

**COOPERATIVE PURCHASING AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
XEROX CORPORATION**

THIS COOPERATIVE PURCHASING AGREEMENT (this "Agreement") is entered into as of October 11, 2016, between the Town of Fountain Hills, an Arizona municipal corporation (the "Town"), and Xerox Corporation, a New York corporation (the "Vendor").

RECITALS

A. After a competitive procurement process, the State of Arizona (the "State") entered into Contract No. ADSPO13-050377, dated July 1, 2013 (the "State Contract"), as amended by Contract Amendment No. 1, dated July 31, 2013, Contract Amendment No. 2, dated October 29, 2013, Contract Amendment No. 3, dated May 1, 2014, Contract Amendment No. 5, dated February 17, 2015, Contract Amendment No. 6, dated April 29, 2015, Contract Amendment No. 7, dated October 22, 2015, Contract Amendment No. 8, dated June 28, 2016, and Contract Amendment No. 9, dated July 28, 2016, with the Vendor for the purchase of multifunction devices, including supplies and maintenance. A copy of the State Contract is attached hereto as Exhibit A and incorporated herein by reference, to the extent not inconsistent with this Agreement.

B. The Town is permitted, pursuant to Section 3-3-27 of the Town Code, to make purchases under the State Contract, at its discretion and with the agreement of the awarded Vendor, and the State Contract permits its cooperative use by other public entities, including the Town.

C. The Town and the Vendor desire to enter into this Agreement for the purpose of (i) acknowledging their cooperative contractual relationship under the State Contract and this Agreement, (ii) establishing the terms and conditions by which the Vendor may provide the Town with a W7830PT copy machine, supplies and maintenance, as more particularly set forth in Section 2 below (the "Equipment and Supplies") and (iii) setting the maximum aggregate amount to be expended pursuant to this Agreement related to the Equipment and Supplies.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and the Vendor hereby agree as follows:

1. Term of Agreement. This Agreement shall be effective as of the date first set forth above and shall remain in full force and effect until October 10, 2017 (the "Initial Term"), unless terminated as otherwise provided in this Agreement or the State Contract. After the expiration of the Initial Term, this Agreement may be renewed for up to four successive one-year terms (each, a "Renewal Term") if it is deemed in the best interests of the Town, subject to

availability and appropriation of funds for renewal in each subsequent year. The Initial Term and any Renewal Term(s) are collectively referred to herein as the "Term." Upon renewal, the terms and conditions of this Agreement shall remain in full force and effect.

2. Scope of Work. Vendor shall provide to the Town the Equipment and Supplies under the terms and conditions of the State Contract and in the configurations as set forth in the Quote attached hereto as Exhibit B and incorporated herein by reference.

3. Inspection; Acceptance. The Equipment is subject to final inspection and acceptance by the Town. Equipment failing to conform to the requirements of this Agreement and/or the State Contract will be held at the Vendor's risk and may be returned to the Vendor. If so returned, all costs are the responsibility of the Vendor. Upon discovery of non-conforming Equipment, the Town may elect to do either of the following by written notice to the Vendor: (i) waive the non-conformance or (ii) bring the Equipment into compliance and withhold the cost of same from any payments due to the Vendor.

4. Compensation. The Town shall pay Vendor an aggregate amount not to exceed \$29,999.00 for the Equipment and Supplies at the unit rates set forth in the State Contract and as more particularly set forth in the Quote attached hereto as Exhibit B.

5. Payments. The Town shall pay the Vendor upon delivery and acceptance of the Equipment and upon submission and approval of the invoice(s). The invoice(s) shall (i) contain a reference to this Agreement and the State Contract and (ii) document the Equipment delivered and accepted to date. Additionally, invoices submitted without referencing this Agreement and the State Contract will be subject to rejection and may be returned.

6. Records and Audit Rights. To ensure that the Vendor and its subcontractors are complying with the warranty under Section 7 below, Vendor's and its subcontractors' books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Agreement, including the papers of any Vendor and its subcontractors' employees who perform any work or services pursuant to this Agreement (all of the foregoing hereinafter referred to as "Records"), shall be open to inspection and subject to audit and/or reproduction during normal working hours by the Town, to the extent necessary to adequately permit evaluation of the Vendor's and its subcontractors' compliance with the Arizona employer sanctions laws referenced in Section 7 below. To the extent necessary for the Town to audit Records as set forth in this Section, Vendor and its subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the Town shall have access to said Records, even if located at its subcontractors' facilities, from the effective date of this Agreement for the duration of the work and until three years after the date of final payment by the Town to Vendor pursuant to this Agreement. Vendor and its subcontractors shall provide the Town with adequate and appropriate workspace so that the Town can conduct audits in compliance with the provisions of this Section. The Town shall give Vendor or its subcontractors reasonable advance notice of intended audits. Vendor shall require its subcontractors to comply with the provisions of this Section by insertion of the requirements hereof in any subcontract pursuant to this Agreement.

