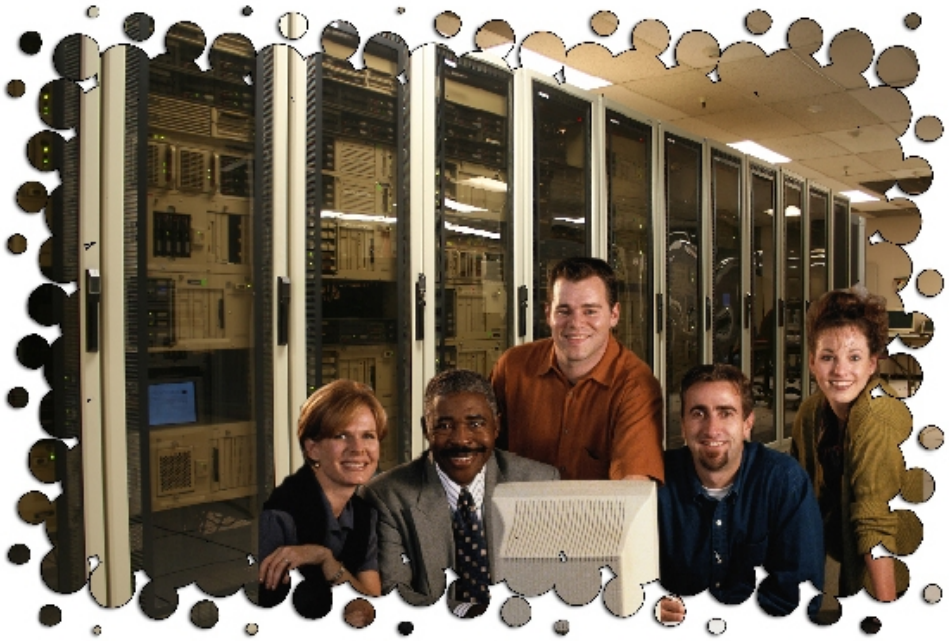

EDS Response to NWC Inc.
Data Center Outsourcing RFI

Feb 20, 2006

EDS

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Executive Overview

NWC Inc. (NWC), a dynamic and innovative e-business company, is looking for a best-in class partner, who can provide a proven, fully managed and secure hosted e-business environment. NWC is considering outsourcing IT operations and management of production systems at an off-site data center. The outsourcing effort is strategic to NWC, as it can allow NWC personnel resources to focus on their core competencies; developing, manufacturing, selling, and marketing current and innovative, new product lines to a growing, global customer base.

EDS would like to support NWC in its efficiency and improving service delivery efforts, by making certain that the e-business sites and applications that enable and support NWC's customers interactions are as accessible, user friendly, and reliable as possible. EDS believes these service differentiators can also enable NWC to differentiate online services to their customers:

- Superior Service Level Agreement (SLA) Guarantees – EDS is offering a 100 percent uptime guarantee with our proposal, backed by specified time-to-repair commitments – ensuring highly available, high-performance Web site access for your customers.
- Service Delivery Automation– EDS' unique approach to service delivery automation includes: service delivery tools and techniques, automation technologies, service delivery processes, and trained personnel. We leverage top-notch automation technologies that automate critical tasks associated with the deployment and ongoing management of your infrastructure – tasks, such as: provisioning, change management, monitoring, reporting, and security – and make them available in an outsourced fashion to help NWC increase infrastructure agility. Automating these tasks provides unprecedented levels of quality, speed, security, and scale in NWC's operations, while reducing complexity, resource requirements, operational risks, and problems resulting from human error.
- Global Insight Portal - This portal is our clients' single-point-of-entry into the data related to the EDS provided services. The customizable, client-facing portal serves as a unified global operating mechanism, providing NWC with insight into the operations and performance of your EDS-managed environments. The tool can be used to conduct operational reviews, track problems and resolutions, monitor changes, track security-related activity, conduct business analysis and capacity planning, and report on computing assets. Service Delivery and Account team members can access reports (process, data, end-to-end application availability, individual Infrastructure Component Availability (ICA), and exception), key performance indicators and metrics, trending analysis, and view critical capacity management planning reports (details surrounding current capacity, capacity trends, and service level commitments). Service level reporting ties service levels to contracts and entitlements, and reports on real-time service level interruptions resulting from infrastructure outages.
- Service Excellence Methodologies – EDS' commitment to service excellence involves not only delivering to committed levels, but also striving to exceed NWC's expectations. One of these, the Service Excellence Dashboard (see EDS' Question 8: Management response), helps us do just that.

NWC values reliability, flexibility, efficiency, service excellence and delivery, customer satisfaction, scalability, and reduced risk (proven technologies, integrated security, and privacy), all for the right price. Based on these criteria, Electronic Data Systems Corporation (EDS) provides a reliable, high-performance, scalable, unmatched SLA commitment uptime, and cost-effective solution, intended to exceed NWC's service level expectations and support NWC's business growth.

EDS Responses to NWC Questions

QUESTION 1: SUMMARY AND ABILITY TO EXECUTE

Please provide a high-level description of your current data center services and how they will help NWC. Describe your target market, and your strengths including, financials, customers, locations, growth, industry awards, etc. Please include customer contacts if available.

Data Center Services

EDS is committed to providing data center outsourcing services to NWC. As a leading IT service provider, with 15 Service Management Center (SMC) locations around the world, EDS is uniquely positioned to support NWC's global sales growth.

Each SMC provides processing support for EDS' services, satisfying the business and technology requirements of multiple clients. They are constructed specifically for large-scale IT processing and incorporate environmental systems to minimize hazards from electrical power failure, fire or water damage, acts of nature, and unauthorized access (see EDS' Question 2: Environmentals response).

SMCs perform all computing and telecommunication network services necessary for EDS to provide end-to-end service delivery. Major capabilities or services include: Systems Management, Security Management, Change Management, Software Revision Control, Problem Management, Performance Management, and Capacity Management.

Target Market

EDS' target markets are across industries and geographies, delivering technology and business process services in a way that enables business agility.

Financials

EDS has the resources to serve NWC. We have a robust pipeline and increasing sales momentum, reflected by an improving win rate and signings, experienced top management, and an incredible depth of resources to drive strategy execution. EDS signed $5.3 billion in contracts in the fourth quarter of 2005, up 45 percent from $3.7 billion in the year-ago quarter. EDS posted fourth quarter total revenue of $5.15 billion. Free cash flow for 2005 was $619 million. Full-year 2005 revenue reached $19.8 billion.

EDS is a publicly held company, incorporated in Delaware, with headquarters in Plano, Texas. Our stock trades on the New York Stock Exchange (NYSE) and the London Stock Exchange under the symbol EDS.

Customers

EDS supports approximately 5,000 clients around the world. We support global clients in these industries: consumer and retail, manufacturing, financial services, energy, healthcare, travel and transportation, communications, and government.

Several EDS clients, across geographies, industries, and service offerings include: Alliant Energy, British Columbia Ministry of Labour and Citizens' Services, Guide Corporation, Guthy-Renker, la Caixa, and Telecom New Zealand.

