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City of Port Lavaca, TX

## **Service Advantage Work Order**

*Under the Master Services Agreement dated:*

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## Table of Contents

Overview of Work Order .....	3
Summary of Scope of Services & Fees .....	3
Deliverables & Services .....	6
Exclusions .....	9
Client Responsibilities .....	9
Assumptions .....	10
Invoicing .....	11
Addendum A – Service Desk Priorities .....	12
Addendum B – Maintenance Windows.....	14



## Overview of Work Order

This Work Order is part of, and incorporated into, the Master Services Agreement between City of Port Lavaca, TX and VC3, Inc. and is subject to the terms and conditions of the agreement and any definitions contained in the Agreement. If any provision of this Work Order conflicts with the Agreement, the terms and conditions of the Agreement shall control.

## Summary of Scope of Services & Fees

VC3 will provide the following services listed in Tables A and B. Recurring services, if included, shall be provided for 60 Months, starting from the date of the first recurring invoice (Effective Services Start Date), unless terminated in accordance with the terms of this work order or the Master Services Agreement.

VC3 will audit the Client's usage of units on a monthly basis; for each unit found in excess of the amount listed in Table A, VC3 will increase the monthly fee by the corresponding amount indicated in Table A. Reductions in Units above the minimum threshold will be reflected on the invoice within 30 days of service removal. Additional services may be added at any time during the life of this contract at the unit rates listed below.

*(See tables on next page)*



Table A: Services &amp; Fees

Description	Units	Unit Price	Monthly Fee	One-Time Fee	Annual Fee
<b>Service Advantage</b>					
SA Support Seats	71.00	\$109.99	\$7,809.29	\$0.00	\$0.00
Server(s) - SA/SAL <i>Physical or virtual server that is running a server operating system.</i>	13.00	\$202.02	\$2,626.26	\$0.00	\$0.00
<b>VC3 Protect - Managed Security</b>					
Protect - Shield <i>Includes Dark Web Protect, Cyber Aware, Endpoint Protect, Web Protect, E-Mail Protect, Cloud Protect, 24/7/365 Security Monitoring and Quarterly Reporting</i>	71.00	\$24.00	\$1,704.00	\$0.00	\$0.00
Email Protect - Per Mailbox <i>Email security licenses to include: Advanced Anti-Spam, URL Defense, Data Loss Prevention &amp; E-Mail Encryption</i>	28.00	\$3.73	\$104.44	\$0.00	\$0.00
<b>Additional Services</b>					
Migration (Email) <i>Migration from existing Email solution to Microsoft Office 365 tenant.</i>	99.00	\$131.25	\$0.00	\$12,993.75	\$0.00
<b>Office 365 Products</b>					
Exchange Online (Plan 1) <i>50GB Exchange Online Mailbox</i>	99.00	\$4.00	\$396.00	\$0.00	\$0.00
<b>Managed Backups</b>					
VC3 Backup - Server <i>VC3 Managed Backups per Server</i>	9.00	\$32.00	\$288.00	\$0.00	\$0.00
VC3 Backup - GB <i>Per GB data stored in backup repository. This number is an estimate and will vary from month to month depending on how much data is backed up, data optimization, and client retention requirements.</i>	34,210.00	\$0.05	\$1,710.50	\$0.00	\$0.00
<b>Total Services Monthly:</b>		<b>\$14,638.49</b>			

Notes:



- Prices shown above are valid for 30 days from date of work order.
- 90% of servers are 10+ Years old. With some project work server count can be reduced to 9 by switching to non-windows Hypervisor during hardware update. Further consolidation likely possible as well.
- Do not have enumeration of Google Apps seats. Assuming 99 e-mail accounts (1 for each employee)

**Table B: Summary of Fees**

One-Time Fees*	Monthly Fees	Annual Fees
\$27,784.49	\$14,638.49	\$0.00

\* One-Time fees may include implementation if required.



