuers, are 100% owned by Parent, and each of the Guarantor Subsidiaries and the Non-Guarantor Subsidiary is 100% owned by CDW LLC.

On May 9, 2014, all of the remaining $42.5 million aggregate principal amount of Senior Subordinated Notes was redeemed in full and the indenture governing the Senior Subordinated Notes was satisfied and discharged. See Note 7 for more information.

On August 5, 2014, CDW LLC and CDW Finance Corporation, as co-issuers, completed the issuance of $600.0 million aggregate principal amount of 2022 Senior Notes, which is guaranteed by Parent and the Guarantor Subsidiaries. The proceeds from this issuance, along with cash on hand, were used to redeem all of the remaining $325.0 million aggregate principal amount of the Senior Secured Notes and to redeem $234.7 million aggregate principal amount of the 2019 Senior Notes. The indenture governing the Senior Secured Notes was concurrently satisfied and discharged. See Note 7 for more information.

On December 1, 2014, CDW LLC and CDW Finance Corporation, as co-issuers, completed the issuance of $575.0 million aggregate principal amount of 2024 Senior Notes, which is guaranteed by Parent and the Guarantor Subsidiaries. The proceeds from this issuance, along with cash on hand, were used to redeem $541.4 million aggregate principal amount of the 8.5% Senior Notes. See Note 7 for more information.

The following tables set forth condensed consolidating balance sheets as of December 31, 2014 and 2013 , consolidating statements of operations for the years ended December 31, 2014, 2013 and 2012 , condensed consolidating statements of comprehensive income for the years ended December 31, 2014, 2013 and 2012 , and condensed consolidating statements of cash flows for the years ended December 31, 2014, 2013 and 2012 , in accordance with Rule 3-10 of Regulation S-X. The consolidating financial information includes the accounts of CDW Corporation (the "Parent Guarantor"), which has no independent assets or operations, the accounts of CDW LLC (the "Subsidiary Issuer"), the combined accounts of the Guarantor Subsidiaries, the accounts of the Non-Guarantor Subsidiary, and the accounts of CDW Finance Corporation (the "Co-Issuer") for the periods indicated. The information was prepared on the same basis as the Company's consolidated financial statements.

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidating Balance Sheet

(in millions)	December 31, 2014						
	Parent Guarantor	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiary	Co-Issuer	Consolidating Adjustments	Consolidated
Assets							
Current assets:							
Cash and cash equivalents	$ —	$ 346.4	$ —	$ 24.6	$ —	$ (26.5)	$ 344.5
Accounts receivable, net	—	—	1,479.1	82.0	—	—	1,561.1
Merchandise inventory	—	—	333.9	3.6	—	—	337.5
Miscellaneous receivables	—	56.1	93.3	6.2	—	—	155.6
Prepaid expenses and other	—	11.0	46.0	1.5	—	(3.8)	54.7
Total current assets	—	413.5	1,952.3	117.9	—	(30.3)	2,453.4
Property and equipment, net	—	80.5	55.5	1.2	—	—	137.2
Equity investments	—	86.7	—	—	—	—	86.7
Goodwill	—	751.8	1,439.0	26.8	—	—	2,217.6
Other intangible assets, net	—	320.0	843.6	5.2	—	—	1,168.8
Deferred financing costs, net	—	33.0	—	—	—	—	33.0
Other assets	4.3	3.2	0.4	1.4	—	(6.1)	3.2
Investment in and advances to subsidiaries	932.2	2,784.5	—	—	—	(3,716.7)	—
Total assets	$ 936.5	$ 4,473.2	$ 4,290.8	$ 152.5	$ —	$ (3,753.1)	$ 6,099.9
Liabilities and Shareholders' Equity							
Current liabilities:							
Accounts payable-trade	$ —	$ 23.9	$ 671.9	$ 34.7	$ —	$ (26.5)	$ 704.0
Accounts payable-inventory financing	—	—	332.1	—	—	—	332.1
Current maturities of long-term debt	—	15.4	—	—	—	—	15.4
Deferred revenue	—	—	79.9	1.4	—	—	81.3
Accrued expenses	—	137.8	193.6	7.9	—	(4.1)	335.2
Total current liabilities	—	177.1	1,277.5	44.0	—	(30.6)	1,468.0
Long-term liabilities:							
Debt	—	3,174.6	—	—	—	—	3,174.6
Deferred income taxes	—	146.7	331.3	1.3	—	(4.3)	475.0
Other liabilities	—	42.6	3.7	1.0	—	(1.5)	45.8
Total long-term liabilities	—	3,363.9	335.0	2.3	—	(5.8)	3,695.4
Total shareholders' equity	936.5	932.2	2,678.3	106.2	—	(3,716.7)	936.5
Total liabilities and shareholders' equity	$ 936.5	$ 4,473.2	$ 4,290.8	$ 152.5	$ —	$ (3,753.1)	$ 6,099.9

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidating Balance Sheet

(in millions)	Parent Guarantor	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiary	Co-Issuer	Consolidating Adjustments	Consolidated
	December 31, 2013						
Assets							
Current assets:							
Cash and cash equivalents	$ —	$ 196.5	$ —	$ 14.0	$ —	$ (22.4)	$ 188.1
Accounts receivable, net	—	—	1,375.9	75.1	—	—	1,451.0
Merchandise inventory	—	—	378.9	3.1	—	—	382.0
Miscellaneous receivables	—	49.9	91.0	5.4	—	—	146.3
Prepaid expenses and other	—	10.7	33.4	5.1	—	(3.1)	46.1
Total current assets	—	257.1	1,879.2	102.7	—	(25.5)	2,213.5
Property and equipment, net	—	69.7	59.6	1.8	—	—	131.1
Goodwill	—	751.9	1,439.0	29.4	—	—	2,220.3
Other intangible assets, net	—	338.5	982.8	6.7	—	—	1,328.0
Deferred financing costs, net	—	30.1	—	—	—	—	30.1
Other assets	4.9	1.4	0.1	0.9	—	(5.7)	1.6
Investment in and advances to subsidiaries	706.8	2,909.4	—	—	—	(3,616.2)	—
Total assets	$ 711.7	$ 4,358.1	$ 4,360.7	$ 141.5	$ —	$ (3,647.4)	$ 5,924.6
Liabilities and Shareholders' Equity							
Current liabilities:							
Accounts payable-trade	$ —	$ 21.4	$ 637.3	$ 26.5	$ —	$ (22.4)	$ 662.8
Accounts payable-inventory financing	—	—	256.6	—	—	—	256.6
Current maturities of long-term debt	—	45.4	—	—	—	—	45.4
Deferred revenue	—	—	89.9	4.9	—	—	94.8
Accrued expenses	—	163.5	175.1	7.5	—	(3.1)	343.0
Total current liabilities	—	230.3	1,158.9	38.9	—	(25.5)	1,402.6
Long-term liabilities:							
Debt	—	3,205.8	—	—	—	—	3,205.8
Deferred income taxes	—	178.3	388.4	1.6	—	(4.8)	563.5
Other liabilities	—	36.9	3.6	1.4	—	(0.9)	41.0
Total long-term liabilities	—	3,421.0	392.0	3.0	—	(5.7)	3,810.3
Total shareholders’ equity	711.7	706.8	2,809.8	99.6	—	(3,616.2)	711.7
Total liabilities and shareholders’ equity	$ 711.7	$ 4,358.1	$ 4,360.7	$ 141.5	$ —	$ (3,647.4)	$ 5,924.6

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Consolidating Statement of Operations

(in millions)	Year Ended December 31, 2014						
	Parent Guarantor	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiary	Co-Issuer	Consolidating Adjustments	Consolidated
Net sales	$ —	$ —	$ 11,542.3	$ 532.2	$ —	$ —	$ 12,074.5
Cost of sales	—	—	9,684.9	468.3	—	—	10,153.2
Gross profit	—	—	1,857.4	63.9	—	—	1,921.3
Selling and administrative expenses	—	112.8	962.3	35.2	—	—	1,110.3
Advertising expense	—	—	134.0	4.0	—	—	138.0
(Loss) income from operations	—	(112.8)	761.1	24.7	—	—	673.0
Interest (expense) income, net	—	(197.7)	0.1	0.3	—	—	(197.3)
Net loss on extinguishments of long-term debt	—	(90.7)	—	—	—	—	(90.7)
Management fee	—	3.9	—	(3.9)	—	—	—
Other income, net	—	1.2	1.5	—	—	—	2.7
(Loss) income before income taxes	—	(396.1)	762.7	21.1	—	—	387.7
Income tax benefit (expense)	—	141.0	(278.1)	(5.7)	—	—	(142.8)
(Loss) income before equity in earnings of subsidiaries	—	(255.1)	484.6	15.4	—	—	244.9
Equity in earnings of subsidiaries	244.9	500.0	—	—	—	(744.9)	—
Net income	$ 244.9	$ 244.9	$ 484.6	$ 15.4	$ —	$ (744.9)	$ 244.9

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Consolidating Statement of Operations

(in millions)	Year Ended December 31, 2013						
	Parent Guarantor	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiary	Co-Issuer	Consolidating Adjustments	Consolidated
Net sales	$ —	$ —	$ 10,293.3	$ 475.3	$ —	$ —	$ 10,768.6
Cost of sales	—	—	8,592.1	416.2	—	—	9,008.3
Gross profit	—	—	1,701.2	59.1	—	—	1,760.3
Selling and administrative expenses	24.4	103.9	957.3	35.3	—	—	1,120.9
Advertising expense	—	—	126.8	4.0	—	—	130.8
(Loss) income from operations	(24.4)	(103.9)	617.1	19.8	—	—	508.6
Interest (expense) income, net	—	(250.6)	0.2	0.3	—	—	(250.1)
Net loss on extinguishments of long-term debt	—	(64.0)	—	—	—	—	(64.0)
Management fee	—	4.3	—	(4.3)	—	—	—
Other (expense) income, net	—	(0.5)	1.2	0.3	—	—	1.0
(Loss) income before income taxes	(24.4)	(414.7)	618.5	16.1	—	—	195.5
Income tax benefit (expense)	9.2	142.2	(209.5)	(4.6)	—	—	(62.7)
(Loss) income before equity in earnings of subsidiaries	(15.2)	(272.5)	409.0	11.5	—	—	132.8
Equity in earnings of subsidiaries	148.0	420.5	—	—	—	(568.5)	—
Net income	$ 132.8	$ 148.0	$ 409.0	$ 11.5	$ —	$ (568.5)	$ 132.8

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Consolidating Statement of Operations

(in millions)	Year Ended December 31, 2012						
	Parent Guarantor	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiary	Co-Issuer	Consolidating Adjustments	Consolidated
Net sales	$ —	$ —	$ 9,683.0	$ 445.2	$ —	$ —	$ 10,128.2
Cost of sales	—	—	8,071.5	387.1	—	—	8,458.6
Gross profit	—	—	1,611.5	58.1	—	—	1,669.6
Selling and administrative expenses	—	103.7	891.6	34.2	—	—	1,029.5
Advertising expense	—	—	125.1	4.4	—	—	129.5
(Loss) income from operations	—	(103.7)	594.8	19.5	—	—	510.6
Interest (expense) income, net	—	(308.0)	0.4	0.2	—	—	(307.4)
Net loss on extinguishments of long-term debt	—	(17.2)	—	—	—	—	(17.2)
Management fee	—	3.8	—	(3.8)	—	—	—
Other income (expense), net	—	—	0.2	(0.1)	—	—	0.1
(Loss) income before income taxes	—	(425.1)	595.4	15.8	—	—	186.1
Income tax benefit (expense)	—	210.6	(272.6)	(5.1)	—	—	(67.1)
(Loss) income before equity in earnings of subsidiaries	—	(214.5)	322.8	10.7	—	—	119.0
Equity in earnings of subsidiaries	119.0	333.5	—	—	—	(452.5)	—
Net income	$ 119.0	$ 119.0	$ 322.8	$ 10.7	$ —	$ (452.5)	$ 119.0

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidating Statement of Comprehensive Income

	Year Ended December 31, 2014						
(in millions)	Parent Guarantor	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiary	Co-Issuer	Consolidating Adjustments	Consolidated
Comprehensive income	$ 234.6	$ 234.6	$ 484.6	$ 5.1	$ —	$ (724.3)	$ 234.6

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidating Statement of Comprehensive Income

	Year Ended December 31, 2013						
(in millions)	Parent Guarantor	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiary	Co-Issuer	Consolidating Adjustments	Consolidated
Comprehensive income	$ 126.1	$ 141.3	$ 409.0	$ 4.8	$ —	$ (555.1)	$ 126.1

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidating Statement of Comprehensive Income

(in millions)	Year Ended December 31, 2012						
	Parent Guarantor	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiary	Co-Issuer	Consolidating Adjustments	Consolidated
Comprehensive income	$ 121.5	$ 121.5	$ 322.8	$ 13.2	$ —	$ (457.5)	$ 121.5

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidating Statement of Cash Flows

	Year Ended December 31, 2014						
(in millions)	Parent Guarantor	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiary	Co-Issuer	Consolidating Adjustments	Consolidated
Net cash (used in) provided by operating activities	$ —	$ (120.4)	$ 547.7	$ 11.8	$ —	$ (4.1)	$ 435.0
Cash flows from investing activities:							
Capital expenditures	—	(47.9)	(7.1)	—	—	—	(55.0)
Payment for equity investments	—	(86.8)	—	—	—	—	(86.8)
Payment of accrued charitable contribution related to the MPK Coworker Incentive Plan II	—	(20.9)	—	—	—	—	(20.9)
Premium payments on interest rate cap agreements	—	(2.1)	—	—	—	—	(2.1)
Net cash used in investing activities	—	(157.7)	(7.1)	—	—	—	(164.8)
Cash flows from financing activities:							
Repayments of long-term debt	—	(15.4)	—	—	—	—	(15.4)
Proceeds from issuance of long-term debt	—	1,175.0	—	—	—	—	1,175.0
Payments to extinguish long-term debt	—	(1,299.0)	—	—	—	—	(1,299.0)
Payment of debt financing costs	—	(21.9)	—	—	—	—	(21.9)
Net change in accounts payable-inventory financing	—	—	75.5	—	—	—	75.5
Proceeds from stock option exercises	—	1.3	—	—	—	—	1.3
Proceeds from Coworker stock purchase plan	—	5.8	—	—	—	—	5.8
Dividends paid	(33.6)	—	—	—	—	—	(33.6)
Excess tax benefits from equity-based compensation	—	0.3	—	—	—	—	0.3
Advances to/from affiliates	33.6	581.9	(616.1)	0.6	—	—	—
Net cash provided by (used in) financing activities	—	428.0	(540.6)	0.6	—	—	(112.0)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	(1.8)	—	—	(1.8)
Net increase in cash and cash equivalents	—	149.9	—	10.6	—	(4.1)	156.4
Cash and cash equivalents – beginning of period	—	196.5	—	14.0	—	(22.4)	188.1
Cash and cash equivalents – end of period	$ —	$ 346.4	$ —	$ 24.6	$ —	$ (26.5)	$ 344.5

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidating Statement of Cash Flows

	Year Ended December 31, 2013						
(in millions)	Parent Guarantor	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiary	Co-Issuer	Consolidating Adjustments	Consolidated
Net cash (used in) provided by operating activities	$ (15.2)	$ (130.3)	$ 508.8	$ 5.5	$ —	$ (2.5)	$ 366.3
Cash flows from investing activities:							
Capital expenditures	—	(40.8)	(6.2)	(0.1)	—	—	(47.1)
Net cash used in investing activities	—	(40.8)	(6.2)	(0.1)	—	—	(47.1)
Cash flows from financing activities:							
Proceeds from borrowings under revolving credit facility	—	63.0	—	—	—	—	63.0
Repayments of borrowings under revolving credit facility	—	(63.0)	—	—	—	—	(63.0)
Repayments of long-term debt	—	(51.1)	—	—	—	—	(51.1)
Proceeds from issuance of long-term debt	—	1,535.2	—	—	—	—	1,535.2
Payments to extinguish long-term debt	—	(2,047.4)	—	—	—	—	(2,047.4)
Payment of debt financing costs	—	(6.1)	—	—	—	—	(6.1)
Net change in accounts payable-inventory financing	—	—	7.4	—	—	—	7.4
Payment of incentive compensation plan withholding taxes	—	(4.0)	(19.6)	(0.5)	—	—	(24.1)
Net proceeds from issuance of common shares	424.7	—	—	—	—	—	424.7
Dividends paid	(7.3)	—	—	—	—	—	(7.3)
Advances to/from affiliates	(402.2)	892.6	(490.4)	—	—	—	—
Other financing activities	—	0.4	—	—	—	—	0.4
Net cash provided by (used in) financing activities	15.2	319.6	(502.6)	(0.5)	—	—	(168.3)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	(0.7)	—	—	(0.7)
Net increase in cash and cash equivalents	—	148.5	—	4.2	—	(2.5)	150.2
Cash and cash equivalents – beginning of period	—	48.0	—	9.8	—	(19.9)	37.9
Cash and cash equivalents – end of period	$ —	$ 196.5	$ —	$ 14.0	$ —	$ (22.4)	$ 188.1

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidating Statement of Cash Flows

	Year Ended December 31, 2012						
(in millions)	Parent Guarantor	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiary	Co-Issuer	Consolidating Adjustments	Consolidated
Net cash (used in) provided by operating activities	$ —	$ (204.3)	$ 514.2	$ 1.3	$ —	$ 6.2	$ 317.4
Cash flows from investing activities:							
Capital expenditures	—	(27.0)	(14.0)	(0.4)	—	—	(41.4)
Premium payments on interest rate cap agreements	—	(0.3)	—	—	—	—	(0.3)
Net cash used in investing activities	—	(27.3)	(14.0)	(0.4)	—	—	(41.7)
Cash flows from financing activities:							
Proceeds from borrowings under revolving credit facility	—	289.0	—	—	—	—	289.0
Repayments of borrowings under revolving credit facility	—	(289.0)	—	—	—	—	(289.0)
Repayments of long-term debt	—	(201.0)	—	—	—	—	(201.0)
Proceeds from issuance of long-term debt	—	135.7	—	—	—	—	135.7
Payments to extinguish long-term debt	—	(243.2)	—	—	—	—	(243.2)
Payment of debt financing costs	—	(2.1)	—	—	—	—	(2.1)
Net change in accounts payable-inventory financing	—	—	(29.5)	—	—	—	(29.5)
Advances to/from affiliates	—	486.0	(486.5)	0.5	—	—	—
Other financing activities	—	2.1	—	—	—	—	2.1
Net cash provided by (used in) financing activities	—	177.5	(516.0)	0.5	—	—	(338.0)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	0.3	—	—	0.3
Net (decrease) increase in cash and cash equivalents	—	(54.1)	(15.8)	1.7	—	6.2	(62.0)
Cash and cash equivalents – beginning of period	—	102.1	15.8	8.1	—	(26.1)	99.9
Cash and cash equivalents – end of period	$ —	$ 48.0	$ —	$ 9.8	$ —	$ (19.9)	$ 37.9

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

19. Selected Quarterly Financial Results (unaudited)

(in millions, except per-share amounts)	2014			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net Sales Detail:				
Corporate:				
Medium/Large	$ 1,274.8	$ 1,395.4	$ 1,374.8	$ 1,440.3
Small Business	230.8	260.8	247.9	250.7
Total Corporate	1,505.6	1,656.2	1,622.7	1,691.0
Public:				
Government	254.2	313.1	441.3	440.8
Education	321.6	527.0	632.8	342.6
Healthcare	394.1	431.5	394.7	385.7
Total Public	969.9	1,271.6	1,468.8	1,169.1
Other	176.8	178.2	174.6	190.0
Net sales	$ 2,652.3	$ 3,106.0	$ 3,266.1	$ 3,050.1
Gross profit	$ 425.2	$ 496.9	$ 507.3	$ 491.9
Income from operations	135.8	188.2	184.7	164.3
Net income	50.9	86.6	55.6	51.8
Net income per common share [1]:				
Basic	0.30	0.51	0.33	$ 0.30
Diluted	0.30	0.50	0.32	$ 0.30

(in millions, except per-share amounts)	2013			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net Sales Detail:				
Corporate:				
Medium/Large [2]	$ 1,180.5	$ 1,308.5	$ 1,241.3	$ 1,322.3
Small Business [2]	223.4	228.9	224.5	230.7
Total Corporate	1,403.9	1,537.4	1,465.8	1,553.0
Public:				
Government	252.3	295.7	375.3	327.3
Education	232.2	420.6	513.4	282.8
Healthcare	362.3	366.3	355.9	380.4
Total Public	846.8	1,082.6	1,244.6	990.5
Other	161.0	159.3	153.9	169.8
Net sales	$ 2,411.7	$ 2,779.3	$ 2,864.3	$ 2,713.3
Gross profit	$ 402.0	$ 451.6	$ 458.4	$ 448.3
Income from operations [3]	120.1	153.6	92.9	142.0
Net income (loss) [3]	28.3	46.7	(2.2)	60.0
Net income (loss) per common share [1][3]:				
Basic	0.19	0.32	(0.01)	0.35
Diluted	0.19	0.32	(0.01)	0.35

(1) Basic and diluted net income (loss) per share are computed independently for each of the quarters presented. Therefore, the sum of quarterly basic and diluted per share information may not equal annual basic and diluted net income (loss) per share.

(2) Net sales for the corporate channels (medium/large and small business) have been restated for all periods presented above to conform with the new corporate hierarchy presented for first quarter of 2014.

(3) The third quarter of 2013 included pre-tax IPO-related charges of $74.1 million . See Note 9 for additional discussion of the IPO.

20. Subsequent Events

During the first quarter of 2015, the Company entered into six interest rate cap agreements with a combined notional amount of $400.0 million . Under the agreements, the Company made premium payments totaling $0.5 million to the counterparties in exchange for the right to receive payments equal to the amount, if any, by which three-month LIBOR exceeds 2.0% during the agreement period. The interest rate cap agreements are effective from January 14, 2015 through January 14, 2017.

On February 10, 2015, the Company announced that its board of directors declared a cash dividend on the Company's common stock of $0.0675 per share. The dividend will be paid on March 10, 2015 to all stockholders of record as of the close of business on February 25, 2015. Future dividends will be subject to the approval of the Company's board of directors.

SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS
Years ended December 31, 2014, 2013 and 2012

(in millions)	Balance at Beginning of Period	Charged to Costs and Expenses	Deductions	Balance at End of Period
Allowance for doubtful accounts:				
Year Ended December 31, 2014	$ 5.4	$ 5.4	$ (5.1)	$ 5.7
Year Ended December 31, 2013	5.4	2.8	(2.8)	5.4
Year Ended December 31, 2012	5.4	3.9	(3.9)	5.4
Reserve for sales returns:				
Year Ended December 31, 2014	$ 5.1	$ 36.2	$ (36.2)	$ 5.1
Year Ended December 31, 2013	4.4	35.0	(34.3)	5.1
Year Ended December 31, 2012	4.5	33.2	(33.3)	4.4

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rule13a-15(e) or Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, has concluded that, as of the end of such period, the Company's disclosure controls and procedures were effective in recording, processing, summarizing, and reporting, on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act, and that information is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely discussions regarding required disclosure.

Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements and can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2014. Management based this assessment on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in "Internal Control — Integrated Framework (2013 framework)."

Based on its assessment, management concluded that, as of December 31, 2014, the Company's internal control over financial reporting is effective.