By combining our wide range of industry knowledge, broad technical expertise, and deep business insight, we provide services that support our clients' requirements and goals.

EDS values our clients' privacy and can provide specific client contacts in the retail and manufacturing industries, upon a future phase of the proposal process.

Locations

EDS has headquarters in Plano, Texas and more than 300 delivery facilities in 60 countries around the world. We support hosting environments at 240 data centers worldwide (51 are client-owned).

Growth

EDS invests hundreds of millions of dollars upgrading and optimizing its global network, infrastructure, applications, and delivery architecture. We are also streamlining operations, driving cost efficiencies, improving economies of scale, and creating a new brand of service for our clients. We call it the Agile Enterprise Platform, a global delivery system that allows our clients to respond quickly to changing market dynamics and increase their competitiveness.

At the February 2005 Securities Analysts' Meeting, our CFO stated that the company would spend approximately $540 million in areas for future growth, including: strengthening our portfolio of technology offerings, as we move to provide clients more agile offerings; expand our BPO area; and to continue to consolidate and leverage our global footprint for on-going cost competitiveness. These are not what you would traditionally look at as R&D expenses.

Additionally, EDS leverages the collective resources of the EDS Agility Alliance partners - which brings more than $16 billion in combined R&D spending to bring best-in-class solutions to our clients.

Industry Awards

EDS has an extensive list of awards and industry recognition. The following is sample list of recent EDS accolades:

- Highest ranking for online customer service, among high-technology, computer firms in the Customer Respect Group's Q1 2006 Online Customer Respect Study. (www.customerrespect.com, January 2006)
- Best Governance Award (Outsourcing Center, 2005)
- EDS and Westpac Banking Corporation won IT Outsourcing Excellence Award (2005)
- Most Collaborative Outsourcer of the Year (Outsourcing Center and Forbes, at their annual Oscars event, 2004)
- Award For Product Differentiation Innovation, in recognition of EDS' capability to manage and optimize business processes across a diverse range of vertical markets (Frost & Sullivan, 2004)
- EDS has been recognized by industry analysts as a leader in the following areas:
    - Forrester: Offshore IT Outsourcing
    - Gartner: North American Web Hosting, North American Datacenter Outsourcing, European Datacenter Outsourcing, Storage Services, Western European IT Management, Service Desk Outsourcing
    - META Group: North American Outsourcing, Desktop and Service Desk Services
    - IDC: European CRM Service Providers

QUESTION 2: ENVIRONMENTALS

Please describe environmental controls and features of your proposed hosting service for NWC broken into the following areas:

The following environmentals are for the Plano, Texas (see photo at right) Service Management Center (SMC), where EDS would provide NWC's data center outsourcing services.

This SMC has 213,000 square feet of raised floor space. Environmentals include:

- UPS
- Back-up diesel generators
- Redundant power feeds
- Fire and smoke detection and suppression
- Redundant communication inputs from multiple, central offices
- On-site security personnel
- Badge-reader-controlled access system

EDS' SMCs deliver a complete range of services, supporting multiple clients from regional geographic locations. SMC services include, though are not limited to:

- Desktop services
- Managed Server services
- Managed Mainframe services
- Network Management services
- Print and Distribution services
- Business continuity and disaster recovery services
- Software and hardware evaluation and integration templates
- Provides end-to-end systems monitoring and management—client solution support that spans multiple platforms and technologies—for clients' desktop, midrange, mainframe, and network components.

Larry Lozon, VP of global data center services for EDS said, "We continue to lead the hosting marketplace to new levels it's never seen before with 100 percent service level guarantees, critical tasks automation and virtually unlimited capacity, and clients are responding by awarding us new contracts."

Air Conditioning

EDS uses multiple self-contained, stand-alone, compressor air-conditioning systems to support its cooling requirements. The microprocessor control system, on these units, handles all stages of conditions associated with temperature, humidity, static controls, and reheat. By using this type of unit, we are not dependent on a single source of cooling environment that could malfunction or require downtime for maintenance.

The temperature and humidity controlled environment that EDS SMCs provide enhances reliability, so the equipment is kept operating in an optimum environment (within the manufacturer's recommended temperature and humidity specifications).

Power

This facility has multiple utility feeds, and each feed is supported by a different utility power grid. Besides the multi-utility services, this site is supported by a diesel generator system designed for refueling, while in operation. It also is configured with redundant electrical switchgear, which allows for maintainability of these components. Today's environment requires 24x7 customer uptime, so

the ability to conduct infrared fire detection scans and yearly maintenance on the electrical distribution gear without an interruption to NWC.

The power system that EDS' SMCs utilize enhances the reliability and redundancy of our solutions by ensuring that sufficient battery backup, UPS, and diesel generating capacity is in place. EDS' SMCs are connected to at least two separate utility power grids to lessen the likelihood of a prolonged power outage. Lastly, EDS' battery plant system not only serves to maintain power in the event of a short term loss of power, it also serves to filter and clean up the spikes that can be present in the A/C (Alternating Current) from the utility provider.

Physical Access Control

The main security control center is staffed 24x7. The physical access system that EDS' SMCs employ serve to enhance the reliability of our solutions by ensuring that only authorized personnel have access to the equipment hosted at the facility. This is accomplished by utilizing access card readers, CCTV systems, and a variety of other means to ensure that the facilities are secure.

Fire

EDS uses preaction crossed-zone detection systems to protect our computer room assets. In other areas, such as electrical, UPS, and battery rooms, we also use an air sampling system that can detect possible combustible conditions before an actual fire condition. This is in addition to the preaction system. A building monitoring system, in addition to remote notification of our security staff, monitors all fire alarm panels.

The fire control and suppression systems that are deployed at EDS' SMCs enhance the reliability of our solutions by ensuring that the facilities are adequately protected from fire damage.

Communications

EDS has redundant communication inputs from multiple, central offices (see EDS' Question 3: Network response, for more details).

Locations

EDS SMC and Service Delivery Center (SDC) locations can be used for business continuity and disaster recovery needs, based on the client's requirements. EDS has contracts in place with SunGard, for additional disaster recovery/business continuity locations.

There are 154 SDC locations in the Americas (U.S., Latin America, and Canada), 19 in EMEA, and 16 in Asia Pacific.

EDS also has four Nearshore infrastructure SDCs and seven Offshore infrastructure SDCs, from which we deliver services to clients (each with at least 100 full-time EDS employees).

QUESTION 3: NETWORK

What are the network connections and services proposed for NWC, broken out by the following areas:

Overview

All of NWC's servers and applications will be migrated to EDS' leveraged facility, the Service Management Center (SMC) in Plano, Texas, where we will host all of NWC's hardware and applications within a secure, fully redundant facility.

Our facility is connected to: Major telecommunications provider's via a fully redundant, extremely secure network architecture and Multiple telecom providers via dual self-healing OC-192 DWDM (Dense Wave Division Multiplexing) Rings.

