Council Meeting of
October 3, 2006

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the City Council:

SUBJECT: Communications & Information Technology – Authorize contract renewal for repair and maintenance of telephone and voicemail systems. Expenditure: $110,124.00

RECOMMENDATION

The Information Technology Director recommends that City Council authorize a contract renewal with NEC Unified Solutions, Inc. for the repair and maintenance of telephone and voicemail systems from October 12, 2006, through October 11, 2007 in the amount of $110,124.00.

Funding

Funding is available in the Telecommunications Program operating budget.

BACKGROUND

Installed in 1991, the City's current telephone system was initially composed of four NEC private branch exchange (PBX) telephone systems and one centralized voicemail system. Several years later, two new NEC PBX systems were added for the Airport and WIN Carson, bringing the total to six.

Since 1991, the City has purchased an annual professional services support and maintenance agreement for the telephone and voicemail systems. The support and maintenance agreement insures that routine maintenance is performed and 24 X 7 emergency support and repair services are available.

ANALYSIS

After 15 years in service, the current telephone and voicemail systems have exceeded their projected useful life of 12 years, making it even more critically important to sustain comprehensive maintenance and support coverage.

Without proper maintenance and support coverage, a major system outage would interrupt telephone services to City facilities for an extended period of time. Such an outage could adversely impact public safety and diminish the City's ability to administer and manage our daily service operations to the citizens of Torrance.

An RFP to replace the current NEC PBX telephone and voicemail systems is nearly complete. It is intended to implement the new telephone and voicemail replacement system within a month prior to the 2007 expiration of this maintenance and support agreement.

Since NEC Unified Solutions installed all six of the City's NEC PBX telephone systems and are the most knowledgeable of the City's telephone communication design, infrastructure, and equipment, we are renewing our maintenance and support agreement with them for this last and final year.

A formal bid for these services is not required pursuant to Section 22.3.16. of the Torrance Municipal Code. The Municipal Code states: "The provisions of this Article will not apply to the purchase of parts or service for repairs upon City equipment, which purchases will be made in accordance with such procedures and regulations as will be established by the City Manager."

Respectfully submitted,

RICHARD SHIGAKI
Information Technology Director

CONCUR:

LeRoy J. Jackson
City Manager

Attachments:

A) Original Agreement
B) Updated Schedule A and B
C) Renewal Letter to NEC Unified Solutions

NEC NEC Unified Solutions, Inc.

Attachment A

MAINTENANCE AGREEMENT
PARTS AND LABOR COVERAGE
NEC UNIFIED SOLUTIONS, INC.

Customer Number: 104122
Contract Number: WE0476

This Agreement and its applicable attachments, ("Agreement") by and between NEC Unified Solutions, Inc., having its principal place of business at 6535 N. State Highway 161, Irving, Texas 75039 (NEC), and **City of Torrance**, ("Customer") having its principal place of business at **3031 Torrance Blvd., Torrance, CA 90503.** All the terms of the Master Purchase Agreement apply to this Agreement; however, to the extent that any provision of this Agreement, directly conflicts with any term or condition of the Master Purchase Agreement, the terms of this Agreement shall be deemed the controlling provision.

1. **SERVICE**

NEC agrees to provide **PARTS and LABOR COVERAGE** for the hardware equipment ("Equipment") and software listed in the **Schedule of Maintenance Coverage** (collectively, such Equipment and software is referred to as the "System"),.installed at **SEE SCHEDULE A,** (the "Premises"), as set forth below.

(a) Definitions:

1) Principal Period of Maintenance ("PPM")
The days and hours of the days when service is delivered to Customer

2) Service Level Agreement ("SLA")
The cumulative time in which NEC will make best commercial reasonable effort to respond to (Response Time) Customer's reported maintenance incident.

3) Response Time
Response Time is measured according to the PPM. If PPM is less than 24 hours per day, 7 days a week, then Response Time is measure within that PPM. Response Time begins upon receiving maintenance service request, and verification of problem found and dispatch or remote labor required to affect repairs.

4) Major System Failure
A general inability of the PBX system to receive incoming or originate outgoing calls, or a majority of either the Central Office trunks or Tie trunks are inoperable, or more than 25% of either the stations or terminals are inoperable.

5) Time and Materials (T&M) Rates
In the absence of other contractual agreement, T&M is the prevailing local dispatch labor rate, plus list price of materials required to affect repairs.

C2005-197

(b) Maintenance Services:

1) NEC shall, during the contract period, furnish all parts and services necessary to maintain the system in good working order, or provide such other coverage as specified in Schedule A. Any replacement parts may be either new or refurbished but equivalent to new in operation. Parts will be furnished on an exchange basis, and any parts removed shall become the property of NEC. NEC shall dispatch service personnel to the Premises to perform necessary repairs, unless NEC is able to perform repairs from a remote location. NEC shall conduct remote diagnostic testing, when applicable. Any service specifically requested by Customer outside Standard PPM is billable at the then prevailing After-hours or Holiday time and materials rates, respectively, according to holidays observed by NEC. After hours is one and one-half times the T&M rate, and Holiday is twice the T&M rate. Please indicate the service offering chosen by marking the appropriate box below:

☐ **Standard service only:** PPM is 9x5 (Monday through Friday, excluding holidays observed by NEC, from 8 AM to 5 PM Customer local time zone). SLA is next business day following the request for routine maintenance service. However, NEC will make best commercially reasonable effort to respond to major system failure within four hours as requested.

☒ **Premium service:** PPM is 24x7, and SLA is 4-hour response time to maintenance incidents of Major System Failure, and next business day response to routine incidents as required.

2) All other terms and conditions not specified herein with regard to the Services to be provided are covered in Schedule C, Telephone System Repair and Maintenance Requirements "Scope of Services" Updated 10/12/2005, which is incorporated into this Agreement by this reference.

COPY

(c) Non-Covered Service: NEC will attempt to respond to all service requests. If service is required outside NEC's service hours, labor for such non-covered service calls will be chargeable to Customer in accordance with NEC's local prevailing hourly labor rates.

2. TERM

The term of this Attachment shall be **one (1)** year, commencing on **October 12, 2005.** Unless one party notifies the other of its intent to terminate this Agreement at least thirty (30) days prior to the expiration of the term (or at the end of any one-year extension of the term, which may occur as provided below), the term shall be automatically extended for an additional one (1) year period(s) ("extensions"), upon the same terms and conditions contained herein, except that NEC may adjust its service rates to conform to NEC's prevailing local service rates for the next extension. NEC shall furnish Customer with a written notice of any proposed increase in NEC's service rates for the next extension at least thirty (30) days prior to the anniversary date of the original agreement. Unless Customer exercises its right to terminate as set forth above, the Customer shall be deemed to have agreed to the adjusted service rates for the next extension.

3. SERVICE FEE

(a) Customer agrees to pay a fee of **$104,036.40** for the first year of this Agreement. NEC reserves the right to adjust the yearly fee for extensions of this Agreement. Customer shall make payment of the fees in advance, at the rate of **(check one)**

☐ **$104,036.40** for each annual period during the term of this Agreement, or

☒ **$26,009.10** for each quarterly period during the term of this Agreement.

(b) The fees under this Attachment do not include federal, state, or local taxes that may be applicable; such taxes will be additional billable items, which Customer agrees to pay unless Customer provides NEC with appropriate tax exemption documentation.

4. LIMITATION OF LIABILITY

IN ADDITION TO THE LIMITATIONS SPECIFIED BY THE APPLICABLE MASTER PURCHASE AGREEMENT, IN ALL SITUATIONS INVOLVING PERFORMANCE OR NONPERFORMANCE BY NEC UNDER THIS ATTACHMENT, THE CUSTOMER'S SOLE AND EXCLUSIVE REMEDY IS TO (1) TERMINATE THIS AGREEMENT BY WRITTEN NOTICE TO NEC, AND (2) TO RECEIVE A PRO RATA REFUND OF ANY PRE-PAID MAINTENANCE SERVICE CHARGES, LESS ANY SUMS DUE AND OWING NEC.

5. EXCLUSIONS

(a) This Agreement will not cover repair work in replacement of battery back up or expendable items such as headsets, paper, diskettes, and printer ribbons. This Agreement also will not cover service required when due to: (i) Customer's unauthorized maintenance or repair of the Equipment, (ii) Customer's unauthorized add, move, or changes to the Equipment, (iii) negligence, (iv) abuse, (v) connection to inappropriate power supplies, (vi) fire, flood, wind, lightning, or other similar acts of God, (vii) failure of Customer to maintain proper environmental conditions for the System (as stated in (b) below), (viii) improper wiring, installation, repair, or alteration of the Equipment by anyone other than NEC or its agents, (ix) software changes or attempted software changes in the System by persons not authorized by NEC, or (x) data base reprogramming required because of Customer error of any kind. If requested by Customer, NEC shall perform repairs necessitated by any of the above excluded causes at NEC's prevailing local rates for such services and/or materials.

