

simple click of a mouse button, teachers and parents can view the rubrics for a particular assignment and bring up benchmarks that demonstrate high-quality performance standards, thus providing scoring anchors and promoting uniform assessment of student work.

### **Creating Vision and Solutions through Partnerships and Prime Relationships**

Through established partnerships and prime relationships, IBM is working with K-12 school districts across the country to develop innovative technology initiatives that address challenges facing public education. The prime relationship model allows IBM and its district partners to share experiences and ideas in creating a vision for systemic change within K-12 organizations. The systemic change objectives and supporting vision are then used in implementing solutions. This model allows IBM and its partner districts to work together over multiple years to affect change through the use of technology.

### **Understanding the Business of Public School Districts**

IBM's K-12 education consultants have a detailed knowledge of school districts and the administrative processes that support their operations. It is this knowledge and expertise as well as the technical and product knowledge provided by IBM's national ERP consulting practices that position IBM for a successful K-12 specific implementation of an ERP solution. IBM provides its clients with value added services that close the gap between what is needed by a school district in support of administrative processes and requirements; and the features and functionality provided by commercially available administrative products.

### **Providing Thought Leadership and Capabilities from a Single Source**

Within K-12, IBM leads with its Education Services team of over 500 highly skilled professionals focused exclusively on providing thought leadership and services to K-12 and Higher Education clients. This thought leadership captures current research on best practices in the use of technology in education and applies those to the methodologies IBM uses to implement projects. IBM's ability to deliver on complex projects within the K-12 market is also facilitated through access to the skills and capabilities of more than 240,000 employees and those resources available through our business partner relationships.

### **Delivering Successful Projects through Consistent Management Standards**

IBM recognizes project management as one of the core competencies of its services business and has established an internal Project Management Center of Excellence to keep IBM's project management methodology current, establish and maintain project management training courses, and define the standards for certification in the project management discipline. IBM project managers use an IBM proprietary methodology

based on best practices distilled from thousands of successful projects. IBM's Project Management Methodology is a repeatable set of processes covering the life cycle of a project. The elements of our Project Management Methodology include project tracking, reporting, and daily management; project control, quality control, change management, issues resolution, deliverable review, and risk management. This Project Management Methodology has been modified to reflect the specific requirements of K-12 school districts.

In February of 1997, The Center for Children and Technology at Harvard University completed a review of the work at ten Reinventing Education's sites in the United States. They concluded that across sites, IBM project managers were instrumental to the overall success of this initiative. IBM project managers were given consistently high marks by their school partners for their contribution to the Reinventing Education projects. The managers were especially appreciated for the blend of rigor, flexibility, and negotiating skills that they brought to the project. Overall, the managers were perceived to be quite committed to the success of the project, and became trusted by the project teams. There were frequent citations of IBM personnel going beyond the call of duty or doing whatever it took to facilitate the project's goals. These extra efforts ranged from the mundane (e.g. spending a weekend unpacking and setting up equipment for a teacher workshop) to the substantial (e.g. devising ways to bring substantial external resources into the project).

### **Measuring Success through Quality and Client Satisfaction**

No differentiation is more important in the marketplace than quality, and only a quality culture can continually exceed client expectations while improving efficiency and productivity. Therefore, one of IBM's strategic imperatives is to set the industry bar for quality.

An important measure of quality is client satisfaction, and IBM recognizes that we have an opportunity to delight or dismay our clients each time we deliver products, solutions, or services. IBM uses a number of methods to track and measure client satisfaction including:

- Transaction surveys conducted after all sales over \$50,000.
- Semi-annual client satisfaction surveys conducted by client sales teams.
- Annual client satisfaction survey of a randomly selected subset of all clients. The survey is conducted by an independent company.
- In addition, IBM has the world's best complaint management system, which is focused on resolving customer problems, and facilitates follow up on complaint resolution tasks until the customer is completely satisfied and agrees that the complaint should be closed.

A measure of IBM's commitment to client satisfaction is the focus of our most senior levels of management. In Lou Gerstner's January 1999 address to employees he said, "In the marketplace, customer satisfaction, probably the most important thing we measure every year, increased for the fourth straight year."

While IBM, like every business and employee, has a vested interest in the success of our public schools, we know that restructuring requires the hard work and efforts of educators, parents and students. As a catalyst for change, IBM brings new vigor, motivation and commitment to the effort.

### **IBM's Corporate Education Policy**

IBM believes that no company can succeed if it's part of an unsuccessful community, and no community can be successful if it lacks an educated population.

To remain successful in an increasingly competitive and global marketplace, IBM must have a highly skilled workforce. We also must have a well-educated base of customers who ultimately create demand for our products and services. Given the current crisis in America's public school system, IBM – as well as every other U.S. company – will be hard pressed to succeed unless we see a dramatic improvement in the skills of the young people entering the workforce.

Looking ahead, the atmosphere of constant change in which we now live and operate, is creating a growing need for greater levels of competence and newer and more varied skills. Our own business principles underscore entrepreneurial activity, initiative, teamwork and the highest level of quality, not simply minimum levels of achievement. The new base line for educated and well-prepared employees and customers includes problem-solving and communication skills, time and resource management, creativity, teamwork, and technology use, to name but a few.

IBM's goal is to support the most effective education that will produce the highest level of student achievement for all children, in every community. We work toward this through strategic R&D, community and civic involvement, and targeted philanthropic efforts.

We encourage our employees to participate in their community schools and to play a part in their children's academic success. And we continually reach out to business partners, government, and local communities to support school improvement and student achievement.