These rings are engineered to have no single point of failure and access the Plano SMC via diverse Telco entrance facilities. On a logical level, dual GigE (Gigabit Ethernet) rings are layered on top of the DWDM rings. The GigE rings are provisioned into dual Cisco 4948 Multiservice switches at the carrier collocation facility. At the Plano SMC, the GigE rings are provisioned into Cisco 3750 Multiservice switches. Those switches are then both connected into dual Cisco 6509 Ethernet switches (SMC Distribution switches), which are then connected into the Plano SMC's LAN infrastructure.

The following two diagrams show the physical and logical network topology for the NWC solution.

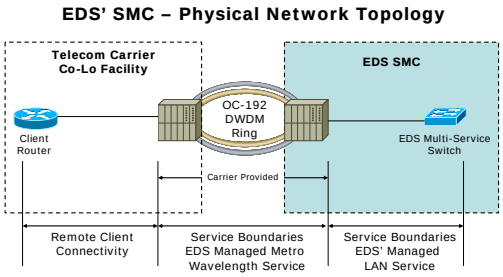

Figure 1. The Plano SMC Physical Network

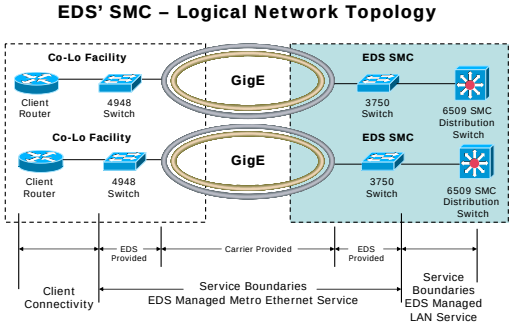

Figure 2. The Plano SMC Logical Network

WAN

Bandwidth - There will be two 2 Mbps connections, from the Plano SMC to the Internet, providing more than adequate connectivity for NWC's Web servers. There will be a dedicated 3 Mbps IP connection, from NWC's headquarters location (Green Bay, Wisconsin) and NWC's manufacturing facility (Syracuse, New York), to facilitate connectivity between NWC's personnel in those locations and the servers/applications that they will need to access.

POPs - The main telecom POP, serving the Plano SMC, is IRV. The POP serving NWC's Green Bay facility is DNG. The POP serving NWC's Syracuse facility is SYR.

Circuit Support - There will be two separate 2 Mbps IP connections (redundant and diverse) to the Internet that will enable NWC's Web servers.

Remote Access - EDS' solution provides for a separate 3 Mbps dedicated IP circuit to facilitate remote access from NWC's headquarters and manufacturing locations to EDS' leveraged data center facility in Plano.

LAN

Devices Managed - NWC's Web servers, application servers, database servers, directory server and e-mail server will all be connected into the Plano SMC's LAN infrastructure in a load balanced and clustered configured scenario. The Managed Storage component will be connected into the SMC's SAN (Storage Area Network), for backup and administration purposes.

Devices Supported, if customer provided - EDS can support all of the server types that NWC listed in the Infrastructure section of the RFI.

Services

Voice and Video - At this proposal phase, EDS is not proposing Voice and Video in the NWC solution.

Internet - EDS is proposing two redundant 2 Mbps IP connections to the Internet in the NWC solution.

Firewall/ACL - EDS is proposing two Cisco 515E Managed Firewalls, configured in a High Availability (HA) design, in the NWC solution.

IDS/IPS - EDS is proposing a standard IDS/IPS configuration in the NWC solution.

DNS - EDS is proposing DNS, as it relates to EDS hosting the Web services, in the NWC solution.

Address Management, including DHCP - EDS is proposing Address Management, including DHCP, insofar as the devices that EDS will be hosting in the Plano SMC, in the NWC solution.

Packet Compression/Shaping - EDS is proposing packet compression/shaping, insofar as standard Cisco router software features for IP traffic are concerned, in the NWC solution.

SSL Accelerators - EDS' proposal includes a Cisco CSS11503HA Content Server Switch, which provides the SSL Accelerator function, in the NWC solution.

WAN & LAN Architecture Drawing

The following diagram shows the proposed WAN & LAN Architecture for the NWC solution.

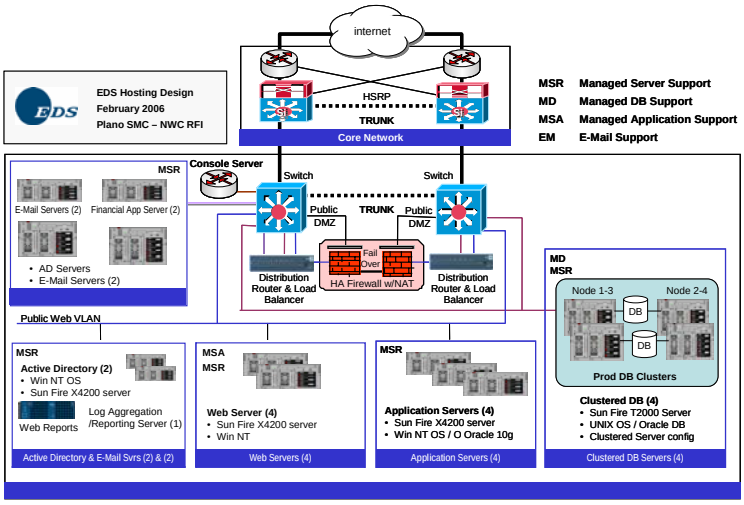

Figure 3. WAN & LAN Architecture

QUESTION 4: SYSTEM

What are the system computing and management features of your proposed hosting service for NWC broken into the following areas:

Overview

EDS' proposed solution will migrate all applications in NWC's RFI, from Green Bay, Wisconsin, and Syracuse, New York, to our leveraged SMC facility in Plano, Texas, using a Sun hardware platform, with the database servers using a UNIX operating system. The other servers will use a Windows NT operating system. The database servers will also be moved from the current SQL platform onto an Oracle (9i or 10g) software platform. All of the servers will be configured in a clustered and load-balanced design, with all servers backed up by EDS' Managed Storage offering. A Cisco CSS11503HA Content Server Switch, deployed in a High Availability configuration, will serve to ensure that the Web Servers are properly load balanced across the redundant links to the Internet. Also, they perform the SSL Accelerating function. Hardware costs are included (see EDS' Question 9: List Pricing response), with the exception of the software licenses. UNIX operating system licenses are included.