# Deliverables & Services

## Service Advantage

VC3 will supply the necessary qualified resources to manage the IT Services of the client as defined below.

Included Devices: 'Included Devices' will be defined as applicable devices associated with the unit quantities stated in Table A.

VC3 will provide the following functions and services as part of this Work Order:

**A. 24x7 Monitoring and Incident Response Services:**

1. Provide 24X7 Incident response services for all included devices.
2. Track all incidents through an ITIL (Information Technology Infrastructure Library) based Service Desk system. All requests will be prioritized and processed per the 'Priority' guidelines listed in Addendum A.
3. Provide 24x7 collection of performance data for the client's included server and network devices per VC3's best practices.
4. Provide 24X7 response to critical event driven Incidents.
5. Utilize industry best practices for remote access, control and management of all devices.
6. VC3 First Call Resolution Center (FCR) is staffed from 7:00am to 6:00pm Monday through Friday.

**B. Application Support:**

1. Provide support client licensed 3<sup>rd</sup> party applications. If it is determined from the initial discovery and/or from third-party application vendors that an application requires additional servers, licensing or support resources, additional monthly costs may be required before the application can be supported.

**C. Proactive Services:**

1. **Backup Management:** Monitor and maintain customer provided backups for supported devices. For VC3 provided hosted virtual servers VC3 will provide, monitor, and maintain at least two weeks of daily backups (Monday-Friday).
2. **Patch Management:** Perform maintenance activities on included devices such as the application of vendor provided software and firmware updates.





3. **Antivirus and Support Tools:** Deploy VC3 Remote Support and Anti-Virus agents to all applicable included devices.
4. **Anti-Spam:** Provide Spam filtering for all inbound mail.

**D. VCIO Services:**

VC3 will provide the client with a named 'VCIO' or Virtual Chief Information Officer.

1. **Budgeting:** The VCIO will work with the client to develop an annual technology budget for recurring expense items and new capital requirements in alignment with organizational goals.
2. **Strategic Planning:** The VCIO will recommend technology solutions as well as provide roadmaps that support key business processes in order to help the client leverage technology appropriately. The VCIO will work with the client as part of the annual planning process to understand the current business drivers and goals and make recommendations targeted toward maximizing the effectiveness of the client's technology investment.
3. **Analyze IT Health data:** The VCIO will perform a periodic analysis of the data collected by VC3's monitoring systems to proactively resolve issues and assess potential risks within the environment. The VCIO will make this analysis available to key stakeholders and provide direction on business decisions regarding the level of investment.

**E. Hardware as a Service**

1. Seats can be increased or decreased to reflect staff headcount changes. If a seat is dropped within the first twelve months of activation a drop fee of three times unit cost will be assessed.
2. Packages can be upgraded, and unit counts will be updated accordingly.
3. Devices will be replaced based on the refresh cycle selected for that device and when the device was put into service.
4. VC3 will provide replacement components with substantially same or better performance as the original for failures on Hardware-as-a-Service equipment that occur because of internal equipment defects or end of life failure. The model and manufacturer of replacement devices may vary depending on device availability and lifecycle.
5. For mobile computers ie. Laptops, accidental replacement coverage is included with a limit of one replacement per refresh cycle. For all other devices client is responsible



for cost of replacement or repair where damage is due to any factors other than internal defects or end of life failure – including abuse, accident, or environmental factors (for example, fire or flood damage).

## F. Managed Security Protect

### 1. Deployment & Implementation Services

- i. Provision **Dark Web Protect** -Dark web monitoring platform, including provisioning Client's domain(s), reviewing existing data with Client point of contact, and configuring real time alerting.
- ii. Provision **Cyber Aware** – Cyber Security Training platform. Includes synchronizing employees between Client's domain and training platform, configuring phish testing and periodic online cyber security training video.
- iii. Configure **Endpoint Protect** – Advanced threat hunting for endpoints. Includes deployment of a software package to all corporate servers and workstations with VC3 RMM deployed.
- iv. Provision **Web Protect** – Advanced DNS/Web protection platform.
- v. Provision **Email Protect** – Advanced Email Threat Protection platform. Includes deployment of the advanced email filtering services to the Clients' Microsoft 365 tenant.
- vi. Provision **Cloud Protect** – Cloud Platform Security Event and Incident Reporting platform. Includes deployment of the cloud monitoring services to the Clients' Microsoft 365 tenant.