IBM's Higher Education Industry team partners with a number of its customers to improve teacher training and further support school reform. In addition, through the company's Reinventing Education grant program, IBM partners with K-12 school districts across the U.S. to help them develop innovative uses of technology to create better schools. We believe in four key principles that are at the heart of all of these efforts:

- **Standards and accountability:** Public school systems must set high performance standards for all children, measure student performance against them, and reward students, teachers and administrators for achieving them or sanction them for falling short.
- **Fundamental restructuring:** All of the standard operating procedures in schools around the globe must be reviewed in light of the skills students need to meet the needs of an ever-changing environment. This includes restructuring classrooms to focus on student-driven, active learning as well as school and district reorganization.
- **Technology:** Use technology to change both the way classrooms and school systems operate and, in the process, save money and open doors to new areas for improvement.
- **Financing to affect meaningful change,** school financing must be linked to accountability. This means rewarding schools for progress and achievement and establishing sanctions for lack of performance.

By example and involvement, IBM attempts to promote efforts to reshape our public schools and help children achieve at world-class levels.

## ***5.6 Funding Considerations***

***EPISD requires each vendor to address possible assistance in securing funding for technology infusion throughout the school district. Respond in general terms how such assistance will be provided and the funding source.***

IBM has been an E-rate Service Provider since the inception of the program. Our E-rate experience, coupled with a broad line of E-rate eligible products and services, tied together by IBM's world class systems integration expertise, is your answer for an E-rate solution partner that can help your school/district effectively leverage E-rate subsidies to bring the Internet to the classrooms.

### **How E-rate Can Create Lasting Benefits For Your School or School District**

How E-rate Can Create Lasting Benefits For Your School or School District Once you have your classrooms and offices wired, your school has the potential to enhance teaching and learning, improve communication and use technology to innovate and solve

problems. When schools are wired for learning, everyone benefits. Students realize that school is an exciting place to be. Parents can play a more active role, because they have easier access to information about their children's education. That helps give your students the support at home that is so critical to their success in school. Teachers have new resources to develop innovative, stimulating lesson plans. With on-line access, teachers can tap into sources that are far more current and contain much more information than any school library. Remote access also means that teachers and students aren't confined by the limitations of time, geographic location, economic status or physical disability. Students can participate in 'living' educational projects on the Internet and take virtual field trips anywhere in the world. They can consult topical experts for their research, and they can share projects with other students, whether across the classroom or across the country.

Wiring schools can increase productivity through improved communication. Teachers and administrators can 'meet' on-line, whether they are in the same building or not. Curriculum developers can seek advice from subject experts around the world. Parents can check on their children's schoolwork and confer with teachers via e-mail and on-line chat rooms. Districts can talk with one another regarding statewide initiatives. Inspired teachers. Involved parents. Motivated students. Isn't that what school is supposed to be all about? You can have that in your district. The Universal Service Fund can help pay for it. And IBM can help you make it happen.

It's exciting to talk about leveraging your budget and building a technology infrastructure in your district. Ultimately, however, those achievements are the means to an end. Your real goal is to provide the best education possible to the students who come into your classrooms each morning. But you're doing more than just educating them; you're also getting them ready for life. Technological change is remaking our world, and it's critical to give your students access to the tools they need to learn and grow, now and in the future.

IBM can team with you to deliver E-rate design, planning, products, services and training elements necessary to implement technology in your classrooms. IBM can help develop your technology plan, which is required before you can apply for E-rate discounts. We can bring our systems integration and project management expertise to bear, acting as your focal E-rate general contractor, working and coordinating with your suppliers to improve project planning, procurement and integration. IBM is unique in our proven abilities to design, plan, deliver and support the entire integrated project, making it faster and easier for you to apply for E-rate.

IBM is proud to be a registered E-rate Service Provider. IBM's E-rate Service Provider Identification Number (SPIN) is: 143005607

***In addition to general considerations, address the following items concerning the vendor's intent and capability to specifically provide funding assistance.***

- ***Identify components of the sample configuration that might receive funding assistance.***

IBM understands that the District is evolving away from LAN maintenance at the single school level and moving toward integrated support practices and systems. A district objective could be to standardize the support to improve service and support while realizing efficiencies and cost savings within the District.

The IBM Maintenance solution provides assessment, strategy, design, implementation, and operational services to help the District manage the distributed networking environment. IBM will utilize proven processes, tools and experienced IT consultants to help the District to improve operational performance and network availability.

IBM recommends a two-prong approach:

- Provide a Maintenance Support Office including people, tools and process using existing IBM call management and dispatching systems, and a template of best practices helpdesk and problem management processes and tools.
- Deploy new network maintenance processes and procedures using specialized tools, fully customized for EPISD unique networking environment. This solution will encompass maintenance configuration and inventory management, maintenance event management, maintenance help desk, problem, change and asset maintenance, remote control and optional maintenance backup and recovery.

With this implementation approach, IBM will be able to provide the District maintenance support services for school LANs for all components identified by the district. Local implementation of the fully customized solution will provide the district with best practices LAN maintenance processes and tools for proactive maintenance of School Routers, MDF switches and servers.

IBM provides maintenance support services, which include preventive and predictive network hardware support, as well as repair and/or replacement activity after a problem has occurred. Warranty service management, including coordination and claims processing, can also be provided.

- ***Describe in detail what the level of assistance might be provided***

IBM offers a complex blend of Project Management and E-rate Program Office implementation experience. IBM will provide assistance to the EPISD in implementing its district wide E-rate project. IBM can provide skills, knowledge, and personnel resources to assist the EPISD E-rate Implementation Support Team with E-rate technical analysis in areas such as:

- Analyzing the eligibility of services and products making up the technical implementation
- Analyzing the function and usage of a service or product called out by the technical implementation and mapping its intended function/usage to the E-rate eligibility criteria
- Establishing guidance and policies on E-rate related aspects of a technical implementation: eligible usage, cost allocation, and cost separation discount assignment, etc.
- Estimating the varying degrees of E-rate eligibility among the alternative technical implementations
- Estimating the varying net costs to the Board among the alternative technical implementations. E-rate pertinent processes and procedures that can be carried out in conjunction with each project include:
  - Scheduling a project start date and its associated filing of FCC Form 486
  - Reviewing all E-rate Funding Request Numbers (FRNS) pertaining to the installation
  - Analyzing the cost, resource and schedule impact of using updated service offerings, technologies or products in light of the amounts of the funded FRNS and amount of remaining time in the current E-rate funding year
  - Documenting any changes in project scope and deliverables through formal project change control
  - Documenting cost allocation and cost separation for services and products installed in which there are E-rate eligible and non-eligible components
  - Generating installation records of E-rate eligible products and services, along with their funding FRNs, date of installation, location of installation, and associated E-rate discount

- ***Provide a total amount of funding assistance anticipated for the sample configuration***

IBM will assist EPISD with structuring the application for funding and supporting documentation to maximize the SLD funding. It is anticipated that all funding requests will be funded at 90% level. To illustrate: if the total amount requested for maintenance is \$15M and it is funded at 90%, the district will receive \$13.5M funding commitment from the SLD.