Computing Hardware

Migrating NWC to Sun hardware provides a more robust, reliable, and scalable platform, which positions NWC for growth. EDS proposes the following hardware solution:

- Six (6) application servers (4 Sun Fire X4200 and 2 Sun Fire T1000)
- Four (4) Oracle database servers (Sun Fire T2000)
- Four (4) Web servers (Sun Fire X4200)
- Two (2) e-mail servers (Sun Fire X4200)
- Two (2) directory servers (Sun Fire X4200)

Computing Storage (Primary, Secondary, Data Retention, Backup/Restore)

With EDS' Managed Storage offering, NWC will have sufficient storage capacity to meet both its present and projected future storage requirements efficiently and cost-effectively. EDS' storage solution comprises the following:

- Four (4) TBytes of on-demand (R1) managed storage capacity for NWC's application servers, including 200 GBytes of backup and 400 GBytes of storage retention per month.
- Four (4) TBytes of on-demand (R1) managed storage capacity for NWC's Oracle database servers, including 400 GBytes of backup and 800 GBytes of storage retention per month.
- Two (2) TBytes of on-demand (R5) managed storage capacity for NWC's email servers.

Operating Systems Supported

EDS' solution for NWC's RFI requirements supports UNIX and Windows NT.

System Provisioning

All required provisioning will be performed by EDS' personnel, as a part of the proposed managed solution. Server Deployment Services includes:

- The configuring of a server into EDS' Management and Monitoring systems.
- The provisioning of all applicable logical connectivity within the EDS SMC's LAN infrastructure.

Server Deployment

EDS will install the server components required to host NWC's development, test, and production environments. The initial server installation includes:

- Rack & Stack of the server hardware into EDS' equipment cabinets within the SMC
- All required cabling (LAN, WAN, etc.) to ensure the required connectivity
- All power and ground work to connect into EDS' UPS power system
- The loading of the UNIX OS (Operating System) onto the Sun servers
- The loading of all applicable Application software
- Power & Ping testing
- Application testing

System Deployment and Testing

All required deployment and testing will be performed by EDS' personnel, as a part of the proposed managed solution. Deployment Services comprise all the activities required to take a client from the initial contract signing through the environment's launch. They are split into two phases – Build and Launch. Build is the basic build of the site, including the hardware, operating system (OS), and software build of the devices in the environment. Launch is the process of loading the client's code to the servers and the necessary testing to support the committed SLA.

The completion of the Build phase involves reaching an "Operationally Ready" date, a key milestone that begins the billing process. The timeliness of Launch services will depend on NWC's ability to quickly test and prepare their code for migration to the EDS environment.

EDS follows a clearly defined methodology to migrate and deploy to the EDS hosted environment. This methodology has been proven hundreds of times over. The following diagram shows the lifecycle of a deployment, beginning with assessment, and continuing into the ongoing support phase.

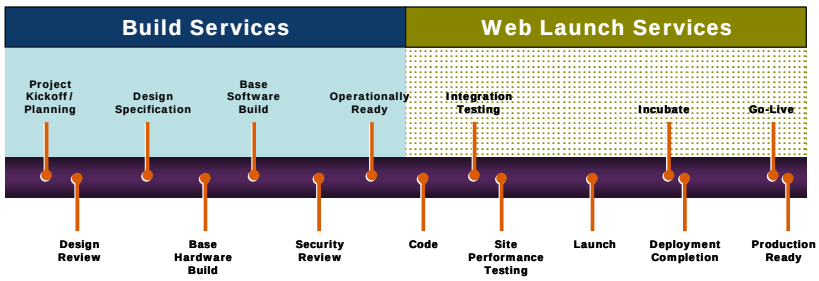

Figure 4. Build and Launch Phases

The following are key build phases in the deployment process: Planning, Design, Build, and Operational Ready.

The following are key launch phases in the deployment process: Test and Launch.

Systems Maintenance and Patching

The Software Revision Control process provides a structured method of implementing software patches and major release upgrades to the operating systems used in the SMC. EDS monitors the patch lists NWC will supply and makes changes when patches containing significant improvements in systems performance, reliability, or security become available.

QUESTION 5: APPLICATION AND SYSTEM EXPERTISE

In what ways will your in-house expertise help NWC's staff in the support of the following system environments:

Systems Hardware

EDS' proposed solution will migrate all of NWC's servers (database, applications, email, directory and Web) to EDS' leveraged facility in Plano, Texas, where EDS personnel will be responsible for administration, monitoring, and supporting the following: Server hardware and operating system monitoring and troubleshooting, Operating system patch management, Server statistics reporting, Server hardening, Go-live security review, and Controlled access to the servers.

EDS' solutions are built on best-of-breed hardware and software from industry leaders, such as Sun Microsystems, Microsoft, and Dell. EDS' expert team of researchers and system administrators certify the hardware and operating systems for performance, availability, security, and manageability.

Operating Systems

The Database servers included in the proposed solution will utilize the UNIX OS. All other servers will use Microsoft's Windows NT OS. O/S Management Services provides operational functionality of O/S software on managed servers. Support is provided for supplier-supported O/S and related software products. O/S Management is comprised of the following: Base O/S Build and Test, O/S Ongoing Support, O/S Vendor Patch Management, and O/S Required Upgrades.

Larry Lozon, VP of global data center services for EDS said, "EDS offers a breadth of hosting services to help our clients ensure the code behind their Web site is thorough, that the site's performance is optimal, and the end-user's experience is successful."

Web Server

The Web servers (Sun Fire X4200 AMD Opteron – 254, 2 x 2 GBytes 2.8 GHz processors) will use Microsoft's Windows NT OS. Managed Web Services package provides Web management and monitoring features for both non-high availability and high availability environments.

Application Server

The Application servers (two configurations: Sun Fire T1000, 6 core, 1.0 Ghz UltraSPARC T1 processor or Sun Fire X4200 AMD Opteron – 275, dual core, 2 x 2 GBytes 2.8 GHz processors) will use Microsoft's Windows NT OS.

The Managed Application Services package provides middleware application management and monitoring features for both non-high availability and high availability environments. Activities include middleware application build and test, middleware application management, and vendor patch management support, for primary and secondary instances, as well as staging copies.

Database

The database servers (Sun Fire T2000 servers, 4 core, 1.0 Ghz UltraSPARC T1 processor, 8 GBytes of memory) included in this proposal are configured in a clustered and load balanced design. The Managed Database Services package provides database management and monitoring features for both non-high availability and high availability environments.

Database Management support provides the processes to install and support the Database Management Software (DBMS) software environment. This support does not include the services of an application database administrator. Only those services required to maintain the system-level components of the database are included. Database Management includes: Database Build,

Database Configuration, Database Maintenance, Database Patch Management, and Database Security Administration. Database Monitoring support provides the processes and operational support to monitor the DBMS software environment. We offer standardized and custom database monitoring services.

Database Performance Management collects, monitors, provides analysis, recommendations, and reporting on NWC's database performance information for EDS-supported databases.

Vertical Industry Support

EDS supports these industries: consumer and retail, manufacturing, financial services, energy, healthcare, travel and transportation, communications, and government.

Divisional Applications (Finance, BI, Marketing, Manufacturing, etc.)

EDS supports a wide range of applications across the industries named above.

Data Center Certifications (SAS, ITIL, 17879, etc.)

EDS has certifications/accreditations and is an active participant in these industry quality standards.