Ernst & Young LLP, independent registered public accounting firm, has audited the consolidated financial statements of the Company and the Company's internal control over financial reporting and has included their reports herein.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the fiscal quarter ended December 31, 2014 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
CDW Corporation

We have audited CDW Corporation and subsidiaries' internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). CDW Corporation and subsidiaries' management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, CDW Corporation and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of CDW Corporation and subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive income, shareholders' equity (deficit) and cash flows for each of the three years in the period ended December 31, 2014 of CDW Corporation and subsidiaries and our report dated February 26, 2015 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Chicago, Illinois
February 26, 2015

Item 9B. Other Information

None.

PART III

Item 10. Directors, Managers, Executive Officers and Corporate Governance

We have adopted The CDW Way Code, our code of business conduct and ethics, that is applicable to all of our coworkers. Additionally, within The CDW Way Code is a Financial Integrity Code of Ethics that sets forth an even higher standard applicable to our executives, officers, members of our internal disclosure committee and all managers and above in our finance department. A copy of this code is available on our corporate website at www.cdw.com . If we make any substantive amendments to this code or grant any waiver from a provision to our chief executive officer, principal financial officer or principal accounting officer, we will disclose the nature of such amendment or waiver on our website or in a report on Form 8-K.

See Part I - “Executive Officers” for information about our executive officers, which is incorporated by reference in this Item 10. Other information required under this Item 10 is incorporated herein by reference to our definitive proxy statement for our 2015 annual meeting of stockholders on May 13, 2015 (“2015 proxy statement”), which we will file with the SEC on or before 120 days after our 2014 fiscal year-end.

Item 11. Executive Compensation

Information required under this Item 11 is incorporated herein by reference to the 2015 proxy statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information required under this Item 12 is incorporated herein by reference to the 2015 proxy statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required under this Item 13 is incorporated herein by reference to the 2015 proxy statement.

Item 14. Principal Accountant Fees and Services

Information required under this Item 14 is incorporated herein by reference to the 2015 proxy statement.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Financial Statements and Schedules

The following documents are filed as part of this report:

(1) Consolidated Financial Statements:

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Report of Independent Registered Public Accounting Firm	59
Consolidated Balance Sheets as of December 31, 2014 and 2013	60
Consolidated Statements of Operations for the years ended December 31, 2014, 2013 and 2012	61
Consolidated Statements of Comprehensive Income for the years ended December 31, 2014, 2013 and 2012	62
Consolidated Statements of Shareholders' Equity (Deficit) for the years ended December 31, 2014, 2013 and 2012	63
Consolidated Statements of Cash Flows for the years ended December 31, 2014, 2013 and 2012	64
Notes to Consolidated Financial Statements	65

(2) Financial Statement Schedules:

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Schedule II – Valuation and Qualifying Accounts	106

All other schedules are omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements or notes thereto.

(b) Exhibits

The information required by this Item is set forth on the exhibit index that follows the signature page of this report.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CDW CORPORATION

Date: February 26, 2015

By: /s/ Thomas E. Richards
Thomas E. Richards
Chairman, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Thomas E. Richards Thomas E. Richards	Chairman, President and Chief Executive Officer (principal executive officer) and Director	February 26, 2015
/s/ Ann E. Ziegler Ann E. Ziegler	Senior Vice President and Chief Financial Officer (principal financial officer)	February 26, 2015
/s/ Virginia L. Seggerman Virginia L. Seggerman	Vice President and Controller (principal accounting officer)	February 26, 2015
/s/ Steven W. Alesio Steven W. Alesio	Director	February 26, 2015
/s/ Barry K. Allen Barry K. Allen	Director	February 26, 2015
/s/ Benjamin D. Chereskin Benjamin D. Chereskin	Director	February 26, 2015
/s/ Glenn M. Creamer Glenn M. Creamer	Director	February 26, 2015
/s/ Michael J. Dominguez Michael J. Dominguez	Director	February 26, 2015
/s/ Paul J. Finnegan Paul J. Finnegan	Director	February 26, 2015
/s/ David W. Nelms David W. Nelms	Director	February 26, 2015
/s/ Robin P. Selati Robin P. Selati	Director	February 26, 2015
/s/ Donna F. Zarcone Donna F. Zarcone	Director	February 26, 2015

EXHIBIT INDEX

Exhibit Number	Description
3.1	Fifth Amended and Restated Certificate of Incorporation of CDW Corporation, previously filed as Exhibit 3.1 with CDW Corporation's Amendment No. 2 to Form S-1 filed on June 14, 2013 (Reg. No. 333-187472) and incorporated herein by reference.
3.2	Amended and Restated By-Laws of CDW Corporation, previously filed as Exhibit 3.2 with CDW Corporation's Amendment No. 2 to Form S-1 filed on June 14, 2013 (Reg. No. 333-187472) and incorporated herein by reference.
3.3	Articles of Organization of CDW LLC, previously filed as Exhibit 3.3 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
3.4	Amended and Restated Limited Liability Company Agreement of CDW LLC, previously filed as Exhibit 3.4 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
3.5	Certificate of Incorporation of CDW Finance Corporation, previously filed as Exhibit 3.5 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
3.6	By-Laws of CDW Finance Corporation, previously filed as Exhibit 3.6 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
3.7	Amended and Restated Articles of Incorporation of CDW Technologies, Inc., previously filed as Exhibit 3.7 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
3.8	Amended and Restated By-Laws of CDW Technologies, Inc., previously filed as Exhibit 3.8 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
3.9	Articles of Organization of CDW Direct, LLC, previously filed as Exhibit 3.9 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
3.10	Amended and Restated Limited Liability Company Agreement of CDW Direct, LLC, previously filed as Exhibit 3.10 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
3.11	Articles of Organization of CDW Government LLC, previously filed as Exhibit 3.11 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
3.12	Amended and Restated Limited Liability Company Agreement of CDW Government LLC, previously filed as Exhibit 3.12

	with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
3.13	Articles of Incorporation of CDW Logistics, Inc., previously filed as Exhibit 3.14 with CDW Corporation's Form S-3 filed on July 31, 2014 (Reg. No. 333-197744) and incorporated herein by reference.
3.14	By-Laws of CDW Logistics, Inc., previously filed as Exhibit 3.14 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
4.1	Specimen Common Stock Certificate, previously filed as Exhibit 4.1 with CDW Corporation’s Amendment No. 3 to Form S-1 filed on June 25, 2013 (Reg. No. 333-187472) and incorporated herein by reference.
4.2	Indenture, dated as of August 5, 2014, by and among CDW LLC, CDW Finance Corporation, the guarantors party thereto and U.S. Bank National Association, as trustee, previously filed as Exhibit 4.1 with CDW Corporation's Form 8-K filed on August 6, 2014 and incorporated herein by reference.

Exhibit Number	Description
4.3	Form of 6% Senior Note (included as Exhibit A to Exhibit 4.1), previously filed as Exhibit 4.2 with CDW Corporation's Form 8-K filed on August 6, 2014 and incorporated herein by reference.
4.4	Senior Note Indenture, dated as of April 13, 2011, between CDW Escrow Corporation and U.S. Bank National Association as trustee, previously filed as Exhibit 4.1 with CDW Corporation's Form 8-K filed on April 14, 2011 and incorporated herein by reference.
4.5	Senior Note Supplemental Indenture, dated as of April 13, 2011, by and among CDW LLC, CDW Finance Corporation, the guarantors party thereto and U.S. Bank National Association as trustee, previously filed as Exhibit 4.2 with CDW Corporation's Form 8-K filed on April 14, 2011 and incorporated herein by reference. \
4.6	Second Senior Note Supplemental Indenture, dated as of May 20, 2011, by and among CDW LLC, CDW Finance Corporation, CDW Escrow Corporation, the guarantors party thereto and U.S. Bank National Association as Trustee, previously filed as Exhibit 4.1 with CDW Corporation's Form 8-K filed on May 23, 2011 and incorporated herein by reference.
4.7	Third Senior Note Supplemental Indenture, dated as of February 17, 2012, by and among CDW LLC, CDW Finance Corporation, the guarantors party thereto and U.S. Bank National Association as Trustee, previously filed as Exhibit 4.5 with CDW Corporation's Form 8-K filed on February 17, 2012 and incorporated herein by reference.
4.8	Fourth Senior Note Supplemental Indenture, dated as of May 10, 2012, by and among CDW LLC, CDW Finance Corporation, the guarantors party thereto and U.S. Bank National Association as trustee, previously filed as Exhibit 4.3 with CDW Corporation's Form 8-K filed on May 11, 2012 and incorporated herein by reference.
4.9	Form of Senior Note (included as Exhibit A to Exhibit 4.5), previously filed as Exhibit 4.3 with CDW Corporation's Form 8-K filed on April 14, 2011 and incorporated herein by reference.
4.10	Base Indenture, dated as of December 1, 2014, by and among CDW LLC, CDW Finance Corporation, CDW Corporation, the guarantors party thereto and U.S. Bank National Association as trustee, previously filed as Exhibit 4.1 with CDW Corporation's Form 8-K filed on December 1, 2014 and incorporated herein by reference.
4.11	Supplemental Indenture, dated as of December 1, 2014, by and among CDW LLC, CDW Finance Corporation, CDW Corporation the guarantors party thereto and U.S. Bank National Association as trustee, previously filed as Exhibit 4.2 with CDW Corporation's Form 8-K filed on December 1, 2014 and incorporated herein by reference.

4.12	Form of 5.5% Senior Note (included as Exhibit B to Exhibit 4.12), previously filed as Exhibit 4.3 with CDW Corporation's Form 8-K filed on December 1, 2014 and incorporated herein by reference.
10.1	Amended and Restated Revolving Loan Credit Agreement, dated as of June 6, 2014, by and among CDW LLC, the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as administrative agent, GE Commercial Distribution Finance Corporation, as floorplan funding agent, and the joint lead arrangers, joint bookrunners, co-collateral agents, co-syndication agents and co-documentation agents party thereto, previously filed as Exhibit 10.1 with CDW Corporation's Form 8-K filed on June 9, 2014 (Reg. No. 333-197744) and incorporated herein by reference.
10.2	Term Loan Agreement, dated as of April 29, 2013, by and among CDW LLC, the lenders from time to time party thereto, Barclays Bank PLC, as administrative agent and collateral agent, and the joint lead arrangers, joint bookrunners, co-syndication agents and co-documentation agents party thereto, previously filed as Exhibit 10.1 with CDW Corporation’s Form 8-K filed on May 1, 2013 and incorporated herein by reference.
10.3	First Amendment to Term Loan Agreement, dated as of May 30, 2013, by and among CDW LLC, the lenders from time to time party thereto, and Barclays Bank PLC, as administrative agent and collateral agent, previously filed as Exhibit 10.3 with CDW Corporation’s Amendment No. 2 to Form S-1 filed on June 14, 2013 (Reg. No. 333-187472) and incorporated herein by reference.
10.4	Incremental Amendment, dated as of July 31, 2013, by and among CDW LLC, the lenders party thereto and Barclays Bank PLC, as administrative agent, previously filed as Exhibit 10.1 with CDW Corporation’s Form 8-K filed on August 1, 2013 and incorporated herein by reference.

Exhibit Number	Description
10.5	Third Amendment to the Term Loan Agreement, dated as of September 12, 2013, by and among CDW LLC, the lenders from time to time party thereto and Barclays Bank PLC, as administrative agent and collateral agent, previously filed as Exhibit 10.2 with CDW Corporation's Form 10-Q filed on November 7, 2013 and incorporated herein by reference.
10.6	Second Amended and Restated Guarantee and Collateral Agreement, dated April 29, 2013, by and among CDW LLC, the guarantors party thereto and Barclays Bank PLC, as collateral agent, previously filed as Exhibit 10.2 with CDW Corporation’s Form 8-K filed on May 1, 2013 and incorporated herein by reference.
10.7	Management Services Agreement, dated as of October 12, 2007, by and between CDW Corporation, Madison Dearborn Partners V-B, L.P. and Providence Equity Partners L.L.C., previously filed as Exhibit 10.9 with CDW Corporation’s Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
10.8	Termination Agreement, dated as of June 12, 2013, by and among CDW Corporation, Madison Dearborn Partners V-B, L.P. and Providence Equity Partners L.L.C., previously filed as Exhibit 10.6 with CDW Corporation’s Amendment No. 2 to Form S-1 filed on June 14, 2013 (Reg. No. 333-187472) and incorporated herein by reference.
10.9	Registration Agreement, dated as of October 12, 2007, by and among VH Holdings, Inc., CDW Holdings LLC, Madison Dearborn Capital Partners V-A, L.P., Madison Dearborn Capital Partners V-C, L.P., Madison Dearborn Partners V Executive-A, L.P., Providence Equity Partners VI L.P., Providence Equity Partners VI-A L.P., and the other securityholders party thereto, previously filed as Exhibit 10.10 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
10.10	Withdrawal from Registration Agreement, dated as of November 12, 2013, by and between CDW Corporation and Paul S. Shain, previously filed as Exhibit 10.10 with CDW Corporation’s Form 10-K filed on March 5, 2014 and incorporated herein by reference.
10.11	Withdrawal from Registration Agreement, dated as of November 20, 2013, by and among CDW Corporation, James R. Shanks and BOS Holdings, LLC, previously filed as Exhibit 10.11 with CDW Corporation’s Form 10-K filed on March 5, 2014 and incorporated herein by reference.
10.12	Withdrawal from Registration Agreement, dated as of August 27, 2014, by and between CDW Corporation, John A. Edwardson and Whispering Pines Capital LLC , previously filed as Exhibit 10.1 with CDW Corporation’s Form 10-Q filed on November 12, 2014 and incorporated herein by reference.
10.13§	Amended and Restated Compensation Protection Agreement, dated as of March 24, 2014, by and among CDW Corporation, CDW LLC and Thomas E. Richards, previously filed as Exhibit 10.1 with CDW Corporation's Form 8-K filed on March 28, 2014 and incorporated herein by reference.
10.14§	Form of Compensation Protection Agreement (executive officers other than Thomas E. Richards), previously filed as Exhibit

	10.2 with CDW Corporation's Form 8-K filed on March 28, 2014 and incorporated herein by reference.
10.15§	Form of Noncompetition Agreement under the Compensation Protection Agreement, previously filed as Exhibit 10.3 with CDW Corporation's Form 8-K filed on March 28, 2014 and incorporated herein by reference.
10.16§	Letter Agreement, dated as of September 13, 2011, by and between CDW Direct, LLC and Christina M. Corley, previously filed as Exhibit 10.31 with CDW Corporation's Form 10-K filed on March 9, 2012 and incorporated herein by reference.
10.17§	Form of Indemnification Agreement by and between CDW Corporation and its directors and officers, previously filed as Exhibit 10.32 with CDW Corporation’s Amendment No. 2 to Form S-1 filed on June 14, 2013 (Reg. No. 333-187472) and incorporated herein by reference.
10.18	Stockholders Agreement, dated as of June 10, 2013, by and among CDW Corporation, Madison Dearborn Capital Partners V-A, L.P., Madison Dearborn Capital Partners V-C, L.P., Madison Dearborn Capital Partners V Executive-A, L.P., Providence Equity Partners VI L.P., Providence Equity Partners VI-A L.P. and the other securityholders party thereto, previously filed as Exhibit 10.33 with CDW Corporation’s Amendment No. 2 to Form S-1 filed on June 14, 2013 (Reg. No. 333-187472) and incorporated herein by reference.

Exhibit Number	Description
10.19§	CDW Corporation 2013 Senior Management Incentive Plan, previously filed as Exhibit 10.34 with CDW Corporation's Amendment No. 2 to Form S-1 filed on June 14, 2013 (Reg. No. 333-187472) and incorporated herein by reference.
10.20§	CDW Corporation 2013 Long-Term Incentive Plan, previously filed as Exhibit 10.35 with CDW Corporation's Amendment No. 2 to Form S-1 filed on June 14, 2013 (Reg. No. 333-187472) and incorporated herein by reference.
10.21§	CDW Corporation Coworker Stock Purchase Plan, previously filed as Exhibit 10.36 with CDW Corporation's Amendment No. 2 to Form S-1 filed on June 14, 2013 (Reg. No. 333-187472) and incorporated herein by reference.
10.22§	Form of CDW Corporation Option Award Notice and Stock Option Agreement (executed by Thomas E. Richards), previously filed as Exhibit 10.37 with CDW Corporation's Amendment No. 2 to Form S-1 filed on June 14, 2013 (Reg. No. 333-187472) and incorporated herein by reference.
10.23§	Form of CDW Corporation Option Award Notice and Stock Option Agreement (executed by Neal J. Campbell and Christina M. Corley), previously filed as Exhibit 10.38 with CDW Corporation's Amendment No. 2 to Form S-1 filed on June 14, 2013 (Reg. No. 333-187472) and incorporated herein by reference.
10.24§	Form of CDW Corporation Restricted Stock Award Notice and Restricted Stock Award Agreement (executed by Thomas E. Richards, Dennis G. Berger, Douglas E. Eckrote, Christine A. Leahy, Jonathan J. Stevens and Ann E. Ziegler), previously filed as Exhibit 10.12 with CDW Corporation's Form 10-Q filed on August 12, 2013 and incorporated herein by reference.
10.25§	Form of CDW Corporation Restricted Stock Award Notice and Restricted Stock Award Agreement (executed by Neal J. Campbell, Christina M. Corley, Christina V. Rother and Matthew A. Troka), previously filed as Exhibit 10.13 with CDW Corporation's Form 10-Q filed on August 12, 2013 and incorporated herein by reference.
10.26§	CDW Amended and Restated Restricted Debt Unit Plan, previously filed as Exhibit 10.3 with CDW Corporation's Form 10-Q filed on November 7, 2013 and incorporated herein by reference.
10.27§	Form of CDW Restricted Debt Unit Grant Notice and Agreement (executed by Thomas E. Richards, Dennis G. Berger, Douglas E. Eckrote, Christine A. Leahy, Jonathan J. Stevens and Ann E. Ziegler), previously filed as Exhibit 10.23 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
10.28§	Form of CDW Restricted Debt Unit Grant Notice and Agreement (executed by Neal J. Campbell, Christina M. Corley, Christina V. Rother and Matthew A. Troka and to be used for certain future grantees), previously filed as Exhibit 10.24 with CDW Corporation's Form S-4 filed on September 7, 2010 (Reg. No. 333-169258) and incorporated herein by reference.
10.29§	Form of Stock Option Agreement (executive officers) under the CDW Corporation 2013 Long-Term Incentive Plan,

	previously filed as Exhibit 10.4 with CDW Corporation's Form 10-Q filed on May 12, 2014 and incorporated herein by reference.
10.30§	Form of Performance Share Unit Award Agreement (executive officers) under the CDW Corporation 2013 Long-Term Incentive Plan, previously filed as Exhibit 10.5 with CDW Corporation's Form 10-Q filed on May 12, 2014 and incorporated herein by reference.
10.31§*	Form of Performance Share Award Agreement (executive officers) under the CDW Corporation 2013 Long-Term Incentive Plan.
10.32§	Form of Non-Employee Director Restricted Stock Unit Award Agreement under the CDW Corporation 2013 Long-Term Incentive Plan, previously filed as Exhibit 10.6 with CDW Corporation's Form 10-Q filed on May 12, 2014 and incorporated herein by reference.
12.1*	Computation of ratio of earnings to fixed charges.
21.1	List of subsidiaries, previously filed as Exhibit 21.1 with CDW Corporation's Form S-4 filed on April 13, 2012 (Reg. No. 333-180715) and incorporated herein by reference.

Exhibit Number	Description
23.1*	Consent of Ernst & Young LLP.
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934.
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934.
32.1**	Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350.
32.2**	Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith

** These items are furnished and not filed.

§ A management contract or compensatory arrangement required to be filed as an exhibit pursuant to Item 601 of Regulation S-K.

Exhibit 10.31

CDW CORPORATION
2013 LONG-TERM INCENTIVE PLAN

PERFORMANCE SHARE AWARD AGREEMENT

CDW Corporation, a Delaware corporation (the " Company "), hereby grants to the individual (the " Holder ") named in the award notice attached hereto (the " Award Notice ") as of the date set forth in the Award Notice (the " Grant Date "), pursuant to the provisions of the CDW Corporation 2013 Long-Term Incentive Plan (the " Plan "), a performance share award (the " Award ") with respect to the number of shares of the Company's Common Stock, par value $0.01 per share (" Stock "), set forth in the Award Notice, upon and subject to the restrictions, terms and conditions set forth in the Plan and this agreement (the " Agreement "). Capitalized terms not defined herein shall have the meanings specified in the Plan.

1. Award Subject to Acceptance of Agreement . The Award shall be null and void unless the Holder (a) accepts this Agreement by executing the Award Notice in the space provided therefor and returning an original execution copy of the Award Notice to the Company (or electronically accepting this Agreement within the Holder's stock plan account with the Company's stock plan administrator according to the procedures then in effect) and (b) if requested by the Company, executes and returns one or more irrevocable stock powers to facilitate the transfer to the Company (or its assignee or nominee) of all or a portion of the shares subject to the Award, if shares are forfeited pursuant to Section 3 hereof or if required under applicable laws or regulations. As soon as practicable after the Holder has accepted this Agreement and executed such stock power or powers and returned the same to the Company, the Company shall cause to be issued in the Holder's name the maximum number of shares of Stock subject to the Award.

2. Rights as a Stockholder . The Holder shall have the right to vote the shares of Stock subject to the Award unless and until such shares are forfeited pursuant to Section 3 hereof. As of each date on which the Company pays a cash dividend on the shares of Stock subject to the Award (a " Dividend Date "), the dividend shall be used to purchase from the Company a number of shares equal to (i) the product of the total number of shares subject to the Award immediately prior to such Dividend Date multiplied by the dollar amount of the cash dividend paid per share of Stock by the Company on such Dividend Date, divided by (ii) the Fair Market Value of a share of Stock on such Dividend Date. Any such additional shares shall be subject to the same vesting conditions and other terms set forth herein as the shares to which they relate. The shares of Stock subject to the Award may be held by a custodian in book entry form with the restrictions on such shares duly noted or, alternatively, the Company may hold the certificate or certificates representing such shares, in either case until the Award shall have vested, in whole or in part, pursuant to Section 3 hereof. As soon as practicable after shares of Stock shall have vested pursuant to Section 3 hereof, subject to Section 4 hereof, the restrictions shall be removed from those of such shares that are held in book entry form, and the Company shall deliver to the Holder any certificate or certificates representing those of such shares that are held by the Company and destroy or return to the Holder the stock power or powers relating to such shares. Any shares of Stock that do not become vested and are forfeited pursuant to Section 3 shall be transferred to the Company (or its assignee or nominee).

3. Restriction Period and Vesting .

3.1. Performance-Based Vesting Conditions . Subject to the remainder of this Section 3 , the Stock shall vest pursuant to the terms of this Agreement and the Plan based on the achievement of the performance goals set forth in the Award Notice over the performance period set forth in the Award Notice (the " Performance Period "), provided that that the Holder remains in continuous employment with the Company through the end of the Performance Period. Attainment of the performance goals shall be determined and certified by the Committee in writing prior to the vesting of the Award. Any shares of Stock subject to the portion of the Award that does not become vested due to the failure of the Company to achieve the performance goals at the maximum levels of performance shall be forfeited and transferred to the Company (or its assignee or nominee).

3.2. Termination of Employment

(a) Termination due to Retirement, Death or Disability . If the Holder's employment with the Company terminates prior to the end of the Performance Period and prior to a Change in Control by reason of the Holder's Retirement, death or a termination by the Company due to Disability, the Performance Period shall continue through the last day thereof and the Holder shall be entitled to a prorated Award, provided that the Holder has continuously complied with the Restrictive Covenants. Such prorated Award shall be equal to the number of shares earned at the end of the Performance Period based on the actual performance during the Performance Period multiplied by a fraction, the numerator of which shall equal the number of full months in the Performance Period during which the Holder was employed by the Company and the denominator of which shall equal 36. Attainment of the performance goals shall be determined and certified by the Committee in writing prior to the vesting of the Award. Any shares of Stock subject to the portion of the Award that does not become vested shall be forfeited and transferred to the Company (or its assignee or nominee).