(b) The Customer is responsible for maintaining suitable environmental conditions for the System. Suitable conditions shall include, but not limited to, the provision of proper electrical power, air conditioning, and humidity control, and other environmental requirements described in Schedule D. The presence of asbestos, other hazardous materials, or unsafe conditions ("Hazards") on the Premises shall be deemed an unsuitable environment for the System and NEC shall be entitled to cease performance under this Agreement until such Hazards have been cured to NEC's satisfaction. Furthermore, Customer will indemnify and hold harmless NEC or its subcontractors or agents for harm caused by, or measures taken to deal with, such Hazards.

6. FORCE MAJEURE

If NEC's performance is prevented, delayed, or otherwise made impractical by reason of any flood, riot, fire, strike, explosion, war, governmental action, or regulation, or any other similar cause beyond the reasonable control of NEC, NEC shall be excused from such performance until the abatement of such causes(s).

7. ACCESS

Customer agrees to provide full accessibility to the Premises for NEC's employees to perform services and will make available to NEC a reasonable amount of secure space for storage by NEC of such maintenance parts as NEC deems necessary.

8. COVENANT NOT-TO-HIRE

Each party agrees not to hire or attempt to hire employees of the other party during the term and for a period of one (1) year after the term (including any renewal term) of this Attachment, without the express written consent of the other party. In the event of a breach of this covenant, the aggrieved party shall be entitled to recover as liquidated damages and not as a penalty an amount equal to the employee's last year's salary.

9. TERMINATION

(a) If either party is in default of its obligations under this Agreement and such default continues for thirty (30) days after written notice is given by the party not in default, such non-defaulting party may (in addition to all other rights and remedies provided in the Agreement or by law) terminate this Agreement.

(b) Notwithstanding (a) above, if either party becomes insolvent, enters voluntary or involuntary bankruptcy, or takes any measures generally designed for the relief of debtors, then the other party may (in addition to all other rights and remedies provided in the Agreement or by law) terminate this Agreement immediately without notice.

(c) Upon termination, cancellation, or expiration of this Agreement, each party shall promptly return to the other party all papers, materials, and properties of the other held by such party.

10. ASSIGNMENT

Customer may not transfer or assign this Agreement to any third party without the express prior written consent of NEC. NEC may assign this contract to any parent company, subsidiary, or affiliate of NEC, or in connection with the sale of substantially all of the assets of NEC, without Customer's consent.

11. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the domestic laws of the State of California.

12. NOTICES

All notices required or permitted to be given under this Agreement shall be in writing and sent to each party at the address indicated below by certified U.S. mail or other delivery service providing the sender a signature upon receipt. Such notice shall be effective upon receipt.

City of Torrance		**NEC Unified Solutions, Inc.**	
Address:	3031 Torrance Blvd.	Address:	6535 N State Highway 161
	Torrance, CA 90503		Irving, TX 75039-2402
Facsimile:	(310) 618-2870	Facsimile:	(214) 614-4998
Business:	(310) 618-2931	Business:	(214) 262-6179
Attention:	City Clerk		Contract Management/Legal

13. NON-WAIVER

The waiver by either party of any default or any obligation will not operate as a waiver of any subsequent default or excuse any future obligation.

14. COSTS

The non-prevailing party will pay all of the prevailing party's costs and expenses, including reasonable attorney's and collection fees, incurred in enforcing this Agreement.

15. INDEMNIFICATION

CONTRACTOR will indemnify, defend and hold harmless CITY, the City Council, each member thereof, present and future, its officers, agents and employees from and against any and all liability, expenses, including defense costs and legal fees, and claims for damages whatsoever, including but not limited to those arising from breach of contract, bodily injury, death, personal injury, property damage, or property loss. The obligation to indemnify, defend, and hold harmless includes any liability or expense, including defense costs and legal fees, arising from the negligent acts or omissions, or willful misconduct of CONTRACTOR, its officers, employees, agents, subcontractors or vendors. Payment by CITY is not a condition precedent to enforce this indemnity.

NEC NEC Unified Solutions, Inc.

16. INSURANCE

A. CONTRACTOR and its subcontractors must maintain at its sole expense the following insurance, which will be full coverage not subject to self-insurance provisions:

1: Automobile Liability, including owned, non-owned and hired vehicles, with at least the following limits of liability:

a. Primary Bodily Injury with limits of at least $500,000 per person, $500,000 per occurrence; and

b. Primary Property Damage of at least $250,000 per occurrence; or

c. Combined single limits of $1,000,000 per occurrence.

2. General Liability including coverage for premises, products and completed operations, independent contractors/vendors, personal injury and contractual obligations with combined single limits of coverage of at least $1,000,000 per occurrence.

3. Worker's Compensation with limits as required by the State of California and Employer's Liability with limits of at least $1,000,000

B. CITY, the City Council, and each member thereof, members of boards and commissions, every officer, agent, official, employee and volunteer be named as additional insured under the automobile and general liability policies.

C. CONTRACTOR must provide certificates of insurance and/or endorsements indicating appropriate coverage, to the City Clerk of the City of Torrance before the commencement of work.

D. Each insurance policy required by this Paragraph must contain a provision that no termination; cancellation or material change of coverage should be made without thirty days notice to CITY.

17. ENTIRE AGREEMENT

This Agreement, when executed by NEC and Customer, and approved by NEC, constitutes the entire agreement between NEC and Customer with regard to Customer's maintenance by NEC. Any alterations or modifications to this Agreement must be in writing, and must be executed by both an officer of NEC and the Customer. ANY ALTERATIONS OR MODIFICATIONS TO THIS ATTACHMENT, UNLESS MADE IN ACCORDANCE WITH THE ABOVE, SHALL BE VOID AND OF NO EFFECT.

IN WITNESS WHEREOF, Customer and NEC have entered into this Agreement, as indicated by the signatures of their authorized representatives below.

CITY OF TORRANCE
A Municipal Corporation

By: _____
Dan Walker, Mayor

Attest: _____
Sue Herbers, City Clerk

Approved as to form: _____
John L. Fellows III

Date: 09-29-2005

NEC UNIFIED SOLUTIONS, INC.

By: _____

Print Name: RAYMOND T. WILLIAMS

Title: DIRECTOR, CONTRACT MANAGEMENT

Date: 10-14-05

*If Customer is a corporation, indicate the position or office held by the person signing this Agreement on the title line. If Customer is a partnership, the Agreement must be signed by all partners (or at least a "managing partner") with the word "partnership" on the title line. If the Customer is an individual, insert the phrase "sole proprietor" on the title line.

NEC NEC Unified Solutions, Inc.

SCHEDULE A
SCHEDULE OF MAINTENANCE COVERAGE

Covered Systems	QTY	UNIT PRICE/MONTH	EXTENDED PRICE/MONTH	EXTENDED PRICE/TERM
2400 HDS IMG; City Hall - Site 1				
Stations	802	$3.01	$2,414.02	$28,968.24
Trunks	216	$3.01	$650.16	$7,801.92
Centigram VoiceMail	40	$14.32	$572.80	$6,873.60
Total Site 1	1,018		$3,636.98	**$43,643.76**
2400 ICS SIM; PIC - Site 2				
Stations	146	$3.01	$439.46	$5,273.52
Trunks	56	$3.01	$168.56	$2,022.72
Total Site 2	202		$608.02	**$7,296.24**
2400 HDS SIM; Airport Site 3				
Stations	48	$3.01	$144.48	$1,733.76
Trunks	40	$3.01	$120.40	$1,444.80
Total Site 3	88		$264.88	**$3,178.56**
2400 HDS SIM; Police - Site 8				
Stations	642	$3.01	$1,932.42	$23,189.04
Trunks	188	$3.01	$565.88	$6,790.56
Total Site 8	830		$2,498.30	**$29,979.60**
2400 HDS SIM; Yard - Site 9				
Stations	288	$3.01	$866.88	$10,402.56
Trunks	76	$3.01	$228.76	$2,745.12
Total Site 9	364		$1,095.64	**$13,147.68**
2400 HDS SIM; Fire HQ - Site 10				
Stations	112	$3.01	$337.12	$4,045.44
Trunks	76	$3.01	$228.76	$2,745.12
Total Site 10	188		$565.88	**$6,790.56**
TOTAL ANNUAL AMOUNT				**$104,036.40**
QUARTERLY PAYMENT AMOUNT				**$26,009.10**
TOTAL AMOUNT WITH QUARTERLY PAYMENTS				$104,036.40

NEC NEC Unified Solutions, Inc.