ISO - Our SMCs' quality management system is registered by KPMG for certification to meet the American National Standards Institute (ANSI) American Society for Quality ISO 9001 standard. Quality standards apply to the design, provision, and operation of computing platforms, including network elements, computing assistance, print, micrographics, and mail distribution services for EDS' lines of business. EDS began working toward ISO certification in early 1995. EDS' Service Delivery ITO organization holds SAI Global ISO 9001:2000 Quality Management System certification for the delivery of communication services, desktop services, and hosting services in its Plano, Texas, location and in regional locations in California, Colorado, Florida, Indiana, Iowa, Maryland, Michigan, Mississippi, Nebraska, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Texas, and Virginia, as well as in Argentina, Brazil, and Canada.

ITIL - The ISO 9001:2000 standard guides the framework of EDS' quality system, which is the IQMS, a primary business management system for in-scope organizations. IQMS process content is based on industry-best practices, as supplied by the Information Technology Infrastructure Library (ITIL) framework. EDS applies ITIL to create a best-in-class process and tool capability called digital workflow (DW). DW provides a standard set of enterprise end-to-end processes supported by a common toolset. Together, ISO and ITIL-based DW processes and tools enable consistent, reliable, and automated delivery of EDS services related to user support and IT management worldwide. The BS15000 standard is the mechanism used to objectively demonstrate EDS' alignment to the ITIL framework. Figure 5. illustrates the relationship of the ISO and BS15000 standards to ITIL and the quality management system process documents.

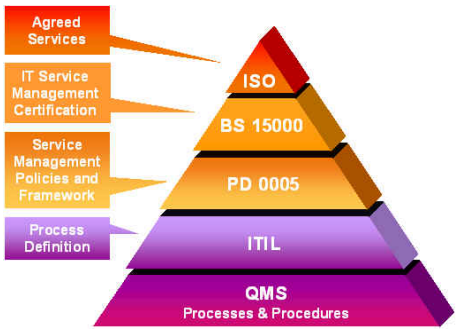

Figure 5. Relationship between the ISO and BS15000 standards

More than 3,000 EDS employees have earned ITIL certificates. Some EDS employees are ITIL examiners and part of the ITIL Accreditation Board in the UK for the Information Service Examination Board (ISEB).

NSA - EDS is one of the few that continually enhances the processes and procedures used in the area of security to make sure that our processes are current with the existing threat environment. An integral component of this philosophy is continual and recurring evaluation, assuring compliance with standards, policies, and procedures. We have been accredited by the National Security Agency (NSA) through the INFOSEC Assessment Training and Rating Program (IATRP) to perform security assessments consistent with standards published by the NSA. EDS' security policies and standards are mapped to ISO 17799 (The Code of Practice for Information Security Management, an international standard based on BS 7799-1).

CobiT - We perform internal audits that follow the CobiT framework, including Type II SAS70 assertions of EDS facilities, to meet internal and client's security policies and standards.

CMM/CMMI - EDS has a rich history of process improvement against quality models, such as Software Engineering Institute's (SEI's) Capability Maturity Model® (CMM®). EDS has a best-in-class change management process – Integrating Change Management Process (ICMP). EDS is a Capability Maturity Model Integration® (CMMI®) early adopter, SEI Transition Partner, and member of the Carnegie Mellon University's IT Services Qualification Center, developing and deploying the eSourcing Capability Model for service providers. All EDS solution centres use CMM Level 5–compliant processes. In 1995, EDS began performing assessments against CMM. Since 2000, EDS has averaged more than 16 formal ratings a year against CMM. The EDS organizations that achieved formal ratings against CMM and CMMI between 2000 and 2004 are:

- 24 assessed at CMM Level 2; 4 appraised CMMI Level 2
- 53 assessed at CMM Level 3; 19 appraised CMMI Level 3
- 5 assessed at Level 4
- 7 assessed at CMM Level 5; 3 appraised CMMI Level 5

These organizations are made up of more than 4,100 CMMI-certified employees.

Six Sigma - As a leader in quality engineering, EDS has adopted Six Sigma to increase process maturity as organizations move toward CMMI Level 4 and Level 5, and to support Continuous Service Improvement programs and Service Improvement programs within Information and Communications Technology (ICT) Infrastructure Management. EDS is one of two global companies to receive ICT Certification.

Within EDS, Six Sigma training, tools, and techniques are used to enable statistical and analytical activities at both an organizational and client-facing project level. While CMMI processes indicate what must be done, the Six Sigma tools and techniques provide the detailed support for performing the necessary statistical and analytical activities. EDS has begun using Six Sigma Define-Measure-Analyze-Improve-Control (DMAIC) methodology within some infrastructure components to improve ITIL processes, reduce variability, and enhance client satisfaction.

As an example, we are using Six Sigma techniques to enhance the Response to Operational Problems (RtOP) Severity 1 incident response process and reduce Mean Time to Repair (MTTR).

QUESTION 6: SERVICE LEVELS

What are the offered, included, and optional service levels quoted for this RFI in the following areas:

These are the applicable service level statistics for EDS' proposed solution to NWC.

Related Service Levels

DESCRIPTION	SERVICE LEVEL
Server availability (high-availability)	100 percent server availability for servers in an EDS SMC with high availability and performance management options selected
Support level	24x7

Server Fault Monitoring

Server Fault Monitoring services detect and respond to faults generated by EDS-monitored servers. EDS provides for the isolation of configuration and environmental server faults. EDS will monitor production servers 24 hours a day, seven days a week (excluding scheduled maintenance windows). Server Fault Monitoring includes:

- 5-minute heartbeat, which involves the activities associated with monitoring a server on a 5-minute heartbeat cycle. This includes monitoring server status and sending failure alerts to the appropriate group in the Network Management Center for escalation.
- Mechanical monitoring, which focuses on the well-being of the physical hardware components within the server, such as fan, CPU, card, cables, and disk drives. EDS will monitor server hardware and peripherals for malfunctions. EDS will also escalate hardware-related malfunctions to the hardware vendor for resolution, as defined in the applicable vendor maintenance contracts.
- Detailed server threshold monitoring.

Server Fault Management Services

Server Fault Management Services provide the support process to categorize, respond, restore, and document server faults generated from server fault-monitoring alerts or problem management notification. EDS will maintain operational production servers 24 hours a day, seven days a week (excluding scheduled maintenance windows). Server Fault Management includes:

- 15-minute response time
- Severity-level determination
- Restoration of server fault
- Server preventive maintenance
- Root cause analysis
- Five-minute response
- Server fault reporting

SEVERITY CODES	DESCRIPTION
Severity Level 1: Major Impact	Significant impact to the NWC's business; the problem is of major impact and highly visible to NWC or their business operations; no workaround is available.
Severity Level 2: High Impact	A large portion of the NWC's business is affected; the problem is of high impact and is highly visible to NWC or their business operations; a tried and proven workaround is available.
Severity Level 3: Moderate Impact	A small portion of NWC's business is affected and/or the problem has limited visibility. The system may remain operational but in a degraded manner, and/or a tried and proven workaround is available.
Severity Level 4: Minor Impact	NWC can still achieve full function and normal performance, as long as the work-around is followed.

