

Sent: Friday, September 03, 2004 5:39 AM
To: [redacted]@google.com
Subject: Re: Google Contract

Sharon,

My responses are in blue below.

Sharon Levy wrote:

[redacted]

I took a look through the document and while the license and TSS document look fine, I did notice a couple items in the commercial terms that I hadn't seen before and have some questions/comments about:

- There are two line items: 1st item is the 2 year license for the [redacted] unit, including support and there is 2nd line item for the same thing, but listed as "Options".

The first line item represents the initial Search Appliance purchase. My technical person asked if we could add an option for an additional search appliance should we choose to expand the Google program. In a telephone conversation I had with Jon Venverloh, he indicated that adding an option to the contract would be fine as long as the exercise date expired within one year of the initial contract start date. Thus, the maximum license and maintenance agreements could run would be three years. Years 1 and 2 for the first search appliance and years 2 and 3 for the second search appliance.

- The payment provision says that payment will be made upon delivery and acceptance. Is this accurate? How does this work with the installation? Typically, we ship and issue an invoice simultaneously.

The "Special Payment Provision" is a work around initiated by our legal department. The FAR prohibits advance payments on contracts with only a one exception - subscriptions for printed materials. Our legal noted that this exception did not apply to the Google Search Appliance so it suggested we use a method called a "Commercial Interim Payment." The Commercial Interim payment allows the Government to pay an invoice in full once some event has occurred related to performance of the contract. In this case, delivery and acceptance will trigger payment. However, for your purposes, it has no practical effect. Go ahead and invoice us in the normal way. Once the search appliance is installed, we'll approve the invoice and it will be paid in accordance with the payment provisions set up in FAR 52.212-4.

- The period of performance (Term) is from the date of award (listed as today) though 15 September 2006 with the following option: "Option Year 1 - 16 September 2005 through 15 September 1007" If the Option above is supposed to represent the ability to renew for an additional 2 years, are these time frames wrong?

Again, this Optional period is due to only the possible addition of an extra search appliance within the

first year of the contract. In other words, assuming the Option for the additional search appliance is exercised on 9-15-05, the two year license and maintenance period would extend until September 15, 2007 while the license and maintenance for the first Search Appliance would have expired on 9-15-2006. This period of performance is associated with the purchase of the second search appliance, rather than an extension of the first. It's cumbersome only because the two license periods overlap in year two.

- There is a requirement to deliver on 15 September 2004.

This is the target date I've discussed with Jon Ververloh and I realize it may be unlikely that he can meet it. If this isn't possible, please give us the closest possible attainable delivery date from the date of contract award. Let me know what that date is and I'll update the paperwork accordingly.

- Incidentally, our corporate address is out of date in the contract. Can you please use the following address, the prior one is no longer a Google building and mail will cease forwarding shortly:

1600 Amphitheatre Parkway
Mountain View, CA 94043

I pulled this address off of your corporate letterhead and confirmed it with a listing from the central contractor registration database on www.ccr.gov. Don't worry we'll change it on the cover. However, we will most likely not mail anything to you unless you require originals. Fax signatures are acceptable for our purposes.

I hope this information is helpful - please call me if you need further clarification.

Regards,