(b) Termination other than due to Retirement, Death or Disability . If the Holder's employment with the Company terminates prior to the end of the Performance Period and prior to a Change in Control by reason of (i) the Company's termination of the Holder's employment for any reason other than death or Disability or (ii) the Holder's resignation for any reason other than Retirement, then the Award shall be immediately forfeited by the Holder and cancelled by the Company. The shares of Stock subject to the Award shall be forfeited and transferred to the Company (or its assignee or nominee).

3.3. Change in Control .

(a) Satisfaction of Performance Goals . If a Change in Control occurs prior to the 24-month anniversary of the first day of the Performance Period, the Performance Period shall end as of the date of the Change in Control and the performance goals set forth in Section 3.1 shall be deemed to have been satisfied at the target level. If the Change in Control occurs on or after the 24-month anniversary of the first day of the Performance Period, the Performance Period shall end as of the date of the Change in Control, and the number of shares of Stock earned pursuant to Section 3.1 shall be based on the projected level of performance through the end of the Performance Period, as determined by the Committee prior to the date of the Change in Control based on performance through the date of such determination. If the Change in Control occurs after the date on which the Participant's employment is terminated by reason of death, Disability or Retirement, pursuant to Section 3.2(a) , the number of shares earned for purposes of such section shall be determined as of the date of the Change in Control in accordance with this Section 3.3(a) and shall be vested as of the date of such Change in Control. Any shares of Stock subject to the

portion of the Award that does not become vested shall be forfeited and transferred to the Company (or its assignee or nominee).

(b) Vesting of Award Not Assumed . In the event of a Change in Control prior to the end of the Performance Period pursuant to which the Award is not effectively assumed or continued by the surviving or acquiring corporation in such Change in Control (as determined by the Board or Committee, with appropriate adjustments to the number and kind of shares, in each case, that preserve the value of the shares subject to the Award and other material terms and conditions of the outstanding Award as in effect immediately prior to the Change in Control), the Award shall vest as of the date of the Change in Control, based on the performance level determined in accordance with Section 3.3(a) . Any shares of Stock subject to the portion of the Award that does not become vested shall be forfeited and transferred to the Company (or its assignee or nominee).

(c) Vesting of Award Assumed . In the event of a Change in Control prior to the end of the Performance Period pursuant to which the Award is effectively assumed or continued by the surviving or acquiring corporation in such Change in Control (as determined by the Board or Committee, with appropriate adjustments to the number and kind of shares, in each case, that preserve the value of the shares subject to the Award and other material terms and conditions of the outstanding Award as in effect immediately prior to the Change in Control) and (i) the Holder remains continuously employed through the end of the Performance Period, (ii) the Company terminates the Holder's employment without Cause or the Holder resigns for Good Reason within 24 months following such Change in Control and the Holder executes and does not revoke a waiver and release of claims in the form prescribed by the Company within 60 days after the date of such termination or (iii) the Holder's employment terminates due to death, Disability or Retirement following such Change in Control, in any such case, the Award shall vest based on the performance level determined in accordance with Section 3.3(a) hereof as of the end of the Performance Period or, if earlier, the Holder's termination of employment; provided that to the extent that any Required Tax Payments are due prior to such vesting date, the Company shall withhold whole shares of Stock from the number of shares subject to the Award having an aggregate Fair Market Value, determined as of the date on which such withholding obligation arises, equal to the Required Tax Payments, in accordance with Section 6.1 . In the case of a termination pursuant to clause (ii) of this Section 3.3(c) (termination without Cause or resignation for Good Reason), the Award shall vest in full, and in the case of a termination pursuant to clause (iii) of this Section 3.3(c) (death, Disability or Retirement), the Award shall be prorated in accordance with, and subject to the terms of, Section 3.2(a) . If, following a Change in Control, the Holder experiences a termination of employment other than as set forth in this Section 3.3 (c) , the Award shall be immediately forfeited by the Holder and cancelled by the Company. Any shares of Stock subject to the portion of the Award that does not become vested shall be forfeited and transferred to the Company (or its assignee or nominee).

3.4. Definitions .

(a) Cause . For purposes of this Award, " Cause " shall mean one or more of the following: (A) Holder's refusal (after written notice and reasonable opportunity to cure) to perform duties properly assigned which are consistent with the scope and nature of Holder's position; (B) Holder's commission of an act materially and demonstrably detrimental to the financial condition and/or goodwill of the Company or any of its Subsidiaries, which act constitutes gross negligence or willful misconduct in the performance of duties to the Company or any of its Subsidiaries; (C) Holder's commission of any theft, fraud, act of dishonesty or breach of trust resulting in or intended to result in material personal gain or enrichment of Holder at the direct or indirect expense of the Company or any of its Subsidiaries; (D) Holder's conviction of, or plea of guilty or nolo contendere to, a felony; (E) Holder's material violation of

any Restrictive Covenant; or (F) Holder's material and willful violation of the Company's written policies or of Holder's statutory or common law duty of loyalty to the Company or its affiliates that in either case is materially injurious to the Company, monetarily or otherwise. No act or failure to act will be considered "willful" (x) unless it is done, or omitted to be done, by Holder in bad faith or without reasonable belief that Holder's action or omission was in the best interests of the Company or (y) if it is done, or omitted to be done, in reliance on the informed advice of the Company's outside counsel or independent accountants or at the express direction of the Board.

(b) Disability . For purposes of this Award, " Disability " shall mean the Holder's absence from the Holder's duties with the Company on a full-time basis for at least 180 consecutive days as a result of the Holder's incapacity due to physical or mental illness, or under such other circumstances as the Committee determines, in its sole discretion, constitute a Disability.

(c) Good Reason . For purposes of this Award, " Good Reason " shall mean that the Holder resigns from employment with the Company and its Subsidiaries as a result of one or more of the following reasons: (i) the Company reduces the amount of the Holder's base salary or cash bonus opportunity (it being understood that the Board shall have discretion to set the Company's and the Holder's personal performance targets to which the cash bonus will be tied), (ii) the Company adversely changes the Holder's reporting responsibilities, titles or office as in effect as of the date hereof or reduces his/her position, authority, duties, responsibilities or status materially inconsistent with the positions, authority, duties, responsibilities or status the Holder then holds, (iii) any successor to the Company in any merger, consolidation or transfer of assets does not expressly assume any material obligation of the Company to the Holder under any agreement or plan pursuant to which the Holder receives benefits or rights, or (iv) the Company changes the Holder's place of work to a location more than fifty (50) miles from the Holder's present place of work; provided , however , that the occurrence of any such condition shall not constitute Good Reason unless (A) the Holder provides written notice to the Company of the existence of such condition not later than 60 days after the Holder knows or reasonably should know of the existence of such condition, (B) the Company fails to remedy such condition within 30 days after receipt of such notice and (C) the Holder resigns due to the existence of such condition within 60 days after the expiration of the remedial period described in clause (B) hereof.

(d) Restrictive Covenant . For purposes of this Award, " Restrictive Covenant " shall mean any non-competition, non-solicitation, confidentiality or protection of trade secrets (or similar provision regarding intellectual property) covenant by which Holder is bound under any agreement between Holder and the Company and its Subsidiaries.

(e) Retirement . For purposes of this Award, " Retirement " shall mean Holder's termination of employment at a time when (i) the Holder has attained age 55 and (B) the sum of the Holder's age and years of employment with or service to the Company or its Subsidiaries equals or exceeds 65; provided that such termination occurs at least six months after the Grant Date.

4. Clawback of Proceeds .

4.1. Clawback of Proceeds . This award is subject to the clawback provisions in Section 5.15 of the Plan. In addition, if the Holder materially violates any Restrictive Covenant and such violation occurs on or before the third anniversary of the date of the Holder's termination of employment: (i) the Award shall be forfeited and (ii) any and all Performance Share Proceeds (as hereinafter defined) shall be immediately due and payable by the Holder to the Company. For purposes of this Section, " Performance Share Proceeds " shall mean, with respect to any portion of the Award which becomes

vested later than 24 months prior to the date of the Holder's termination of employment or service with the Company, the Fair Market Value of a share of Common Stock on the date such portion of the Award became vested, multiplied by the number of shares of Common Stock that became vested. The remedy provided by this Section shall be in addition to and not in lieu of any rights or remedies which the Company may have against the Holder in respect of a breach by the Holder of any duty or obligation to the Company.

4.2. Right of Setoff . The Holder agrees that by accepting the Award the Holder authorizes the Company and its affiliates to deduct any amount or amounts owed by the Holder pursuant to this Section 4 from any amounts payable by or on behalf of the Company or any affiliate to the Holder, including, without limitation, any amount payable to the Holder as salary, wages, vacation pay, bonus or the vesting or settlement of the Award or any stock-based award. This right of setoff shall not be an exclusive remedy and the Company's or an affiliate's election not to exercise this right of setoff with respect to any amount payable to the Holder shall not constitute a waiver of this right of setoff with respect to any other amount payable to the Holder or any other remedy.

5. Transfer Restrictions and Investment Representation .

5.1. Nontransferability of Award . The Award may not be transferred by the Holder other than by will or the laws of descent and distribution. Except to the extent permitted by the foregoing sentence, the Award may not be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of the Award, the Award and all rights hereunder shall immediately become null and void.

5.2. Investment Representation . The Holder hereby covenants that (a) any sale of any share of Stock acquired upon the vesting of the Award shall be made either pursuant to an effective registration statement under the Securities Act of 1933, as amended (the " Securities Act "), and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws and (b) the Holder shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance of the shares and, in connection therewith, shall execute any documents which the Committee shall in its sole discretion deem necessary or advisable.

6. Additional Terms and Conditions of Award .

6.1. Withholding Taxes . As a condition precedent to the vesting of the Award and the delivery of the Stock hereunder, at the Company's discretion either (i) the Holder shall pay to the Company such amount as the Company (or an affiliate) determines is required, under all applicable federal, state, local, foreign or other laws or regulations, to be withheld and paid over as income or other withholding taxes (the " Required Tax Payments ") with respect to the Award or (ii) the Company or an affiliate may, in its discretion, deduct any Required Tax Payments from any amount then or thereafter payable by the Company or an affiliate to the Holder, which may include the withholding of whole shares of Stock which would otherwise be delivered to the Holder having an aggregate Fair Market Value, determined as of the date on which such withholding obligation arises, equal to the Required Tax Payments, in either case in accordance with such terms, conditions and procedures that may be prescribed by the Company. Shares of stock withheld may not have a Fair Market Value in excess of the Company's minimum statutory withholding requirements for the Required Tax Payments;

provided, however, that if a fraction of a share of Stock would be required to satisfy the minimum amount of the Required Tax Payments, then the number of shares of Stock to be withheld may be rounded up to the next nearest whole share of Stock. Notwithstanding the foregoing, if the Required Tax Payments are due prior to the date the Company determines the number of shares of Stock that have become vested, the amount of the Required Tax Payments, including the number of shares withheld to pay such Required Tax Payments, may be based on a reasonable estimate of the number of shares that are expected to become vested. No certificate representing a share of Stock shall be delivered until the Required Tax Payments have been satisfied in full. A determination by the Company to satisfy the Required Tax Payments by withholding shares of Stock shall be made by the Committee if the Holder is subject to Section 16 of the Exchange Act.

6.2. Compliance with Applicable Law . The Award is subject to the condition that if the listing, registration or qualification of the shares of Stock subject to the Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the delivery of shares hereunder, the shares of Stock subject to the Award shall not be delivered, in whole or in part, unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval or other action.

6.3. Award Confers No Rights to Continued Employment . In no event shall the granting of the Award or its acceptance by the Holder, or any provision of the Agreement or the Plan, give or be deemed to give the Holder any right to continued employment by the Company, any Subsidiary or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary or any affiliate of the Company to terminate the employment of any person at any time.

6.4. Decisions of Board or Committee . The Board or the Committee shall have the right to resolve all questions which may arise in connection with the Award. Any interpretation, determination or other action made or taken by the Board or the Committee regarding the Plan or this Agreement shall be final, binding and conclusive.

6.5. Successors . This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon the death of the Holder, acquire any rights hereunder in accordance with this Agreement or the Plan.

6.6. Notices . All notices, requests or other communications provided for in this Agreement shall be made, if to the Company, to CDW Corporation, Attn: General Counsel, 200 N. Milwaukee Avenue, Vernon Hills, Illinois 60061, and if to the Holder, to the last known mailing address of the Holder contained in the records of the Company. All notices, requests or other communications provided for in this Agreement shall be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mails or (d) by express courier service. The notice, request or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission or upon receipt by the party entitled thereto if by United States mail or express courier service; provided , however , that if a notice, request or other communication sent to the Company is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

6.7. Governing Law . This Agreement, the Award and all determinations made and actions taken pursuant hereto and thereto, to the extent not governed by the laws of the United States,

shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

6.8. Agreement Subject to the Plan . This Agreement is subject to the provisions of the Plan and shall be interpreted in accordance therewith. In the event that the provisions of this Agreement and the Plan conflict, the Plan shall control. The Holder hereby acknowledges receipt of a copy of the Plan.

6.9. Entire Agreement . This Agreement and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Holder with respect to the subject matter hereof, and may not be modified adversely to the Holder's interest except by means of a writing signed by the Company and the Holder.

6.10. Partial Invalidity . The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provision was omitted.

6.11. Amendment and Waiver . The Company may amend the provisions of this Agreement at any time; provided that an amendment that would adversely affect the Holder's rights under this Agreement shall be subject to the written consent of the Holder. No course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

6.12. Compliance With Section 409A of the Code . This Award is intended to be exempt from Section 409A of the Code, and shall be interpreted and construed accordingly.

EXHIBIT 12.1

CDW CORPORATION
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(unaudited)

(dollars in millions)	Years ended December 31,				
	2010	**2011**	**2012**	**2013**	**2014**
Computation of earnings:					
Income (loss) before income taxes and adjustment for (income) loss from equity investees	$ (37.1)	$ 28.3	$ 185.8	$ 194.9	$ 385.5
Distributed income from equity investees	0.2	0.5	1.2	1.0	1.1
Fixed charges	420.7	324.9	312.4	254.3	202.8
Total earnings	$ 383.8	$ 353.7	$ 499.4	$ 450.2	$ 589.4
Computation of fixed charges:					
Interest expense	$ 394.7	$ 302.0	$ 294.4	$ 241.8	$ 191.3
Amortization of deferred financing costs and debt premium	18.0	15.7	13.6	8.8	6.4
Portion of rent expense representative of interest [1]	8.0	7.2	4.4	3.7	5.1
Total fixed charges	$ 420.7	$ 324.9	$ 312.4	$ 254.3	$ 202.8
Ratio of earnings to fixed charges	(2)	1.1	1.6	1.8	2.9

(1) Fixed charges include a reasonable estimation of the interest factor included in rental expense.

(2) For the year ended December 31, 2010, earnings available for fixed charges were inadequate to cover fixed charges by $37.0 million.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-3 ASR No. 333-199425) of CDW Corporation, and

(2) Registration Statement (Form S-8 No. 333-189622) pertaining to the 2013 Long-Term Incentive Plan and Coworker Stock Purchase Plan of CDW Corporation;

of our reports dated February 26, 2015, with respect to the consolidated financial statements and schedule of CDW Corporation and subsidiaries and the effectiveness of internal control over financial reporting of CDW Corporation and subsidiaries included in this Annual Report (Form 10-K) of CDW Corporation for the year ended December 31, 2014.

/s/ Ernst & Young LLP

Chicago, Illinois
February 26, 2015

Exhibit 31.1

CERTIFICATION PURSUANT TO RULE 13a-14(a) or 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934

I, Thomas E. Richards, certify that:

1. I have reviewed this annual report on Form 10-K of CDW Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Thomas E. Richards

Thomas E. Richards
Chairman, President and Chief Executive Officer
CDW Corporation
February 26, 2015

Exhibit 31.2

CERTIFICATION PURSUANT TO RULE 13a-14(a) or 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934

I, Ann E. Ziegler, certify that:

1. I have reviewed this annual report on Form 10-K of CDW Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Ann E. Ziegler

Ann E. Ziegler
Senior Vice President and Chief Financial Officer
CDW Corporation
February 26, 2015

Exhibit 32.1

CERTIFICATION PURSUANT TO SECTION 1350 OF CHAPTER 63
OF TITLE 18 OF THE UNITED STATES CODE

I, Thomas E. Richards, the chief executive officer of CDW Corporation ("CDW"), certify that (i) the Annual Report on Form 10-K for the year ended December 31, 2014 (the "10-K") of CDW fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the 10-K fairly presents, in all material respects, the financial condition and results of operations of CDW.

/s/ Thomas E. Richards

Thomas E. Richards
Chairman, President and Chief Executive Officer
CDW Corporation
February 26, 2015

Exhibit 32.2

CERTIFICATION PURSUANT TO SECTION 1350 OF CHAPTER 63
OF TITLE 18 OF THE UNITED STATES CODE

I, Ann E. Ziegler, the chief financial officer of CDW Corporation ("CDW"), certify that (i) the Annual Report on Form 10-K for the year ended December 31, 2014 (the "10-K") of CDW fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the 10-K fairly presents, in all material respects, the financial condition and results of operations of CDW.

/s/ Ann E. Ziegler

Ann E. Ziegler
Senior Vice President and Chief Financial Officer
CDW Corporation
February 26, 2015

Attachment B: Methodology

1. Overall Approach

Requirement

1. Offeror shall describe its overall approach to providing solicited services. Include how Offeror plans to meet or exceed requirements of the Scope of Work and Terms and Conditions.

Response

At CDW, our software business is the single largest category, with sales generating over $3 billion annually. This encompasses both traditional software licensing and subscription-based Software-as-a-Service (SaaS) licensing models. We offer innovative value-added benefits (detailed further in **requirement 7**) to enhance the procurement process, lower administrative costs, and reduce the risk of noncompliance associate with volume software licensing.

To meet—and exceed—the needs of the NASPO ValuePoint contract customers, as delineated in the Scope of Work and Terms and Conditions, CDW•G presents our customizable customer website, dedicated account managers and software licensing specialists, industry-best customer service, a streamlined software-management system, and direct, timely support.

CDW•G has proposed changes to the Terms and Conditions that are detailed within **Attachment D**, per the requirements of Executive Summary. Most of the proposed changes are a direct result of our status as an authorized reseller of licensing, where terms are currently drafted as if the awardee is the publisher. We appreciate the opportunity to discuss further and anticipate a good-faith negotiation.

2. Website

Requirement

2. Per Section 3.1.3, the SVAR shall Develop and Maintain Website. Describe the website to be established for a state. Address that website's functionalities or special features. You may supplement this response with illustrative screen prints (no more than 10) from one of your company's existing websites. Taking into account the requirements of Section 3.1.3, address at a minimum:

Response

CDW has over 20 years' experience in providing customer purchasing solutions on our website. We transact over $2.5 billion dollars in business **through our website** annually, which puts us in one of the top 10 e-commerce sites in the US. Our website, found at www.cdwg.com, is highly customizable, allowing each agency, department, and workgroup to tailor the site according to their specific needs.

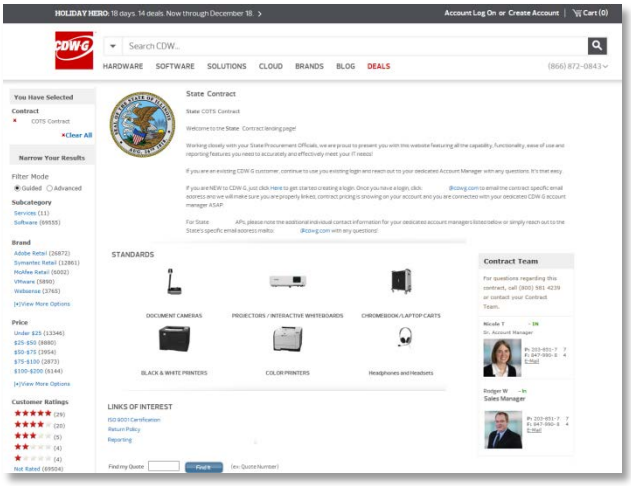
Additionally, the CDW•G program manager supporting the contract will create and maintain a contract-specific website, called a Premium Page. This site possesses the same functionalities as our website, with additional links features and contract pricing listed for each available contract item.

Requirement

- 2.1 Home page appearance and information;

Response

The contract's CDW•G Premium Page requires no login to view, so our account teams and NASPO ValuePoint can easily direct eligible agencies to the site to demonstrate the competitive pricing available. There are a number of customizable features we will tailor to your preferences. Options include links of interest, text and images, related documentation, and the highlighting of specific OEMs and/or software solutions. Items standard to the home page include a quick "Find My Quote" search option and our general sales contact information, as well as providing easy access to our site subpages (e.g., Software, Cloud, Blog, Solutions).



CDW•G will provide NASPO ValuePoint customers with access to a **free** customized Account Center site where they can view quotes, place orders, check status of orders, and track their order history. This site is available by logging into the customer account from either the Premium Page or www.cdwg.com.

Requirement

- 2.2 On-line tutorials;

Response

We offer online tutorials for use of our website, as well as webinars about popular technology solutions. A high-level Account Center tour and a CDW website tour are available here: www.cdwsiteinfo.com. The site also includes website FAQs; detailed breakdowns of the Account Center functionalities, and a blog featuring new site updates. Within your Account Center, function-specific tutorials and instructions are available for major areas (e.g., catalogs, quotes, order tracking. We house solution-specific tutorials and webinars in the Media Library, with nearly 70 webinars and over 10 different video channels. This easy-to-search library includes a plethora of helpful documentation for users to research, as well.

Requirement

- 2.3 Product catalog (include searchable fields, products to be included, how license information is provided);

Response

The contract's Premium Page allows NASPO ValuePoint customers to perform quick product searches and to comparison shop by viewing up to 10 side-by-side product descriptions, with a number of helpful filtering options. Additionally, customers can export the comparison information into a CSV file for reporting needs.

Our site includes license information on each product page. This information appears on the comparison tool when selecting the "Technical Specs" option. Licensing details include, but are not limited to, agreement term, category, level, type, licensing program, pricing level, subscription details (when applicable), quantity, and service support (where included).

Specific to NASPO ValuePoint, users can also view descriptions of the most popular vendor partners' licensing programs from the software licensing center, eliminating the hassle of downloading data from multiple manufacturer websites and providing a full library of helpful resources to educate on software licensing.

To continue with a purchase, users must enter a unique ID and password, at which point eligible entities can quickly track orders and quotes. A key element in expanding contract reach, the website is a trustworthy means of easily choosing and ordering new licenses and products on the contract. Contract pricing continues to be displayed for all items. When authenticated, entities can add additional products from any of their available contracts, all on one order. If a customer does not currently have a CDW•G Account Center and would like to utilize this tool, the registration process is simple, selecting their own login ID and password for their customized site.

Site functionality includes the following:

- Track orders and shipments
- Connect with your account team
- Manage applicable purchases and payments
- Review consistent, contract-compliant pricing
- Promote IT standards
- Set shipping preferences and manage contact information
- Control access to features and information through customer organization

The Account Center improves efficacy and efficiency when working with CDW•G, as compared to our competitors. Starting with comparing products, finding compatible accessories, creating custom catalogs, setting authorization levels, and selecting from a number of shipping options, your CDW•G Account Center expands to track agency spending history, manage assets, and create customized reports. Support and assistance is available via the site, through contacting the account manager and/or a customer service rep, as well as placing and reviewing RMA requests.

Software Management

NASPO ValuePoint users can take advantage of features that make it easy to find, download, activate, and manage software licenses.