Server Performance Management

Server Performance Management:

- Provides server performance statistic analysis, recommendations, and reporting.
- Has two components: Standard Server Performance Reporting and Server Service Level Availability Reporting.

Figure 6. below illustrates the connections between related process elements of service management within the IQMS. The processes aim to provide the best possible service to meet the business objectives of our clients within agreed service levels.

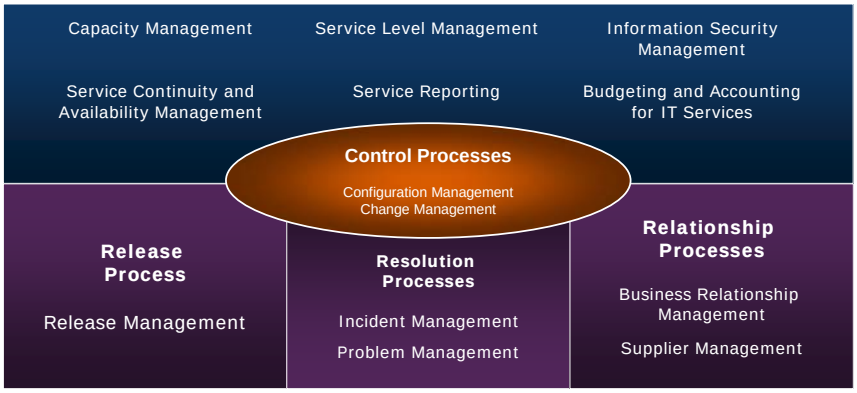

Figure 6. Related process elements of service management within the IQMS

Throughput

The Web servers included in the proposed solution will be connected to the Internet via redundant IP links. These IP links have a committed throughput of 2 Mbps, that is burstable up to 10 Mbps.

Availability

While the EDS solution generally meets the required service levels, this section describes an optional service for high availability. The solution does not currently contemplate high availability.

EDS has designed the overall Web Hosting environment to deliver client infrastructure service levels at 99.5 percent. Infrastructure service levels increase to 100 percent with optional high availability designs. The solution proposed in this response is designed to attain a 100 percent availability level as a deliverable. Availability metrics do not include planned maintenance downtime. All network equipment and servers are connected to redundant UPS systems, which are backed up by emergency diesel generators. Enough fuel is stored on-site to keep the facility operational for at least two weeks. The facility is on two different power grids, served by diversely situated utility substations.

All routers, switches, and firewalls are fully redundant and configured for high availability. Specialized load-balancing switches distribute HTTP requests across the Web servers and detect failure of a Web server through verification of the content returned. If any of the servers or network equipment fails, the failure is detected, and traffic is routed around the failed component.

All data storage is implemented with fully mirrored, RAID 1 disk configurations and external storage, beyond the local capacity of the servers, can be implemented using an industry-leading SAN platform, which incorporates a sophisticated software management solution to maintain and continuously monitor data availability.

Hot spares of servers and network components provide for fast resolution of hardware failures. Where hot spare equipment is not available or feasible, the equipment is protected by the highest level of maintenance agreement, which provides for the immediate response from the appropriate supplier.

MTTR

The proposed solution provides for notification of server faults to EDS support personnel within five minutes of receipt of a server fault notification. As with 15-minute response time, this option provides escalation of all detected problems to the appropriate support personnel.

New System Provisioning

All required provisioning will be performed by EDS' personnel as a part of the proposed solution.

Escalation

EDS' proposed solution includes the following Server Fault Management methodology to address service issues:

- 15-minute response time
- Severity-level determination
- Restoration of server fault
- Server preventive maintenance
- Root cause analysis
- Five-minute response
- Server fault reporting

QUESTION 7: ACCOUNT MANAGEMENT

Describe the procedures, policies and organization of account management. Respond where applicable in the following areas.

Overview

EDS' organizational model focuses on service delivery and service excellence for NWC. We will align EDS' service delivery managers with NWC business units, with a focus on client satisfaction. These service delivery managers are the windows to our corporate and strategic business lines, and their duty is to ensure service delivery excellence for NWC. Service delivery managers will work with the EDS Enterprise Program Office and the Enterprise Technology Office to introduce business solutions to help NWC meet its objectives.

The EDS account team's fundamental focus is on NWC, and all aspects of team operations are geared toward delivering service excellence on a global scale. We recognize that both NWC and EDS employees are essential to the success of our solution. Together, we will form a cohesive support unit committed to NWC's success.

Account Representative(s)

Key EDS professionals responsible for client satisfaction and service delivery are the client executive (CE) and the client delivery executive (CDE). Supporting the CE and CDE are industry, service delivery, program management, transition, security, and technology professionals.

Dedicated NWC support resources focus on accountability and follow agreed-upon decision-making procedures to deliver service to NWC throughout its global enterprise. The EDS delivery structure also provides a hierarchy for problem escalation. The EDS management team supporting NWC will employ shared, dedicated, and third-party resources to make sure that NWC requirements are met. These key positions support NWC.

Relationship Management

- Client executive (CE)
- Client industry executive (CIE)

Delivery Management

- Client delivery executive (CDE)
- Program office (PO)
- Transition management
- Business office
- Technology office
- Chief security officer

Client Relationship Model

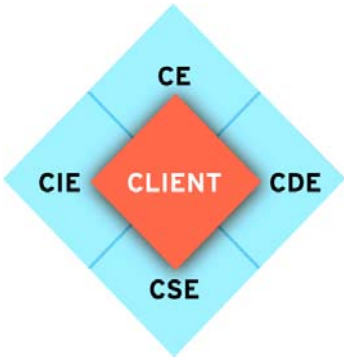

Figure 7. EDS' Team

Service Delivery Team

The service delivery team comprises the service delivery executives (SDEs) and service delivery managers (SDMs) that are organized by tower and by geographic region. This team follows ISO-certified ITIL processes to manage day-to-day operations such as configuration, release, change, incident, and problem management.

- Service delivery executive
- Service delivery manager (SDM)

Project Management

Project Management Institute (PMI)

EDI provides the following PMI–certified credentials:

- EDS employs 2,166 certified project management professionals (PMPs)
- EDS has 28 project managers who hold PMI chapter or headquarter office positions

Project Management Methodology

EDS uses Project Management 2 (PM 2), its proprietary project management methodology, but will continue to use existing NWC project management methodologies, until we receive approval to begin using PM 2.

The PM 2 methodology uses a well-defined series of steps to reinforce effective, repeatable processes to start up, plan, execute, and close down simple-to-complex projects.

The NWC project management functions are organized into the following stages:

- Start-Up
- Planning
- Execution
- Close-Down

PM2 establishes a standard approach to managing projects, providing a solid foundation that enables project managers to create project plans and effectively manage change that involves the following NWC stakeholders: vendors, hardware and software manufacturing entities, maintenance providers, network provisioners and managers, and NWC's functions.