- ***Identify long-term considerations including the likelihood of multi-year funding assistance and the commitment of the vendor to provide such services to EPISD***

Increased demands for accountability are forcing school districts to rethink their current instructional and administrative practices and create initiatives for systemic change. Your administration's vision for EPISD is the catalyst for this change; and technology must be the facilitator of this change. IBM views technology as a tool for supporting a district's instructional, administrative, and operational needs. Effective utilization of technology must include the services which prepare the district staff for necessary changes, increase technology use through proper staff development and training, and establish baselines for measuring the impact technology has on instructional delivery, learning, administration, and operations.

IBM and EPISD continue to invest resources to stay at the forefront of technology solutions for schools because we both recognize the value of providing the necessary improved tools for improving education both instructionally and administratively. IBM will combine its resources in K-12 solution design, education consulting, technology consulting, systems integration, network, and data center management to provide EPISD with experienced resources to effectively infuse technology throughout the school district.

IBM is a leader in all key services capabilities from consulting, systems integration, technical support, and managed operations; to application development and cutting edge technologies, such as network computing, Internet applications, and object oriented programming. We specialize in business transformation, change management, information technology planning, networking, and systems management. IBM has the breadth of technology expertise, the depth of available resources, the experience working with K-12 school districts, and the existing relationship working with the El Paso School District, to effectively address the full range of EPISD's instructional, administrative, and operational technology needs.

IBM's background, capabilities, experience, and financial stability are key factors that contribute to the cost effectiveness and quality of solutions we deliver to our clients. They are primarily the reasons our customers select IBM as a strategic partner, as they implement complex technology projects, for the purpose of improving their core businesses and services. Most customers, including school

districts, though they understand technology and its importance, primarily want to concentrate their resources on their core business or mission. They want the most qualified technology experts to manage their technology. Many are turning to IBM for this support, and as a result IBM Global Services has not only become the largest services provider in the world, but also the one with the highest levels of customer satisfaction.

Working together, now and in the future, EPISD and IBM can create an advanced technologically based learning environment for the students of the El Paso area.

- ***Identify how much effort will be required by EPISD in obtaining this funding***

EPISD will be responsible for providing district personnel to work with IBM to complete and submit the E-rate application and Program Integrity Assessment (PIA) process. EPISD personnel will be involved in planning sessions, small group and one-on-one meetings with IBM to discuss and develop district e-rate plans and projects.

- ***What costs will EPISD incur to achieve funding assistance***

EPISD will be responsible for providing district personnel to work with IBM to complete the E-rate application and Program Integrity Assessment (PIA) process. At the award of the funding EPISD will be responsible for their percentage of the total based on EPISD's free and reduced student population.

- ***Provide a least references where the District/Vendor partnership has been successful in securing funding for technology projects.***

## **Cleveland Municipal School District**

### **DESCRIPTION OF PROJECT:**

IBM is providing the following solutions for Cleveland Municipal School District under e-rate year 3: Maintenance Support, Data Cabling and Network Hardware, and e-mail deployment.

Maintenance Support - IBM is responsible for managing operational maintenance task. The solution provides an operational support plan that is linked directly to the school district's business imperatives. IBM is providing the people, processes, and tools to keep the school district running in peak performance mode.

**Contract / Order Amount:** \$20.4M (EPISD / IBM Confidential Information)

Data Cabling and Network Hardware – IBM is responsible for providing and installing internal wiring, Cisco hardware, and Netfinity servers at various CMSD locations.

**Contract / Order Amount:** \$6.4M (EPISD / IBM Confidential Information)

E-mail deployment – Project includes the environmental review, strategy development and planning necessary to successfully migrate to IBM e-mail. The project also includes the e-mail architecture, design, deployment planning, and physical deployment. Project has six phases:

- E-mail environment assessment
- Migration and coexistence strategy
- E-mail architecture plan
- Detailed migration and coexistence plan
- E-mail configuration and e-mail pilot program
- E-mail infrastructure deployment and e-mail installation
- Procurement and installation Netfinity Servers to support e-mail environment

**Contract / Order Amount:** \$4.1M (EPISD / IBM Confidential Information)

## **New York City Board of Education**

### **PROJECT OVERVIEW**

IBM assisted the BOE with the implementation of Project Connect (a Frame Relay based network utilizing 384 or 768 Kbps ports) to over 1000 schools in the first year of E-rate. IBM was the BOE's sole Technology provider. This included CISCO internetworking hardware (Routers, firewalls, switches), Communications servers and associated equipment (NetFinity servers, bundled UPS, racks, patch panels, cables). We also provided the Microsoft software (NT Backoffice) which included web server software and content hosting. IBM performed the detailed network design (300K engagement) and created a support organization for the Board. This consisted of 4 onsite personnel, the Atlanta client server support center for Tier 2 Network Help Desk and a field dispatch team of 6. IBM performed the configuration (burn-in) of the equipment and subcontracted a Board preferred vendor who performed the installation in the schools. We also provided training to school technology coordinators. While not originally awarded the cabling (pricing), IBM was brought in to assist when the other cabling vendors fell behind.

