

# Data Communications Products and Services Contract Overview for Palo Alto Networks, Inc. State of Idaho

## **Data Communications Award Categories**

Review the Master Agreement, pages thirty (30) to thirty-nine (39) for detailed information on the category awarded to Palo Alto Networks, Inc., Internet of Things (IoT). Contractor may offer products (i.e. white box, artificial intelligence, etc.) and services within the Categories it received an award in. Each category also allows for Internet of Things (IoT) products. These products must be an IoT product that can be deployed within, upon, or integrated into a government agency's physical asset to address government line of business needs. Proposals are expected to include IoT products designed to support common government lines of business in specific subcategories i.e. routers, switches, end points, etc. IoT products can only be provided in categories that the vendor is awarded in and can include endpoints that support items in that category. Value Added Services are available for procurement at the time of product purchase or anytime afterwards. Review the Master Agreement, page thirty-five (pg. 35) for further details on Value Added Services.

## **Pricing Discounts and Value-added Services**

Review the Master Agreement, page thirty-one (31) for pricing notes, discounts, and a list of the Value-Added Services.

## **Inspection and Acceptance**

Where the Master Agreement or an Order does not otherwise specify a process for inspection and Acceptance, this section governs. This section is not intended to limit rights and remedies under the applicable commercial code.

All Products are subject to inspection at reasonable times and places before Acceptance. Contractor shall provide right of access to the Lead State, or to any other authorized agent or official of the Lead State or other Participating or Purchasing Entity, at reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance requirements under this Master Agreement. Products that do not meet specifications may be rejected. Failure to reject upon receipt, however, does not relieve the contractor of liability for material (nonconformity that substantially impairs value) latent or hidden defects subsequently revealed when goods are put to use. Acceptance of such goods may be revoked in accordance with the provisions of the applicable commercial code, and the Contractor is liable for any resulting expense incurred by the Purchasing Entity related to the preparation and shipping of Product rejected and returned, or for which Acceptance is revoked. Upon shipment of the relevant Product to Purchasing Entity, (30) days in which to inspect whether the Product materially conforms to Contractor's published specifications (the "Acceptance Period"). If the Product is non-conforming, it shall notify Contractor of the non-conformity within the Acceptance Period. Contractor shall replace the Product with a conforming Product. Purchasing Entity shall be deemed to have accepted the Product; (i) at the end of the Acceptance Period if Purchasing Entity has not notified Contractor of any nonconformity with the Product during that time or (ii) if Purchasing Entity has notified Contractor of any non-conformity, the date on which it notifies Contractor that it accepts the replaced Product (the "Acceptance Date").

Acceptance of services shall be defined in the applicable Purchase Order and any associated statement of work. Notwithstanding the foregoing, if any services do not conform to contract requirements, the Purchasing Entity may require the Contractor to perform the services again in conformity with contract requirements, at no increase in

Order amount. In such an event, Contractor shall provide Purchasing Entity with a corrective action plan designed to remedy the nonconforming services or deliverable. When defects cannot be corrected by re-performance of the services three (3) times pursuant to the corrective action plans proposed by Contractor, the Purchasing Entity may terminate the services with notice and shall have no liability to pay for such nonconforming services and/or deliverables, including fees and expenses for such services and Deliverables that have not been accepted in accordance with the terms herein. Notwithstanding the foregoing, Purchasing Entity shall be responsible to pay for all services and deliverables that were performed and accepted hereunder.

The warranty period shall begin upon Acceptance.

### **Payment**

Payment after Acceptance 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, unless a different late payment amount is specified in a Participating Addendum, Order, or otherwise prescribed by applicable law. Payments will be remitted by mail. Payments may be made via a State or political subdivision "Purchasing Card" with no additional charge.

### **Shipping and Delivery**

The prices are the delivered price to any Purchasing Entity. All deliveries shall be F.O.B. destination, freight pre-paid, with all transportation and handling charges paid by the Contractor. Responsibility and liability for loss or damage shall remain the Contractor's until final inspection and acceptance when responsibility shall pass to the Purchasing Entity except as to latent defects, fraud and Contractor's warranty obligations. The minimum shipment amount, if any, will be found in the special terms and conditions. Any order for less than the specified amount is to be shipped with the freight prepaid and added as a separate item on the invoice. Any portion of an Order to be shipped without transportation charges that is back ordered shall be shipped without charge.

All deliveries will be "Inside Deliveries" as designated by a representative of the Purchasing Entity placing the Order. Inside Delivery refers to a delivery to other than a loading dock, front lobby, or reception area. Specific delivery instructions will be noted on the order form or Purchase Order. Any damage to the building interior, scratched walls, damage to the freight elevator, etc., will be the responsibility of the Contractor. If damage does occur, it is the responsibility of the Contractor to immediately notify the Purchasing Entity placing the Order.