- Discover and analyze
- Audit software applications running on network
- Instantly run inventory of software assets
- Analyze software usage
- Automatically find all IT assets
- Monitor network vulnerabilities
- View comprehensive asset reporting
- Software filters
- Quickly narrow purchase options based on current software contract
- Some publishers available for automatic/web-based features
- Use Software Keycodes to store keycodes from software licensing purchases

Additional Features

- Track licenses purchased from CDW and other vendor purchases
- Robust standardized and custom reporting options

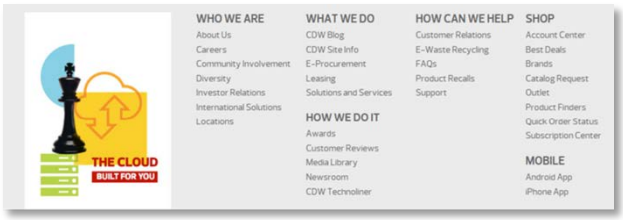
- Option to upload license information so you can consolidate software license reports and information

Requirement

- 2.4 Links

Response

As stated in **requirement 2.1**, links of interest (e.g., the NASPO ValuePoint primary website, CDW Media Library, etc.) can be tailored to customer preference on the Account Center site. This customization is available at **no cost** to the user.



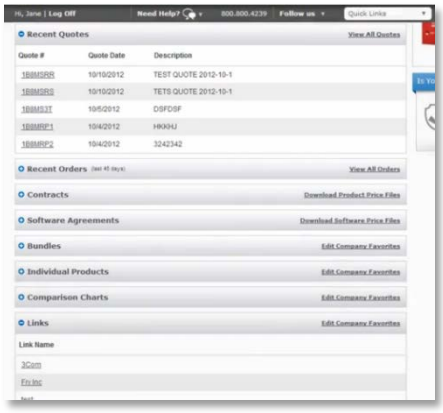
Requirement

- 2.5 Downloadable standard reports. Include:
  - 2.5.1 How information is controlled and sorted (e.g. what information LSCA can access);

Response

Information can be captured and reported via the Account Center and include (but are not limited to) the following sortable fields:

- ABB Billing ID
- Accounting Code
- Apple Education Account Number
- Invoice Approval ID
- Business Area
- Buyers ID for Billing
- Buyers ID for Seller
- Buyers ID for Vendor
- Capital Budget Number
- Cost Center
- Corporation Code
- Department Code
- Employee Email Address
- Employee First Initial
- Employee ID Number
- Employee Last Name
- Employee Phone Number
- Freight Cost Center
- Freight GL Account
- Inventory Cost Center
- Inventory GL Account
- Account
- Unit
- MW Customer Number
- Release Number
- SAP Company
- Shipping Account Number
- Selling Division
- Buying Unit #
- Staples Internal Customer Number
- Staples Merchandise Type Code
- Tax Cost Center
- Tax GL Account
- Ticket Number
- Vendor ID
- 3rd Party Assigned Order Number
- Work Request
- Original Order Price
- Original Order Quantity



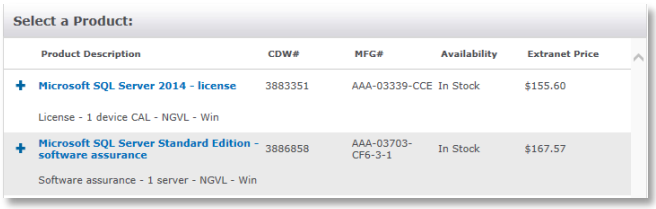
The Account Center is set up by customer number, meaning that the LSCA will need to work with the program manager to receive contract-wide reports (see **requirement 2.5.2**).

Requirement

- 2.5.2 How state Procurement Officer can obtain purchasing profile for Users and volume in State;

Response

Standard reports are available for download via the Account Center and your account manager, utilizing sortable data fields which can be accessed and viewed by the customer, managed as Preferences. Each site will only show the individual agency, with "roll up" reports for the LSCA performed by the program manager. Each customer (**requirement 2.5.3**), if set as a subordinate to the main central agency, can roll up to the Procurement Officer (**2.5.2**). Use easy drag and drop options to customize reports or download data for offline analysis. More information about the types of reporting available to NASPO ValuePoint customers is featured in **requirement 5**. Through the Account Center, customers will have the ability to coordinate to the individual state's electronic purchasing system, utilizing our Purchase Authorization System (PAS), streamlining and controlling IT purchases with automated, rules-based approvals and workflows.



Requirement

- 2.5.3 How an individual User can obtain only their information.

Response

Our Account Centers are set up by each customer's CDW•G account number. Agencies access and generate reports that include only the information relevant to their account. The authorized user(s) designated to manage the entity's account act as administrator and can customize the site to restrict the information available to individual purchases, if desired.

Requirement

- 2.6 How website is monitored, kept current and accurate.

Response

Once your program manager puts the contract structure into the system, the system updates the contract pricing automatically, as we receive it from our OEM and distributor partners. Our major partners send daily EDI downloads or real-time information directly to our ordering and inventory system. For all quote requests, our AMs use one system to manage the process (from quote to order placement). This system allows us to centrally manage many key functions, including purchasing, inventory management, accounts receivable, sales, and distribution.

For general site maintenance, we have an in-house team of over 200 IT personnel to keep our website refreshed quickly, cutting edge, and accurate. Much customer feedback goes into site updates, ensuring our site continues to offer the best features for easing customer procurement needs. For example, our team redesigned the site's segment-specific homepages in early 2015. The winning designs were a result of a 12-hour hackathon, a 10-day customer beta test, and additional customer feedback.

We schedule updates during times with the lowest traffic and always notify customer of updates in advance via a site banner and our website's blog. Our success is reflected in the less-than-six minutes of unplanned downtime in 2014—an uptime exceeding 99.997%.

3. Software Tracking

Requirement

3. Describe your Company's method for tracking software licenses and ensuring that Participating States receive timely notifications of renewals or are advised of volume agreement opportunities or vulnerabilities, etc.

Response

Software tracking differs from state to state, agency to agency, dependent upon the structuring of procurement practices and information required. For example, if the LSCA is the contract administrator, then the licensing team will provide all necessary information (including licensing cost analysis reports, software entitlements reports, and license history review reporting). If a state is leading the purchasing of licenses, or other agencies are listed as child accounts within our system, then our internal system will generate a license report applicable to each account. For procurement that is more decentralized, reports will be provided directly to the agencies holding the agreement. States can be kept informed of licensing details such as OEM and license name.

- 3.1 The standard sortable data fields established for these records.

Response

CDW•G will provide NASPO ValuePoint customers with access to a customized Account Center site where they can view quotes, place orders, check status of orders, and track their order history, **where all fields are sortable**. The CDW•G Account Center site, customized specifically for each agency, also provides access to each customer's software purchases and licenses. The Account Center is a proprietary tool made available to CDW•G customers **at no cost**. Additionally, AMs can handle requests for scheduled or ad hoc reporting.

Requirement

- 3.2 The information tracked on behalf of Participating States.

Response

CDW•G eases the burden of tracking renewal dates and solution comparisons through the methodical management processes followed by our AMs and licensing specialists, ensuring accuracy of purchased licenses and true up dates (**requirement 3.3**). Our personalized approach means we know our customers' systems and offer recommendations tailored to best fit your needs. Your AM assists with understanding the advantages and vulnerabilities of specific solutions and helps negotiate Volume Licensing Agreements (VLAs) with software partners, resulting in substantial time and money saved. See **requirement 4.3** for detail on our true up workbook report, available for EA customers.

As detailed in **requirement 2.3**, the Account Center offers multiple tracking options for relevant information and features software management consolidating license information, application audits, and various reporting capabilities. Additionally, knowledgeable licensing experts monitor contract customers' significant dates and volume plateaus (**requirement 3.3**), as well as assisting in navigation through software partner customer portals. Reports are details further in **requirement 5**.

Requirement

- 3.3 How reminders of significant dates or volume plateaus are triggered. Include how your Company, as a partner with the Participating State, communicates with the State to ensure no deadlines are missed or opportunities are unexplored.

Response

Our licensing specialists track the anniversary and expiration dates for each enrollment. CDW•G requires our AMs to send monthly notifications of upcoming annual payments for the three months prior to anniversary date. Account managers and licensing specialists have also made it a best practice to initiate volume license renewal discussions six months prior to expiration. During this process, the CDW•G licensing specialist reviews the licenses on the current agreement and explain any license changes that may impact how they are renewed on the next agreement.

Each NASPO ValuePoint member's dedicated licensing specialist is a customer advocate, focusing on the customer's existing environment and future plans. This allows them to make licensing recommendations for renewal and work with the AM to create an initial renewal proposal. The customer can review the proposal, make changes, ask questions, and ultimately approve. Once approved, CDW•G prepares the renewal paperwork and provides instructions for completion.

Our ability to manage thousands of concurrent publisher contracts has been built on this system and a partnership with us will give NASPO ValuePoint customers the peace of mind that agency renewals will not be missed. CDW•G updates our systems immediately when we receive notifications on products and pricing from publishers. Your software licensing specialist tracks licensing purchases and ensures that NASPO ValuePoint customers have the following: new software version (as appropriate), access to technical support, ongoing audits, reduced risk through compliance, and timely contract renewal.

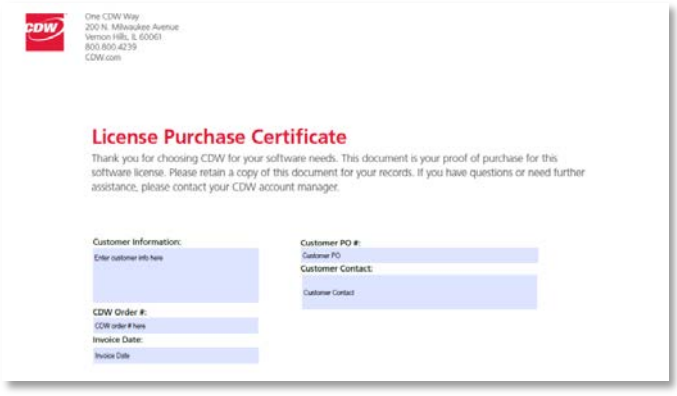
4. Proof of License

Requirement

4. Describe your Company's method of ensuring a Participating State receives documentation of Proof of License that can be provided to requestors (e.g. auditors, in response to FOIA requests, etc.)
4.1 Describe process for providing Proof of License to a buyer. Provide a sample Proof of License.

Response

All Proof of License certificates are available electronically or in hard copy after purchase. Proof of license methods differ from publisher to publisher. Usually, purchasers can pull the proof of license directly from the OEM invoice. These serve as proof of ownership in the event of an audit. CDW•G can also provide a proof of license certificate (see the sample) or the OEM purchase automatically or when requested, such as an auditor response to FOIA, etc.



Requirement

4.2 Explain method of retaining back-up copies of Proof of License. State how quickly a duplicate copy can be provided.

Response

Our invoices and proof of licenses are available via request to your AM at any point, as they serve as part of our day-to-day business and operational processes. Further, CDW•G has the highest ranking partner status available with our top-tier software manufacturers (and most of the publishers listed as part of this RFP). We also have CDW•G-badged partner specialists and partner-badged resources with permanent desks at our offices. Further, we can leverage our software partner resources—and our own CDW•G resources—to quickly obtain any necessary back-up/duplication documentation a customer may need.

Requirement

4.3 Describe how your Company partners with a State to demonstrate accuracy of licensing information to a publisher (aka a "True Up").

Response

With CDW•G, the conversation does not end at purchase. As described in **requirement 3**, Software Tracking, our account managers and licensing specialists are trained to proactively support our customers throughout the life of their software contract. It would be simpler for us to use a completely automated process for the management and renewal of software licenses, as many companies do, but using an automated approach alone results in mistakes and unhappy customers. We prefer to bolster automated elements with consultative touch points. Our licensing specialists are subject matter experts and work proactively with the account managers to manage these contracts.

Our methodology described in **requirement 3** shows that we start the true-up discussion/process three months prior to a customer's anniversary date, or earlier (upon request). The true-up process includes a review of what is on the current license agreement. The licensing specialist spends time explaining to the customer what each license means and how it ties back to their environment. Through this discussion, the license specialist gains an understanding of what the current customer's environment is and is able to compare that to the licensing shown on the current agreement. If a true-up is needed as a result of this discussion, the licensing specialist makes a recommendation on license to purchase.

Additionally, if the licensing specialist determines there is a more cost-effective means to license the current environment, they recommend changes to the agreement in order to reflect any potential cost savings. If a customer is anticipating a future project that may result in a true-up and needs to plan further out in advance (for budgetary reasons), the licensing specialist is available to have that discussion and provide budgetary numbers at any time.

Lastly, upon request, CDW•G has a true up workbook available for EA customers. The workbook includes reporting around current licensed products and allows the customer to populate their current install quantity. Since the workbook includes true up pricing, the customer immediately sees their exact true-up cost. This information is extremely valuable for budgeting, forecasting, and project planning. With more than 180,000 software renewals processed yearly, CDW•G offers the expertise necessary for NASPO ValuePoint members, having proven our ability to execute timely renewals with reduced customer stress.

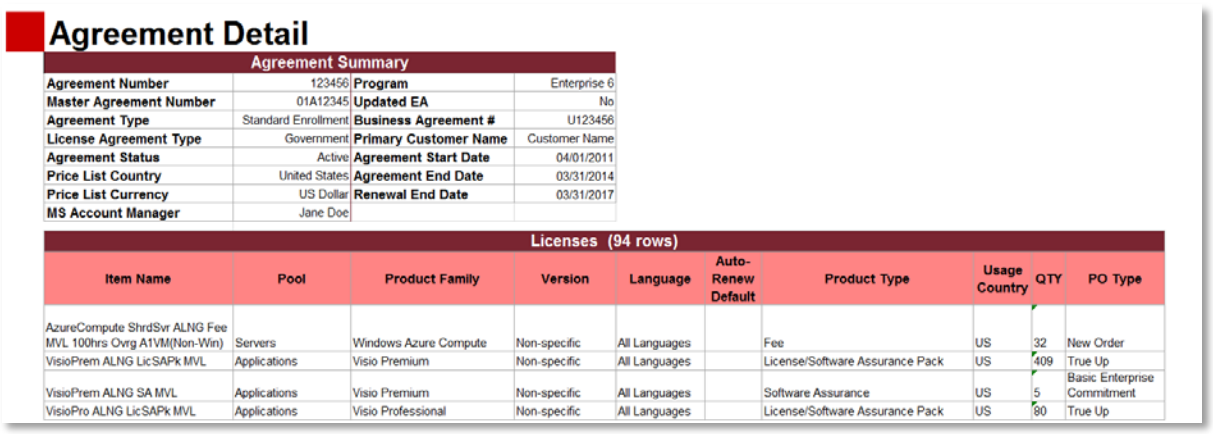
5. Reports

Requirement

5.1 Describe standard reports which can be generated for a State (other than downloadable reports addressed earlier). Provide sample reports.

Response

CDW•G has a slew of reporting options available to NASPO ValuePoint customers. Agency-specific reports are accessible through the Account Center or their AM. State-wide reports are available through the state's dedicated program manager, reporting flexibility a key benefit to partnering with CDW•G; procurement-structure specific reporting is detailed in **requirement 3**.



Agreement Detail

Agreement Summary			
Agreement Number	123456	**Program**	Enterprise 6
Master Agreement Number	01A12345	**Updated EA**	No
Agreement Type	Standard Enrollment	**Business Agreement #**	U123456
License Agreement Type	Government	**Primary Customer Name**	Customer Name
Agreement Status	Active	**Agreement Start Date**	04/01/2011
Price List Country	United States	**Agreement End Date**	03/31/2014
Price List Currency	US Dollar	**Renewal End Date**	03/31/2017
MS Account Manager	Jane Doe		

Licenses (94 rows)

Item Name	Pool	Product Family	Version	Language	Auto-Renew Default	Product Type	Usage Country	QTY	PO Type
AzureCompute ShrdSvr ALNG Fee MVL 100hrs Ovrg A1VM(Non-Win)	Servers	Windows Azure Compute	Non-specific	All Languages		Fee	US	32	New Order
VisioPrem ALNG LicSAPk MVL	Applications	Visio Premium	Non-specific	All Languages		License/Software Assurance Pack	US	409	True Up
VisioPrem ALNG SA MVL	Applications	Visio Premium	Non-specific	All Languages		Software Assurance	US	5	Basic Enterprise Commitment
VisioPro ALNG LicSAPk MVL	Applications	Visio Professional	Non-specific	All Languages		License/Software Assurance Pack	US	80	True Up

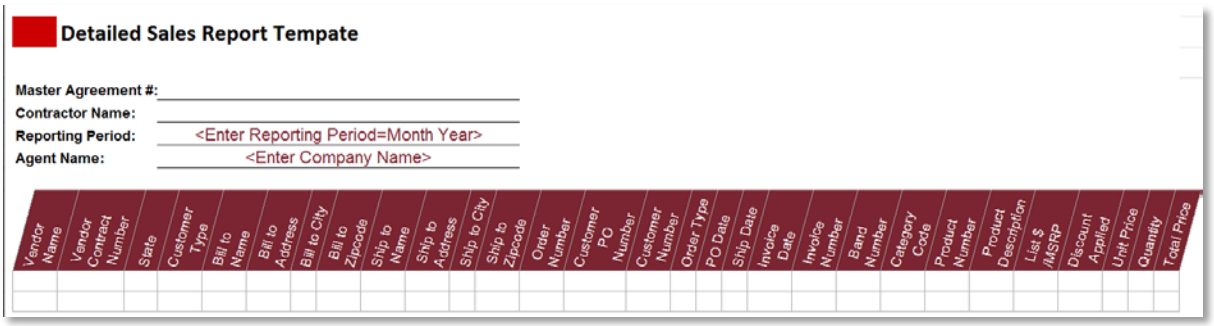
Requirement

5.2 Describe on-line, real time, reporting capabilities using established state website reports:

- 5.2.1 Standard Reports. Provide sample reports.

Response

Agencies have access to invoice reporting through the Account Center Payment Reporting section (note: requires finance user permission). We also offer the following invoice/invoice reporting methods: P-Cards (compliant to level/tier 3) and electronic invoicing (ANSIx12 4010 EDI, XML, cXML, mapped flat file formats.



Detailed Sales Report Tempate

Master Agreement #:
Contractor Name:
Reporting Period: <Enter Reporting Period=Month Year>
Agent Name: <Enter Company Name>

Vendor Name	Vendor Contract Number	State	Customer Type	Bill to Name	Bill to Address	Bill to City	Bill to Zipcode	Ship to Name	Ship to Address	Ship to City	Ship to Zipcode	Order Number	Customer PO Number	Customer Number	Order Type	PO Date	Ship Date	Invoice Date	Invoice Number	Band Number	Category Code	Product Number	Product Description	List $ /MSRP	Discount Applied	Unit Price	Quantity	Total Price

Requirement

- 5.2.2 Reports that can be generated by the LSCA.

Response

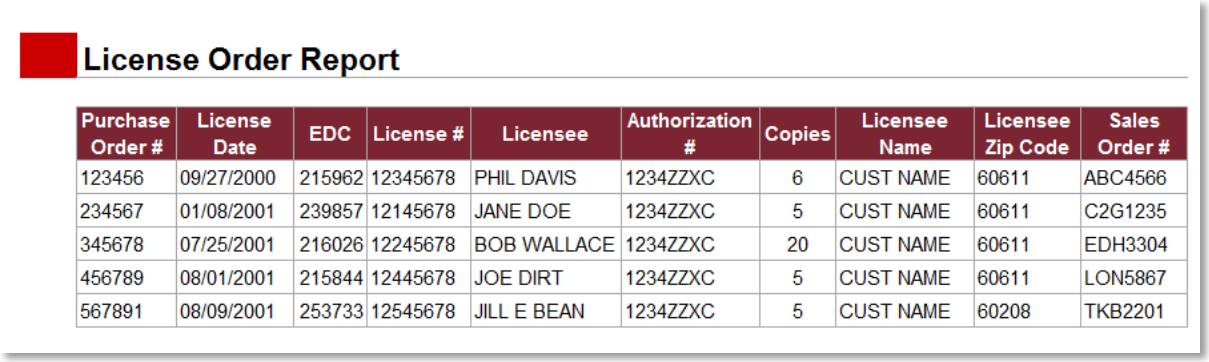
Your program manager can provide contract-wide reports to the LSCA, including but not limited to standard reports, licensing reports, and ad hoc reports. Please refer to the sample report included in **requirement 5.2.1**.

Requirement

- 5.2.3 Reports that can be generated by the Participating State. Provide sample reports.

Response

CDW•G's dynamic, ad hoc reporting capabilities on the Account Center, including our pivot table feature, enable purchasers to better manage data and to make more cost-effective decisions. The Account Center provides access to real-time information in a way that is convenient and easy to use. Authorized users have the ability to generate a variety of reports, such as those listed below, as well as others at their request. Customers can view standard reports, and create and save custom reports. Reports can also be generated for a variety of timeframes, differentiated by site, division, department, buyer, city, product, etc. In order to generate reports at the state level, Account Centers need to be linked for all applicable state agencies. Please also refer to the sample report included for **requirement 5.2.1**.



License Order Report

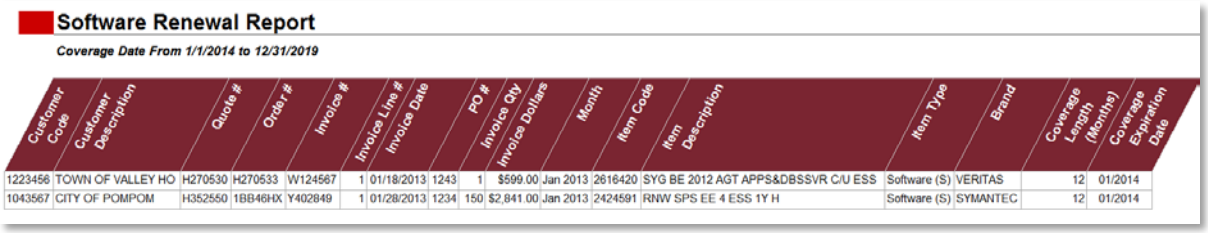
Purchase Order #	License Date	EDC	License #	Licensee	Authorization #	Copies	Licensee Name	Licensee Zip Code	Sales Order #
123456	09/27/2000	215962	12345678	PHIL DAVIS	1234ZZXC	6	CUST NAME	60611	ABC4566
234567	01/08/2001	239857	12145678	JANE DOE	1234ZZXC	5	CUST NAME	60611	C2G1235
345678	07/25/2001	216026	12245678	BOB WALLACE	1234ZZXC	20	CUST NAME	60611	EDH3304
456789	08/01/2001	215844	12445678	JOE DIRT	1234ZZXC	5	CUST NAME	60611	LON5867
567891	08/09/2001	253733	12545678	JILL E BEAN	1234ZZXC	5	CUST NAME	60208	TKB2201

Requirement

- 5.2.4 Reports that can be generated by the User agency. Provide sample reports.

Response

In addition to the reporting capabilities at the state level (detailed in **requirement 5.2.3**), within the Account Center, customers can also generate reports for various assets with a variety of fields. As part of any hardware sale that goes through our configuration center, customers can view serial numbers, MAC Addresses (where applicable), BIOS configurations, software installations, and much more.