### 2. General Managed Security Services

#### i. **24x7 Monitoring and Incident Response Services:**

1. Provide 24X7 Incident response services for all included deployed services.
2. Track all incidents through an ITIL (Information Technology Infrastructure Library) based Service Desk system. All requests will be prioritized and processed per the 'Priority' guidelines listed in Addendum A.
3. Provide 24x7 Partner Security Operations Centre (SOC) monitoring for all endpoints with Endpoint Protect deployed.
4. 24X7 response to critical event driven Incidents.





5. Utilize industry best practices for remote access, control and management of all devices.
- ii. **Quarterly Security Summary.** Includes a report of the activities that have taken place under this Work Order.

## Exclusions

Items other than those included above are expressly excluded from the Services provided within this Work Order. The following exclusions and clarifications are intended to clarify the scope of services for this work order:

- A. Excluded services are those related to functionality upgrades, such as those required to evaluate, specify, purchase, and implement client system or server upgrades such as operating systems, Microsoft Office suite software unless included with a specific VC3 product, third party software deployments or upgrades, or equipment related to these services whose scope exceeds that defined above. VC3 will provide these services to the client on a Time & Materials Work Order basis at the rates outlined in the Master Services Agreement. If modification or replacement of a hardware device or component is required, client is responsible for all hardware and hardware vendor services costs, excluding VC3 owned hardware explicitly provided through this work order.
- B. Software development, training and project work, including client-owned PC upgrades and non-patch upgrades of software, are not included.
- C. When client requests services by VC3 not explicitly included in this agreement, they are agreeing to invoicing of said services per the terms outlined in the Master Services Agreement. For all services which incur additional hourly fees, VC3 will notify the client that these services are outside the scope of this work order and will receive approval from client prior to rendering these additional services.
- D. Cybersecurity event or incident response activities or remediation efforts exceeding eight (8) hours of technician, engineer or project management time.

## Client Responsibilities

- A. Client will provide a primary point of contact for VC3 to work with on all services provided in this Work Order.
- B. Client is responsible for authorizing access for VC3 to sites that are owned / controlled by third parties.



- C. Client will make a best effort to maintain the minimum infrastructure requirements as defined by VC3.
- D. Client will maintain both hardware and software maintenance agreements with the source Vendor whenever possible to allow for ongoing access to security updates and to provide quick replacement of non-functioning components.
- E. Client must assign VC3 as their Microsoft Partner of record.
- F. Client is responsible for procurement and ownership of all licenses, maintenance, and vendor support agreements required for support of their third-party applications, excluding the Microsoft licensing explicitly included in the per seat packages identified in Table A.
- G. Third party tool licensing may be required for additional cost.
- H. Client will be financially responsible for any remaining or ongoing charges from Microsoft. Microsoft subscriptions can each have their own terms and renewal dates. It is the client's responsibility to engage VC3 to adjust Microsoft subscription counts and terminations prior to 12 months from the original work order or subsequent change order purchase date.