IBM provided additional data cabling in 500 schools in the second year of E-rate. IBM continued to procure the Cisco hardware, Netfinity servers and associated equipment for additional schools. IBM continued to assist the Board of Education in enhancing the network services provided to the over 1000 schools.

IBM provided guidance and strategic direction to the Board of Education in planning the efforts for year three of Project Connect. The engagement included a redesign of the LAN architecture and IP addressing for the schools to allow for the increasing number of computers. IBM provided voice and data cabling for over 400 schools in an effort to provide cabling to every classroom. IBM provided the project planning to upgrade the LAN infrastructure in over 400 schools including active network components. IBM provided the network design, configuration, and integration for the 400 schools. IBM redesigned the existing Proxy and DNS architecture as part of the service enhancements. IBM also created the architecture and design to migrate existing mainframe applications from an SNA to IP environment. IBM provides consulting and direction in many areas of technology of the Board of Education.

*Contract / Order Amount:* \$165M (EPSID / IBM Confidential Information)

### ***5.7 Pricing Model and Cost Assurances***

IBM Global Services is the largest consulting and services provider in the world. We have become the largest because our many clients have received significant value for the services we have provided. Our client satisfaction ratings are the highest in our industry, which results in a very high percentage of our business being repeat business from existing clients. Clients award IBM follow-on projects because their previous experience has demonstrated to them that IBM consultants are highly competent, professional, and worthy of their confidence. All of this is true, because of the people we have in our organization. They are the most qualified and competent professionals in the industry. IBM costs and prices reflect this professionalism and competency.

IBM conducts periodic (at least annually) market studies to compare our rates with those of our major competitors, and implements pricing strategies that makes us competitive with them. You are assured that IBM prices will always be market driven, competitive with other consulting firms of similar profile and skill levels, and within normal and customary charges for the type of services provided. IBM Global Services pricing model, and therefore customer costs, are based upon the following factors:

- Resource costs,
- Expected profit margins, and
- Project risk factors.

Since the IBM Corporation must return a profit to its investment owners, the first consideration in pricing is earning that expected margin over our costs. Those margins are consistent with our competitors in the consulting and systems integration business.

Professional fees for project resources are determined by IBM's cost of those resources. As expected, consultants and project managers earn higher rates than the less experienced staff. Thus, the cost of any project will be determined by the number, mix and skill level of the resources required to perform the project. IBM will always attempt to identify the most cost-effective resource with the capabilities to perform the project tasks. Thus, IBM will engage sub-contractors to perform many development and installation activities, because they often have resource costs that are less than IBM's.

The only additional factor influencing our prices to clients, is the assessment and assignment of project risks. All project risks have costs associated with them. Therefore, the more risk that IBM assumes, the project costs will be higher. The more risk EPISD assumes, the lower the IBM cost will be for our services. The most significant contributor to the risk factor is whether IBM assumes the risk of time and resource requirement, by offering EPISD a "fixed" price for our services. If an hourly rate based upon our estimates of project effort is acceptable to EPISD, and thus EPISD assumes the risk of time and resource, the IBM price will be less.

Since the IBM pricing model is very simple, the cost associated with any Statement of Work is easily determined. The only inputs necessary to determine a price are: length of project, number and type of project resources required, and determination of IBM's risk assumption.

IBM recognizes the importance of disciplined and auditable accounting and business practices. As a publicly owned company IBM is subject to very demanding accounting audit standards. All IBM systems and processes are designed to protect the corporation, and our clients, from improper or unauthorized business transactions. The same high standards of performance are expected of all IBM employees. IBM takes great pride in the integrity and professionalism of its staff.

IBM will be flexible in working within EPISD established budgets. We recognize the challenges of the annual budget process, and will work with the EPISD staff to plan projects and expenditures within that budget process. The Strategic Technology Integration Partnership contract is offered for one year, with the option to renew it for subsequent annual terms. Additionally, any IBM contract is subject to cancellation by the client at any time.

## ***5.8 Other Vendor Attributes***

International Business Machines Corporation (IBM) is a worldwide organization with corporate headquarters located at New Orchard Road, Armonk, New York 10504. Louis V. Gerstner, Jr. is Chairman of the Board and Chief Executive Officer.

IBM was organized to do business in Endicott, New York on June 14, 1911 and is incorporated in the State of New York. IBM is a large, multinational corporation with significant activities in almost every aspect of the information technology business in almost every free country in the world. IBM is in the business of helping customers solve problems through the use of advanced information technologies. The company operates primarily in this single industry segment that creates value by offering services, software, systems, products, and technologies.

IBM provides full service information technology in the design, development, and delivery of a full range of hardware, software, services and maintenance offerings. IBM is a manufacturer of state-of-the-art, compatible, and reliable hardware and software. If any issue should arise that is related to IBM systems, there can be no better problem resolution resource than the company that actually wrote the original specifications. IBM's maintenance organization also supports IBM installed applications, through hundreds of service personnel resident across the State committed to respond to outages and other problems within two hours -- 24 hours per day, 7 days per week, 365 days per year. Each Customer Engineer is equipped with a radio frequency communication device that is linked to our service dispatch centers, accelerating problem determination and the resolution process.