Software Renewal Report

Coverage Date From 1/1/2014 to 12/31/2019

Customer Code	Customer Description	Quote #	Order #	Invoice #	Invoice Line #	Invoice Date	PO #	Invoice Qty	Invoice Dollars	Month	Item Code	Item Description	Item Type	Brand	Coverage Length (Months)	Coverage Expiration Date
1223456	TOWN OF VALLEY HO	H270530	H270533	W124567	1	01/18/2013	1243	1	$599.00	Jan 2013	2616420	SYG BE 2012 AGT APPS&DBSSVR C/U ESS	Software (S)	VERITAS	12	01/2014
1043567	CITY OF POMPOM	H352550	1BB46HX	Y402849	1	01/28/2013	1234	150	$2,841.00	Jan 2013	2424591	RNW SPS EE 4 ESS 1Y H	Software (S)	SYMANTEC	12	01/2014

Using CDW•G's Software License Tracker (SLT), offered to customers via the Account Center site at no additional charge, users can access this tool that simplifies license management, especially software license agreements. The SLT is accessible to all authorized users via the Account Center 24/7 and enables authorized users to manage license agreements by tracking expiration dates and generating standard or customized reports for delivery via email.

Users can run reports in SLT to show what license agreements are about to expire and to set up email alerts to be sent out at a specified time in advance of expiration. Our EA workbook (detailed in **requirement 4.3**) also lends a significant amount of customization at the agency level.



Requirement

5.3 Address whether your Company is able to provide "Custom Reports" as an optional service to Participating States, should State determine to utilize this service? (See Section 3: Scope of Work, 3.7.3 Custom Reports)

Response

Yes; should the state need to see reporting into areas of the contract that fall outside of the ad hoc and standard capabilities listed above, we will work with you to create the custom report. Our reporting tools are incredibly flexible, and we employ database administrators to combine the power of data feeds we have from our partners with our own data sets to automate custom reports. Upon award, CDW•G commits to having a discovery meeting with the state to determine additional reporting requirements that are necessary for the success of this contract.

6. Maximizing Value for the State

Requirement

6. Describe how your Company works with a State and publisher to maximize the State's value in obtaining products and services under this contract. Description is to address, but is not limited to, the following:

- 6.1 Working with a State and a publisher to assist the State in managing their volume or enterprise license agreements.

Response

True to our customer-centric approach, CDW•G aims to be more than a fulfillment provider to NASPO ValuePoint members, committing to provide the resources to navigate the increasingly complex world of software. Maximizing value for NASPO ValuePoint customers starts with the CDW•G field presence in each of the participating states. It is our best practice to work closely with a manufacturer's account manager within a specific state to build the necessary relationship and customer trust.

Our field and inside reps have many existing relationships with the publisher rep for each state named in this contract. Streamlining license agreements, providing install-based reports from a given publisher, and working with each agency to manage all software—including software purchased from other vendors—is the heart of the CDW•G advantage. As mentioned in **requirement 4.3**, our AMs and licensing specialists use a very methodical approach in managing agreements. This process is in place to ensure accuracy of licensing purchased, true updates, and renewals.

Even after a software contract is signed, our dedicated account teams and software licensing specialists maintain regular contact with customers to ensure that all licensing program benefits are maximized and that contracts are renewed on time. CDW•G provides contract management for all our software licensing partners' programs; our team of 22 software licensing renewal specialists will offer fast processing of renewal orders.

Sample Contract Lifecycle Management		
Year 1	**Year 2**	**Year 3**
▪ Welcome letter ▪ Kickoff meeting ▪ Software review ▪ Cloud planning ▪ Software profile ▪ CDW solutions ▪ Software deployment check ▪ True Up 1 due ▪ Annual business review	▪ Cloud planning ▪ Software profile ▪ CDW solutions ▪ Software deployment check ▪ True Up 2 due ▪ Annual business review	▪ Renewal intro ▪ Cloud planning ▪ Software profile ▪ Software deployment check ▪ Contract review ▪ True Up 3 due ▪ Annual business review

Requirement

- 6.2 Working with a State and publisher to maximize the leverage created by the total sales volume from a State and its cooperative partners to ensure best value to all State's.

Response

Prior to software purchase and any renewals, our LAEs evaluate total spend, assets, usage, and purchase history. Their recommendations include potential options that would optimize investment through vendor and contract consolidation, including volume transactional purchasing options or contractual volume agreements. Additionally, our teams will inform the customer of any volume purchase opportunities specific to the contract available for entities to leverage.

For example, CDW•G is the University of Southern California's (USC's) primary software provider, managing their Microsoft EES agreement. We recognized an opportunity for savings by aggregating USC's departmental Microsoft purchases under one master EES agreement, to leverage the volume the university was purchasing as a whole. Even though the master agreement is leveraged campus-wide, each department still has their own portal, ability to manage their own licenses, and pay for usage out of their department's budget. Consolidating departments' purchases under one EES agreement—as opposed to Microsoft's Open-Value option—provided USC with approximately three percent (3%) savings on the majority of their desktop product purchases.

Requirement

- 6.3 Working with a publisher to maximize the leverage created by the total sales volume overall resulting from this contract.

Response

We work in partnership with contract holders to act as an advocate in the contract environment, utilizing our experience with similar contracts to negotiate prices prior to final agreement and compare volume discounts occurring elsewhere. Regular reporting measures, monitored by our program manager and reviewed by sales leadership at various intervals, allow us to provide NASPO ValuePoint and its customers the most competitive offers on the market today.

With broad-scope contracts, we often see emerging trends in demand for certain publishers. If sales volumes indicate high spend in a specific solution, we collaborate with the software publisher to determine if additional savings or value can be incorporated for purchasers. If reports indicate a high volume of purchases with a software publisher with which we do not have a direct relationship established, a CDW•G coworker will initiate our New Vendor Addition Process, structure for evaluating both risk and reward when considering potential new vendors. This process protects contract users' best interests by considering the unique capabilities and products each vendor offers alongside potential areas of risk. Part of this methodology includes negotiating a partner agreement and competitive pricing with the new vendor, so that we can bolster support around the solutions being purchased and pass on additional savings.

Requirement

- 6.4 Working with State and publisher to obtain the best quote on a high volume purchase.

Response

While our online ordering capabilities are far superior to other resellers, we always encourage customers to reach out to their CDW•G AM before making a large purchase. This is because we train our AMs to view the contract pricing as a "ceiling" price. They will negotiate with the publisher on the customer's behalf, often securing additional savings.

Requirement

- 6.5 If, and how, your Company uses historical purchase information to provide targeted assistance to State.

Response

The team described in our response to **requirement 6.1** leverages historical data in supporting software license purchasing and management. However, leveraging historical data requires a different approach when you are not a contract incumbent. When awarded, CDW•G is committed to expend the extra effort to effectively collaborate with the customer and applicable software publishers.

The number of publishers purchased and the willingness of the customer to share information dictates the method in which CDW•G collects historical information. Most often, our licensing team will recommend our Software License Review, to ensure we gather all relevant information available. The CDW Software License Review provides our team and our customers an easy-to-read overview of all software assets and license purchased across all departments and units. Instead of customers having to contact each publisher individually, we take that task on for them.

While other resellers offer similar solutions, **CDW•G returns this review and accompanying timeline within 10 days**, not four to eight weeks. Instead of uploading the information to a web portal for customers to navigate alone, our software experts consult customers, providing recommendations for cost savings, license consolidation, and renewal strategy. These steps simplify and streamline the licensing review process. As our software and account teams learn the customer's systems and processes, they proactively guide the customer to licensing programs and products that best fit the customers' requirements and technology goals.

Requirement

- 6.6 How maintenance support is to be made available.

Response

CDW•G partners closely with each software publisher's supporting resources to provide easy access for phone-in incidents, software upgrades, and technical support. Within our sales offices, we have dedicated vendor desks, where qualified manufacturer personnel respond to customer inquiries and provide support to AMs.

Additionally, software-specific newsletters are available to customers, keeping you up-to-date on popular and new-release products. Part of our industry-best pre-sales consulting methodology is maintaining communication with customers to ensure awareness of release dates and the maximization of our **no-cost roadmapping** offer.

Please note that CDW•G account managers will never include maintenance or any additional purchasing options on a quote without first discussing with the customer to ensure they understand the different maintenance levels that are available and what is included in the maintenance offer selected.

Requirement

- 6.7 Describe how training regarding the installation of products and use of products will be made available and how to obtain best value from it.

Response

CDW•G's software practice includes resources such as pre-sales technical specialists, licensing specialists, product specialists, and post-sales engineers. These resources play a valuable role for our customers as it relates to product-pertinent questions, technical questions, and installation/use rights. Our team of experts offers guidance and directs customers to the correct location on a manufacturer website to obtain installation training, instructions, and industry best practice. Our ability to quickly provide this guidance is a value to getting the most out of the software once purchased.

Online Training

The current webinars/trainings offered by CDW•G are listed in the **Media Library** located by clicking on the Solutions tab on www.cdwg.com. The Media Library is dynamic, with new content updated monthly. In addition to webinars and video channels, there are helpful documents, including white papers, reference guides, data sheets, and reports.

CDW•G also offers website showcases for many of our software manufacturing partners, such as Microsoft. For example, the Microsoft Showcase is located at www.cdwg.com/Microsoft. The site provides customers with Microsoft-specific material, updated at minimum on a monthly basis. Additional resources for segment-specific material include our State Tech magazines (www.statetechmagazine.com) and Ed Tech Magazine (www.edtechmagazing.com/k12/), both to which interested agencies and schools can subscribe.

7. Value-Added Services

Requirement

7. A significant aspect of this service is to be Value-Added Services.

- 7.1 Describe how your company handles the complexities related to enterprise license agreements (e.g. Microsoft EA, Adobe CLP, etc.). Include how you assist customers (especially first time customers) through this process to ensure they are comfortable moving forward, and are knowledgeable about the agreements once they are complete?

Response

CDW•G understands that Enterprise Agreements (EAs) are often one of the most expensive IT costs a customer will incur during a year. It is our goal to ensure our customers are knowledgeable about the agreement and receive the most out of their investment as possible. Because of this, we have created the following EA contract management process, which has become a proven methodology in helping manage state software contracts over the years.

Requirement

- 7.2 Describe how your company handles transitioning a group of customers from an account manager with whom they have built a relationship to an account manager who is new to them?
  - 7.2.1 How do you ensure that all of the customers' needs are met?
  - 7.2.2 How do you ensure the new account manager is given the resources necessary to be successful in the new role?

Response

CDW•G subscribes to a practice of **warm transfers** in regard to customer transition. The existing account manager will reach out to the customer and introduce the incoming account manager; behind the scenes, the incoming account manager will receive a full debrief from the existing, utilizing our internal tracking and monitoring system which manages individual account history. Customer accounts transfer to tenured, experienced dedicated account resources, often already possessing familiarity with the customer and who have completed approximately six months of in-depth sales training. Nearly a quarter of our AMs have been with CDW for more than 10 years.

Requirement

- 7.3 Describe the training available regarding the use of this contract and how to obtain best value from it, other than on-line tutorials.

Response

CDW•G provides a variety of value-added training options. Many times, we offer these options in tandem with our publisher partners. For example, CDW•G works closely with Microsoft to directly engage and educate customers via phone, online, and in-person seminars and educational events. Microsoft and CDW•G work together to present information to customers and respond to their questions. CDW•G is open to all options, both remote and onsite, as well as at CDW•G facilities to meet NASPO ValuePoint customer needs. We also offer the unique Microsoft Education Center, which presents a hands-on experience to our customers who want to test out new Microsoft products and software.

For all other solutions, CDW•G offers our Technology Experience Center, which allows customers to try out a demo of the software outside of their own environment, make software comparisons, and explore the latest innovations to see if that product will help achieve the customer's business goals.

Requirement

- 7.4 Explain what unique Value-Added services your Company will make available under a resultant contract. State whether they are to be provided at no cost. If there are costs, identify these costs on the applicable Pricing Sheet in the Cost Section.

Response

CDW•G does not compete on price alone. As a vendor-agnostic solution provider, pre-sales recommendation support from our knowledgeable account teams and software specialists will always be an unparalleled differentiator when compared against our major competitors. We are the leading reseller to multiple named publishers in this RFP, including key itemized Microsoft, VMware, and Adobe. Our close partnerships mean we receive competitive price offers and early notifications regarding product changes, allowing the account managers serving NASPO ValuePoint members to keep their customers apprised of new product releases, version and price changes, and more in a timely manner.

Our ability to serve NASPO ValuePoint customers participating in this contract is exponentially heightened by the myriad value-added benefits we provide **at no cost**. These benefits include, but are not limited to, the following:

NO COST Value-Added Benefits for NASPO ValuePoint		
Benefit	**Cost**	**Description**
Solution Consultation Services	**FREE**	*Savings: over $250/hour* Inside Solution Architects (ISAs)—technology and product experts—vet complex solutions, arrange product demos, webinars, and information documentation
Solution Design Services	**FREE**	*Savings: over $300/hour* Field and inside engineers available for onsite access to customer environments, conduct assessment, provide technology-needs analysis
Threat Check	**FREE**	*Savings: $3,000-5,000 per assessment* Passively monitors networks for unknown malware, alerts customers to active and installed malware, provide customized plan for remediation
Partner Assisted Grant Help	**FREE**	AMs assist with learning about available resources for segment-specific grant-finding processes
eProcurement Integration Services	**FREE**	Dedicated team integrating customer ePro systems for punch-out, PO delivery, eInvoicing, quote retrieval, order, and more
K–12 Consulting	**FREE**	*Savings: over $250/hour* Former educators and educational technologists work as strategists to guide schools through high-access implementation and develop long-term adoption success plans
Digital Age Teaching and Learning Webinars	**FREE**	*Savings: over $125 per attendee* CDW·G's Education Strategy Team conducts series of three one-hour webinars on latest technology trends in education

NO COST Value-Added Benefits for NASPO ValuePoint		
Benefit	**Cost**	**Description**
Track and Communicate CDW•G Software Webinars	**FREE**	CDW·G advertises to all contract holders and end users for webinars pertinent to COTS software on NASPO ValuePoint contract
Technical Trainings	**FREE**	*Includes two (2) trainings per calendar year* WebEx trainings specific to this contract, scheduled 60 days in advance on pertinent software (approx.. 30+ hours of CDW·G backend planning/work for each session0
CDW•G Blog	**FREE**	All interested parties under the contract will receive our Solutions Blog: blog.cdw.com; internal engineers and SMEs write to relevant IT topics
Partner-Funded Programs	**FREE**	Leverage CDW·G relationship with key OEMs to get business development funds for projects users are potentially unable to fund independently
Marketing & Social Media	**FREE**	CDW·G collaboratively creates marketing materials and events with each participating state to promote adoption of contract
Technology Roadmapping Sessions	**FREE**	*Valued at $1,000, one per year* Held by request with key software publishers and state customers, proctored by CDW·G sales teams

Other **free** benefits include access to CDW-badged product specialists, dedicate contract expert resources, Media Library access, and *free eligibility for state customers* interested in the Microsoft Rapid Deployment and Technology Adopter programs.

Each participating state's specific account team offers additional value-added benefits, in terms of personnel and expertise, at no cost to the customer. These personnel include software licensing specialists, licensing account executives, pre-sale system engineers, software manufacturer representatives, and dedicated renewals specialists, program managers, account managers, and account executives.

Snow License Management

There are more comprehensive options for software license management outside of the Account Center website and your CDW·G account team. Automated tools such as Snow Software's License Manager can identify every piece of software in a NASPO ValuePoint member's IT systems and match them to licenses, reducing risk, cost, and complexity often found in typical software management. At this time, there are **282,800 software applications automatically recognized by Snow** through its Software Recognition Service (part of the License Manager solution). For NASPO ValuePoint members, CDW·G will provide a Snow Software Proof of Concept software assessment in order to understand and agency's current environment **at no cost**. The Proof of Concept includes the following:

- Detailed inventory collection via Snow or using existing inventory tools (e.g., SCCM)
- Software metering via Snow to understand usage
- In-depth analysis of up to five Windows-based applications
- Business-case documentation illustrating compliance, usage, risk areas

8. Customer Support

Requirement

8. Explain how your Company will:
   - 8.1 Retain publisher certification levels and improve on them.

Response

CDW•G holds the top certification levels with most major software publishers. Each of these publishers has a stringent set of criteria that must be met in order to hold this certification. Often included in this set of criteria are certification requirements for individual employees, such as sales teams, engineers, and licensing specialists. Moreover, a reseller is only as reliable as the coworkers directly serving their customers. Therefore, we have described our process for both CDW•G as a company, and the process we follow to ensure our coworkers acquire and maintain the necessary certifications to support our customer base.

CDW•G Company Certifications

CDW's Product and Partner Management team manages all aspects of our partner relationships. One of the group's primary goals is to optimize partner relationships. Included in the duties supporting this goal is the management, tracking, and administration of partner certifications across CDW•G. They work with our publisher partners to ensure we continue to meet the requirements for our certifications. If we have not reached the top certification level, they are actively engaged in monitoring and engaging the teams needed to help meet those additional requirements to reach the next certification level.

Coworker Certifications

We require our sales coworkers to acquire and maintain specific partner certifications. When an account manager wants to move up in their role, say from an account manager to a senior account manager, there are additional certifications we require them to obtain. This methodology ensures our coworkers continue to be experts in the solutions they are selling. To give insight into the depth of our bench of certified coworkers, we include a few examples of CDW's total certifications for some of our publisher partners:

- **VMware:** 1,300+ VMware Sales Professional Accreditations (VSPs)
- **Microsoft:** 740+ coworker certifications
- **Adobe:** 800+ sales-specific Adobe certifications
- **Symantec:** 2,590 total coworker certifications

Additionally, CDW•G compliments some of our partner certifications with CDW-designed training for our partners, such as Microsoft, which provides more in-depth knowledge than the partner created training.

Requirement

- 8.2 Work to reduce costs to obtain publisher products?

Response

Two major differentiators to the CDW•G business model are tools that streamline processes and the vast number of resources we dedicate to supporting our customers.

Conventional thinking might disagree considering high-touch service and investments in cutting-edge methods as cost saving attributes. However, we have repeatedly demonstrated on agreements similar to the NASPO ValuePoint software contract that our differentiators are true drivers to reducing costs; all while adding value that our competitors fail to replicate.

Holding a high certification level with a publisher partner provides resellers access to favorable pricing, tools and resources, including vendor incentive programs, which resellers use to provide additional value to their customers. Because of our unique industry position and business model, CDW•G is often able to negotiate beyond these incentives because our partners see the value we offer: a cost-effective way to get their solutions to their customers.

Other resellers may offer a streamlined purchasing process or a long list of personnel, but very few offer both, and even fewer in the capacity that CDW•G offers. Our systems support the coordination and synchronization demands that are required to keep costs under control for customers, supplier/OEM partners, and CDW•G. When coupling partner savings with the sheer volume of products CDW•G procures for our customer base, it is easy to understand how we can negotiate additional savings and value adds to pass on to our customers.

We provide a unified customer experience, routing every customer-initiated interaction to a named account manager. Our tools and support are designed around this central concept. Our customer-facing technologies, supply chain tools, and ordering processing system are one in the same.

This innovative system provides the customer transparency to the purchase process, reduces order errors, and allows us to manage the complexities of our large distribution channel.

Simply put, we provide logistical capabilities typically attributed to distributors, while also providing support staff that greatly reduces the customer issues escalated to the partner. In turn, partners pass savings on to our customers with more aggressive discounts.

Our software services team further drives software cost reductions. Instead of pointing our customers to a web tool to manage their licenses or a blog post to understand a software solution, we support them with a software services team. These individuals are helping customers in leveraging software benefits, ensuring customers are using the appropriate level of licensing, and helping to understand if cloud solution really is cost-effective for customers' specific needs.

Requirement

- 8.3 How does your Company respond to customer complaints and service issues?
- 8.4 What is your Company's escalation process?

Response

We always direct customers first to their AM to assist with complaints and service issues. CDW•G also provides NASPO ValuePoint customers access to our US-based customer relations department as a value-added service. This support is available 7am-9pm CST, Monday through Friday. For sales-specific issues, our government and education sales support team is available Monday through Friday, 7am-6pm CST.

The four **no-cost** general levels of support available to NASPO ValuePoint customers are the following:

- **Customer Relations.** 866.782.4239 (M-F, 7am-9pm CST); online chat (M-F, 7am-6pm CST; customersupport@cdw.com
- **Government and Education Sales.** 800.808.4239 (M-F, 7am-6pm CST); cdwgsales@cdwg.com
- **E-Support.** For website questions only: 888.239.7270 (M-Th, 7am-7pm CST; F, 7am-6pm CST); online chat (M-F, 7am-6pm CST); support@cdw.com
- **Technical Support.** 800.383.4239 (M-F, 7am-7pm CST); online chat (M-F, 7am-6pm CST); support@cdw.com

Additionally, for customers who have purchased Microsoft Office 365 through the CSP program, CDW•G offers 24/7/365 support at ManS-O365@cdw.com or 888.793.2480 (option #5). The above departments all work together to help resolve any issues which may arise. CDW•G aims to resolve all cases within 24 hours.

Escalation Process

If a NASPO ValuePoint member feels a request is not receiving proper attention, they can reach out directly to a sales manager to resolve the issue. For non-critical incidents, sales managers typically respond within four business hours; critical issues will be escalated as appropriate to the severity of the incident.

NASPO ValuePoint members should be confident this contract has the appropriate level of executive sponsorship within CDW•G. **David Hutchins** (VP, State & Local Sales) and **Tony Sivore** (Director, State & Local Sales) are both high-level points of contact focused on the success of this agreement. Both have extensive knowledge of tour government agreements and current NASPO ValuePoint reseller agreements. If an incident requires further escalation, our sales managers will quickly engage either Mr. Hutchins or Mr. Sivore, dependent on the subject of the incident. Mr. Sivore typically responds within one business day for non-critical issues; two business days for those escalated to Mr. Hutchins. If an issue arises with a manufacturer or distribution partner, both gentlemen have the best points of contact committed to quickly resolve these issues, as well.

9. Problem Resolution

Requirement

9.1 Problem Resolution: Scenario 1: Describe at least one recent situation where your Company made a major error that resulted in dire consequences for a customer. Detail the error and what changes your Company has made to avoid repeating the error in the future. In this situation, the problem is not solved in time to take care of the customer, and the customer is likely lost.

Response

One of our longtime customers, a Washington school district, worked with CDW•G to design their new networking system. After implementing the system, the school tasked us with implementing a policy platform for the network. Due to our solution architect's design error, the products purchased were not compatible with the network endpoints previously installed, and we could not properly implement the solution. The situation was a major error and could have resulted in the customer going elsewhere.

However, the CDW•G account team quickly reacted to remedy the error. We brought on additional engineers to redesign and implement the solution on-site, while the account team handled expediting the replacement product orders. We absorbed the resource and material costs required to meet all the originally agreed upon requirements. This major error also threatened to delay the project but our quick reaction allowed us to meet the initial deadline that we had committed.

The error also shook the customer's confidence in CDW•G's ability to fulfill the project. While the customer wavered in its decision to continue with us, they recognized our monumental effort to fix the mistake and offered a second chance. We made sure that they did not regret it and met their original implementation deadline without cutting any corners. Today, this customer is elated with their networking system and they continue to work with us for project design, to product fulfillment, to implementation and follow-up needs.

Lessons Learned

To mitigate future errors, CDW•G has our solution architects assigned to specific account teams. This ensures the same solution architects are designing all of the same customers' solutions, providing them intimate knowledge of the customers' systems. Additionally, this structure builds the solution architect/account team relationship, resulting in regular communication of important customer background information. This change in communication methodology allows the account teams and the solution architects to better anticipate customer needs and provide a greater level of customer service.

Requirement

9.2 Scenario 2: Describe at least one recent situation where your Company made a major error that had potential dire consequences for a customer. Detail the error and what was done to correct the situation. To what lengths did your Company go to take care of the customer? What changes (if any) did your Company make to avoid repeating the error in the future? In this situation, the problem is solved in time to take care of the customer, and the customer is likely not lost.