SCHEDULE B
LABOR RATES FEE

October 12, 2005 through October 11, 2006

Non-covered Repair or Services

During business hours	1 hour min./ ½ hr billing increment	$98.35/hour
After business hours	4 hour min./ ½ hr. billing increment	$147.55/hour
Weekends	4 hour min./ ½ hr. billing increment	Sat.$147.55/hour Sun.$196.70/hour
Holidays	4 hour min./ ½ hr. billing increment	$196/70/hour

Remote Maintenance Repairs and Services

During business hours	1 hour min./ ½ hr billing increment	$98.35/hour
After business hours	4 hour min./ ½ hr. billing increment	$147.55/hour
Weekends	4 hour min./ ½ hr. billing increment	Sat. $147.55/hour Sun.$196.70/hour
Holidays	4 hour min./ ½ hr. billing increment	$196.70/hour

Engineering Work

During business hours	1 hour min./ ½ hr billing increment	$142.05/hour
After business hours	4 hour min./ ½ hr. billing increment	$213.10/hour
Weekends	4 hour min./ ½ hr. billing increment	Sat. $213.10/hour Sun. $284.10/hour
Holidays	4 hour min./ ½ hr. billing increment	$284.10/hour

Trip charge of $60.00 per site visit will apply to any non-covered, billable work. If billable work is "batched" with covered repair work, the trip charge will be waived.

Schedule C
to
"Maintenance Agreement Parts and Labor Coverage
NEC Unifed Solutions, Inc."

Telephone System Repair and Maintenance Requirements
"Scope of Services"
Updated 10/12/2005

NEC Unified Solutions, Inc. (also known as NEC) shall provide the following services for the specified duration of this Maintenance Agreement.

- All parts, labor and services necessary to maintain the City's NEC NEAX 2400 HDS CCIS telephone system and its peripherals in good working order;
- All parts, labor and services necessary to maintain the City's Baypoint Series 6.X Voicemail system in good working order.

All existing programs and system configurations shall be maintained and kept in proper working order as originally designed and implemented throughout the specified duration of this service agreement. All work and repair requests in progress at the conclusion of this service agreement shall remain the responsibility of NEC to complete under the same terms and conditions of this service agreement.

Equipment and Services Covered
The equipment to be covered under this service agreement includes, but is not limited to:

- Six (6) NEC NEAX 2400 HDS IMG, SIM and ICS PBX switches;
- All interconnecting T-1 equipment (CCIS);
- The Baypoint Series 6.X Voicemail system (formerly Centigram Series 6 Server);
- All station equipment and ancillary devices (excluding headsets);
- All cabling and wiring emanating from the systems to the MDF, attendant consoles (excluding cabling), call interceptors and digital line announcers;
- All Crytical I systems.

The complete inventory of equipment to be covered under this agreement by location and summary is included at the end of this Scope of Services.

System Addresses

City Hall	3031 Torrance Blvd., Torrance CA 90503 (HDS IMG)
Police Department	3300 Civic Center Drive, Torrance CA 90503 (HDS IMG)
City Yard	20500 Madrona Avenue, Torrance CA 90503 (HDS SIM)
Fire Department HQ	1701 Crenshaw Blvd., Torrance CA 90501 (HDS SIM)

Airport (GAC)	3301 Airport Drive, Torrance CA 90501 (HDS SIM)
Private Industry Council	1 Civic Plaza #500, Carson CA 90745 (ICS SIM)

Equipment and Services Not Covered
The following systems and equipment are not part of this service agreement, although they are related to the equipment that is covered under this service agreement. The responsibility that NEC has in regard to these systems and equipment is outlined below;

Call Accounting System
It is the responsibility of NEC to maintain the SMDS data output from each system as well as the physical data link between the City Hall PBX system and the City owned and maintained call accounting system. If there is trouble with the call accounting system, NEC will be required to prove that the data emanating from the PBX is proper as required by the call accounting system, and to make sure that all system programming is properly programmed and functioning.

Headsets
Headset repairs, replacement and maintenance is excluded from this agreement.

9-1-1 Systems
The City's 9-1-1 systems are provided and maintained by SBC and are not part of this service agreement. The only responsibility of NEC is the PBX related services that appear on the 9-1-1 systems. These include analog lines and PBX ring-down lines between the 9-1-1 systems and the PBX's where the services originate. The responsibility will be to the demarcation point of SBC.

Routine Service and Repair
When on-site repairs are necessary for *routine* service and repair, NEC shall respond within twenty four (24) hours of receipt of the service request to the location of the reported problem (excluding weekends and holidays). Routine service is defined as anything not an emergency or PEA as defined herein.

Emergency Service and Repair
When an emergency service or repair is requested, NEC shall respond within four (4) hours of receipt of the service request, 24 hours per day, 7 days per week, including weekends and holidays, to the location of the reported problem. If a problem can be resolved via remote maintenance, the same four (4) hour response timeline applies.

Examples of problems that qualify as e*mergency service* include, but are not limited to:

- Problems involving multiple phones or users, peripherals, ancillary devices or multiple voicemail mailboxes by department;
- The inability for an individual switch to make or receive calls;
- The malfunction of any one (1) or more attendant consoles;
- The inability to access four (4) or more ports on the voicemail system;

- The improper operation or malfunction of any Call-Agent applications (trees) configured on the Baypoint voicemail system;
- The inability to place or transfer calls between switches (possible CCIS malfunction);
- A major system failure - whether service affecting or not (major alarms or other system indicators indicating a system problem or failure);
- The loss of the MCI link between the PBX and the voicemail system;
- The loss of SMDS data to the call accounting system or loss of SMDS data output from any single or multiple PBX switch(s).
- Any telephone, as defined under PEA, that supports a department, division or area that depend on the phone to receive inside calls (station to station) or outside calls (incoming DID calls).

Priority Extensions and Applications (PEA's)

Because there are phone extensions (my-lines, virtual lines and roll-over lines) and applications emanating from the City's telephone and voicemail systems that are critical to the City's operation, the City hereby designates the following lines and applications as Priority Extensions and Applications (PEA's). As part of this service agreement it is required that NEC respond to service requests 24 hours per day, 7 days per week involving malfunctioning PEA's. Service requests placed for PEA's must be responded to within four (4) hours and must be completely repaired and functional within eight (8) hours.

Many of the extensions listed are virtual lines appearing on Dterm phones with their own separate My-line. In the situation where a listed line is rendered non-functional because the associated My-line that it appears on is dead or non-functional, it will be the responsibility of NEC to service the associated My-line so as to allow the listed virtual line or its roll-over lines to function. Since many of the listed lines are virtual lines and appear on more than one phone (My-line) in each area, it will not be considered a PEA request if at least one phone (My-line) in the area is functional and ringing. This minimum one phone must have ringing assigned to the lines and rollovers so as to allow incoming calls.

Extensions:

7900	Airport Administration	7950	Noise Abatement
7920	Airport Operations	5910	Building and Safety
5828	Business License	5762	Cable TV
5810	City Attorney	2740	City Prosecutor
2870	City Clerk	2801	City Council & Mayor
5880	City Manager	5801	City Treasurer
2969	Civil Service (Tree)	7150	Cultural Arts Center
2920	Engineering (old)	6216	Water Administration
5850	Finance	5848	Finance Payable (Tree)
5828	Finance Busi License (Tree)	7000	Fire Admin
7042	Fire Information/Dispatch	2973	Fire Prevention