The methodology contains the following project management scenarios and functions:

- Scope management
- Quality management
- Resource management
- Schedule management
- Risk management
- Communication management
- Contract management
- Financial management

Problem Management

The problem management process enables the SMC to actively monitor the systems and network for error conditions and to notify the appropriate parties to initiate a resolution. EDS uses a variety of automated enterprise system management tools to accomplish this function.

EDS will provide your users with 24-hour-a-day, seven-day-a-week support for hosting services. We will provide a toll-free number to reach the help desk. The NWC Level 2 support will receive and track tickets to the EDS help desk using our Digital Workflow Web portal or a process NWC and EDS mutually agree on.

The EDS Level 2 help desk will receive service and problem requests, enter the information into the problem management database as a service request or trouble ticket, and assume ownership of the issue. We also will provide you with a phone number to escalate and review problems that are dispatched to EDS. The Level 2 Incident Management Process tracks problems that affect NWC. The process includes problem identification, reporting, recording, corrective action, root-cause analysis, periodic trending for patterns of problems, and maintenance of trouble tickets.

This feature consists of:

- Using a comprehensive problem management process to record and track all problems from identification through closure
- Accepting problem information, creating a problem record, assigning the appropriate severity code, and relaying the problem for resolution
- Reviewing the problem record/request against the agreed-on SLA, and determining if the required services are included in the SLA, or if additional services are needed
- Escalating the status of the problems to the NWC leadership team as required
- Conducting a technical review, as required, to identify the root cause of the problem and determine if a permanent resolution will require the change process to be initiated
- Providing regular problem management status updates to NWC about existing Severity 1 and Severity 2 problems
- Initiating the change process to apply a resolution to a problem if required
- Conducting a final review with the appropriate supplier to make certain that the fault is eliminated from the compute environment.
- Closing the problem record according to established procedures

Performance management is the mechanism by which EDS measures, monitors, and adjusts system and network parameters for a desired level of performance.

Capacity management information feeds into an analysis of current and expected capacity to make recommendations for server upgrades, load balancing, and functional splitting.

Service Level Management and Remediation

Superior Service Level Agreement (SLA) Guarantees – EDS is offering a 100 percent uptime guarantee with our proposal, backed by specified time-to-repair commitments – ensuring highly available, high-performance Web site access for your customers.

Please see details in the preceding Problem Management response section.

Training

EDS can provide the required training, based on NWC's personnel needs. EDS staffs all of our customer accounts with a team that will ensure that all SLA metrics are met. EDS spends more than $100 million annually on training and development and presently provides more than 4,000 courses.

EDS' Global Learning & Development organization prepares EDS employees with the skills and competencies needed to support EDS' products and services. From Web-based training, leader-led training, and instructor-led training; to coaching and mentoring; to self-development; to succession planning; to temporary and full-time job changes; we offer the tools, processes and paths to enable overall employee and leadership development.

QUESTION 8: MANAGEMENT

What management applications and procedures are in place? Describe the internal systems as well as external, customer-facing systems.

Internal Systems Used for Management, Monitoring (element, systems, application, transaction, user)

Tools for Operational Monitoring

EDS' approach to IT services combines people, processes, and technology to deliver IT service management, Information and Communications Technology (ICT) infrastructure management, security management, and transparent service excellence. The result is an ITIL-aligned, ISO 9001:2000-certified approach that meets NWC's specific needs and that enables the future environment. EDS provides operational monitoring as part of our overall service management framework through an Agile Enterprise Platform.

Agile Enterprise Platform

EDS' SMCs use a variety of management systems and tools to monitor, provision, administer and control all of our LAN and WAN network elements.

EDS' Agile Enterprise Platform (AEP) combines service delivery, service support, and ICT infrastructure management processes with client-specific detailed work instructions that collectively provide consistent, reliable, and predictable service excellence. Critical functions are managed across subcontractors, organizations, and geographies through an event-driven composite architecture that supports agility by aggregating and correlating right time client information.

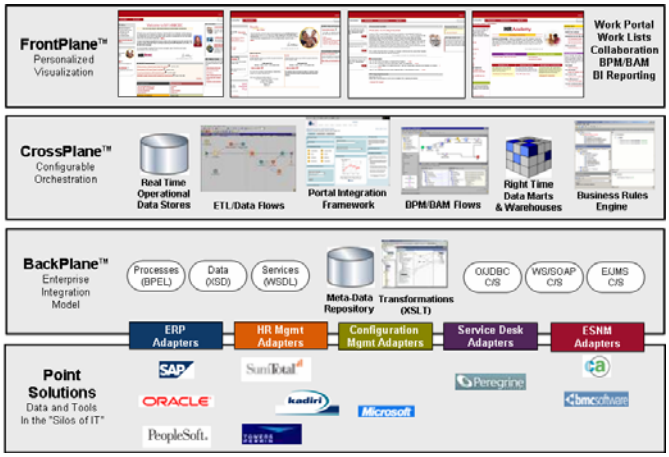

Figure 8. Agile Enterprise Platform

EDS supports client agility and service excellence through best-in-class service visualization and a flexible and extensible Agile Enterprise Platform. The AEP design is based on concepts from the BackPlane/CrossPlane/ FrontPlane methods of composite application development. Composite applications are application solutions that consist of functionality drawn from several different sources within a service-oriented architecture (SOA). EDS provides monitoring and control through a distributed network of Virtual Control Centers (VCCs). Performance and fault data for systems, applications, and network devices from various event sources are displayed and correlated through the VCC event console, providing a unified view of the entire environment. Using rules defined by NWC, and EDS, the VCC event correlation engine correlate events, identifying relationships and the root of the alerts. By correlating events at multiple levels, the VCC can track the root incident, greatly reducing resolution time while increasing system performance. EDS employs a variety of

processes and tools in the delivery of end-to-end services in an automated fashion. The following graphic provides a broad view of the relevant tools that comprise our service delivery automation architecture. Service delivery automation architecture consists of the VCC, service desk, and CMDB.

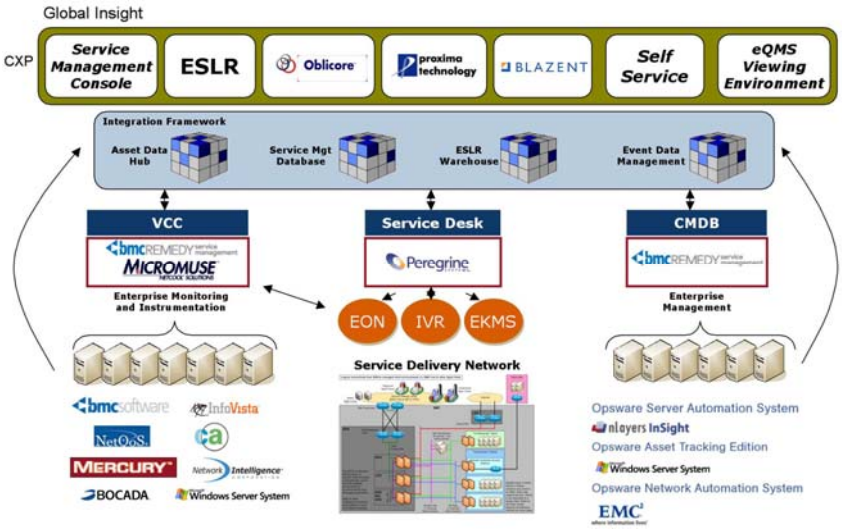

Figure 9. Service Delivery Automation Architecture

Internal Systems Used for Operations Quality Control (service management, policy enforcement, capacity planning, provisioning, change control, patch management)

Service Management

EDS' Service Management Centers perform all compute and telecommunication network services necessary for EDS to provide end-to-end service delivery. Below are some of the major capabilities and services EDS' SMCs provide:

Systems management – Systems management processes help ensure that SMC systems availability and performance levels will meet NWC's expectations. These processes include software revision control, systems security, problem management, backup and recovery, performance management, and capacity management. Each element is designed to make sure that EDS is aware of, and accountable for, the operational issues faced in the SMC.