IBM is recognized as a world leader in the systems integration business particularly in information technology and its integration into business processes. IBM has over 30 years experience in systems integration projects of varying complexities. IBM has developed extensive know how and experience in the areas of:

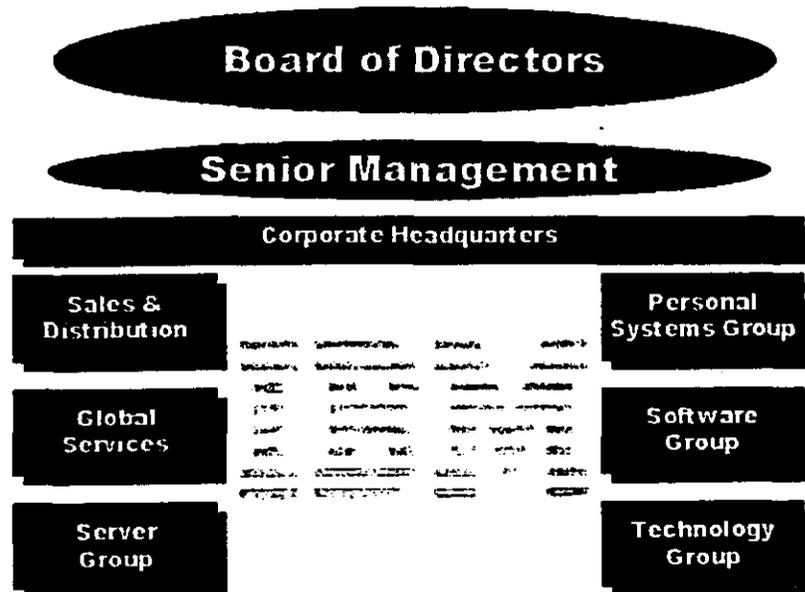
- Development and enhancement of complex information systems
- Application of the latest technologies and methodologies
- Project management and control
- Assisting users in managing the transition to new computing environments
- Developing long-term customer partnerships

IBM's strength is its ability as prime contractor having successfully managed a multitude of projects requiring development and integration of every aspect of an information technology project, from strategic planning, to systems development, to management of data facilities and network operations. A key differentiating aspect of IBM's prime contractor qualifications is our underlying technology base. In addition to our core

services organizations, our customers can draw on the specialized expertise of our broad array of research and technical competency groups, ranging from applications development to client/server and open systems expertise to advanced image and forms processing.

The IBM Corporation as a whole operates in over 160 countries worldwide with a total of over 290,000 people. From a high level IBM is organized as depicted in the following figure:

***High-level IBM Organization***



Within this organizational structure IBM's sales, service, and support personnel are geographically distributed so that they can be located close to the clients they serve. In addition, these personnel are linked nationwide and worldwide with their counterparts serving clients within the same industry. For instance, the local IBM team that supports EPISD is part of IBM's Global Education Sector. This industry focus provides our clients with IBM representatives who have a much better understanding of their industry and business, and now serves as the foundation for the delivery of solutions within vertical industries.

This industry alignment is pervasive throughout the IBM Corporation and includes industry skills within the following organizations:

**IBM Sales and Distribution:** As previously mentioned, the IBM client representatives that serve our customers have an industry focus. In addition they are linked nationally and internationally with representatives who also serve clients within the same industry. This allows them to form a better understanding of their clients business, as well as share information with their counterparts about industry trends, and topics of interest to their clients.

**IBM Industry Solutions Unit:** IBM has teams dedicated to providing industry specific solutions within a variety of industries, including State Government. For each industry served, there is a team of industry specialists who identify needs within the industry and bring forward solutions through alliances with business partners, acquisition of software, and/or ground up development efforts.

**IBM Consulting Group:** The IBM Consulting Group provides management level and business consulting services within industry segments. The Public Sector arm of the IBM consulting group has provided and continues to provide consulting assistance to a wide range of organizations within Public Sector, including K-12, Higher Education, Local, County, State, and Federal Agencies.

**IBM Research:** Within IBM Research there is industry alignment as well. This is accomplished through our Industry Solutions Laboratory which focuses on specific client situations which require the development of leading edge "first of a kind" solutions to industry specific requirements.

**IBM Global Services:** IBM Global Services employs over 138,000 people worldwide. IBM is the world's leading information technology services company, with total services revenue of approximately \$32.2 billion in 1999. IBM is the world's leading systems integrator and the fastest growing major outsourcing provider (see Appendix D – IBM Financial Statements).

IBM Global Services key capabilities include:

- Business process re-engineering
- Systems integration
- Application development and maintenance
- Information technology consulting
- Systems operations

- Distributed systems management
- Network design and management
- Network and data security
- Business recovery services

Federal Employer Identification Number: 130871985

E-Rate Service Provider Identification Number (SPIN): 143005607

## **E-Rate: Connecting for Universal Access**

### **A low-fare ride on the information superhighway**

Is anything more important than the education of our children? At IBM, we believe it should be our top priority as a society. That's why we have made a corporate commitment to applying our knowledge, experience and resources to enhancing the quality of education in the classroom.

Students today need more than just information; they need skills and tools for lifelong learning. Teachers need ways to improve their productivity so they can spend less time on paperwork and more time educating students. Administrators need to process data more efficiently so that they can focus on their educational mission.

To achieve all those goals, a school district must be connected, both internally and to the information superhighway. IBM has a 15-year history of implementing technology solutions in education, and we are eager to help you develop the right solution for your district.

### **Connecting your schools is about people, not wires**

Getting connected is just the first step. The technology plan that you prepare before applying for Universal Service Fund discounts outlines your goals and the technology infrastructure you will build to meet them. Once you have your offices and classrooms wired, the possibilities are almost unlimited.

### **Better teaching and learning**

How many of your textbooks are out of date by the time they are printed? With on-line access, students can tap into sources that are far more current and contain much more information than any school library. Remote access also means that teachers and students aren't confined by the limitations of time, geographic location, economic status or physical disability. Students can participate in 'living' educational projects on the Internet and take virtual 'field trips' anywhere in the world. They can consult topical experts for their research, and they can share projects with other students, whether across the classroom or across the country.

### **Better communication**

If your district is like most, there is a lot of time and money lost to unnecessary meetings, missed appointments and piles of paperwork. Wiring schools increases productivity through improved communication. Teachers and administrators can 'meet' on-line, whether they are in the same building or not. Curriculum developers can seek advice from subject experts around the world. Parents can check on their children's schoolwork and confer with teachers via e-mail and on-line chat rooms. Districts can talk with one another regarding state-wide initiatives.