All products must be delivered in the manufacturer's standard package. Costs shall include all packing and/or crating charges. Cases shall be of durable construction, good condition, properly labeled and suitable in every respect for storage and handling of contents. Each shipping carton shall be marked with the commodity, brand, quantity, item code number and the Purchasing Entity's Purchase Order number.

### **Warranty**

Warranty provisions govern where specified elsewhere in the documents that constitute the Master Agreement; otherwise this section governs. The Contractor warrants for a period of one year from the date of Acceptance that: (a) the Product performs according to all specific claims that the Contractor made in its response to the solicitation, (b) the Product is suitable for the ordinary purposes for which such Product is used as described in Contractor's response to the solicitation, (c) the Product is suitable for any special purposes identified in the solicitation, (d) the Product is designed and manufactured in a commercially reasonable manner, and (e) the Product is free of material defects. 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.

#### **Title of Product**

Upon Acceptance by the Purchasing Entity as detailed in the "Inspection and Acceptance" section above, Contractor shall convey to Purchasing Entity title to the Product free and clear of all liens, encumbrances, or other security interests. Transfer of title to the Product shall include an irrevocable and perpetual license to use any Embedded Software in the Product. If Purchasing Entity subsequently transfers title of the Product to another entity pursuant to Contractor's transfer policy provided within Attachment D, Purchasing Entity shall have the right to transfer the license to use the Embedded Software with the transfer of Product title. A subsequent transfer of this software license shall be at no additional cost or charge to either Purchasing Entity or Purchasing Entity's transferee.

#### **License of Pre-Existing Intellectual Property**

Contractor grants to the Purchasing Entity a nonexclusive, perpetual, royalty-free, revocable, license to use, translate, for Purchasing Entity's own use in its normal and customary business operation, perform, display, of the Intellectual Property, and its derivatives, used or delivered under this Master Agreement, but not created under it ("Pre-existing Intellectual Property"). The Contractor shall be responsible for ensuring that this license is consistent with any third-party rights in the Pre-existing Intellectual Property.

#### **Subscription License**

For that portion of the Product, which is provided subject to a nonexclusive subscription license, Contractor shall grant to the Purchasing Entity such subscription license as agreed upon by the Contractor and Purchasing Entity as set forth in Attachment D.

#### **No Guarantee of Service Volumes**

The Contractor acknowledges and agrees that the Lead State and NASPO ValuePoint makes no representation, warranty or condition as to the nature, timing, quality, quantity or volume of business for the Services or any other products and services that the Contractor may realize from this Master Agreement, or the compensation that may be earned by the Contractor by offering the Services. The Contractor acknowledges and agrees that it has conducted its own due diligence prior to entering into this Master Agreement as to all the foregoing matters.

#### **Purchasing Entity Data**

Purchasing Entity retains full right and title to Data provided by it and any Data derived therefrom, including metadata. Contractor shall not collect, access, or use user-specific Purchasing Entity Data except as strictly necessary to provide Service to the Purchasing Entity. No information regarding Purchasing Entity's use of the Service may be disclosed, provided, rented or sold to any third party for any reason unless required by law or regulation or by an order of a court of competent jurisdiction. The obligation shall extend beyond the term of this Master Agreement in perpetuity.

Contractor shall not use any information collected in connection with this Master Agreement, including Purchasing Entity Data, for any purpose other than fulfilling its obligations under this Master Agreement.

Notwithstanding the foregoing, Purchasing Entity Data will specifically exclude information collected, generated and/or analyzed by the Services such as threat intelligence data derived from processing log files, session data, telemetry, user data, usage data, and copies of potentially malicious files detected by Licensor through use of the Services. For the avoidance of doubt, Contractor may utilize Purchasing Entity Data to the extent that is necessary to continue to operate, adapt and improve its current security offerings. Such use shall not in any manner identify Purchasing Entity Data or Purchasing Entity to any third party and will be used strictly for product operation and improvement purposes.

**System Failure or Damage**

In the event of system failure or damage caused by Contractor or its Services, the Contractor agrees to use its best efforts to restore or assist in restoring the system to operational capacity.

**Title to Product**

If access to the Product requires an Application Program Interface (API), other than any portion of the Product which is provided subject to a nonexclusive subscription license, Contractor shall convey to Purchasing Entity an irrevocable and perpetual license to use the API.

**Data Privacy**

The Contractor must comply with all applicable laws related to data privacy and security. Prior to entering into a SLA with a Purchasing Entity, the Contractor and Purchasing Entity must cooperate and hold a meeting to determine the Data Categorization to determine what data the Contractor will hold, store, or process. The Contractor must document the Data Categorization in the SLA or Statement of Work.