6970	Fleet Services	6266	Transit
5959	Library (Tree)	2930	Parks & Recreation
2960	Human Resources	8100	Private Industry Council (PIC)
5900	Community Development	5840	Housing
5641	Police Emergency/9-1-1	5642	Police Emergency/9-1-1
5643	Police Emergency/9-1-1	5644	Police Emergency/9-1-1
5645	Police Emergency/9-1-1	5737	Watch Commander
6360	Watch Commander	7131	Watch Commander
5780	Watch Commander	5820	Purchasing
6900	Public Works	2880	Comm & Info Technology
6216	Water Division		
	Voicemail System Ports (40)		
3901	Voicemail (Port)	**2400**	Voicemail (Pilot)
3903	Voicemail (Port)	3902	Voicemail (Port)
3905	Voicemail (Port)	3904	Voicemail (Port)
3907	Voicemail (Port)	3906	Voicemail (Port)
3909	Voicemail (Port)	3908	Voicemail (Port)
3911	Voicemail (Port)	3910	Voicemail (Port)
3913	Voicemail (Port)	3912	Voicemail (Port)
3915	Voicemail (Port)	3914	Voicemail (Port)
3917	Voicemail (Port)	3916	Voicemail (Port)
3919	Voicemail (Port)	3918	Voicemail (Port)
3921	Voicemail (Port)	3920	Voicemail (Port)
3923	Voicemail (Port)	3922	Voicemail (Port)
2500	Voicemail (Pilot)	3924	Voicemail (Port)
3936	Voicemail (Port)	3935	Voicemail (Port)
3938	Voicemail (Port)	3937	Voicemail (Port)
3940	Voicemail (Port)	**2700**	Voicemail (Port)
3942	Voicemail (Port)	3941	Voicemail (Port)
3944	Voicemail (Port)	3943	Voicemail (Port)
3946	Voicemail (Port)	3945	Voicemail (Port)
3999	Voicemail (Port)	**3998**	Voicemail (Port)

Applications (Tree/IVR)

Library Tree (Call Agent)	Accounts Payable Tree	Business License Tree
Transit Tree	Civil Service Tree	Early Warning Sys Tree
Human Resources Tree		
310-328-3456 (PD IN)	310-320-5310 (CH IN)	

Remote Maintenance Services and Repairs

It is recognized that Remote Maintenance has an extremely important role in the ongoing maintenance and repair of the City's PBX and voicemail systems. It is also recognized that as effective as remote maintenance is and can be, it has its limitations when resolving certain problems involving hardware troubleshooting and repair.

Therefore, remote maintenance shall be used when appropriate and shall not be solely relied upon for repairing problems that normally and practically would require a technician to be dispatched on-site. As such, no requested service or repair either routine, emergency or priority shall be delayed because remote maintenance was first used to respond to the trouble. Also, it is required that any and all work performed by remote maintenance personnel be documented and that documentation be provided to the City. The Fax number to send this documentation to is 310-618-5842.

Documentation and Work Orders

All work performed under this service agreement, whether billable or non-billable, must be documented on an NEC standard dispatch document form (work-order). This work-order must be completed by the NEC technician and contain all related service and/or parts that were necessary to resolve the service request. This work-order (or a copy thereof) must be left with a representative of the Communications Division of the Communications and Information Technology Department. With the exception of the monthly maintenance invoices, any and all invoices received for work performed that cannot be verified with a work-order that was left with the City at the time the work was performed will be rejected and returned to NEC The City will provide staff readily available to receive and sign work orders either at the facility that work is performed or at the central telecom location.

Invoices

Invoices for billable work and repairs must be presented to the City promptly after the work is performed. Invoices with incorrect amounts will be rejected and returned for correction. The City will not pay late charges for non-payment of invoices that are rejected and re-invoiced due to errors or omissions on the part of NEC. The invoices must be accurate and include the following information at a minimum.

- Invoice date
- Invoice amount
- Work date
- Service order number
- Labor cost (per hour)
- Material costs (itemized)
- Invoice number
- Work location (switch)
- Work Description
- Labor hours
- Materials used

Disaster Recovery

Because it is critical that the City have telecommunications prior to, during and after any type of disaster, the City requires preference in all aspects for disaster response and recovery over the rest of NEC customer base, with exception to those facilities that provide emergency services (hospital, police, fire). This requirement includes all forms of natural and manmade disasters whether planned or unplanned. As such, NEC agrees to provide to the City preference in maintaining and restoring telecommunications in the event of a disaster. It is understood that preparation for and/or support during or after a disaster has occurred will be limited by NEC labor and material resources, NEC agrees to put forth their best effort to comply with this requirement.

Qualifications of Staffing
Technical staffing provided by NEC to provide services under this service agreement shall be qualified for the work they are performing. These requirements apply to work being done on-site and remotely. At a minimum, technicians dispatched and/or working on the NEAX 2400 HDS IMG systems must hold an Installation & Maintenance certification from NEC America (manufacturer) on the NEAX 2400 HDS IMG system. Technicians dispatched and/or working on the City's NEAX 2400 ICS system must hold an Installation & Maintenance certification from NEC America on the NEAX 2400 ICS system. Technicians dispatched and/or working on the Baypoint Series 6 Voicemail server (formerly Centigram Series 6 server) must hold an Installation & Maintenance certification on the Centigram 5.X series system and/or the Centigram Series 6.X server platform.

Preventive Maintenance Plan
It is imperative that the City's telephone system is maintained in a good working condition and that all problems are resolved promptly. Due to this fact, during the service agreement period, the following preventive maintenance shall be performed on a monthly basis, unless otherwise indicated, and documentation shall be provided to the City each month indicating the work that has been done and the result of said work. NEC shall provide the City with a schedule for the following work showing when it will be performed. Those items listed below shall be performed on all systems.

- Trunk tests and repairs on all PBX trunks (in/out)
- Visual check of LED indicators (PBX)
- Wink test and repairs on all PBX DID trunks
- DMBU back ups for all switches
- Visual check of rectifier voltages and physical check if required

Subcontractors
Use of subcontractors in the performance of this service agreement shall be kept to a minimum. The City must be notified when and where a subcontractor will be working *prior* to them responding on-site or dialing into the systems remotely. Qualification requirements for subcontractors are identical to the requirements for regular NEC staff. The City reserves the right to decline services offered by any subcontractor if we so choose, for any reason. In such an event, NEC shall contact the City to make other arrangements for NEC staff to complete the work.

Escalation Procedure
As part of this service agreement and within thirty days (30), NEC shall develop and submit an escalation procedure to the City for the resolution of problems and issues. The escalation plan shall include the names, phone numbers and e-mail addresses of staff connected to the escalation procedure.

System Inventories

City Hall
3031 Torrance Boulevard
Torrance, CA 90503
NEAX 2400 HDS IMG RIs IV W/CCIS
Dual 3 Redundancy Level

(as of 10/12/2005)

1	Baypoint model 120S 100/32 Pentium 6.1 Server
5	Baypoint 8-port line cards
1	Voicememo base software (6.1 B)
1	Voicememo FPSA software (6.1 B)
1	Voicememo disk redundancy software (6.1 B)
1	Voicememo Call Agent software (6.1 B)
1	NEAX 2400 integration software (6.1 B)
1	Voicememo Unified TCP/IP software (6.1 B)
1	Oneview Micro starter kit w/ 5 user license (6.1 B)
1	Voicememo CLI Capture outside UI (6.1 B)
1	Voicememo module port enable (6.1 B)
1	Voicememo English mnemonic prompts
1	Series 6 Y2K prompts/patch
1	2 port comm card
1	Redundant harddrive
1	US Robotics 33,600 modem (Baypoint)
1	OKI Microline 320 Printer(Baypoint)
1	Generic A/B switch box (Baypoint)
1	MAT (486 PC w/ 15" monitor)
1	NEC P1200 Printer (MAT)
3	NEAX 2400 Business attendant console
1	Crytical I (Model 2)
1	Practical Peripherals PM9600 MT II modem (MAT)
1	Generic A/B switch box (MAT)
1	Kentrox 71101-4 SIU
1	Kentrox 77020 Shelf
4	Kentrox 77120 L2 TSMART CSU
1	Kentrox 77115 L2 TSERVE CSU
2	Interalia MMU2 44 AB Digital voice announcer
1	Main distribution frame w/blocks & x-connects
2	Ratelco 48100 Rectifier W/ Single Rack
1	Ratelco breaker panel 1-10
1	Ratelco alarm/meter panel
1	Ratelco disconnect panel
1	Ratelco battery charger
1	48 VDC battery system (Batteries excluded)

440	ETE-6D-2 NEC phone
68	ETE-16D-2 NEC phone
9	ADM-E w/AC Adapter
14	DTP-16D-1 NEC phone
16	DTP-32D-1 NEC phone
3	DTP-60D-1 DSS/BLF console
5	ETJ-24DS-1 NEC phone
6	ETW-4R-1 Cordless Dterm set
3	DTP-16HC-1 Cordless handset Dterm set
18	Misc. analog phones
16	ITT 2554 single-line wall phones
17	ITT 2500 single-line desk phones
55	HFU Series II Hands-free unit
48	NEC ADA-E adapters
9	Plantronics JSO-180-3 jackset
36	Plantronics JSB-200-3 jackset
	End of City Hall Inventory

Police Department
3300 Civic Center Drive
Torrance, CA 90503
NEAX 2400 HDS IMG RIs IV W/CCIS
Dual 3 Redundancy Level
(as of 10/12/2005)