Response

Six years ago, the County Commissioners of Pennsylvania (CCAP) awarded CDW•G its Microsoft contract. Prior to CDW•G's award, CCAP had had been engaged with another provider. Due to CCAP's familiarity with the incumbent, CDW•G had to work closely with Microsoft and CCAP to ensure the success of the transition from the other vendor's services. This was a single award contract, and the contract implementation took place during the busiest month of the contract year.

The issue in this scenario was that it was not yet a part of our process for us to begin working with Microsoft immediately after the award of the contract to understand upcoming renewals and annual payments. We previously waited until Microsoft's Change of Reseller process was complete, and we were able to run reporting on our own. This resulted in many CCAP customers becoming nervous that their Microsoft Agreements would expire before we could renew them.

Fortunately, due to our Microsoft relationships and experience in managing Microsoft contracts, the detailed instructions we provided for completion of the contract implementation resulted in no lapsed agreements. Our ability to stay in close contact with Microsoft and CCAP proved to be critical to the overall success of the transition.

After going through a formal RFP process at the end of the original contract term, CCAP awarded their next Microsoft contract to CDW•G again.

This award was due to the successful implementation of our contract management methodologies and our contract implementation plan execution. In the past three years, CDW•G has maintained a 100 percent on-time renewal rate for expiring agreements on this contract. We continue to be successful because of our proactive touch points with the customer during the license management process, our understanding of their procurement processes, and our operational excellence.

Lesson Learned

From this transition, we learned that it is important to begin working with our partners immediately after the award of the contract to understand past, current, and future projects. We previously waited until the Change of Reseller process was complete and were able to run reporting on our own. Now, we start immediately and proactively communicate the plan to all constituents so that no one becomes concerned that their agreement may lapse.

Although this is an example that deals with Microsoft, the lessons learned are applicable to contracting as a whole. We learned that it is necessary to take preliminary steps before a contract goes into effect. This approach will be adopted as part of our methodology to ensure that any transition to NASPO ValuePoint contract is seamless to customers. This will be the tactic from the date of an award to CDW•G as a primary vendor for the NASPO ValuePoint contract.

10. Product Return Process

Requirement

Describe the proposed product return process in the following situations:

- 10.1 Scenario 1: Product was ordered. The order was filled and shipped correctly. After the order was accepted, AP discovered it ordered the wrong product and wants to return the product.

Response

In the context of this first scenario, a customer can submit an RMA request in a variety of methods: online via the website, via email or a call to their AM, or via the customer service team. The standard return period for all products purchased from CDW•G is 30 days from date of invoice.

Once the RMA request is processed, the customer receives an automated email with return instructions. Following receipt of the instructions, the customer ships the products back to our distribution centers with the shipping label they receive automatically.

Requirement

- 10.2 Scenario 2: Product was ordered. The order was filled and shipped. After the order was accepted, AP discovered the product delivered did not match the product that was ordered. AP would like to return the product.

Response

As in the previous scenario, the customer can submit an RMA request online, contacting their account manager, or reaching out to our customer service team. They receive product return instructions for processed RMAs via email. Following the instructions, the customer ships the products back to our distribution centers with the shipping label they receive automatically. The key exception is that in this situation, there are no restocking fees issued since the error was committed by CDW•G. The return period for all products purchased from CDW•G is 30 days from date of invoice.

As an option during either scenario, customers can take advantage of the Advanced Order Replacement (AOR) program. This is most often used when the customer receives a defective or DOA product and cannot wait for CDW•G to receive the defective one back before the replacement is sent out. This process ensures that the customer **receives the products they need as soon as a product is found to be DOA, incorrectly purchased, or incorrectly shipped**.

11. SVAR Performance

Requirement

Describe the process to be used to track and document the SVAR's performance, to include "Cost Savings" achieved, under this Contract. See Section 3: Scope of work, Items 3.5.3 and 3.5.4.

Response

Our systems record key information about order fulfillment time, quote, and order activity that can be aggregated by OEM or function, and pricing benchmarks. CDW·G contract support teams hold regular quarterly business reviews (QBRs) with many of our top customers to review activity, customer service levels, and savings under various program structures. NASPO ValuePoint customers and the LSCA will receive the same attention to detail.

CDW·G will establish a regular cadence for our contract professionals and key sales leaders to meet with purchasing operations, contract administration and other representatives of the Lead State, to review spend reports and actions implemented during the previous quarter, and to discuss possible improvements to be implemented during the coming quarter. Any known issues or escalations will be addressed, as well as the review of performance surveys.

Options to reduce costs, improve service, and enhance operability and future-proofing can also be determined during these QBRs. In our current contract reviews, we typically review the following: spend analysis, spend by product category (e.g., Security Software/Dbase Software/Network Management, Virtualization), spend by publisher, purchase method, and savings analysis, future forecasting, and new and emerging technologies.

Our goal is to maximize a customer's investments by giving our recommendations towards the best use of volume or enterprise license agreements, in addition to seeking ways that NASPO ValuePoint members can take advantage of publishers' promotions and incentives.

Attachment C: Cost Proposal

Requirement

Any narrative explanation of the Pricing Sheet forms is to be submitted as part of Attachment C—COST PROPOSAL. Offeror shall provide pricing that includes all costs associated with the responsibilities and related services, including but not limited to, freight and delivery, cost of materials and product, travel expenses, transaction fees, overhead, profits, and other costs or expenses incidental to the Offeror's performance.

Response

To confirm, CDW•G's offer **does not include** any "incidentals." There are no additional charges as described in the above requirement (e.g., freight and delivery, cost of materials and product, travel expenses). Presenting our pricing rationale, or "cost reasonableness," illustrates the transparency with which we will approach the negotiation of establishing a Master Agreement with NASPO ValuePoint.

CDW•G has the ability to provide thousands of software titles to NASPO ValuePoint members. Outside of the named Key Itemized publishers, many software OEMs only publish current Manufacturer's Suggested Retail Price lists (MSRPs) irregularly or infrequently, despite titles going end-of-life and new titles being listed.

Additionally, once an MSRP is published, the price points rarely change and are often not indicative of market pricing that is commonly available. This means a large discount off MSRP that may seem to be an ideal offer today can over time become non-competitive given normal product lifecycle and cyclical pricing declines common to the IT marketplace. In other words, the cost of IT products—including software—typically trend downward.

For this reason, our presented offer to your members is a cost-plus model over CDW•G Sim Cost, which is *the standard acquisition cost associated with the inventory of product, but also including the management costs with procuring, warehousing, and distributing the inventory*. This model enables members to achieve the greatest long-term cost savings. The advantage of this dynamic pricing model is that **as our acquisition cost is reduced, the price to the customer is reduced accordingly**. Once loaded into our contract management system, price changes trigger automatically to the customer's CDW•G website (described in **Attachment B**) and EDI pricing without manual intervention.

Aligning with the primary objective of this RFP—to obtain best value and more favorable pricing for participating members than can be achieved independently—CDW•G strives to simplify the complexities of technology procurement across selection, integration, and management for customers large and small, acting as an extension of their IT staff. Upon award, CDW•G will continually seek out savings to offer NASPO ValuePoint members, as well as providing unmatched stewardship and service to this contract.

ATTACHMENT C1 - PRICING SUBMISSION SHEET

NASPO VALUEPOINT

SOFTWARE VALUE-ADDED RESELLER (SVAR)

	PUBLISHERS Proposer must be certified as a direct reseller for all Key Itemized publishers. Direct reseller certification is preferred for Other Itemized publishers	MARKUP/DOWN The price to Authorized Purchaser (AP) is calculated using the following formula: "Reseller Cost" + ("Reseller Cost" x "Markup/down")
KEY ITEMIZED	ADOBE	0.97%
	CITRIX	0.97%
	MICROSOFT	-1.26%
	NOVELL	0.97%
	SYMANTEC	0.97%
	VMWARE	0.88%
OTHER ITEMIZED	AI SQUARED	2.20%
	AIRWATCH MOBILE DEVICE MANAGEMENT VMWARE	1.13%
	ALLIANCE ENTERPRISES	2.20%
	APPLE	2.20%
	ATTACHMATE – MICROFOCUS	1.25%
	AUTODESK	2.20%
	AUTONOMY – HP	2.20%
	BAKBONE – DELL	1.13%
	BARRACUDA	2.20%
	BOMGAR REMOTE SOFTWARE	0.75%
	CA TECHNOLOGIES	2.20%
	CISCO	2.20%
	COMPUTRONIX USA	1.13%
	COMPUWARE	2.20%
	COREL	2.20%
	DOUBLETAKE	2.20%
	EMC	2.20%
	ENCHOICE	2.20%
	ESET	2.20%
	ESRI	2.20%
	FREEDOM SCIENTIFIC	2.20%
	GUARDIAN EDGE – SYMANTEC	2.20%
	GW MICRO	2.20%
	IBM	2.20%
	ICM CONVERSIONS	2.20%
	INFOR	2.20%
	INTERMEDIX EMSYSTEMS	2.20%
	HP	2.20%
	HUMANWARE	2.20%
	INFORMATION BUILDERS	2.20%
	KRONOS SOFTWARE	2.20%
	LANDESK	2.20%
	LASERFISCHE	2.20%
	LIQUIDWARE STATUSPHERE	2.20%
	MICROFOCUS INC	2.20%
	MINJET	2.20%
	MPS	2.20%

PROPOSER INSTRUCTIONS:

Enter a percentage markup or markdown for each line in column D. This is the markup/down at which proposer is offering to provide the stated publishers' titles. Percentages may be listed to two decimal points.

ATTACHMENT C1 - PRICING SUBMISSION SHEET

NASPO VALUEPOINT

SOFTWARE VALUE-ADDED RESELLER (SVAR)

MQSOFTWARE – BMC SOFTWARE	2.20%
NCIRCLE	0.00%
NETOP	1.25%
NUANCE	2.20%
ORACLE	2.20%
OSAM	2.20%
PASSPORT	1.25%
PATCHLINK	1.25%
PROOFPOINT	2.20%
RSA SECURITY	2.20%
REFERENCIA SYSTEMS	2.20%
SAP AMERICA	2.20%
SAS	1.25%
SOLUTIONS SOFTWARE	1.13%
SOPHOS	2.20%
SPLUNK SOFTWARE	2.20%
STASEEKER NETWORK INFRASTRUCTURE MONITORING	2.20%
STELLENT – ORACLE	1.25%
SUNGUARD	1.13%
SYBASE	1.25%
TECHSMITH	1.25%
TREND MICRO	1.25%
TRUSTWARE	0.25%
ULTRABAC	1.13%
VORMETRIC	1.13%
WEBSENSE	0.88%
any other non-listed publisher	2.20%

Executive Summary

Requirement

Attachment D-Executive Summary should highlight the major features of the Offer. Briefly describe the Offer in no more than two (2) pages. The reader should be able to determine the essence of the Offer by reading the Executive Summary. Any requirements that cannot be met by the Offeror must be included.

Response

The NASPO ValuePoint Cooperation Purchasing Program is the standard of excellence by which public cooperative contracting is measured in the United States. With 3,901 participating addenda, NASPO ValuePoint encourages competitive vendors to offer **the most innovative technologies at the best value**. CDW Government LLC (CDW·G), as the nation's leading IT solution provider, is ideally positioned to serve as a primary software value-added reseller (SVAR) for all participating states.

Qualifications

Our capabilities extend beyond those of the typical SVAR, with dedicated public sector account managers, knowledgeable field executives, experienced program managers, and qualified engineers providing targeted, streamlined assistance to individual customers. These personnel are here to serve, in person, on the ground, and from the warehouse.

Specifically, our Software Licensing Support Team ensures that purchases are scalable and complementary to existing customer systems. This team includes over 85 licensing specialists, 250 systems engineers, and 45 account executives—all experienced in helping agencies choose and use the best possible software solution available.

CDW·G is built upon **a foundation of strategic partnerships**, including the listed key and secondary software publishers named in the RFP. Microsoft®, Adobe®, VMware®, Citrix®, and Symantec™ are only a few of the brands we offer. Our extensive catalog gives participating entities the luxury of choosing the best commercial-off-the-shelf software products tailored to their needs, be it state and local government, K-12, or higher education.

Methodology

License management is an integral component of our methodology. Through our account teams, licensing specialists, **free** customized websites, timely reporting, and quarterly reviews, CDW·G eases the burden of managing software licenses and maintains frequent communication to alert users of updates, renewals, and new products without prompting.

A good solution begins with good people. CDW·G software engineers provide NASPO ValuePoint customers with design and consultative services at no additional charge. Other no-cost services offered to participating state agencies include threat checks, roadmapping, integration services, grant assistance, and software webinars.

NASPO ValuePoint | Software Value-Added Reseller Services

Exceptions to Contract Requirements

CDW Government LLC ("Contractor" or "Reseller") proposes the following changes to the terms and conditions. Insertions are underlined and deletions are stricken through. All other proposals are indicated in **bold**. Explanations are in *comments*. These proposals are for the State's review and input. Notwithstanding what is stated in the RFP, Reseller shall not be bound to any terms and conditions of the RFP or to any contract related to the RFP until or unless: (i) the State confirms in writing its acceptance of these deviations as fully incorporated therein; or (ii) authorized representatives of both parties execute a written contract that is separate from the RFP.

Section 3: Scope of Work

3.2.1.6.1 The Reseller must agree that there are no software publishers with whom, absent just cause, they will refuse to do business…[*remainder as written*]

3.2.1.8.3 **Notwithstanding what is stated in this section, Reseller proposes all returns are subject to the manufacturer's then-current return policy.**

3.4.1 Training, if offered by manufacturer, shall be available in the form of tutorials for basic installation and web-based training for software operation, basic phone support.

3.4.2 If offered by manufacturer, ~~P~~provision of information on how to access a Software Publisher's "Help Desk" (either telecom or web-based) for basic use questions.

3.4.5.1 Upon written request from the State, Reseller ~~is expected to~~ will conduct quarterly reviews of all sales volumes and report sales figures and savings from Publisher's list price, by Publisher and by PA, as well as observed trends or purchasing patterns, and to present the information to the LSCA.

Section 4: NASPO ValuePoint Master Agreement Terms and Conditions

1. **Notwithstanding what is stated in this section, Contractor proposes that its response to the Solicitation take precedence over all other documents forming the Master Agreement to ensure the exceptions contained herein have binding effect.**

14.b.(2) The Indemnified Party shall notify the Contractor within a reasonable time … [*language as written*] … in the pursuit of the Intellectual Property Claim. ~~Unless otherwise agreed in writing, this section is not subject to any limitations of liability in this Master Agreement or in any other document executed in conjunction with this Master Agreement.~~

NEITHER PARTY SHALL BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, PUNITIVE, OR SPECIAL DAMAGES. IN THE EVENT OF ANY LIABILITY INCURRED BY CONTRACTOR OR ANY OF ITS AFFILIATES HEREUNDER, THE ENTIRE LIABILITY OF CONTRACTOR AND ITS AFFILIATES FOR DAMAGES FROM ANY CAUSE WHATSOEVER WILL NOT EXCEED THE GREATER OF: (A) THE DOLLAR AMOUNT PAID BY THE LEAD STATE, PARTICIPATING ENTITIES, OR PURCHASING ENTITIES FOR EITHER THE SPECIFIC PURCHASED ITEM(S) GIVING RISE TO THE CLAIM; OR (B) $2,000,000.00.

17.b.1 Policy shall include bodily injury, property damage, and ~~broad form~~ contractual liability coverage.

17.d Prior to commencement of performance, Contractor shall provide to the Lead State a written endorsement to the Contractor's general liability insurance policy or other documentary evidence acceptable to the Lead State that (1) ~~names~~ includes the Participating States identified in the Request for Proposal as additional insureds, (2) provides that the General Liability policy shall by blanket endorsement by contract give a thirty (30) days prior written notice of cancellation if any of the additional described policies are cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions ~~no material alteration, cancellation, non-renewal, or expiration of the coverage contained in such policy shall have effect unless the named Participating State has been given at least thirty (30) days prior written notice~~, and (3) … [*remainder left intact as written*]

23. Payment for completion of a contract order is normally made within 30 days following the date ~~the entire~~ any partial order is delivered or the date a correct invoice is received, whichever is later. [*remainder as written*]

31. Notwithstanding the foregoing, title to third party software, the licenses to which are resold by Contractor, will remain with the third party. Purchasing Entity's rights in such software are specified in the license agreement between such third party and Purchasing Entity. ~~Upon Acceptance by the Purchasing Entity, Contractor shall convey to Purchasing Entity title to Product consisting of tangible media free and clear of all liens, encumbrances, or other security interests.~~

Section 5: Lead State (State of Arizona) Terms and Conditions, 5.1 State of Arizona Special Terms and Conditions

O. The Materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable licenses and permit requirements.

Contractor represents and warrants to the State that Contractor has the skill and knowledge possessed by members of its trade or profession and Contractor will apply that skill and knowledge with care and diligence so Contactor and Contractor's employees and any authorized subcontractors shall perform the Services described in this Contract in accordance with the Statement of Work.

~~Contractor represents and warrants that the Materials provided through this Contract and Statement of Work shall be free of viruses, backdoors, worms, spyware, malware and other malicious code that will hamper performance of the Materials, collect unlawful personally identifiable information on Users or prevent the Materials from performing as required under the terms and conditions of this Contract.~~

X. 1.5. Applicable to all General Liability insurance policies required within the Insurance Requirements of this Contract, Contractor's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the State of Arizona. Within two (2) business days of receipt, Contractor must provide notice to the State of Arizona if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. If any of the additional described policies are cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions. Such notice shall be sent directly to the Department and shall be mailed, emailed, hand delivered or sent by facsimile transmission to (State Representative's Name, Address & Fax Number).

BB. Contractor access to State facilities and resources …with an unlawful breach or harmful access committed by Contractor shall be paid by the Contractor.

5.2 State of Arizona Uniform Terms and Conditions

2. **Notwithstanding what is stated in this section, Contractor proposes that its response to the Solicitation or Proposal take precedence over all other contract documents to ensure the exceptions contained herein have binding effect.**

3.7. Subject to third party licensing limitations, ~~A~~any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State. The Contractor shall maintain ownership of its pre-existing work.

3.8. Subject to third party licensing limitations, ~~A~~a and all intellectual property, including but not limited to copyright, [*language as written*] … of the State of Arizona requesting the issuance of this contract. The Contractor shall maintain ownership of its pre-existing work.

Comment [TB1]: Before services are to be performed, Reseller will create a Statement of Work ("SOW") detailing the exact scoping and pricing of the services to be provided, which will be executed by both parties prior to the start of services. The SOW will reflect the terms and conditions as negotiated between the parties during the bidding and contracting process.

Comment [TB2]: *Explanation - Reseller takes pride in screening its suppliers for liquidity and longevity and therefore proposes the following clarification:*

Comment [TB3]: *Explanations - Reseller, acting as a reseller and not the manufacturer of any proposed products and software, proposes the following clarifications, which apply to the remaining sections:*

Comment [TB4]: *Explanations - Reseller, acting as a reseller and not the manufacturer of any proposed products and software, proposes the following clarifications, which apply to the remaining sections:*

Comment [TB5]: *Explanations - Reseller, acting as a reseller and not the manufacturer of any proposed products and software, proposes the following clarifications, which apply to the remaining sections:*

Comment [TB6]: *Explanations - Reseller, acting as a reseller and not the manufacturer of any proposed products and software, proposes the following clarifications, which apply to the remaining sections:*

Attachment C: Cost Proposal

Requirement

Any narrative explanation of the Pricing Sheet forms is to be submitted as part of Attachment C—COST PROPOSAL. Offeror shall provide pricing that includes all costs associated with the responsibilities and related services, including but not limited to, freight and delivery, cost of materials and product, travel expenses, transaction fees, overhead, profits, and other costs or expenses incidental to the Offeror's performance.

Response

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PATCHLINK	1.25%
PROOFPOINT	2.20%
RSA SECURITY	2.20%
REFERENCIA SYSTEMS	2.20%
SAP AMERICA	2.20%
SAS	1.25%
SOLUTIONS SOFTWARE	1.13%
SOPHOS	2.20%
SPLUNK SOFTWARE	2.20%
STASEEKER NETWORK INFRASTRUCTURE MONITORING	2.20%
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SYBASE	1.25%
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TRUSTWARE	0.25%
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any other non-listed publisher	2.20%

	Contract Amendment	State of Arizona State Procurement Office
	Contract No.: ADSPO16-130652	PAGE 1 OF 1
	Amendment No.: Two (2)	100 N. 15TH Avenue, Suite 402 Phoenix, AZ 85007

CONTRACTOR: CDWG 26125 North Riverwoods Blvd Mettewa, IL 60045	**STATE AGENCY:** Arizona Department of Administration State Procurement Office 100 N. 15th Avenue, Suite 402 Phoenix, AZ 85007
CONTACT: Jason Schwartz **PHONE:** (847) 419-7542 **EMAIL:** JasonS@cdw.com	**CONTACT:** Deepika Bajpayee **PHONE:** (602) 542-8991 **EMAIL:** Deepika.Bajpayee@azdoa.gov

Software Value Added Reseller (SVAR) NASPO Master Contract

Pursuant to NASPO Master Agreement Section 4: Lead State (ARIZONA) Terms and Conditions, Paragraph 5, Contract Changes, 5.1 Amendments, the above referenced Contract shall be amended as follows:

1. The term of this contract is hereby extended through April 7, 2019.
2. All other Terms, Conditions, and Pricing remain the same.

This Contract Amendment is not binding against the State of Arizona unless signed by an authorized representative of the Contractor and then accepted in writing by an authorized representative of the State.

Contractor hereby acknowledges receipt and understanding of the above amendment.	The above referenced contract amendment is hereby executed this date by the State.
Christina V. Rother 3-12-18 Signature Date	Stephen Nettles 3/12/2018 Signature Date
Christina V. Rother President, CDW Government LLC Printed/Typed Name and Title	Stephen Nettles Statewide Group Manager Printed/Typed Name and Title

	Contract Amendment		State of Arizona State Procurement Office
	Contract No.: ADSPO16-130652	PAGE 1 OF 1	100 N. 15TH Avenue, Suite 402 Phoenix, AZ 85007
	Amendment No.: Three (3)		

CONTRACTOR: CDWG 230 N. Milwaukee Ave Vernon Hills, IL 60061	**STATE AGENCY:** Arizona Department of Administration State Procurement Office 100 N. 15th Avenue, Suite 402 Phoenix, AZ 85007
CONTACT: Jason Schwartz **PHONE:** (847) 419-7542 **EMAIL:** JasonS@cdw.com	**CONTACT:** Eric Bell **PHONE:** (602) 542-8921 **EMAIL:** Eric.Bell@azdoa.gov

Software Value Added Reseller (SVAR) NASPO Master Contract

Pursuant to NASPO Master Agreement Section 4: Lead State (ARIZONA) Terms and Conditions, Paragraph 5, Contract Changes, 5.1 Amendments, the above referenced Contract shall be amended as follows:

1. The term of this contract is hereby extended through April 7, 2020.
2. All other Terms, Conditions, and Pricing remain the same.

This Contract Amendment is not binding against the State of Arizona unless signed by an authorized representative of the Contractor and then accepted in writing by an authorized representative of the State.

