

CALNET 3 STATEWIDE CONTRACT  
(IFB STPD 12-001-A, C3-A-13-02-TS-08), SUBCATEGORY 1.2.2.8.1  
IPR\_0974

INDIVIDUAL PRICE REDUCTION NOTIFICATION

The State of California ("State") and MCI Communications Services LLC dba Verizon Business Services ("Verizon" or "Contractor", CALNET 3 Statewide Contract IFB STPD 12-001-A, C3-A-13-02-TS-08) have entered into CALNET 3 Statewide Contract (IFB STPD 12-001-A, C3-A-13-02-TS-08) ("Contract") for Subcategory 1.2.2.8.1 MPLS Port Transport Speeds dated November 15, 2013. All terms and conditions (including Definitions) set forth in the Contract are incorporated herein by reference.

This Individual Price Reduction Notification (IPRN) document provides notice to the California Department of Technology, CALNET Program of the Service(s), location(s) and Individual Price Reduction (IPR) Service rate(s) offered by Contractor for the listed Agency as specified below. The IPR Service rate(s) specified below shall become effective upon approval of this IPRN by CALNET Program, unless otherwise noted in this IPRN document, subject to the conditions provided in the Contract (see IFB Section A.7 Individual Pricing Reductions (IPR) and Statement of Work, Appendix C Special Terms and Conditions – Telecommunications, Section N of the referenced Contract) and herein below:

City of Redondo Beach ("Agency") desires to purchase and the Contractor agrees to provide the following Service(s) available pursuant to Subcategory 1.2.2.8.1 at the location(s) and reduced rate(s) set forth below:

Description of Contract Service(s): 1.2.2.8.1 MPLS Port Transport Speeds

IPR Service rate(s):

## 1.2.2.8.1 MPLS Port Transport Speeds

Feature Name	Contractor's Product Identifier	Current Contract Price/NRC	Proposed IPR Price/NRC	Current Contract Price/MRC*	Proposed IPR Price/MRC*
MPLS Transport Ethernet Port service at minimum line rate of 300 Mbps	PIET0300	\$0.00	\$0.00	\$2,853.60	\$865.31

\*Monthly recurring rates include administrative fee.

Location(s) (service address(es)) where reduced rate(s) apply:

415 Diamond St., Redondo Beach, CA 90277

Requested effective date of rate reduction(s):

The rate(s) shall become effective upon approval of this IPRN.

Expiration date: CALNET 3 Term.

Termination liability: Standard IPR

Use additional pages as necessary and attach to the IPRN document.

Set forth below are Contract provisions that apply to the IPR process:

#### A.7 INDIVIDUAL PRICING REDUCTIONS (IPR)

##### A.7.1 IPR GENERAL PROVISIONS

Contractor may enter into price negotiations with CALNET 3 Customers. These price negotiations allow Contractor to reduce prices: a) on one (1) or more service(s); b) for one (1) or more Customers at a time; and/or c) by geographic area or location(s). CALNET 3 allows for three (3) different Individual Price Reduction (IPR) scenarios: Standard IPR, Duration IPR, and Non-Exemption IPR.

The following general provisions apply to all IPRs:

1. Contractor shall submit to CALNET 3 CMO an electronic copy of an MS Excel document consisting of an analysis of current Contract pricing and proposed IPR pricing;
2. The following information and the data fields shall appear as columns on the MS Excel document in the order specified below:
  - a. Category;
  - b. Subcategory;
  - c. Feature Name;
  - d. Product Identifier;
  - e. Customer NRC;
  - f. Proposed IPR Customer NRC;
  - g. IPR Percentage Discount for NRC;
  - h. Customer MRC;
  - i. Proposed IPR Customer MRC;
  - j. IPR Percentage Discount for MRC;
  - k. Term IPR Y/N;
  - l. Term IPR Competitor's Price NRC; and,
  - m. Term IPR Competitor's Price MRC.
3. CALNET 3 CMO has final approval authority for all IPRs. An IPR shall not be implemented until approved in writing by CALNET 3 CMO. An IPR becomes effective on the date that it is approved by CALNET 3 CMO, unless otherwise noted for a future date in the IPR Notification (IPRN) document;
4. Within ten (10) Business Days of a Customer's concurrence to an IPR, the Contractor shall submit the IPR on an IPRN document to the CALNET 3 CMO for written approval;
5. No additional service taxes, fees, surcharges or surcredits will be allowed except as described in Section A.5.8 (Service Taxes, Fees, Surcharges, and Surcredits) and SOW Appendix C, Special Terms and

Conditions - Telecommunications, Section T (Service Taxes, Fees, Surcharges, and Surcredits);

6. Once an IPRN is approved by CALNET 3 CMO, Contractor shall not cancel or increase pricing for any service listed in the IPRN;
7. All IPRs shall be subject to examination and audit pursuant to PMAC General Provisions – Telecommunications, Section 44 (Examination and Audit);
8. The IPRN and information regarding the approved IPR service rate(s) shall be subject to the California Public Records Act; and,
9. Implementation of an approved IPR does not require reduction of Contracted rate(s) for service(s), pursuant to SOW Appendix C, Special Terms and Conditions – Telecommunications, Section I (“Most Favored Nation”) Status of State, and PMAC General Provisions – Telecommunications, Section 30 (Additional Rights). However, if Contracted rate(s) are reduced below the IPR rate(s) for such service(s), the reduced Contracted rate(s) shall automatically apply to the IPR, but the term commitments shall remain in place for Duration IPRs and Non-Exempt IPRs.