1	MAT (386 PC w/ 15" monitor)
1	NEAX 2400 Business attendant console
1	Crytical I (Model 2)
1	Kentrox 71101-1 SIU
1	Kentrox 77020 Shelf
5	Kentrox 77120 L2 TSMART CSU
1	Main distribution frame w/blocks & x-connects
2	Ratelco 4850 Rectifier W/ single rack
1	Ratelco breaker panel 1-10
1	Ratelco alarm/meter panel
1	Ratelco disconnect panel
1	Ratelco battery charger
1	48 VDC battery system
360	ETE-6D-2 NEC phone
56	ETE-16D-2 NEC phone
4	DTP-32D-1 NEC phone
1	ETJ-24DS-1 NEC phone
3	ETW-4R-1 Cordless Dterm set
15	Misc. analog phones
26	ITT 2554 single-line wall phones
9	ITT 2500 single-line desk phones
49	HFU Series II Hands-free unit
30	NEC ADA-E adapters
3	Plantronics JSO-180-3 jackset
10	Plantronics JSB-200-3 jackset

End of Police Department Inventory

Fire Department
1701 Crenshaw Boulevard
Torrance, CA 90501
NEAX 2400 HDS SIM RIs IV W/CCIS
(as of 10/12/2005)

1	Crytical I (Model 2)
1	Kentrox TSMART 77961 CSU
2	Main Distribution Frame w/blocks & X-Connects
1	Ratelco Model 4825 Rectifier mounted in single Rack
2	Ratelco disconnect panel
1	Ratelco battery charger
1	48 VDC battery system
32	ETE-6D-2 NEC phone
7	ETE-16D-2 NEC phone
1	ETJ-24DS-1 NEC phone
2	ETW-4R-1 Cordless Dterm set
5	Misc. analog phones
3	ITT 2554 single-line wall phones
4	ITT 2500 single-line desk phones
11	HFU Series II Hands-free unit
3	NEC ADA-E adapters
1	Plantronics JSO-180-3 jackset
2	Plantronics JSB-200-3 jackset

End of Fire Department Inventory

City Yard
20500 Madrona Avenue
Torrance, CA 90503
NEAX 2400 HDS SIM RIs IV W/CCIS

(as of 10/12/2005)

1	MAT (486 PC w/ 15" monitor)
1	NEC P1200 Printer
1	Crytical I (Model 2)
2	Kentrox TSMART 77961 CSU
1	Main Distribution Frame w/blocks & X-Connects
2	Ratelco Model 4825 Rectifier mounted in single Rack
1	Ratelco Disconnect Panel
1	Battery Charger
1	48 VDC Battery System
155	ETE-6D-2 NEC phone
22	ETE-16D-2 NEC phone
4	DTP-16D-1 NEC phone
10	DTP-32D-1 NEC phone
9	DTP-60D-1 DSS/BLF console
4	Misc. analog phones
4	ITT 2554 single-line wall phones
4	ITT 2500 single-line desk phones
21	HFU Series II Hands-free unit
11	NEC ADA-E adapters
1	Plantronics JSO-180-3 jackset
4	Plantronics JSB-200-3 jackset

End of City Yard Inventory

General Aviation Center
3301 Airport Drive
Torrance, CA 90505
NEAX 2400 HDS SIM RIs IV W/CCIS
(as of 10/12/2005)

1	Ratelco Base unit Rectifier
1	Kentrox TSMART 77961 CSU
1	Main Distribution Frame w/blocks & X-Connects
29	ETE-6D-2 NEC phone
3	ETE-16D-2 NEC phone
1	Misc. analog phones
6	HFU Series II Hands-free unit
2	NEC ADA-E adapters
	End of General Aviation Center Inventory

Carson PIC/WIN
One Civic Plaza #500
Carson, CA 90745
NEAX 2400 ICS SIM W/CCIS
(as of 10/12/2005)

1	Ratelco Model 48303 Rectifier in single rack
1	Battery system
1	Ratelco breaker panel
1	Kentrox TSERVE 77965 CSU
1	2400 kbs modem
2	NEAX 2400 Business attendant console
85	ETJ-8-1 (SW)
11	ETJ-16DD-1 (SW)
1	ETJ-24DS-1 (SW)
20	Generic Trendline type S/L desk phone
	End of Carson WIN/WIN Inventory

Inventory Summary For All Locations (6)

(as of 10/12/2005)

Line Cards		
Digital Line Card	PA-16ELCD	73
Digital Line Card	PA-16ELCJ	69
Digital Line Card	PA-16ELCB	0
Digital Line Card	PA-16ELCH	8
Analog Line Card	PA-16 LCQ	5
Analog Line Card	PA-16LCAD	26
Analog Line Card	PA-16LC-BE	10
Analog Line Card	PA-16LC-BJ	3
Trunk Cards		
Central Office	PA-16COTAH	8
Central Office	PA-8COTF	3
Central Office	PA-16COTBE	1
Direct In Dial	PA-8DID-A	8
Register/Sender	PA-4RSTB-A	3
Register/Sender	PA-8RSTK	3
Register/Sender	PA-8RSTJ	3
Digital Trunk Interface (CCIS)	PA-24-DTG-A	15
Common Channel Trunk (CCIS)	PA-24CCTA	1
ATTO Console Card	PA-CS02C	1
ATTO Console Card	PA-CS07	2
8-Party Conference	PA-CFTB-B	4
Digital Announcement	PA-4DATA	4
E & M Tie Line Card (IMG)	PA-8EMT-A	1
E & M Tie Line Card (ICS)	PA-8TLTR	2
Power Failure Transfer	PA-M53	4
Common Control		
Speech Path Controller	PA-PC59	39
Time Division Switch	PA-SW 21	8
Time Division Switch	PA-SW 26	3
Time Division Switch	PH-SW04	1
PLO	PA-CK00	8
Gate	PA-GT 06-A	4
Common Channel Handler	PA-SC 18	15
RAM	PA-ME 49	7
ROM	PA-ME 45 1/2 XE 5.04	7
CPU	PA-CP50 2/2	7
RAM Copy	PA-PC56-A	4
I/O Controller	PH-IO24	1

Common Control	PH-PC25	1
Common Control	PCRA-A Assbly SP3076	1
I/O Controller	PA-IO32	4
Alarm Controller	PA-AL09	5
DC-DC Power (Left)	PA-PW35	10
DC-DC Power (Right)	PA-PW36	13
DC-DC Power (ICS)	PA-PW53	1

Voicemail System

Centigram model 120S 100/32 Pentium 6.1 Server	1
Centigram 8-port line cards	4
Voicememo base software (6.1 B)	1
Voicememo FPSA software (6.1 B)	1
Voicememo disk redundancy software (6.1 B)	1
Voicememo Call Agent software (6.1 B)	1
NEAX 2400 integration software (6.1 B)	1
Voicememo Unified TCP/IP software (6.1 B)	1
Oneview Micro starter kit w/ 5 user license (6.1 B)	1
Voicememo CLI Capture outside UI (6.1 B)	1
Voicememo module port enable (6.1 B)	1
Voicememo English mnemonic prompts	1
Series 6 Y2K prompts/patch	1
2 port comm card	1
Redundant harddrive	1
33,600 US Robotics modem	1

Misc. Equipment

MAT (386 PC w/ 15" monitor)	1
MAT (486 PC w/ 15" monitor)	2
NEC P1200 Printer	3
NEAX 2400 Business attendant console	6
Crytical I (Model 2)	4
9600 kbs modem	3
2400 kbs modem	1
A/B Switch box	1
Kentrox 71101-4 SIU	2
Kentrox 77020 Shelf	2
Kentrox 77120 L2 TSMART CSU	9
Kentrox 77115 L2 TSERVE CSU	1
Kentrox 77961 L2 TSMART CSU	5
Kentrox 77965 TSERVE II	1
Interalia MMU2 44 AB Digital voice announcer	2
Main distribution frame w/blocks & x-connects	6
Ratelco basemount rectifier	1
Ratelco 48303 Rectifier W/ Single Rack	1
Ratelco 4825 Rectifier W/ Single Rack	4

Ratelco 4850 Rectifier W/ Single Rack	2
Ratelco 48100 Rectifier W/ Single Rack	2
Ratelco breaker panel	3
Ratelco alarm/meter panel	5
Ratelco disconnect panel	5
Ratelco battery charger	5
48 VDC battery system	5
ETE-6D-2 NEC phone	1016
ETE-16D-2 NEC phone	156
DTP-16D-1 NEC phone	16
DTP-32D-1 NEC phone	27
ETJ-24DS-1 NEC phone	7
DTP-60D-1 DSS/BLF console	12
ETW-4R-1 Cordless Dterm set	11
ETJ-8-1 NEC phone	85
ETJ-16-1 NEC phone	11
ETJ-24-1 NEC phone	1
Misc. analog phones	33
ITT 2554 single-line wall phones	49
ITT 2500 single-line desk phones	34
Generic Trendline type desk phone	20
HFU Series II Hands-free unit	116
NEC ADA-E adapters	77
Plantronics JSO-180-3 jackset	14
Plantronics JSB-200-3 jackset	45

NEC NEC Unified Solutions, Inc.