Security management – The SMC provides security management that protects both EDS' and NWC's resource and information assets from internal and external threats. Established, enforced operating policies at the SMC and at NWC's Green Bay and Syracuse sites maintain security. Security management features four components: Authentication, Authorization, Threat detection, and Compliance monitoring.

Change management – Change management addresses SMC changes in a coordinated, quality-focused manner. Change management includes the methods and processes necessary to properly handle new or revised applications, platforms, and services that can affect NWC's solutions. EDS will work with NWC to develop a formal process for communicating, planning, promoting, and implementing those changes.

Software revision control – Revision control provides a structured method for implementing software patches and major release upgrades to operating systems used in the SMC. EDS monitors the patch lists its vendors supply and makes changes when patches containing significant improvements in systems performance, reliability, or security become available. EDS schedules time to apply the patches to all affected systems through our jointly designed change management process. The uniform application of patches to all SMC systems ensures systems homogeneity and simplifies support.

Problem management – Problem management allows the SMC to actively monitor systems and the network for error conditions and to notify appropriate parties to initiate a resolution. EDS uses a variety of automated enterprise system management tools to monitor problems.

Performance management – Performance management is how EDS measures, monitors, and adjusts system and network parameters for a desired level of performance. Performance management logs usage statistics for production system resources, including processor and memory use. Information is reviewed monthly, and reports are generated as needed. Routinely gathered systems usage information is made available for the capacity planning process. Network bandwidth usage is also monitored, logged, and reported monthly.

Capacity management – Capacity management information feeds into an analysis of current and expected capacity to make recommendations for server upgrades, load balancing, and functional splitting. Trend data is evaluated and factored into the overall system requirements. Other inputs to the process include upcoming events involving additional system load.

Customer-Facing Interfaces (reporting, problem and incident management, monitoring, provisioning)

With 45 years of information technology (IT) outsourcing experience, EDS has the proven mainframe tools, automation, processes, and procedures necessary to provide the service excellence required by NWC's business units.

Service Excellence Dashboard

EDS' primary differentiator in the information technology (IT) marketplace is delivering service excellence. Our Service Excellence program underpins our service quality and client relationships. Our objectives are simple: 100 percent client satisfaction and 100 percent client retention. The Service Excellence Dashboard is the centerpiece of the program. We use this Web-enabled, real-time information system, in conjunction with the governance framework described above, to monitor the quality of services we deliver to our clients is known at all times – even at the highest levels of the corporation. By using a private, customized view of the Service Excellence Client Dashboard, authorized NWC end users can check on status and provide real-time feedback to EDS support teams, directly from their desktops. Plus, you can initiate a Survey process whenever you wish and invite any participants you feel deserve a vote on EDS' performance rating. This Dashboard is the mechanism that brings executive attention to situations requiring prompt reaction.

Systems Management

The EDS Web Hosting environment employs Simple Network Management Protocol (SNMP) agents on all servers and network devices to continuously log events, performance statistics, and diagnostics, which are captured and analyzed by our system monitoring application. Support staff is on duty 24 x 7 and will be notified immediately when thresholds and/or set conditions are compromised. Additionally, NWC's environment will be monitored on a 24 x 7 x 365 basis using automated procedures to monitor Web site availability/response times and perform alarm-based notification. Internet technology components monitored from the management environment comprise URL Availability, HTTP Process Availability, and IP Availability.

Backup and Restore

NWC's environment will be backed up using EDS' centralized backup services, which contains the user data and operating system data. Backup operations are monitored to provide failure notification for the backup processes and procedures, making sure routine successful backups of the NWC's Web Hosting compute environment. Backups of local and external storage are executed daily across a private management network, with media management software used to optimize the storage, retrieval, circulation, and retirement of tape cartridges in the on-site tape libraries. Weekly full backups are stored to off-site facility to provide disaster recoverability.

QUESTION 9: LIST PRICING

Define all costs billed by you to NWC for services delivered. Please indicate any front-loaded one-time expenses in addition to monthly recurring charges. NWC is considering a three year agreement, but wants to weigh that against a month-to-month option and so will need to understand both monthly and 3yr contracted pricing. Please provide both. Indicate early termination costs where applicable. Please respond with pricing in the following categories:

EDS proposes the estimated fees (in U.S. dollars), in the following table, for all of the services outlined in the NWC solution proposal, which is based on a 36-month term agreement. These numbers represent the solution implementation and ongoing operation, as described in our solution proposal response that was constructed and based upon architecture and growth information provided in NWC's RFI.

SERVICE OFFERING	DESCRIPTION	ONE TIME	MONTHLY	36-MONTH (3-YEAR) TOTAL
Managed Hosting & Storage	Server Hosting & Support, Web Connectivity, Managed Storage & Backup (incl. UNIX OS)	$71,914.36	$61,259.21	$2,277,245.92
Network	Remote connectivity from Syracuse & Green Bay to the Plano SMC (circuits, routers, managed firewalls and LAN ports)	$14,757.20	$8,299.70	$313,546.40
Hardware	Sun Server Hardware	$139,617.50	N/A	$139,617.50
Hardware Support	Sun Server Hardware - Maintenance	N/A	$565.49	$20,357.64
Totals		**$226,289.06**	**$70,124.40**	**$2,750,767.46**

The NWC RFI requirements translate into an IT outsourcing solution, with an estimated monthly rate of $70,124.40 (an annual run rate of $841,492.80 per year), and a one-time cost of $226,289.06. Based on NWC's final requirements, estimate adjustments, in either direction, could be made.

Assumptions

The pricing contained in this RFI response:

- Is predicated on the fact that the number and type of servers shown in the RFI document is correct.
- Assumes that the cost of the software licenses (with the exception of the UNIX OS for the servers) will be picked up by NWC Inc.

Conclusion

EDS believes our reliable, high-performance, scalable, unmatched SLA commitment uptime, and cost-effective solution, and understanding of NWC's business and strategic imperatives, uniquely qualifies EDS as the best partner to support NWC's current and future IT infrastructure goals and growth.