### **Better technology**

Using USF discounts to leverage your budget means having the ability to do more of what you need to do, rather than just what you can afford to do on your own. And it lets you do it more quickly. The result is better technology, because you will be buying the same generation of equipment, giving you a higher degree of compatibility. You won't have to worry about the first pieces becoming obsolete as the last pieces are being installed. IBM can coordinate the activities of your other vendors making the implementation easier.

### **How IBM can help your district get connected**

The USF is an opportunity for you to take advantage of the full range of services that IBM provides to education. We can partner with you from the first brainstorming meeting through the integration of technology into the classroom. Other companies can supply parts of what you need; only IBM can deliver the whole package of planning, products, services and project management, making it easier and faster for you to apply for USF funding.

### **Developing your technology plan**

For starters, we'll help you with all the research and planning necessary before you can apply for USF discounts. IBM will work with you to determine your long-term educational goals and the role that technology can play in helping you achieve them. We'll assist you in analyzing your equipment and service needs, finding the best sources and determining what your costs will be.

### **Installing your networking infrastructure**

IBM will act as your general contractor, coordinating delivery by all vendors, laying the cable and installing the networking equipment that drives the signals on the cable. We'll also help you with procurement and installation of file servers and other networkable equipment covered by USF discounts.

### **Training and troubleshooting**

Technology is a tool. It can't revolutionize education in your district unless people know how to use it and it is maintained properly. So IBM doesn't leave you when the network gets turned on. As your education technology partner, we provide on-going training to help bring all departments up to speed as quickly as possible. We also see to it that all hardware and software works as it should, to make sure your technology plan becomes reality.

### **Financing**

We also provide financing assistance through IBM Credit Corporation. Remember your original technology budget that you leveraged with USF discounts? Well, we can offer creative programs to let you finance that budget. That way, you can use it to buy additional technology, such as instructional software or PCs not covered by your USF discounts.

### **IBM's networking solutions for the schools of tomorrow**

Once you have your technology infrastructure in place, how do you get administrators, teachers, parents and students working together and communicating with each other? The key is having the right applications for your needs. IBM provides a complete range of programs, developed through more than a decade of experience integrating technology into classrooms. Here are some of the solutions that we offer:

#### **Lotus Notes**

Messaging capabilities and access to the World Wide Web are combined with a solution for linking GroupWare applications. Notes enables individuals and groups to communicate, collaborate in teams and coordinate processes throughout the district and beyond. In a Lotus Notes environment, curriculum guides, lesson plans, student information and state standards become a dynamic, interconnected web of resources. And you will benefit your students by helping them learn to use a tool widely found in business and higher education environments.

#### **Lotus Domino**

Put your school on the Internet with Domino. Lotus Domino is an applications and messaging server with an integrated set of services that enables you to easily develop interactive applications for the Internet. Domino allows your users to easily and inexpensively tap into collaborative databases via standard Web browsers and PC modems from anywhere in the world.

### Lotus LearningSpace

Now schools have a flexible, cost-effective way to educate students on-line. Combining the benefits of distance learning with the collaborative advantages of a traditional classroom, Lotus Notes-based LearningSpace encourages truly interactive learning - anytime, anywhere. Five specialized interactive database modules can be accessed using Notes or via the Web. The modules allow students to learn by engaging in problem-solving activities, debates, discussions and other exercises. Students also can access and use stored information and receive personalized feedback from instructors.

### **IBM's Diversity Initiatives**

The words of our Chairman and Chief Executive Officer, Louis Gerstner, Jr., best position IBM's attitude toward diversity.

"IBM employees represent a talented and diverse work force. Achieving the full potential of this diversity is a business priority that is fundamental to our competitive success. A key element in our work force diversity programs is IBM's long-standing commitment to equal opportunity, a commitment based on sound business judgment and a fundamental belief in respect for the individual.

"Business activities such as hiring, training, compensation, promotions, transfers, terminations and IBM sponsored social and recreational activities are conducted without discrimination based on race, color, religion, gender, sexual orientation, national origin, disability, age or either Vietnam-era or Special Disabled veteran status. These business activities and the administration of IBM benefit plans comply with all applicable federal, state and local laws, including those dealing with equal opportunity. IBM also makes reasonable accommodations for disability and religious observance.

"To provide equal opportunity and affirmative action for applicants and employees, IBM carries out programs on behalf of women, minorities, people with disabilities, Vietnam-era veterans and Special Disabled veterans. This includes outreach as well as human resource programs that ensure equity in compensation and opportunity for growth and development.

"In addition, the IBM working environment must be free of harassment based on sex or sexual orientation, race or ethnic origin, religion, age, disability, or veteran status. In respecting and valuing the diversity among our employees and all those with whom we do business, managers are expected to ensure a work environment free of all forms of discrimination and harassment.

"Effective management of our work force diversity is an important strategic objective. Every manager in IBM is expected to abide by this policy and uphold the company's commitment to work force diversity."

Louis V. Gerstner, Jr. Chairman & Chief Executive Officer.

### **AFFIRMATIVE ACTION IN IBM**

IBM has a long-standing commitment to equal opportunity and affirmative action. Our policy is founded on sound business judgment and our basic belief in respect for the individual.

IBM's equal opportunity and affirmative action policy states that all of our employment practices are to be conducted without regard to race, color, religion, gender, sexual orientation, national origin, disability, age or veteran status.

Our employment practices include recruiting, hiring, training, compensation, benefits, promotions, transfers, terminations, and IBM-sponsored social and recreational activities. All of these practices are conducted in compliance with applicable federal, state, and local laws.

Our written establishment affirmative action programs for women, minorities, people with disabilities, Vietnam era and special disabled veterans are aggressive, ongoing and results-oriented.

IBM's affirmative action programs - for employees, for educational institutions and for the community - seek to create a level playing field so the less advantaged can compete for opportunities on an equal basis. Affirmative action at IBM is a long-term investment in people and their communities. The focus is on removing the disadvantage where it exists, not on giving anyone an advantage.