SCHEDULE D

NEAX2400 CUSTOMER RESPONSIBILITIES

SWITCH ROOM ENVIRONMENTAL

FLOOR SPACE	8 x 10 (Minimum Size) x 8' ceiling (or Greater)
	80 Square Feet at 150 lbs. per Square Foot Floor Load.
	2 Each 4' x 8' x 3/4' AD grade Plywood Backboards
POWER	1 Each 20 Amp 208 Volt 1 Phase AC Outlet Separately Fused
	4 Each 20 Amp, 117 Volt, AC Duplex Receptacles, Separately Fused
LIGHTING	8' Florescent 4-Lamp Fixture 6 Feet Apart
ENVIRONMENTAL	Floor - Tiled Walls - Painted Ceiling - Painted
AIR CONDITIONING	Sufficient to Maintain Room Temperature at all times between 60° F and 78°, Relative Humidity between 15% and 65%, with Switch Heat Dispersion at 4,300 BTU's per Hour
GROUND	1 Gauge Stranded Wire To Earth Ground
CONSOLES	1 Each 1" Conduit and/or Raceway-Home Run/Console
STATION SETS	Conduit and/or Raceway (as determined by Station Type and Size), Floor Monuments, etc.
FIRE PROTECTION	Recommended

NEC NEC Unified Solutions, Inc.

MASTER PURCHASE AGREEMENT

MPA NUMBER 10422-S

This Master Purchase Agreement and its applicable attachments ("Agreement") between **NEC Unified Solutions, Inc.**, a Nevada corporation, with offices at 6555 North State Highway 161, Irving, TX 75039 ("**NEC**"), and **City of Torrance** with offices at **3031 Torrance Boulevard, Torrance, CA 90503** ("**COMPANY**") establishes the terms and conditions governing the purchase and/or lease of Products and Services. This Agreement is effective on the date it is signed by an authorized representative of both parties ("Effective Date").

1. General.

1.1 The Agreement

This Agreement governs the purchase and/or lease of Products and Services from NEC as set forth in the applicable Order(s). Services include the services to be performed by NEC on behalf of Company as set forth in the applicable Order(s). Provisioning of Services is contingent upon Company providing NEC with any equipment, software, (including, but not limited to when equipment or software constitutes part of any Product, on any media including magnetic tape, disk, semiconductor device or other memory device, and/or Product memory including hardwired logic instructions, microcode and documentation needed to maintain and use such programs, or any computer program supplied under this Agreement) as well as software licenses, technical information, design documentation, and any other information or documentation reasonably required to perform the Services as specified in each Order. The term "Order", as specified in this Agreement, includes, but is not limited to a Statement of Work, a Maintenance Order and/or a Warranty Order, which are incorporated by this reference, into the Agreement.

1.2 Additional Terms and Conditions.

Additional terms and conditions are found in relevant attachments, which are incorporated by this reference, into the Agreement. Any additional or different terms and conditions contained in any Company purchase order, or attached thereto, will not apply to any Order notwithstanding any NEC acknowledgment or acceptance of such order.

1.3 Conflicts Provision. If a conflict exists between documents referenced in this Agreement, the following documents prevail in priority order,

A. Attachments to this Master Purchase Agreement;

B. and, the Master Purchase Agreement.

2. Payment and other Financial Terms.

a. Company will pay NEC's invoice in full in U.S currency upon receipt. If Company fails to pay the undisputed portion of the invoice, NEC will charge Company interest equal to the lesser of 1.5% per month [eighteen percent (18%) per annum] or the maximum rate allowed by law on such undisputed portion. NEC's provision of Products and/or Services is subject to credit approval of Company for each Order. NEC may require Company to submit a deposit or other form of security prior to accepting or shipping any Order. Company understands that any information obtained will be held strictly confidential and remains the property of NEC, whether or not credit is extended.

b. Company may, upon payment to NEC of appropriate deposit, assign its rights to purchase under Agreement to a Lessor, (i.e. any third party lease financing organization) that Company elects to assign its rights to purchase under this Agreement, on terms, and with documentation, acceptable to NEC. Any such lease arrangement shall include the agreement of either Company or Lessor to make progress payments to NEC according to the Order(s) prior to the Lessor's purchase of the Products.

c. Pricing in this Agreement, including any discounts, is based upon Company's commitment to purchase Products and/or Services for the entire Order Term. Company acknowledges that a precise calculation of NEC's damages for early termination of this Agreement or any Order would be extremely difficult, and that termination charges in this Agreement represents reasonable liquidated damages, not a penalty. If Company terminates the Agreement or an Order in whole or in part before expiration of the Order term for reasons other than the material default of NEC, or if NEC terminates the Agreement under any section of this Agreement due to material default of Company, Company will pay the termination charges as set forth below:

(1) Any reasonably documented, non-recoverable costs imposed on NEC by third parties, such as local exchange carriers or third party hardware providers incurred solely in preparation for and in furtherance of implementation of the Agreement and Orders, that result from early termination. Such costs shall not exceed 10% of the total contract value ("TCV") of the affected Services.

(2) Company will not be liable for termination charges if Company orders another Product and/or Service with the same or greater price and with a term no less than the remaining months in the initial Order Term (or one year, whichever is greater) at the same time Company provides notice of termination.

(3) Company's notice of termination of any Service element, Product and/or Service at a particular location, under this Section 2, must be provided to NEC in writing at least 30 days before the requested termination date.

(4) This Section is not intended to limit or preclude other remedies available at law or in equity to NEC upon Company's early termination of this Agreement or any Order.

d. Prices are exclusive of any applicable taxes unless otherwise indicated and Company shall be responsible to pay when due all applicable taxes associated with the purchase and/or license of Products and/or Services exclusive of taxes based on NEC's net income.

e. Company assumes risk of damage or loss to any Product from date such Product is delivered to location specified by Company. Until all amounts due including change orders, are paid in full, Company will maintain adequate insurance against fire, theft or other loss and name NEC additional insured.

f. If requested by NEC, Company hereby grants NEC a purchase money security interest in each Product purchased by Company, and

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NEC Unified Solutions, Inc.
Proprietary and Confidential Information

COPY

all replacements, proceeds, additions and accessions. The security interest will remain in full force and effect until all amounts due including change orders, are paid in full for such particular Product. Company agrees to execute documentation reasonably required to perfect the security interest.

3. Term and Renewal

The term of this Agreement shall commence on the Effective Date, as defined above and continue unless terminated as outlined herein **or in the Maintenance Attachment**. Agreement and any Order may only be renewed, or amended by written consent of both parties. **Nothing in this Agreement will be construed to violate the debt-limitation provisions of Article XVI, Section 18 of the California Constitution. This Agreement is valid and enforceable only if sufficient funds are made available for each of the fiscal year(s) covered by this Agreement. It is mutually agreed that if the budget of any fiscal year covered by this Agreement does not appropriate sufficient funds to cover this Agreement, the Company may terminate this Agreement and Company will have no liability to pay any funds whatsoever to NEC, or to furnish any other considerations under this Agreement and NEC will not be obligated to perform any further provisions of this Agreement. If Company terminates the Agreement in accordance with this paragraph, Company will not be liable for the early termination fees set forth in Section 2 of this Agreement.**

4. Limited Warranty and Limitations on Liability.

a. To the extent Company purchases any Products hereunder, the warranty for such Products shall pass through from the manufacturer.

b. To the extent COMPANY purchases any Services hereunder, NEC warrants and represents that competent, qualified Personnel shall perform such Services in a professional manner consistent with industry standards and such Services shall meet all specifications.

c. Company's remedy under the Product warranty shall be exclusively limited to repair or replacement of the defective part of such Products or refund of the applicable part of the Purchase Price, at NEC 's option.

d. If requested by Company, repairs necessitated during the warranty period by any excluded causes outlined in the Product warranty or for labor for warranty replacement of Products (if not covered by the Product warranty) shall be made by NEC at NEC 's then standard charges for time and materials, together with shipping and handling charges related to performing such repairs.