## Assumptions

- A. The Work Order will not become effective unless and until it is agreed upon and signed by the Client and VC3.
- B. If VC3 is providing or managing Client 's Microsoft Licenses, then Client agrees to the Microsoft terms and conditions as stated in the Microsoft Customer Agreement found here: <https://www.microsoft.com/licensing/docs/customeragreement>
- C. VC3 reserves the right, at its discretion, to pass onto the client any changes to obligations, such as terms or pricing imposed on VC3 by a given vendor, for an offering that is currently resold to the client at any time during the current agreement term.
- D. VC3 will make reasonable efforts to resolve all issues remotely prior to dispatching an engineer onsite. Travel hours incurred will be invoiced according to the Master Services Agreement.
- E. Microsoft NCE licenses and subscriptions run on an annual basis and cannot be terminated nor altered mid-term.
- F. The items defined in this work order are designed to enhance the security of the customer environment. There is no guarantee that any security measure will prevent a data breach, infection, or other cyber security incident.



## Invoicing

VC3 will invoice Client per Table C. VC3 will invoice the Client a pro-rated monthly fee based on any partial month of service plus the first full month of service on the effective services start date. All subsequent service months will be invoiced at the start of the month in which services are to be rendered. Services activated after the first of month may be invoiced on a pro rata basis the following month. Any taxes related to services purchased or licensed pursuant to this Work Order shall be paid by Client or Client shall present an exemption certificate acceptable to the taxing authorities. Applicable taxes and freight charges shall be billed as a separate item on the invoice.

Unit rates will automatically increase annually on the anniversary of the Effective Services Start Date equivalent to the CPI change for All Urban Consumers or by 4.00%, whichever is higher.

The terms of this work order will automatically renew for an additional term of equivalent length to the current active term unless notice of termination is provided to VC3 no fewer than 90 calendar days prior to expiration of the current active term.

**Table C**

Milestone Billing	Milestone Description / Date	InvoiceAmount
One-Time Fees	Invoiced at signing of the Work Order.	\$27,784.49
Monthly Fee (60 Months)	Invoicing to begin when recurring services begin.	\$14,638.49
Annual Fee (60 Months)	Invoiced at signing of the Work Order.	\$0.00

*\*Refer to Table B for implementation fee and monthly fee amounts.*

**VC3, Inc**

**City of Port Lavaca, TX**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_





## Addendum A – Service Desk Priorities

Incidents and Service Requests are triaged and prioritized to effectively resolve the most important issues in a timely manner. VC3 utilizes the following priorities, criteria and response metrics:

### A. Priority 1:

- o System/device/service down causing work to cease and critical impact to the organization or a whole department; no workaround available; Client is in danger of or is experiencing a financial loss or the ability to make strategic business decisions is impaired; begin resolution activities immediately.
- o **24x7 Support:** Priority 1 incidents will be addressed on a 24 hours a day, 7 days a week basis including holidays.

### B. Priority 2:

- o System/device/service down causing work to cease and potential business impact for an individual user; no workaround available.
- o Level of service degraded causing impact to the organization or a whole department; no workaround available.
- o **24x7 Support:** Priority 2 incidents will be addressed on a 24 hours a day, 7 days a week basis including holidays.

### C. Priority 3:

- o Level of service degraded causing impact to an individual user; no work around available.
- o Operational impact to the organization or a whole department though work continues as a result of implementing a workaround or use of other system/device/service.
- o A request to enable or configure a system/device/service within 2 business days.
- o Incidents related to Backup system failures.
- o **Business Hours Support:** Priority 3 incidents will be addressed during normal business hours Monday-Friday, 8:00am to 5:00pm excluding holidays.

### D. Priority 4:

- o Operational impact to the organization, department or user exists though work continues as a result of implementing a workaround or use of another system/device/service.
- o A request to enable or configure a system/device/service within 5 business days.
- o **Business Hours Support:** Priority 4 incidents will be addressed during normal business hours Monday-Friday, 8:00am to 5:00pm excluding holidays.

### E. Priority 5:

- o Operational impact to the organization, department or user is minimal or is mitigated by a reliable workaround.
- o A request to enable or configure a system/device/service beyond 5 business days from the date of the request.
- o Requests that have longer lead times to implement than possible within 5 business days.
- o **Business Hours Support:** Priority 5 incidents will be addressed during normal business hours Monday-Friday, 8:00am to 5:00pm excluding holidays.