IBM takes practical steps to help minorities, women, people with disabilities, Vietnam-era veterans and disabled veterans. Where the representation of minorities or women does not reflect the available population, IBM sets goals by job groups. Goals are based on our populations in the feeder groups - that is, those jobs from which we typically recruit to fill a particular position. For entry-level positions, we look at the composition of the relevant external labor market.

We do not have quotas or fixed numbers that must be met in hiring or promoting. Our goals are flexible and require good faith efforts on the part of IBM managers. In meeting these goals, candidates are selected from among the best qualified in a way that achieves quality results.

### **SUPPLIER DIVERSITY AT IBM**

IBM's Supplier Diversity Initiatives are designed to increase purchasing opportunities and contracts for businesses owned and operated by minorities, women, and people with disabilities. For IBM, a diverse supplier base is a strategic necessity for our success and that of our customers.

Our Supplier Diversity commitment is an initiative that we pursue with vigilance and zeal; it is part of our heritage, our business and our future.

For IBM, building and maintaining a community of diverse suppliers increases the opportunity to hear new ideas, apply different approaches and gain access to additional solutions to respond to customer needs. From a business sense, IBM's purchases from diverse suppliers help build their financial strength and increase their ability to continuously use IBM products and services. Such collaboration helps IBM deliver future innovation, quality products and world-class service to a growing global marketplace characterized by an eclectic array of cultures in near and far-reaching populations.

IBM's Supplier Diversity Initiatives are designed to actively create opportunities for diverse suppliers in all areas of IBM's procurement, contracting, and marketing programs. These initiatives are driven by IBM's global procurement organization with support and active involvement by all business units and geography locations throughout the Corporation. The manager of these IBM's initiatives leads worldwide efforts to ensure procurement equality, establish corporate strategy, provide training to suppliers and IBM employees, report to senior management and customers on quarterly activities, and maintain IBM's link to the diverse supplier community.

Those efforts are supported by a team of regional program managers, site/team advocates, community relations managers, market development executives and technical teams who ensure the successful implementation of IBM's supplier diversity strategy. Each of these individuals takes proactive approaches to identify qualified diverse suppliers, and make the connection with various IBM organizations, prime suppliers, customers and other external groups.

IBM purchases various products and services that are grouped into productions and general procurement commodities. Commodity teams have been established for the purpose of defining sourcing strategies, and developing the appropriate relationships between IBM and suppliers. This helps to ensure that the company meets the demands of the global marketplace for higher productivity and lower costs, and continues its pursuit of total commitment to quality and excellence.

Each team has an advocate who creates, within the commodity strategy, a plan for diverse supplier inclusion--mentoring these suppliers and supporting their overall relationship with IBM.

IBM recognizes that a diverse supplier base is integral to company profitability objectives and strategic imperatives--solidifying the connection between customer satisfaction and winning in the marketplace.

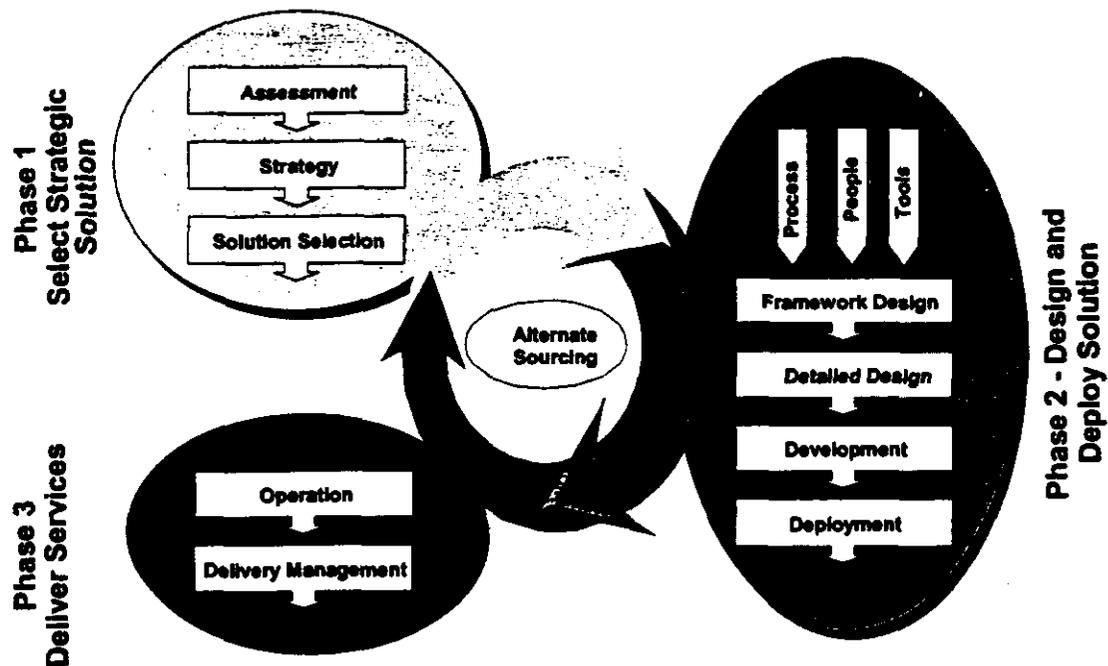
Additional information on IBM's Global Procurement Organization and Supplier Diversity can be found on our Internet page: <http://www.ibm.com/procurement>.

## Other IBM Consulting Solutions & Services

### ENTERPRISE SYSTEMS MANAGEMENT

The Enterprise Systems Management (ESM) competency comprises the group of practitioners who focus on the services, processes, organization and technology required to provide end-to-end enterprise management of the services an IT organization is responsible for providing to its users. This includes the management of centralized or distributed, homogeneous or heterogeneous environments. ESM projects are generally initiated when IT organizations are struggling to manage complex environments or there is a need to reduce the costs of providing services, or a combination of the two.

The ESM competency uses the Systems Management Life Cycle as the basis for its work.