Contractor hereby acknowledges receipt and understanding of the above amendment.	The above referenced contract amendment is hereby executed this date by the State.
Signature 1/28/19 Date	Signature 1/29/2019 Date
Robert F. Kirby President, CDW Government LLC Printed/Typed Name and Title	Stephen Nettles Sr Contracts & Procurement Mgr. Printed/Typed Name and Title

Contract Amendment

Contract No.: ADSPO16-130652

Amendment No.: Four (4)

PAGE 1 OF 1

State of Arizona
State Procurement Office
100 N. 15TH Avenue, Suite 402
Phoenix, AZ 85007

CONTRACTOR:	STATE AGENCY:
CDWG 230 N. Milwaukee Ave Vernon Hills, IL 60061	Arizona Department of Administration State Procurement Office 100 N. 15th Avenue, Suite 402 Phoenix, AZ 85007
CONTACT: Jason Schwartz **PHONE:** (847) 419-7542 **EMAIL:** JasonS@cdw.com	**CONTACT:** Eric Bell **PHONE:** (602) 542-8921 **EMAIL:** Eric.Bell@azdoa.gov

Software Value Added Reseller (SVAR) NASPO Master Contract

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1. The term of this contract is hereby extended through April 7, 2021.
2. All other Terms, Conditions, and Pricing remain the same.

This Contract Amendment is not binding against the State of Arizona unless signed by an authorized representative of the Contractor and then accepted in writing by an authorized representative of the State.

Contractor hereby acknowledges receipt and understanding of the above amendment.	The above referenced contract amendment is hereby executed this date by the State.
Signature 5/19/20 Date	Signature 2/20/2020 Date
Robert F. Kirby President, CDW Government LLC Printed/Typed Name and Title	Stephen Nettles Senior Group Manager Printed/Typed Name and Title

Embedded Secure Document

The file *https://cocoa.legistar.com/View.ashx?M=F&ID=9937651&GUID=FD9E673B-4506-4C8A-B532-24F37D6C838C* is a secure document that has been embedded in this document. Double click the pushpin to view.



CONTRACTOR E-VERIFY AFFIDAVIT

I hereby certify that CDW Government LLC does not employ, contract with, or subcontract with an unauthorized alien, and is otherwise to the best of its knowledge, in full compliance with, section 448.095, Florida Statutes.

All employees directly hired by CDW-G on or after January 1, 2021 have had their work authorization status verified through the E-Verify system.

A true and correct copy of CDW Government LLC proof of registration in the E-Verify system is attached to this Affidavit.

Print Name: Dario Bertocchi

Date: 06/17/2021

STATE OF FLORIDA

COUNTY OF New Haven

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☒ online notarization, this June 17, 2021 (date) by Dario Bertocchi, Dir, Program Sales (name of officer or agent, title of officer or agent) of CDW (name of corporation acknowledging) , a _____ (state or place of incorporation) corporation, on behalf of the corporation. He/she is personally known to me or has produced _____ (type of identification) as identification.

[Notary Seal] Notary Public

Carmen Castro

CARMEN CASTRO
Notary Public, State of Connecticut
My Commission Expires 02/28/2026

Name typed, printed or stamped

My Commission Expires: 02-28-2026

STANDARD FORM FOR NEW PIGGYBACK CONTRACT

The **City of Cocoa,** a Florida Municipal Corporation ("City") enters this "Piggyback" Contract with CDW Government LLC, 230 N Milwaukee Ave, Vernon Hills, IL 60061 (hereinafter referred to as the "Vendor "), under the terms and conditions hereinafter provided. The City and the Vendor agree as follows:

The Financial Operations Manual (FOM) for the City of Cocoa allows for "piggybacking" contracts. Pursuant to this procedure, the City is allowed to piggyback an existing government contract, and there is no need to obtain formal or informal quotations, proposals or bids. The parties agree that the Vendor has entered a contract with State of Arizona State Procurement Office – Phoenix, AZ (85007), said contract being identified as: Software Value-Added Reseller (SVAR) Services, Contract No. ADSPO16-130652. (referred to as the "original government contract").

Work assigned under this contract may include, but is not limited to, the following types of projects: Software Value-Added Reseller ('Reseller' – "SVAR") shall be a large account reseller authorized to sell products direct from Key Software Publishers or authorized Distributors, pursuant to the terms set forth in this Scope of Work (see attachment "2" of original contract)..

1. The original government contract is incorporated herein by reference and is attached as **Exhibit A** to this Contract. All of the terms and conditions set out in the original government contract (Exhibit "A") are fully binding on the parties and said terms and conditions are incorporated herein.

2. Notwithstanding the requirement that the original government contract is fully binding on the parties, the parties have agreed to modify certain technical provisions of the original government contract as applied to this Contract between the Vendor and the City of Cocoa, as follows:

Time Period ("Term") of the Agreement:
The effective date of this agreement shall be the latest date mutual parties' sign by and between the City of Cocoa, FL and CDW Government LLC. The term of said agreement shall be for the period effective date of signature through 01/07/2022.

The City of Cocoa intends to utilize said agreement for FY 2022 and shall not exceed the budgeted amount of $400,000.00, any change orders to this amount must be approved by City Council.

a. Insurance Requirements (As Applicable):

Liability Insurance

COMMERCIAL GENERAL LIABILITY INSURANCE MINIMUM REQUIREMENTS FOR CONTRACTS VALUED AT LESS THAN $15,000:

It is required that individuals and firms contracting with the City of Cocoa, where the total contract or job value is LESS than $15,000, maintain Commercial General Liability insurance with a minimum per occurrence limit of not less than $200,000 per person and $300,000 each occurrence, and property damage insurance of at least $200,000 each occurrence and with a deductible amount not greater than $1,000. It is further required that the City of Cocoa, be listed as an additional insured to the contractor's CGL policy, and that proof of same in the form of a certificate of insurance be submitted before work is begun.

COMMERCIAL GENERAL LIABILITY INSURANCE MINIMUM REQUIREMENTS FOR CONTRACTS VALUED AT $15,000 OR MORE:

It is required that individuals and firms contracting with the City of Cocoa, where the total contract or job value is $15,000 or MORE, maintain Commercial General Liability insurance with a minimum per occurrence limit of not less than $2,000,000 as the combined single limit for each occurrence and with a deductible not greater than $5,000 or as otherwise approved in writing by the City Manager. It is further required that the City of Cocoa and FDOT, be listed as an additional insured to the Contractor's CGL policy, and that proof of same in the form of a certificate of insurance be submitted before work is begun.

AUTOMOBILE LIABILITY INSURANCE MINIMUM REQUIREMENTS FOR ALL CONTRACTS:

The Contractor shall maintain comprehensive automobile liability insurance in the minimum amount of $1,000,000 combined single limit bodily injury and minimum $1,000,000 property damage as the combined single limit for each occurrence to protect the Contractor from claims for damages for bodily injury, including wrongful death, as well as from claims from property damage, which may arise from the ownership, use, or maintenance of owned and non-owned automobiles, including rented automobiles whether such operations be by the Contractor or by anyone directly or indirectly employed by the Contractor.

PROFESSIONAL LIABILITY INSURANCE MINIMUM REQUIREMENTS FOR ALL PROFESSIONALS AS DEFINED BY FLORIDA STATUTE:

Professionals and professional corporations, associations, and firms who contract with the City of Cocoa to provide professional services are required to maintain Professional Liability Insurance and submit proof of same in the form of a certificate of insurance before work is begun.

ENVIRONMENTAL IMPAIRMENT INSURANCE MINIMUM REQUIREMENTS:

Individuals or firms who contract with the City of Cocoa to provide excavation or construction type services and who will be locating portable fuel or lubricant storage tanks at the job site or who will be storing or using hazardous chemicals on the job site are required to maintain Environmental Impairment Insurance of "Pollution Insurance" with a limit of not less than $1,000,000 per occurrence and submit proof of same in the form of a certificate of insurance or an endorsement to their General Liability policy showing a pollution exclusion exception for each specific work product or storage container before work is begun. Contracts with such firms shall include a provision that they work in compliance with the OSHA Hazardous Communication Standard and Florida Department of Environmental Protection guidelines and supply all information about hazardous chemical being brought onto City property as required by the City's Safety and Loss Control Program.

WORKERS' COMPENSATION INSURANCE MINIMUM REQUIREMENTS:

It is required that firms employing four or more people who contract with the City of Cocoa maintain Workers' Compensation Insurance at the statutory limits and employer liability insurance and submit proof of same in the form of a certificate of insurance before work is begun.

It is required that firms employing less than four people who contract with the City of Cocoa comply with the exemption and notice provisions of F.S. 440 and maintain employer liability insurance and submit proof of same in the form of a certificate of insurance before work is begun.

However, if you are a corporate officer of a corporation that is actively engaged in the construction industry, or a sole proprietor or partner who is actively engaged in the construction industry, then your exemption will not apply to any work performed at a commercial building project valued at $250,000 or greater and you must secure workers' compensation coverage in accordance with F.S. 440.38 and these general conditions and submit proof of same in the form of a certificate of insurance before work is begun.

COMPREHENSIVE BUILDER RISK INSURANCE

The Contractor shall maintain comprehensive builder risk insurance, which shall cover Contractor's labor, and any materials and equipment to be used for completion of the Work performed under this Agreement, against all risks of direct physical loss, excluding earthquake and flood, for a minimum amount of $2,000,000. Contractor shall maintain the builder risk insurance required by this subsection until the date a certificate of occupancy is issued issuance of a certificate of occupancy for the Work.

DURATION OF CONTRACTS-NAMED INSUREDS-LIABILITY INSURANCE:

For contracts exceeding time periods of 30 days, it is required that the vendor list the City of Cocoa as an additional insured on their Liability Insurance policies and submit proof of same in the form of a certificate of insurance before work is begun. A copy of a current Certificate of Insurance shall be provided to the City by Contractor upon the Effective Date of this Agreement which satisfied the insurance requirements of this Article. Renewal certificates shall be sent to the City 30 days prior to any expiration date. The certificates and policies shall provide that in the event of any material change in or cancellation of the policies reflecting the required coverage, thirty days advance notice shall be given to the City and the State of Florida, Department of Transportation, or as provided in accordance with Florida law.

a. Any other provisions that will be modified:

The CONTRACTOR must provide proof of Employment Eligibility by completing the E-Verify Contractor Affidavit **(Exhibit B)** in accordance with Florida Statute § 448.95; via E-Verify (https://www.e-verify.gov), which is an internet-based system operated by the United States Department of Homeland Security that allows participating employers to electronically verify the employment eligibility of newly hired employees. This must be completed prior to the CITY issuing any Purchase Orders or requesting services.

b. Address change for the City of Cocoa:

Notwithstanding the address and contact information for the government entity as set out in Exhibit "A," the Vendor agrees that he/she/it will send notices, invoices and will conduct all business with the City of Cocoa, attention of Accounts Payable, at 65 Stone Street, Cocoa Florida 32922, telephone number (321) 433-8633, facsimile number: (321) 433-8608 and email accountspayable@cocoafl.org.

c. Notwithstanding anything in Exhibit "A" to the contrary, the venue of any dispute will be in Brevard County, Florida. Litigation between the parties arising out of this contract must be in Brevard County, Florida in the Court of appropriate jurisdiction. The law of Florida will control any dispute between the parties arising out of or related to this Piggyback Contract, the performance thereof or any products or services delivered pursuant to such contract.

d. Notwithstanding any other provision in Exhibit "A" to the contrary, there shall be no arbitration with respect to any dispute between the parties arising out of this Contract. Dispute resolution shall be through voluntary and non-binding mediation, negotiation or litigation in the Court of appropriate jurisdiction in Brevard County, Florida, with the parties bearing the costs of their own legal fees and related costs with respect to any dispute resolution, including litigation.

e. All other provisions in the original government contract (Exhibit "A") are fully binding on the parties and will represent the agreement between the City of Cocoa and the Vendor.

f. This contract is not a requirements agreement nor is it an exclusive agreement. Accordingly, the City of Cocoa reserves the right to purchase the goods or services that are the subject hereof from any alternative vendor during the contract term, regardless of contrary language in the underlying contract that is being piggybacked.

VENDOR:

CDWG
Attn: Michael Confort
230 N Milwaukee Ave
Vernon Hills, IL 60061
(630)-215-9060
Michael.Confort@cdw.com

CDW Government LLC

Entered this 17th day of June

Dario J. Bertocchi

(Print Name / Title)

(Signature)

06/17/2021

(Date)

City Council Approval Required

⌋ Yes (Approved by Mayor)

⌋ No (Approved by City Manager)

CITY OF COCOA

By:

(Stockton Whitten, City Manager)

City Manager (For purchases up to the limit of the City Manager's purchase order authority, this signature alone as attested will be sufficient).

By:

(Michael C. Blake, Mayor)

Mayor (For purchases exceeding City Manager's purchase order authority).

Attested By: City Clerk

City of Cocoa SEAL

Legislation Details (With Text)

File #:	21-702	**Version:**	1	**Name:**	
Type:	Ordinance			**Status:**	Public Hearing
File created:	10/18/2021			**In control:**	City Council
On agenda:	11/9/2021			**Final action:**	
Title:	Consideration of First Reading (Ordinance 14-2021) of The City of Cocoa, Brevard County, Florida; relating to backyard chickens; amending Chapter 5 - Animals and Fowl of the city code to allow the keeping of chickens and chicken coops within certain residential zoning districts subject to certain enumerated conditions; creating definitions; establishing a permitting process; providing for the repeal of prior inconsistent ordinances and resolutions, severability, incorporation into the code, and an effective date. (Interim Community Services Director)				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Ordinance 14-2021 Backyard Chickens.docx Notice of Public Hearing-Ordinance No. 14-2021.pdf				

Date	Ver.	Action By	Action	Result

CITY COUNCIL AGENDA ITEM

Memo Date: October 18, 2021
Agenda Date: November 9, 2021
Prepared By: Alix Bernard, Senior Planner
Through: Charlene Neuterman, Interim Community Services Director
Requested Action:
Consideration of First Reading (Ordinance 14-2021) of The City of Cocoa, Brevard County, Florida; relating to backyard chickens; amending Chapter 5 - Animals and Fowl of the city code to allow the keeping of chickens and chicken coops within certain residential zoning districts subject to certain enumerated conditions; creating definitions; establishing a permitting process; providing for the repeal of prior inconsistent ordinances and resolutions, severability, incorporation into the code, and an effective date.

BACKGROUND:

In February 2017 The City implemented the Backyard Chicken Pilot Program. This pilot program was in place for two years and sunset in February of 2019. In that two-year time frame, according to Code Enforcement two residents have signed up to have backyard chickens. In addition, Code Enforcement has received some complaints from people who have not followed the proper process and have gotten roosters, which are very noisy and not permitted.

I. Zoning Ordinance Amendment Analysis

In accordance with Appendix A. Zoning, Article XXI, Section 1(G)(2) of the Code of the City of Cocoa, the Planning and Zoning Board shall consider and study the following when an amendment to the zoning code is proposed:

a. The need and justification for the change.

b. The relationship of the proposed amendment to the purposes and objectives of the comprehensive planning programs and to the comprehensive plan, with appropriate consideration as to whether the proposed changes will further the purposes of [the] zoning code and other codes, regulations, and actions designed to implement the comprehensive plan.

Need and justification for change

City Council presented a non-binding referendum on the November 4, 2014 election ballot to gauge community interest and support in establishing a backyard chicken program for purposes of raising and keeping of chickens on residential property for domestic purposes. The referendum results were 2,777 in favor (54.66%) and 2,283 opposed (45.34%) to City Council establishing a backyard chicken program under terms and conditions established by City Council.

City staff has conducted analysis regarding appropriate terms and conditions. Proposed revisions of the section of code (Section 5-35. - Backyard Chicken Pilot Program) have been updated under Chapter 5, Animals and Fowl. The details of the proposed revisions of code can be found in the attached ordinance (Ordinance No. 14-2021). Some of the highlights of the ordinance include the following:

- Persons desiring to participate in the Backyard Chicken Pilot Program must apply for and obtain a permit ($75.00 fee) prior to the keeping of chickens.
- Persons applying for a permit must provide evidence of successful completion of a University of Florida Agricultural Extension Service class, or equivalent, on the care and raising of chickens.
- Up to 4 chickens may be kept on an occupied single-family property within the proper zoning district as noted above.
- Chickens must be kept within a coop and enclosure, and may not be released or set free to roam unless under the direct supervision of the owner and such roaming must be confined to the backyard of the subject property.
- Chickens must be kept for personal use only. Selling of chickens, eggs, feathers, chicken manure, or the breeding of chickens for commercial purposes is strictly prohibited.
- The coop and enclosure must be screened from neighboring property.
- Chicken coops and fence enclosures must be located in the rear/back yard (behind the home). No coop or enclosure will be allowed in any front or side yard. The coop and enclosure must be at least 10 feet from the single-family structure, a minimum of 10 feet from the rear or side property, a minimum of 20 feet from any side street, and a minimum of 20 feet from any neighboring residential homes.

Relationship and consistency with Comprehensive Plan Policies and Objectives

The following Comprehensive Plan policies support the applicant's request:

- Housing Element Objective 3.2.4 - Neighborhood Preservation: The City of Cocoa shall promote neighborhood preservation through the continued application and enforcement of zoning district regulations, land development regulations, and nuisance abatement regulations.

- Housing Element Policy 3.2.4.4: The City shall protect residential neighborhoods from noise, water, and air pollution by regulating land development practices to ensure all applicable local, state, and federal air & water quality standards are met and maintained. Activities creating noise related disturbances shall be restricted from inappropriate locations or required to provide more stringent attenuation measures.

STRATEGIC PLAN CONNECTION:

N/A

BUDGETARY IMPACT:

N/A

PREVIOUS ACTION:

The Planning and Zoning Board recommended approval of ordinance no. 14-2021 amending Chapter 5, Animals and Fowl to allow for Backyard Chickens at the October 6, 2021 Planning and Zoning meeting.

RECOMMENDED MOTION:

Consideration of First Reading (Ordinance 14-2021) of The City of Cocoa, Brevard County, Florida; relating to backyard chickens; amending Chapter 5 - Animals and Fowl of the city code to allow the keeping of chickens and chicken coops within certain residential zoning districts subject to certain enumerated conditions; creating definitions; establishing a permitting process; providing for the repeal of prior inconsistent ordinances and resolutions, severability, incorporation into the code, and an effective date.

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A Daily Publication By:

FLORIDA TODAY

FLORIDATODAY.com

A GANNETT COMPANY

CITY OF COCOA (TE)
65 STONE ST

COCOA, FL, 32922

STATE OF WISCONSIN COUNTY OF BROWN:
Before the undersigned authority personally appeared said legal clerk, who on oath says that he or she is a Legal Advertising Representative of the **FLORIDA TODAY** , a daily newspaper published in Brevard County, Florida that the attached copy of advertisement, being a Legal Ad in the matter of

Notice Publc Hearing

as published in **FLORIDA TODAY** in the issue(s) dated:

10/29/2021

Affiant further says that the said **FLORIDA TODAY** is a newspaper in said Brevard County, Florida and that the said newspaper has heretofore been continuously published in said Brevard County, Florida each day and has been entered as periodicals matter at the post office in **MELBOURNE** in said Brevard County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that he or she has never paid nor promised any person, firm or coporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

Sworn to and Subscribed before me this 29th of October 2021, by legal clerk who is personally known to me

Affiant

Notary State of Wisconsin County of Brown

My commission expires 9.19.25

Publication Cost: $389.72
Ad No: 0004978932
Customer No: BRE-CIT180
This is not an invoice
# of Affidavits 1

VICKY FELTY
Notary Public
State of Wisconsin

Ad#4978932 10/29/2021

CITY OF COCOA
NOTICE OF PUBLIC HEARING
THE COCOA CITY COUNCIL
PROPOSE TO CONSIDER THE
FOLLOWING:

Ordinance 14-2021 BACKYARD CHICKEN PROGRAM

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COCOA, BREVARD COUNTY, FLORIDA; RELATING TO BACKYARD CHICKENS; AMENDING CHAPTER 5 – ANIMALS AND FOWL OF THE CITY CODE TO ALLOW THE KEEPING OF CHICKENS AND CHICKEN COOPS WITHIN CERTAIN RESIDENTIAL ZONING DISTRICTS SUBJECT TO CERTAIN ENUMERATED CONDITIONS; CREATING DEFINITIONS; ESTABLISHING A PERMITTING PROCESS; PROVIDING FOR THE REPEAL OF PRIOR INCONSISTENT ORDINANCES AND RESOLUTIONS, SEVERABILITY, INCORPORATION INTO THE CODE, AND AN EFFECTIVE DATE.

CITY COUNCIL WILL CONSIDER THIS ITEM ON NOVEMBER 9, 2021

AT 6:00 P.M. OR SOON THEREAFTER IN THE COCOA CITY HALL COUNCIL CHAMBERS LOCATED AT 65 STONE STREET, COCOA, FL

Members of the public may view the meeting agenda, ordinances, project applications, supporting documents, and staff reports on the City's website at the following link prior to attending or commenting: City of Cocoa meeting calendar at https://cocoa.legistar.com/Calendar.aspx

These documents and information pertaining to the above may also be inspected at the Community Services Department, between 9:00 a.m. and 5:00 p.m., Monday through Friday, or by phoning (321) 433-8535.

Interested parties are invited to attend this public meeting in person. Additionally, interested persons may view or listen to the meeting electronically at the following internet sites:

(1) https://tinyurl.com/s5e875r or

(2) https://cocoa.legistar.com/DepartmentDetail.aspx?ID=26365&GUID=FF9D3369-D354-4FAB-800A-57D0AEE30153&Mode=MainBody

However, the City is not responsible for technical difficulties that may occur while attempting to view or listen to the meeting on the internet.

Interested parties may also submit their written comments or questions regarding the meeting prior to the meeting through Email at meetings@cocoafl.org, or via E-comments through the online agenda. Any electronic comments submitted will be made part of the meeting record. Written comments may also be mailed to City of Cocoa, Planning & Zoning Manager, 65 Stone Street, Cocoa, Florida 32922. Written comments or questions not relevant to the Council meeting agenda will not be made part of the meeting record but will be maintained as public record.

This is a public meeting. Interested parties are hereby advised that they may appear at said meeting and be heard. The facility wherein this public meeting will be held is accessible to the physically handicapped. In accordance with the Americans With Disabilities Act, persons needing assistance to participate in any of these proceedings should contact the City Clerk of the City of Cocoa, listed below, at least 48 hours prior to the meeting: Carie Shealy, City Clerk, 65 Stone Street, Cocoa, by telephone at (321) 433-8484 or via email at cshealy@cocoafl.org.

Pursuant to Section 286.0105, Florida Statutes, the City hereby advises the public that if a person decides to appeal any decision made by the P&Z Board/LPA or City Council with respect to any matter considered at its meeting or hearing, that person will need a record of the proceedings and for such purpose, affected persons may need to assure that a verbatim record of the proceedings is made, and such record shall include the testimony and evidence upon which the appeal is to be based. This notice does not constitute consent by the City for the introduction or admission into evidence of otherwise inadmissible or irrelevant evidence, nor does it authorize challenges or appeals otherwise not allowed by law.

The City Council reserves the right to continue or postpone hearings to a date certain without re-advertising.

Legislation Details (With Text)

File #:	21-717	**Version:**	1	**Name:**	
Type:	Informational Item			**Status:**	Council Busines
File created:	10/27/2021			**In control:**	City Council
On agenda:	11/9/2021			**Final action:**	
Title:	Annual Appointment of the Deputy Mayor. (Administrative Services Director)				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Deputy Mayor Charter information.pdf				

Date	Ver.	Action By	Action	Result

CITY COUNCIL AGENDA ITEM

Memo Date: October 27, 2021
Agenda Date: November 9, 2021
Prepared By: Carie Shealy, City Clerk
Through: Tammy Gemmati, Administrative Services Director
Requested Action:
Annual Appointment of the Deputy Mayor.