#### A.7.2 STANDARD IPRs

The following provisions apply to Standard IPRs:

1. The Contractor shall be allowed to reduce one (1) or more Contracted service prices for a Customer for the Term of the Contract;
2. IPRs shall be for reduced service pricing only. All other Contract terms and conditions, including Service Level Agreements, will remain unchanged;
3. Customer may cancel any or all services(s) subject to the Standard IPR without penalty; and,
4. The Standard IPR Service rate(s) shall continue in effect from the date of IPR approval by CALNET 3 CMO through the remainder of the Term of the Contract unless terminated earlier by Customer or CALNET 3

CMO in accordance with the terms and conditions of the Contract, or if IFB STPD 12-001-A Section A.7.1 (IPR General Provisions) #8 applies.

#### A.7.3 DURATION IPRs

The following provisions apply to Duration IPRs:

1. The Contractor may offer individual price reductions that require term commitments;
2. Acceptance of any solicitation or offer from the Contractor shall be at the sole discretion of the Customer;
3. Duration IPRs shall be for reduced service pricing and term commitment only. All other Contract terms and conditions, including Service Level Agreements, will remain unchanged;
4. The duration of a Duration IPR shall not exceed the Term of the awarded IFB STPD 12 001 A Contract; and,
5. In the event that a Customer elects to terminate Service(s) subject to Duration IPR Pricing for reasons other than (1) a Contractor default, or (2) circumstances outside such Customer's reasonable control, such Customer shall be liable to Contractor for an early termination charge. This charge shall be calculated based on the following: a) monthly difference in the original contract rate and the Duration IPR rate multiplied by the number of months the service was used under the Duration IPR; b) 10% of the original Contract Rate multiplied by the number of months used under the Duration IPR; and c) any unrecovered nonrecurring charges owed to Contractor on the date of termination.

#### A.7.4 NON-EXEMPTION IPRs

The following provisions apply to Non-Exemption IPRs:

1. In response to non CALNET 3 Contracted vendors' proposals presented to Customers, and in accordance with the CALNET 3 CMO exemption process, CALNET 3 Contractors shall be given the opportunity to provide individual price reductions that require term commitments;
2. A minimum of three (3) CALNET 3 Contractors, unless otherwise directed by CALNET 3 CMO, shall be given the opportunity to respond.

Contractors may be selected at the discretion of the Customer or under the direction of the CALNET 3 CMO;

3. IPRs shall be for reduced service pricing and term commitment only. All other Contract terms and conditions, including Service Level Agreements, will remain unchanged;
4. The duration of a Non-Exemption IPR shall not exceed the term of the Contract;
5. The Contractor shall provide a completed Non-Exemption IPR response to the Customer or CALNET 3 CMO within fifteen (15) Business Days of the Customer's or CALNET 3 CMO's Non-Exemption IPR request to the Contractor. If the Contractor's response is to not provide a Non-Exemption IPR, the Contractor must submit a formal declaration stating the Contractor will not provide a Non-Exemption IPR; and,
6. In the event that a Customer elects to terminate service(s) subject to Non-Exemption IPR Pricing for reasons other than (1) a Contractor default, or (2) circumstances outside such Customer's reasonable control, such Customer shall be liable to Contractor for an early termination charge. This charge shall be calculated based on the following: a) monthly difference in the original contract rate and the Non-Exemption IPR rate multiplied by the number of months the service was used under the Non-Exemption IPR; b) plus, 10% of the original Contract Rate multiplied by the number of months used under the Non-Exemption IPR; and c) and any unrecovered nonrecurring charges owed to Contractor on the date of termination.

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Signature page follows.

The undersigned Agency, upon execution of this IPRN, certifies that it has received, reviewed and concurs to the proposed rate (s) applicable to the Service(s) described herein above.

MCI Communications Services LLC  
dba Verizon Business Services  
Subcategory 1.2.2.8.1

City of Redondo Beach

(Agency)

Signed: Anthony Recine

Signed: \_\_\_\_\_

Print Name: Anthony Recine

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

Title: SVP

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

Date Signed: 03/30/2022

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

☐ Approved ☐ Denied (Check appropriate response.)

California Department of Technology (CDT)  
CALNET Program

Signed: \_\_\_\_\_

Print Name: Kari Dowell

Title: Manager, CALNET Program Management

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

CALNET 3 - IFB - A Subcategory 1.2.2.8.1  
Individual Price Reduction Notification (IPR\_0974) Worksheet for  
Verizon-City of Redondo Beach

Category/Subcategory: 1.2.2.8.1 MPLS Port Transport Speeds

Feature Name	Contractor's Product Identifier	Current Contract Price / NRC (Catalog B)	Proposed IPR Price / NRC	IPR Percentage of Savings for NRC Price	Current Contract Price / MRC (Catalog B)	Proposed IPR Price / MRC	IPR Percentage of Savings for MRC Price	Non-Exemption IPR Y/N	Competitor's Price MRC (for Non-Exemption IPR Only)
MPLS Transport Ethernet Port service at minimum line rate of 300 Mbps	PIET0300	\$0.00	\$0.00	0.00%	\$2,853.60	\$865.31	69.68%	N/A	N/A