e. NEC may perform some repairs under the Product warranty from a remote location. Any replacements may be either new or equivalent to new in operation. Parts will be furnished on an exchange basis, and any parts removed shall become the property of NEC.

f. The Products are not warranted to, and NEC will not be responsible for, unauthorized use or charges resulting from such unauthorized use of the Products, improper wiring, installation, repair, or alteration of the Equipment by anyone other than NEC or its agents, software changes or attempted software changes in the System by persons not authorized by NEC, or data base reprogramming required because of Company error of any kind. In addition, the Services and/or operation of the Products are not warranted to be error free or uninterrupted.

g. NEC is not responsible for security including virus protection of the Company network, unless otherwise agreed upon in writing by an authorized representative of NEC and Company. NEC will take commercially reasonable efforts to secure NEC provided architecture, but cannot guarantee security. NEC is only responsible, with regard to security, unless otherwise agreed upon in writing, for installing manufacturer-issued security-related upgrades/ updates/patches on NEC sold and/or maintained equipment/software.

h. EXCEPT AS SPECIFICALLY PROVIDED IN THIS SECTION 4 AND THE PRODUCT WARRANTY, NEC DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED WITH RESPECT TO THE PRODUCT AND/OR SERVICES COVERED HEREUNDER, AND IN PARTICULAR DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, AND WARRANTIES RELATED TO THIRD PARTY EQUIPMENT, MATERIAL, SERVICES OR SOFTWARE NOT PROVIDED HEREUNDER ARE EXPRESSLY EXCLUDED.

5. Limitation of Liability.

NEC SHALL HAVE NO LIABILITY FOR LOSS, DAMAGES OR EXPENSE, DIRECTLY OR INDIRECTLY, ARISING FROM COMPANY'S INABILITY TO USE OR USE OF PRODUCTS AND/OR SERVICES, OR THIRD PARTY'S UNAUTHORIZED USE OF PRODUCTS AND/OR SERVICES, OR, WITH RESPECT TO NEC'S OBLIGATIONS HEREUNDER, FOR, INCIDENTAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES EVEN IF NEC HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS, DAMAGES, OR EXPENSE, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF GOODWILL, WORK STOPPAGE, COMPUTER AND OTHER EQUIPMENT FAILURE OR MALFUNCTION OR COMMERCIAL LOSS. COMPANY AGREES NEC'S LIABILITIES, WHETHER ARISING OUT OF CONTRACT, NEGLIGENCE, STRICT LIABILITY OR WARRANTY, WILL NOT EXCEED ANY AMOUNTS PAID BY COMPANY FOR THE PRODUCTS AND/OR SERVICES.

6. Default and Remedies

a. An event of default shall occur (i) if Company fails to pay any sum when due; or (ii) if either party fails to perform or observe any material covenant or agreement to be performed or observed herein. For purposes of this Agreement, a material covenant or agreement shall be defined as one stated in this Agreement, the breach of which would likely cause the other party to suffer material harm to its business or reputation.

b. Upon the occurrence of any event of default by Company described herein and unless such default is cured pursuant to the provisions stated herein, at any time thereafter, NEC may, in its sole discretion and approval, pursuant to manufacturer's return policy, do one or more of the following: (i) upon written notice to Company,

terminate this Agreement; (ii) recover all undisputed sums then due and payable from Company; (iii) demand the return of all confidential information and property of NEC held by Company, including but not limited to any documentation related to Services and Products and related documentation (for which NEC has not received full payment), Company acknowledges that the return of any Products hereunder shall be subject to a reasonable restocking charge (up to 15% TCV) in the sole discretion of NEC; (iv) suspend the installation of Products or provision of Services, (v) render the Hardware and/or Services inoperable; (vi) suspend any warranty or service obligations; or (vii) proceed by court order to enforce the terms hereof or recover damages for breach hereof.

c. Except as expressly set forth below, prior to enforcing any remedies stated herein the party claiming default shall provide the other party with a written statement detailing the event of default. The other party shall have thirty (30) days (fifteen (15) days in the event of payment default as stated above) from receipt of such written statement to cure the default. If the default is not resolved within the time stated above then the aggrieved party may seek the remedies set forth above.

d. Nothing herein shall prohibit either party from seeking a temporary restraining order, preliminary injunction or other equitable relief (particularly in the event of a default arising out of the confidentiality provisions) from a court of competent jurisdiction if, in such party's judgment, such action is necessary to avoid irreparable damage or to preserve the status quo.

7. Indemnification

NEC shall, at its own expense, defend and/or at its option settle, any action, claim, suit, or proceeding brought against Company, its affiliates, and their respective directors, officers, employees, or agents ("Indemnified Parties") based upon claim that the Products and/or Services violate or infringe on any copyright, trademark, patent, trade secret, or other proprietary right of any third party ("Action"). NEC shall indemnify, defend, and hold the Indemnified Parties harmless from and against any and all damages, liabilities, losses, settlement amounts, and any other costs and expenses, including, but not limited to, reasonable attorney(s) fees, incurred as a result of any such Action.

Company shall provide NEC with written notification of any Action, within thirty (30) days of its receipt of such Action, and Company shall reasonably cooperate in the defense of any such Action. Should the Products and/or Services or related documentation be found, or in NEC's opinion likely be found, infringing, NEC shall either: (a) replace the Products and/or Services and related documentation without additional charge, with compatible, functionally equivalent and non-infringing products and/or services reasonably acceptable to Company; (b) modify the Products and/or Services and related documentation to make it (them) non-infringing providing that such Products and/or Services and related documentation as modified, provide(s) equivalent performance, or (c) obtain a license, if available on commercially reasonable terms, for Company to continue to use the Products and/or Services and related documentation for the term of this Agreement at NEC's sole expense.

8. Intellectual Property. Company acknowledges and agrees that the Products and/or Services contain, embody and are based on, patented or patentable inventions, trade secrets, copyrights and other intellectual property rights (collectively, "Intellectual Property Rights") owned or controlled by NEC or the manufacturer, and that NEC or the manufacturer, respectively shall continue to be the sole owner of all Intellectual Property Rights in respect of the Products.

9. Other Provisions.

a. Entire Agreement. This Agreement, including all documents referenced herein, attachments, or exhibits constitutes the entire agreement and understanding between the parties relating to its subject matter, and supersedes all prior or contemporaneous negotiations or agreements, whether written or oral, relating to its subject matter. THIS AGREEMENT MAY NOT BE MODIFIED, CHANGED OR AMENDED EXCEPT BY A WRITTEN AMENDMENT SIGNED BY AN AUTHORIZED REPRESENTATIVE OF EACH PARTY.

b. Waiver. No action taken by either party shall be deemed to constitute a waiver of compliance with any term or condition contained in this Agreement unless such waiver is in writing and signed by a senior executive of the waiving party. The waiver by a party of a breach of any provision of this Agreement will not operate or be construed as a waiver of any subsequent breach.

c. Assignment. Neither party may assign any rights or obligations under this Agreement without the other party's prior written consent, except that NEC may assign this Agreement to its parent company, controlled affiliate, or affiliate under common control upon prior written notice to Company.

d. Notice. Notices required under this Agreement shall be sufficient if contained in writing and delivered by hand or sent by facsimile, express or overnight mail, or by registered or certified mail, postage prepaid, return receipt requested, addressed to the parties as specified below. All notices or communication shall be deemed given when received by the intended recipient.

e. Severability. If any provision of this Agreement is for any reason held to be unenforceable, all other provisions of this Agreement will remain in full force and effect and the unenforceable provision shall be replaced by a mutually acceptable enforceable provision consistent with the parties' original intent.

f. Applicable Law. THIS AGREEMENT WILL HAVE BEEN MADE, EXECUTED AND DELIVERED IN THE STATE OF CALIFORNIA AND WILL BE GOVERNED AND CONSTRUED FOR ALL PURPOSES IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA WITHOUT GIVING EFFECT TO CONFLICT OF LAWS PROVISIONS. THE PARTIES AGREE THAT THE EXCLUSIVE JURISDICTION FOR ALL ACTIONS

NEC NEC Unified Solutions, Inc.

MASTER PURCHASE AGREEMENT

MPA NUMBER_____

OR CLAIMS WHICH MAY ARISE UNDER, IN RELATION TO, OR AS A RESULT OF THIS AGREEMENT, OR ITS TERMINATION, SHALL BE IN THE STATE AND/OR FEDERAL COURTS LOCATED IN CALIFORNIA. THE PARTIES SPECIFICALLY DISCLAIM THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS.