The starting point in ESM at a client will generally be a review or assessment of their environment (process, technology and organizational aspects). From this, recommendations can be developed. Follow-on work may include development of a Systems Management strategy, the design of a Systems Management solution, or exploitation of a Systems Management toolset that has been purchased, such as Tivoli. The output from the review phase may include the recommendation to out-task part or all of the Systems Management function. To complete the cycle, ESM practitioners can often be required to manage or consult on the implementation of a Systems Management solution.

The scope of ESM engagements include reviews, designs and implementations of Service Level Management solutions, Problem and Change Management solutions, Customer Support Centers, Event Management and Monitoring solutions, Backup and Recovery and Disaster Recovery solutions, Operations Management solutions, etc. Typically, ESM practitioners can receive and provide direction to the CIO and senior management team in an IT organization, although they can work with all levels in the organization.

Clients attempting to implement systems management solutions confront challenges and issues that are business, economic, and technical in nature. The Enterprise Systems Management (ESM) methodology provides the knowledge, analysis, solutions and resources to overcome these challenges and to resolve key issues. The result: executing a seamless, end-to-end delivery of systems management solutions.

Listed below are descriptions of the various ESM Services offered:

#### **ASSESSMENT SERVICES**

Creates a baseline for present and future requirements of the infrastructure using an objective process model. Identifies the process, organization and technology areas needing the most improvement.

#### **SYSTEMS MANAGEMENT STRATEGY DEVELOPMENT**

Aligns the systems management strategy with the needs and objectives of the IT Strategy. Defines the guiding principles and goals of the future systems management infrastructure.

#### **SYSTEMS MANAGEMENT SOLUTION SELECTION**

Decides the most appropriate solution path, including which modules to execute and the sequence. Creates a roadmap of activities to transition from the current position (Assessment) to the desired future state (Systems Management Strategy).

#### **TOOL DRIVEN DESIGNS**

Using the tool as the catalyst to enable systems management solutions i.e. Tivoli, Service Desk, CA, Remedy

#### **SERVICE SPECIFIC DESIGN**

To solve specific systems management service delivery i.e. Change Management, Problem Management, Service Level Management, Configuration, Event Management Correlation Design etc.

#### **SERVICE DELIVERY INFRASTRUCTURE DESIGN**

Creates an integrated framework design for all components of the ESM solution i.e. help desk, IT operations

## **OPERATION**

Ongoing delivery of systems management services using the implemented solution.

## **DELIVERY MANAGEMENT**

Monitors, measures, and manages the delivery of the committed services. Feeds back information to the Assessment module, thus ensuring continuous improvement.

## **BENEFITS**

- Improves Customer Satisfaction through proper sourcing of Customer service
- Improves use of technical staff through high Customer Service resolution rates
- Improves effectiveness and productivity through alignment of organization to framework Services Model
- Eliminates redundant infrastructure functions performed by IT groups in Business Units
- Improves I/T Availability through effective Event Management
- Improves availability through improved change planning
- Higher customer satisfaction through improved communication of changes
- Improves communication between Application Development and Operations

The sections which follow are included to give El Paso ISD and an understanding of the breadth of IBM Global Services offerings and an understanding of IBM's service delivery approach to IT Management. All the following can be implemented under the umbrella of the Systems Management Life Cycle.

## **Help Desk**

### **IBM HELP DESK SERVICES**

Companies in today's global e-business world are transitioning from traditional problem-oriented help desks to integrated customer service centers. Now more than ever there is a need for a strongly managed infrastructure to support and enable e-business and a help desk that is business-oriented can give companies a competitive advantage in delivering responsive, cost-effective IT customer service to their end users. IBM Help Desk Services provides consulting, planning, implementation and remote support services to help build a streamlined customer service infrastructure, using industry-leading applications from Tivoli, Remedy and others. Whether you want to automate your current help desk, install a new one, consolidate IT help desks, or integrate asset and change management with problem management into a consolidated service desk, our professionals can help you develop an IT infrastructure that provides more efficient and cost-effective ways to reach and service customers.

## **BENEFITS**

- Enhances your information technology (IT) infrastructure and improves infrastructure resource management
- Assesses your current IT infrastructure to help develop a unique support strategy for your business needs
- Provides flexible design, development and support of a help desk or consolidated service desk using industry-leading applications
- Incorporates traditional processes and technologies with the Internet to effectively support today's many methods of customer contact
- IBM's Help Desk Support has been specifically designed to meet the needs of a client's organization by providing a broad range of flexible, cost-effective services that can be tailored to meet a client's individual requirements.

## **Tivoli Systems Management Services**

In the time it takes to read this paragraph, Tivoli management software can distribute a software upgrade to thousands of computers on a single network, check each one for viruses and security breaches, and keep tabs on hundreds of other critical applications.

Every day, companies all over the world including 96% of all Fortune 500 companies use Tivoli products and services for that and more. These companies recognize that to make their businesses grow in today's climate, simple, seamless IT management is essential.

Growing, businesses often add new applications, new systems, and new networks at a frantic pace. Keeping these processes secure, reliable, accessible, and efficient is the challenge that determines whether or not their IT departments face everyday.

Since 1989, Tivoli has helped thousands of companies meet these challenges. We developed the industry's first end-to-end IT management solutions: award-winning software that makes it easy to manage hundreds of thousands of separate devices without sacrificing productivity, security, or performance. We also offer a variety of solutions for small and mid-sized businesses, aimed at management of specific IT processes.

Because Tivoli partners with the world's leading system and application vendors, our customers choose from hundreds of best-of-breed solutions that leverage the common Tivoli management architecture. Our partnership program, Team Tivoli, lets Tivoli-certified vendors offer products that integrate seamlessly with ours, so companies of any size can implement Tivoli solutions quickly-and not waste valuable time trying to make point products work together. Our Tivoli Ready program guarantees that a multitude of hardware and software partner products-over 100 million by the end of the year 2000-will integrate into Tivoli solutions with plug-and-play ease.