BACKGROUND:

Article III of the Cocoa City Charter states the following:

- **Section 6. - Deputy Mayor; Senior Member of Council.**

(a) The city council, annually, at the organizational meeting held on the eighth day after the date of the general election, or at the second regular meeting held in November if there is no municipal general election, shall elect from among its members, a deputy mayor. In the absence, incapacitation, or disqualification of the mayor, or upon the mayor's refusal to act as directed by the city council, the deputy mayor shall perform the duties of the mayor.

The City of Cocoa does not have an election this year. Additionally, during the month of November, 2021, there are two City Council meetings, one being a “Regular” Meeting on November 9th and the other being a “Special” meeting on November 30, 2021. The second “Regular” meeting originally scheduled for November 23, 2021 was cancelled due to the Thanksgiving holidays.

Due to the above noted rules of the City Charter, the annual appointment of the Deputy Mayor will take place at this meeting.

For your information, an excerpt from the City Charter regarding the appointment of the Deputy Mayor is attached.

STRATEGIC PLAN CONNECTION:

NA

BUDGETARY IMPACT:

NA

PREVIOUS ACTION:

Elections for Deputy Mayor have been held annually in accordance with the City Charter. The Deputy Mayor election for 2020 was held at the Swearing In Ceremony held on November 17, 2020.

RECOMMENDED MOTION:

Annual Appointment of the Deputy Mayor.

Section 6. - Deputy Mayor; Senior Member of Council.

(a) The city council, annually, at the organizational meeting held on the eighth day after the date of the general election, or at the second regular meeting held in November if there is no municipal general election, shall elect from among its members, a deputy mayor. In the absence, incapacitation, or disqualification of the mayor, or upon the mayor's refusal to act as directed by the city council, the deputy mayor shall perform the duties of the mayor.

(b) In the absence, incapacitation, disqualification, or upon the refusal to act as directed by the city council, of both the mayor and the deputy mayor, the senior member of the city council shall perform the duties of the mayor. The senior member of the city council shall be that council member, other than the mayor and deputy mayor, with the longest continued service. In the event of equal continued service, the individual receiving the most votes at the general election is the senior member.

(Ord. No. 33-06, § 3, 9-1-06)

Legislation Details (With Text)

File #:	21-614	**Version:**	1	**Name:**	
Type:	Ordinance			**Status:**	City Business
File created:	9/7/2021			**In control:**	City Council
On agenda:	11/9/2021			**Final action:**	
Title:	Approval of Ordinance No. 12-2021/first reading: Amending Chapter 2, Administration, Article VIII, Firefighters' Retirement Plan of the Code by amending: Section 2-271, Definitions, adding definition of death in the line of duty; Section 2-324, Disability, amending the benefit for a service incurred disability; Section 2-325, Preretirement Death, amending to create a new pre-retirement death benefit for members killed in the line-of-duty. (Administrative Services Director)				
Sponsors:	Department Director				
Indexes:					
Code sections:					
Attachments:	12-2021 Cocoa Firefighters Pension Ordinance (First Reading).pdf				

Date	Ver.	Action By	Action	Result

CITY COUNCIL AGENDA ITEM

Memo Date: October 27, 2021
Agenda Date: November 9, 2021
Prepared By: Tammy B. Gemmati, Administrative Services Director
Through: Stockton Whitten, City Manager
Requested Action:
Approval of Ordinance No. 12-2021/first reading: Amending Chapter 2, Administration, Article VIII, Firefighters' Retirement Plan of the Code by amending: Section 2-271, Definitions, adding definition of death in the line of duty; Section 2-324, Disability, amending the benefit for a service incurred disability; Section 2-325, Preretirement Death, amending to create a new pre-retirement death benefit for members killed in the line-of-duty.

BACKGROUND:

The City of Cocoa has an established Firefighters' Retirement Plan in accordance with Chapter 175, Florida Statutes for the benefit of the City's Firefighters. Under this statute, the City is required to provide a minimum level of pension benefits, which includes a pension benefit for a service-connected disability. The City recently concluded collective bargaining with both the International Association of Firefighters Local 2416 for the rank and file members and Teamsters Fire District Chiefs which resulted in adding specific benefits for in the line-of-duty death benefits if the disability occurs as the result of an active shooter event or mass killing.

These proposed benefit changes have been done so under the guidance of the City's pension attorney Glenn Thomas of Lewis, Longman, & Walker. According to information provided by legal counsel, there are not many pension plans that have specific benefits for situations defined in this

ordinance. A draft ordinance was provided to the Pension Plan's attorney Mark Floyd, Mierzwa & Floyd, P.A. and the Plan's actuarial firm Foster and Foster. Additionally, edits were made to the disability section to reflect the current disability multiplier being used and to comply with Florida State Statute Section 112.1816 for firefighters who become disabled due to a cancer diagnosis or circumstances that arise out of the treatment of such cancer on or after July 1, 2019.

After the first reading the actuary will provide an impact statement to accompany the second reading. City Staff hired a third-party actuary firm to conduct an analysis of these changes and it was found to have a minimal budgetary impact.

The following amendments to the pension plan in the proposed ordinance include:

1. Section 2-271, Definitions

   This section was amended to include a new definition of "death in the line of duty." The definition complies with the requirements of Section 112.1816, for firefighters who die as the result of cancer or the treatment of cancer.

2. Section 2-324, Disability

   (a) Service Incurred.

   - Effective October 1, 2021, the disability benefit shall be an amount equal to the member's accrued retirement benefit accrued at three percent (3%) of average monthly earnings; provided such amount is not less than forty-two percent (42%) of the member's average monthly earnings at the time of disability.
   - A separate disability benefit was added if the service incurred disability is the result of an active shooter situation or mass killing event. In these two situations, the minimum benefit would not be less than sixty percent (60%) of the member's average monthly salary at the time of death versus the plan's current minimum benefit of forty-two percent (42%). An active shooter situation is defined in the ordinance and with the FBI as an individual actively engaged in killing or attempting to kill people in a confined and populated area. Our ordinance references the federal code 28 U.S.C. s. 530C which has defined a mass killing event as three or more killings in a single incident.

   (f) Cancer Presumption. The plan is amended to reference the Florida Statute 112.1816 where as a firefighter is eligible for certain benefits upon a cancer diagnosis on or after July 1, 2019. The City's Plan is now being updated to reflect this change.

3. Section 2-325, Preretirement Death

   (c) *Death in line of duty.* When evaluating the changes for the active shooter and mass casualty disability it was recommended by the City's pension attorney to define in line of duty death benefits for members effective October 1, 2021. The proposed language in the City's ordinance mirrors language in the Florida Retirement System (FRS), except for deaths as a result of an active shooter and mass casualty situation. Specifically, this new language covers different situations dependent on whether the member is married or unmarried at the time of

event.

4. Incorporation into the Code. Specific authority is hereby granted to codify and incorporate this Ordinance in the existing Code of Ordinances of the City of Cocoa.

5. Repeal of Prior Inconsistent Ordinances and Resolutions. All Ordinances or parts of Ordinances in conflict herewith be and the same are hereby repealed.

6. Severability. If any section, subsection, sentence, clause, phrase of this ordinance, or the particular application thereof shall be held invalid by any court, administrative agency, or other body with appropriate jurisdiction, the remaining section, subsection, sentences, clauses, or phrases under application shall not be affected thereby.

7. Effective Date. The Ordinance shall be effective immediately upon adoption by the City Council after the second reading, which will be scheduled at the December 14, 2021 Council Meeting. The actuary will be preparing an impact statement which will be provided with the final reading.

City Administration recommends approval of Ordinance No. 12-2021/first reading, related to changes in the Firefighters' Retirement Plan: Section 2-271, Definitions, adding definition of death in the line of duty; Section 2-324, Disability, amending the benefit for a service incurred disability; Section 2-325, Preretirement Death, amending to create a new pre-retirement death benefit for members killed in the line-of-duty.

STRATEGIC PLAN CONNECTION:

N/A

BUDGETARY IMPACT:

Budgeted: Yes

An actuarial analysis was conducted by an outside actuary on this benefit change and it was determined the budgetary impact is minimal. The Pension Plan's actuary will be preparing an impact statement which will be provided with the final reading.

PREVIOUS ACTION:

At a regular City Council Meeting on July 10, 2019, City Council approved Ordinance No. 9-2019: Amending Chapter 2, Administration, Article VIII, Firefighters' Retirement Plan of the Code by amending: Section 2-281, Board Designated as Administrator, Composition, extending the terms of office for the Board of Trustees from two to four years; Section 2-308, Investment Powers of the Board, modifying the investment policy to allow the board to invest up to twenty-five percent of plan assets in foreign securities.

RECOMMENDED MOTION:

Approval of Ordinance No. 12-2021/first reading: Amending Chapter 2, Administration, Article VIII, Firefighters' Retirement Plan of the Code by amending: Section 2-271, Definitions, adding definition of death in the line of duty; Section 2-324, Disability, amending the benefit for a service incurred disability; Section 2-325, Preretirement Death, amending to create a new pre-retirement death benefit for members killed in the line-of-duty

ORDINANCE NO. 12-2021

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COCOA, BREVARD COUNTY, FLORIDA, AMENDING CHAPTER 2, ADMINISTRATION, ARTICLE VIII, FIREFIGHTERS' RETIREMENT PLAN, OF THE CODE OF ORDINANCES OF THE CITY OF COCOA BY AMENDING SECTION 2-271, DEFINITIONS; AMENDING SECTION 2-324, DISABILITY; AMENDING SECTION 2-325, PRERETIREMENT DEATH; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Cocoa established the Firefighters' Retirement Plan pursuant to Ordinance No. 9-93, in accordance with Chapter 175, Florida Statutes for the benefit of the City's firefighters.

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF COCOA, BREVARD COUNTY, FLORIDA AS FOLLOWS:

SECTION 1: That Section 2-271, Definitions; in Article VIII of Chapter 2, Part II of the City Code of the City of Cocoa, Florida, is amended to read as follows (Underlined type are additions and ~~strikeout~~ type are deletions to the City Code):

Sec. 2-271. - Definitions.

As used herein, unless otherwise defined or required by the context, the following words and phrases shall have the meaning indicated:

* * *

Death in line of duty: Death arising out of and in the actual performance of duty required by a member's employment during his or her regularly scheduled working hours or irregular working hours as required by the city. The Board may require such proof as deemed necessary as to the time, date, and cause of death, including evidence from any available witnesses. Workers' Compensation records under the provisions of chapter 440, Florida Statutes may also be used. Death in the line of duty shall not include death resulting from conduct found in deliberate violation or disregard of standards of behavior which the city has the right to expect of an employee; or carelessness or negligence by the member of such a degree or recurrence as to manifest culpability, wrongful intent, or evil design, or to show an intentional and substantial disregard of the city's interests or of the member's duties and obligations to the city. As provided in, and subject to the limitations of, section 112.1816, Florida Statutes, any member whose death results from cancer initially diagnosed on or after July 1, 2019, or from circumstances arising from the treatment of such cancer, shall be considered to have died in the line of duty for all purposes under the Plan.

* * *

SECTION 2: That Section 2-324, Disability, in Article VIII of Chapter 2, Part II of the City Code of the City of Cocoa, Florida, is amended to read as follows (Underlined type are additions and ~~strikeout~~ type are deletions to the City Code):

* * *

Sec. 2-324. - Disability.

(a) *Service incurred.* Any member who receives a service-connected injury, disease or disability, which, in the opinion of the board in accordance with Section 175.191, Florida Statutes permanently incapacitates the member, physically or mentally from rendering useful and efficient service as a firefighter, shall, effective December 31, 1999, receive monthly, a disability benefit in an amount equal to the member's accrued retirement benefit (accrued at the statutory two percent (2%) minimum; provided such amount is not less than forty-two percent (42%) of the member's average monthly earnings ~~salary~~ at the time of disability. Effective October 1, 2021, the disability benefit payable under this subsection (a) shall be an amount equal to the member's accrued retirement benefit accrued at three percent (3%) of average monthly earnings; provided such amount is not less than forty-two percent (42%) of the member's average monthly earnings at the time of disability. If the service-connected disability occurred during an active shooter event (defined as an individual actively engaged in killing or attempting to kill people in a confined and populated area) or mass killing event, as defined in 28 U.S.C. s. 530C, and as the direct result of the unlawful and intentional act of the perpetrator of such event, the disability benefit shall equal the member's accrued retirement benefit (accrued at the statutory two percent (2%) minimum) provided such amount is not less than sixty percent (60%) of the member’s average monthly earnings at the time of disability. The benefit shall be paid beginning when the member's sick pay and accrued vacation have expired and will continue until the payment due next preceding the date of recovery, as determined by the board, or if the member dies without recovery from the disability, the payment due next preceding the member's death or the one hundred twentieth (120th) monthly payment, whichever is later. An optional form of benefit providing death benefits, may be elected.

(b) *Nonservice incurred.* Any member who receives a nonservice connected injury, disease or disability, which, in the opinion of the board in accordance with Section 175.191, Florida Statutes permanently incapacitates the member, physically or mentally, from useful and efficient service as a firefighter, shall receive monthly, a disability benefit in an amount equal to one-twelfth (1/12) of twenty-five percent (25%) of the member's rate of regular base salary in effect as of the date of disability. The benefit shall be paid beginning six (6) months from

the date of disability until the earlier of recovery, as determined by the board, or death. An optional form of benefit, providing death benefits may be elected.

(c) *Determination of disability.* All questions relating to eligibility for initial payment or continuance of disability benefits shall be determined by the board taking into consideration the recommendations of the duly qualified physician or surgeon selected by the board to examine the member and based upon the methods and procedures established by the board. In the event that any disabled member could otherwise still be employed, or be reemployed as an employee except that the position for which the member is qualified is not available due to being currently filled, the benefit shall be payable only until such position again becomes available. The board may require, at its expense, periodic medical reexamination of disabled members.

(d) *Exclusions.* Disability benefits shall not be payable in cases where the disability is a result of:

(1) Excessive and habitual use of drugs, intoxicants, or narcotics;

(2) Injury or disease sustained while willfully and illegally participating in fights, riots, civil insurrections or while committing a felony;

(3) Injury or disease sustained while serving in the armed forces;

(4) Injury or disease sustained after employment as a firefighter has terminated, whether voluntarily or involuntarily.

(5) Injury or disease sustained while working for anyone other than the city and arising out of such employment during the first ten (10) years of credited service.

(e) *Recovery.* In the event of recovery from disability as determined by the board and immediate reemployment by the city as an employee, the period of time while disabled shall be included as credited service. In the event of recovery, or the refusal by the member to submit to medical reexamination, but without immediate reemployment as an employee, the member's future benefits shall be determined as though the member initially terminated employment on the member's date of disability.

(f) *Cancer presumption*. Subject to the requirements and limitations under s. 112.1816, F.S., if a firefighter is totally and permanently disabled due to cancer diagnosed on or after July 1, 2019, or circumstances that arise out of the treatment of such cancer, the disability shall be deemed by the Board to have been directly caused by the performance of his or her duty as a firefighter.

* * *

SECTION 3: That Section 2-325, Preretirement Death, in Article VIII of Chapter 2, Part II of the City Code of the City of Cocoa, Florida, is amended to read as follows (Underlined type are additions and ~~strikeout~~ type are deletions to the City Code):

* * *

(a) Prior to eligibility for retirement. ~~The~~ Except as provided under subsection (c), the death benefit payable on behalf of a member who dies prior to being eligible for early, normal, or delayed retirement shall equal the member's accumulated contributions with interest.

(b) Deceased employees eligible for retirement. The beneficiary of any actively employed member who is eligible for but dies prior to early, normal, or delayed retirement, shall, effective December 31, 1999, be entitled to the benefits otherwise payable to the member at early or normal retirement age, accrued at the statutory two percent (2%) minimum.

(c) *Death in line of duty.* Effective October 1, 2021, if a member, other than a participant in the Deferred Retirement Option Plan, dies in the line of duty, a death benefit shall be paid as follows:

(1) If the member is married at the time of death, the member's spouse shall receive the greater of, a monthly benefit equal to forty-two percent (42%) of the member's average monthly earnings at the time of the member's death, or if the member was vested, the member's accrued retirement benefit (calculated at 3% of average monthly earnings), payable for the life of the spouse. If the surviving spouse of a member killed in the line of duty dies, or if the member killed in the line of duty leaves no surviving spouse but is survived by a child or children under 18, the monthly payment that would have been payable to such surviving spouse had such surviving spouse lived shall be paid for the use and benefit of such member's child or children under 18 years of age and unmarried or, until the 25th birthday of any child of the member if the child is unmarried and enrolled as a full-time student.

(2) If the member is not married at the time of death, a monthly benefit equal to forty-two percent (42%) of the member's average monthly earnings at the time of the member's death shall be split equally among the member's beneficiaries. Benefit payments to a beneficiary under this paragraph shall continue for twenty (20) years or until the death of the beneficiary, whichever occurs first.

(3) If a member's line-of-duty death occurred during an active shooter event (defined as an individual actively engaged in killing or attempting to kill people in a confined and populated area) or mass killing event, as defined in 28 U.S.C. s. 530C, and was the direct

result of the unlawful and intentional act of the perpetrator of such of event, the benefit payable to the member's beneficiary or beneficiaries as provided in this subsection (c) shall equal the greater of, sixty percent (60%) of the member's average monthly earnings at the time of death, or if the member was vested, the member's accrued retirement benefit (calculated at 3% of average monthly earnings).

(4) The benefit provided under this subsection (c) shall commence on the first day of the month coincident with or next following the date of the member's death and shall supersede any other distribution that may have been provided by the member's designation of beneficiary.

* * *

SECTION 4: Incorporation into the Code. Specific authority is hereby granted to codify and incorporate this Ordinance in the existing Code of Ordinances of the City of Cocoa.

SECTION 5: Severability. Should any section or provision of this Ordinance or any portion thereof, or any paragraph, sentence, or word be declared by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remainder hereto as a whole or part thereof other than the part to be declared invalid.

SECTION 6: Repeal of Prior Inconsistent Ordinances and Resolutions. All City Code provisions or laws inconsistent with this Ordinance are hereby repealed to the extent of any conflict.

SECTION 7: Effective Date. That this Ordinance shall become effective upon its adoption.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF COCOA, FLORIDA, IN A REGULAR MEETING ASSEMBLED ON THE _____ DAY OF _____ 2021.

_____

Michael C. Blake, Mayor

ATTEST:

_____

Carie Shealy, MMC, City Clerk

1ST READING: November 9, 2021

2ND READING AND ADOPTION: _____

Legislation Details (With Text)

File #:	21-733	**Version:**	1	**Name:**	
Type:	Informational Item			**Status:**	Agenda Ready
File created:	11/3/2021			**In control:**	City Council
On agenda:	11/9/2021			**Final action:**	
Title:	Calls for service provided by the Cocoa Fire Rescue Department for the month of October 2021. (Fire Chief)				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	October 2021 Calls For Service By Incident Type Report.pdf				

Date	Ver.	Action By	Action	Result

CITY COUNCIL AGENDA ITEM

Memo Date: November 3, 2021
Agenda Date: November 9, 2021
Prepared By: Samuel Byrd, Deputy Fire Chief
Through: Jonathan Lamm, Fire Chief
Requested Action:
Informational Item Only

BACKGROUND:

Fire Incident Summary Report for October 2021.

STRATEGIC PLAN CONNECTION:

Public Safety- Enhancing the public awareness to the calls for service provided by the Cocoa Fire Rescue Department for the month of October.

BUDGETARY IMPACT:

None

PREVIOUS ACTION:

None

RECOMMENDED MOTION:

Information Only

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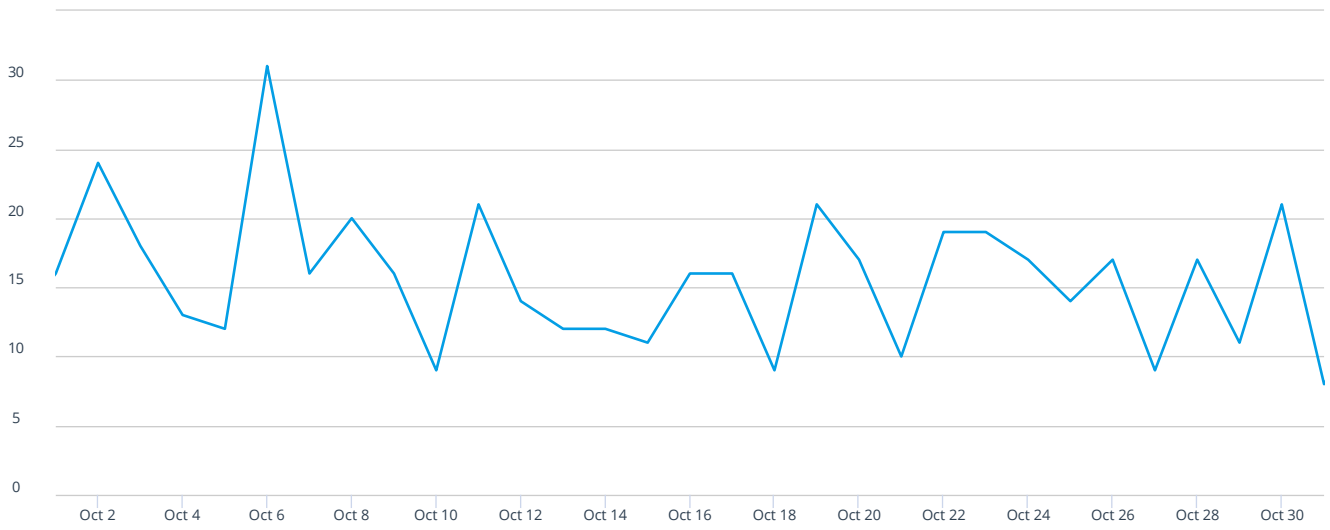
Custom Oct 1, 2021 - Oct 31, 2021

33%
FIRE
Percentage of Total Incidents

67%
EMS
Percentage of Total Incidents

486
INCIDENTS
In Selected Time Slice

31
DAYS
In Selected Time Slice





Counts | % Rows | % Columns | % All

Week Ending	10/3/21	10/10/21	10/17/21	10/24/21	10/31/21	11/7/21	11/14/21	11/21/21	11/28/21	12/5/21	12/12/21	12/19/21	12/26/21	Total
(11) Structure Fire		2	1											3
(14) Natural vegetation fire					2									2
(15) Outside rubbish fire		1		1	2									4
(30) Rescue, emergency medical call (EMS), other	4	12	8	3										27
(31) Medical assist		2	3	4	1									10
(32) Emergency medical service (EMS) incident	34	68	52	71	59									284
(38) Rescue or EMS standby			2	1										3
(40) Flammable gas or liquid condition, other		1		1										2
(41) Combustible/f.. spills & leaks			1											1
(44) Electrical wiring/equipm. problem	1	2		1										4
(48) Attempted burning, illegal action			1											1
(50) Service call, other			1		2									3
(51) Person in distress			1											1
(52) Water problem		1												1
(53) Smoke, odor problem	1													1

Week Ending	10/3/21	10/10/21	10/17/21	10/24/21	10/31/21	11/7/21	11/14/21	11/21/21	11/28/21	12/5/21	12/12/21	12/19/21	12/26/21	Total
(55) Public service assistance	6	6	7	10	9									38
(60) Good intent call, other			1											1
(61) Dispatched and canceled en route	9	14	14	10	12									59
(62) Wrong location, no emergency found	1	3	4	2	4									14
(65) Steam, other gas mistaken for smoke		2		1										3
(66) EMS call where party has been transported			1											1
(67) HazMat release investigation w/no HazMat		1												1
(70) False alarm and false call, other	1	1	2	3	3									10
(73) System or detector malfunction				1										1
(74) Unintentional system/detect... operation (no fire)	1		3	3	2									9
NULL		1			1									2
Total	58	117	102	112	97									486