Call Priority	Initial Client Contact Guidelines	Initial Client Contact Percentages
1	30 Min	95%
2	60 Min	95%
3	4 business hours	95%
4	8 business hours	95%
5	8 Business Hours	95%





## Addendum B – Maintenance Windows

All work performed within VC3's Hosting or Client Infrastructure is a form of maintenance. Such work may or may not result in a disruption of service depending on the scope of the activity.

1. **Scheduled Maintenance:** All planned work performed on VC3's Hosting or Client Infrastructure by VC3 engineers or staff is defined as "Scheduled Maintenance".  
During Scheduled Maintenance, some or all of VC3's Hosting or Client Infrastructure may be out of service and therefore may not be accessible to users. Regularly Scheduled Maintenance will occur on Mondays between 2 AM and 5 AM. A 15-minute downtime is expected during this window. If Client has a business need to avoid said outage, they must provide their request via the VC3 Service Desk ten business days in advance.
  - a. **Notification:** If VC3 decides to perform Scheduled Maintenance beyond the standard 15-minute downtime, Client will be notified via email ten business days before the Scheduled Maintenance window.
2. **Emergency Maintenance:** All work performed in response to a disruption or a threat to the availability of a component of VC3's Hosting or Client Infrastructure within the control of VC3 is defined as "Emergency Maintenance".  
Emergency Maintenance will be conducted based upon the timeframe that the emergency exists. Normal business hours will see an immediate response. For issues that occur during non-business hours, the impact of the event will be evaluated as soon as possible, and appropriate measures taken to return the system to normal availability.
  - a. **Notification:** Client will be notified via email should Emergency Maintenance be necessary.
3. The VC3 Hosting or Client Infrastructure includes is not limited to the following areas: E-mail hosting, server hosting, website hosting, Content Management System, Hosted Applications, Internet Service Provider, Hosted Voice, and custom application hosting.



November 7, 2022

Dear City of Port Lavaca, TX,

As an important client to VC3, Inc., we would like to invite you to participate in our payment plan using the Automated Clearing House (ACH). In lieu of cutting a check or processing a credit card transaction for goods and/or services, your company's payment will be drafted via electronic transfer and automatically debited from your account at your financial institution. ACH will be used for all invoices, including new and previous agreements, and time and material invoices with VC3. The ACH Payment program has proven to be an efficient and cost-effective mechanism for making payments, increasing payment security, and for eliminating the time lag caused by standard mail. In addition, outstanding invoices are paid without any manual hassles.

You will still receive an invoice as usual. Upon receipt of your invoice, your company will have 15 calendar days to review the outstanding payable. If no changes are needed, an ACH bank draft will be initiated on the next scheduled bank draft day after the 15<sup>th</sup> calendar day review period (typically the following Thursday).

If there is a dispute on a charge, please email the invoice number and issue at hand to [finance@vc3.com](mailto:finance@vc3.com). This will freeze your automated ACH payment until the dispute is settled.

For your convenience we have enclosed an ACH Payment Authorization Form. Please use this agreement as consent for VC3 to directly withdraw funds from your financial institution.

Sincerely,

VC3, Inc.



### ACH Payment Authorization Agreement

**Company Name:** City of Port Lavaca, TX

We hereby authorize VC3, Inc., to initiate debit entries out of our checking account indicated below at the depository financial institution named below, hereafter called Depository. VC3, Inc. acknowledges that the origination of ACH transactions out of the account must comply with the provisions of U.S. law.

Bank Name: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Routing Number: \_\_\_\_\_ Account Number: \_\_\_\_\_

Account Type: \_\_\_\_\_

This authorization is to remain in full force and effect until VC3, Inc. has received written notification of its termination, in such time and in such manner as to afford VC3, Inc. a reasonable opportunity to act on it.

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Remittance Contact: \_\_\_\_\_

Contact Email: \_\_\_\_\_