

August 12, 2004

Brett Bobley
National Endowment for the Humanities
1100 Pennsylvania Avenue, NW
Washington, DC 20506

Dear Mr. Bobley:

We want to thank you for the opportunity to revisit and explore ideas on how Microsoft can simplify and make it more efficient and economical for the small Federal agencies to acquire our products and services. As a result of our discussion, Microsoft is pleased to provide the member agencies of the Federal Small and Independent Agency CIO Council a program that will include new enterprise agreements as well as renewals for existing enterprise agreements that will expire in the coming months. As we discussed, we are providing a volume discount by recognizing the Federal Small and Independent Agency CIO Council members as a collective organization. With the combined volume, this enables us to extend a volume discount that would not otherwise be available to the individual agency. The details of the program offering are described below.

Program Offering:

Microsoft will offer a special volume discount that is limited to the following enterprise license agreements with an option to add additional products as desired by each individual agency:

New Enterprise Agreements:

- A) 3-product desktop enterprise license agreement provides product upgrades and updates to all 3 products for 3 years (or term of agreement). The Enterprise Desktop Professional Platform products include:
 - 1. Windows Desktop Operating System Upgrade
 - 2. Office Professional
 - 3. Microsoft Core CAL (Client Access Licenses for Windows, Exchange, SMS, and SharePoint servers)

- B) 3-product desktop enterprise license agreement with SQL Client Access License provides product upgrades and updates to all 3 products for 3 years (or term of agreement). The Enterprise Desktop Professional Platform products include:
 - 1. Windows Desktop Operating System Upgrade
 - 2. Office Professional
 - 3. Microsoft Core CAL with SQL CAL (Client Access Licenses for Windows, Exchange, SMS, SharePoint, and SQL servers)

- C) 2-product desktop enterprise license agreement provides product upgrades and updates to the following products for 3 years (or term of agreement):
 - 1. Windows Desktop Operating System Upgrade
 - 2. Office Professional

Renewal Enterprise Agreements:

For any existing enterprise agreements that are subject to expiration, renewal agreements are also available under this program with a special volume discount. The base product platform offerings are listed below:

- D) Renewal agreements for enterprise agreements that originally included BackOffice:

1. Windows Desktop Operating System Upgrade
2. Office Professional
3. Microsoft Core CAL PLUS* with SQL CAL

E) Renewal agreements for enterprise agreements that originally included Core CAL:

1. Windows Desktop Operating System Upgrade
2. Office Professional
3. Microsoft Core CAL PLUS*

F) Renewal agreements for enterprise agreements that originally were based on the 2-product offering:

1. Windows Desktop Operating System Upgrade
2. Office Professional
3. Customized with any additional CALs

*Core CAL PLUS includes the components of the Microsoft Core CAL plus a Rights Management Services CAL and a Live Communications CAL.

Additional products:

Additional Microsoft products can be added to a new or renewal enterprise agreement at any time during the term of the agreement (see Attachment 1 for complete list of products). Each agency will be able to have its own agreement with their preferred reseller that reflects their own product mix, term of agreement and payment terms specific to each individual agency, commission, council, etc. that is a member of the Federal Small and Independent Agency CIO Council. Consulting services and/or support services are also available.

Qualifications:

In order to qualify for this special volume discount offering, the agency must:

- Be a member of the Federal Small and Independent Agency CIO Council (see Attachment 2); and
- Qualified desktops must have one of the following existing operating systems: Windows 95, Windows 98, Windows NT Workstation, Windows 2000 Professional, or Windows XP Professional.

Time-Limited Offering:

This volume discount offering will be made available to the Federal Small and Independent Agency CIO Council member agencies **effective immediately** and up until **June 1, 2005**. Microsoft reserves the right to review this promotional pricing on an annual basis.

Benefits of an Enterprise Agreement:

See Attachment 3 for a description of the benefits and the value of enrolling into an enterprise agreement.

Special Product Offerings for Enterprise Agreement Customers:

See Attachment 4 for a description of the current special product offerings.

Microsoft Services:

See Attachment 5 for a description of services and some of our current service offerings.

Microsoft Federal Business Solutions:

See Attachment 6 for a description of available solutions where agencies can leverage the investment in Microsoft products and technologies together with solutions already developed for other Federal agencies to meet Federal regulatory requirements and address business requirements, e.g. Form 300, FISMA, EPICCS, etc.

Next Steps:

We recommend the following steps be taken by any member agency of the Federal Small and Independent Agency Council if they are interested in this offering:

- 1) Choose one of the options described above, A, B, C, D, E, or F;
- 2) Contact a Microsoft Large Account Reseller or qualified Microsoft GSA Schedule Holder to facilitate the purchase of the special program offering (list of qualified GSA resellers can be found at http://download.microsoft.com/download/7/c/9/7c9547e4-5d70-4a23-9fb0-82172893c3fb/GSA_Select_Contract_Holders.pdf);
- 3) Determine if additional products, product support, or consulting services are desired or requested to be part of the agreement;

Questions:

Please feel free to contact either Christine Rodkey at (202) 895-2138 or Greg Jaeger at (202) 274-1493 for any questions or to request additional information.

Sincerely,

Kathryn Mihalich, Director
US Public Sector Business Desk

Microsoft Corporation

Attachments: (6)