~~g. Waiver of Jury Trial. The parties mutually, expressly, irrevocably and unconditionally waive the right to trial by jury in any and all actions or proceedings for any proceedings arising out of or relating to this Agreement. This clause survives the termination of this Agreement.~~

h. Survival of Obligations. THE PROVISIONS OF PARAGRAPHS 2, 4, 5, 6, 7 and 9 (a), (f), (g) (k) (l) and (m) SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

i. Relationship of Parties. Each party undertakes performing its obligations pursuant to this Agreement as an independent contractor. Nothing contained herein or done pursuant to this Agreement shall make any party or its agents or employees the legal representative, agent or employee of any other party for any purpose whatsoever.

j. Unforeseen Circumstances. Except for the obligation to pay monies due and owing, neither party shall be responsible for any failure to perform or delay in performing any of its obligations hereunder where and to the extent that such failure or delay results from causes outside the reasonable control of the party, environmental conditions, third party telephone service provider or other contractors, labor disputes, perils or other hazards.

k. Hazards. The presence of Hazards, such as asbestos, other hazardous materials or unsafe conditions as may be defined by OSHA, the EPA or other governmental entities, on the COMPANY'S premises shall be deemed an unsuitable environment and NEC shall be entitled to cease performance under this Agreement until such Hazards have been removed or cured to NEC' satisfaction. ~~Furthermore, COMPANY will indemnify and hold harmless NEC or its subcontractors or agents for and from any and all damages, claims or injury caused by, or resulting from measures taken to deal with, such Hazards~~

l. Restrictive Covenants. Each party agrees not to actively solicit and hire any employees or contractors of the other party who have directly been involved in the Services under this Agreement without the prior written consent of such party. Each party's obligations under this Section 9 shall continue for a period of one (1) year after completion of the Services without regard to conflict of law principles. Each party agrees to pay as liquidated damages, an amount equal to 100% of the affected employees' salary to the non-breaching party for violation of this provision.

m. Both parties agree that any claim arising out of this Agreement or the termination of this Agreement shall be brought within two (2) years of such claim or such claim shall be deemed waived.

BY SIGNING BELOW, BOTH PARTIES ACKNOWLEDGE THEY HAVE READ, UNDERSTAND AND AGREE TO BE BOUND BY THIS AGREEMENT.

CITY OF TORRANCE

By: _____

Name: _____

*Title: _____

Date: _____

NEC UNIFIED SOLUTIONS, INC.

By: Raymond T. Williams

Name: RAYMOND T. WILLIAMS

Title: DIRECTOR, CONTRACT ADMINISTRATION

Date: 10/28/04

CITY OF TORRANCE

A Municipal Corporation

Dan Walker, Mayor

21650-9

MASTER PURCHASE AGREEMENT MPA NUMBER_____

ATTEST:

Sue Hebers, City Clerk

APPROVED AS TO FORM:

John H. Fellows III

By: _____

*If Company is a corporation; indicate the position or office held by the person signing this Agreement on the title line. If Company is a partnership; the Agreement must be signed by all partners (or at least a "managing partner") with the word "partnership" on the title line. If the Company is an individual, insert the phrase "sole proprietor" on the title line.

Notices relating to a dispute must be sent to:

_____
_____
_____
_____

NEC UNIFIED SOLUTIONS, INC.

CONTRACT ADMINISTRATION
6555 N. Hwy 161, 8th Floor
Irving, TX 75039
Attention: Legal Department

NEC Unified Solutions, Inc.
Proprietary and Confidential Information

Attachment B

NEC NEC Unified Solutions, Inc.

SCHEDULE A
SCHEDULE OF MAINTENANCE COVERAGE
City of Torrance

Covered Systems	QTY	UNIT PRICE/MONTH	EXTENDED PRICE/MONTH	EXTENDED PRICE/TERM
2400 HDS IMG; City Hall - Site 1				
Stations	834	$3.10	$2,585.40	$31,024.80
Trunks	216	$3.10	$669.60	$8,035.20
Centigram VoiceMail	40	$14.75	$590.00	$7,080.00
Total Site 1			$3,845.00	**$46,140.00**
2400 ICS SIM; PIC - Site 2				
Stations	146	$3.10	$452.60	$5,431.20
Trunks	56	$3.10	$173.60	$2,083.20
Total Site 2			$626.20	**$7,514.40**
2400 HDS SIM; Airport Site 3				
Stations	48	$3.10	$148.80	$1,785.60
Trunks	40	$3.10	$124.00	$1,488.00
Total Site 3			$272.80	**$3,273.60**
2400 HDS SIM; Police - Site 8				
Stations	690	$3.10	$2,139.00	$25,668.00
Trunks	188	$3.10	$582.80	$6,993.60
Total Site 8			$2,721.80	**$32,661.60**
2400 HDS SIM; Yard - Site 9				
Stations	288	$3.10	$892.80	$10,713.60
Trunks	76	$3.10	$235.60	$2,827.20
Total Site 9			$1,128.40	**$13,540.80**
2400 HDS SIM; Fire HQ - Site 10				
Stations	112	$3.10	$347.20	$4,166.40
Trunks	76	$3.10	$235.60	$2,827.20
Total Site 10			$582.80	**$6,993.60**
TOTAL ANNUAL AMOUNT				**$110,124.00**
QUARTERLY PAYMENT AMOUNT				**$27,531.00**
TOTAL AMOUNT WITH QUARTERLY PAYMENTS				**$110,124.00**

Please note New Best Effort Service Contract:

2400HDS manufacturer-discontinued on January 2004
2400ICS manufacturer-discontinued on April 2005
Centigram VoiceMail-manufacturer discontinued on January 2002

NEC Unified Solutions will continue to service the above-mentioned systems on a "Best Effort" basis. Due to manufacturer discontinuance of the above noted systems, hardware, software and any other peripherals for those systems may not be commercially available to NEC Unified Solutions from time to time. NEC Unified Solutions will not be held contractually responsible for these availability issues. NEC Unified Solutions will make every effort to resolve any problems on these NEC Unified Solutions Systems, but cannot make any guarantees on parts availability. Your account manager will be in touch with you to discuss upgrade options.

SCHEDULE B
LABOR RATES FEE

October 12, 2006 through October 11, 2007

Non-covered Repair or Services

During business hours	1 hour min./ ½ hr billing increment	$101.30/hour
After business hours	4 hour min./ ½ hr. billing increment	$151.98/hour
Weekends	4 hour min./ ½ hr. billing increment	Sat.$151.98/hour Sun.$202.60/hour
Holidays	4 hour min./ ½ hr. billing increment	$202.60/hour

Remote Maintenance Repairs and Services

During business hours	1 hour min./ ½ hr billing increment	$101.30/hour
After business hours	4 hour min./ ½ hr. billing increment	$151.98/hour
Weekends	4 hour min./ ½ hr. billing increment	Sat. $151.98/hour Sun.$202.60/hour
Holidays	4 hour min./ ½ hr. billing increment	$202.60/hour

Engineering Work

During business hours	1 hour min./ ½ hr billing increment	$146.31/hour
After business hours	4 hour min./ ½ hr. billing increment	$219.49/hour
Weekends	4 hour min./ ½ hr. billing increment	Sat. $219.49/hour Sun. $292.62/hour
Holidays	4 hour min./ ½ hr. billing increment	$292.62/hour

Trip charge of $60.00 per site visit will apply to any non-covered, billable work. If billable work is "batched" with covered repair work, the trip charge will be waived.

Attachment C

NEC NEC Unified Solutions, Inc.

August 15, 2006

RECD CITY CLERK
2006 AUG 31 AM 11:03
CITY OF TORRANCE

Sue Herbers, City Clerk
City of Torrance
3031 Torrance Blvd.
Torrance, CA 90503

Customer: 104122
Contract: WE0476

Dear Ms. Herbers:

The term of your maintenance agreement on your NEC Telecommunications equipment is automatically renewed from year to year. The annual renewal rate for 2006 shall be $110,124.00 plus tax if applicable. Current equipment configurations were obtained during a recent site survey. Attached is a detailed listing of inventory and pricing. Please accept this letter as notification of the automatic renewal of maintenance coverage effective October 12, 2006 through October 11, 2007.

NEC appreciates your past business and we look forward to fulfilling your future telecommunications needs.

Sincerely,

Barbara McKennan
Support Services Administrator
NEC Unified Solutions, Inc.
Ph: 214-262-6435
Fx: 214-614-4998
bmckennan@necunified.com
www.necunifiedsolutions.com

Please indicate your acceptance by signing below so that we may accurately prepare invoicing and ensure that you will have no lapse in coverage. Please fax to 972-614-4998.

Accepted By: _____ _____
Signature Print Name/Title

Date: _____