7. E-verify Requirements. To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Vendor and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under ARIZ. REV. STAT. § 23-214(A). Vendor's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the Town.

8. Israel. Vendor certifies that it is not currently engaged in, and agrees for the duration of this Agreement that it will not engage in, a "boycott" of Israel, as that term is defined in ARIZ. REV. STAT. § 35-393.

9. Conflict of Interest. This Agreement may be canceled by the Town pursuant to ARIZ. REV. STAT. § 38-511.

10. Applicable Law; Venue. This Agreement shall be governed by the laws of the State of Arizona and a suit pertaining to this Agreement may be brought only in courts in Maricopa County, Arizona.

11. Agreement Subject to Appropriation. The Town is obligated only to pay its obligations set forth in this Agreement as may lawfully be made from funds appropriated and budgeted for that purpose during the Town's then current fiscal year. The Town's obligations under this Agreement are current expenses subject to the "budget law" and the unfettered legislative discretion of the Town concerning budgeted purposes and appropriation of funds. Should the Town elect not to appropriate and budget funds to pay its Agreement obligations, this Agreement shall be deemed terminated at the end of the then-current fiscal year term for which such funds were appropriated and budgeted for such purpose and the Town shall be relieved of any subsequent obligation under this Agreement. The parties agree that the Town has no obligation or duty of good faith to budget or appropriate the payment of the Town's obligations set forth in this Agreement in any budget in any fiscal year other than the fiscal year in which this Agreement is executed and delivered. The Town shall be the sole judge and authority in determining the availability of funds for its obligations under this Agreement. The Town shall keep Vendor informed as to the availability of funds for this Agreement. The obligation of the Town to make any payment pursuant to this Agreement is not a general obligation or indebtedness of the Town. Vendor hereby waives any and all rights to bring any claim against the Town from or relating in any way to the Town's termination of this Agreement pursuant to this section.

12. Conflicting Terms. In the event of any inconsistency, conflict or ambiguity among the terms of this Agreement, the State Contract, the Quote and invoices, the documents shall govern in the order listed herein. Notwithstanding the foregoing, and in conformity with Section 2 above, unauthorized exceptions, conditions, limitations or provisions in conflict with the terms of this Agreement or the State Contract (collectively, the "Unauthorized Conditions"), other than the Town's project-specific requirements, are expressly declared void and shall be of no force and effect. Acceptance by the Town of any work order or invoice containing any such Unauthorized Conditions or failure to demand full compliance with the terms and conditions set forth in this Agreement or under the State Contract shall not alter such terms and conditions or

relieve Vendor from, nor be construed or deemed a waiver of, its requirements and obligations in the performance of this Agreement.

13. Rights and Privileges. To the extent provided under the State Contract, the Town shall be afforded all of the rights and privileges afforded to the State and shall be the "State" (as defined in the State Contract) for the purposes of the portions of the State Contract that are incorporated herein by reference.

14. Indemnification; Insurance. In addition to and in no way limiting the provisions set forth in Section 13 above, the Town shall be afforded all of the insurance coverage and indemnifications afforded to the State to the extent provided under the State Contract, and such insurance coverage and indemnifications shall inure and apply with equal effect to the Town under this Agreement including, but not limited to, the Contractor's obligation to provide the indemnification and insurance.

15. Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered to the party at the address set forth below, (ii) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (iii) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the Town: Town of Fountain Hills
 16705 East Avenue of the Fountains
 Fountain Hills, Arizona 85268
 Attn: Grady E. Miller, Town Manager

With copy to: GUST ROSENFELD P.L.C.
 One East Washington Street, Suite 1600
 Phoenix, Arizona 85004-2553
 Attn: Andrew J. McGuire

If to Vendor: Xerox Corporation
 2700 North Central Avenue, Suite 500
 Phoenix, Arizona 85004
 Attn: James A. Miller

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this subsection. Notices shall be deemed received (i) when delivered to the party, (ii) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (iii) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first set forth above.

“Town”

TOWN OF FOUNTAIN HILLS,
an Arizona municipal corporation

Grady E. Miller

Grady E. Miller, Town Manager

ATTEST:

Bevelyn J. Bender

Bevelyn J. Bender, Town Clerk

OK
12/29/16

(ACKNOWLEDGMENT)

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On November 2, 2016, before me personally appeared Grady E. Miller, the Town Manager of the TOWN OF FOUNTAIN HILLS, an Arizona municipal corporation, whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be, and acknowledged that he signed the above document, on behalf of the Town of Fountain Hills.



Jennifer Lyons

Notary Public

(Affix notary seal here)

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

EXHIBIT A
TO
COOPERATIVE PURCHASING AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
XEROX CORPORATION

[State Contract]

See following pages.

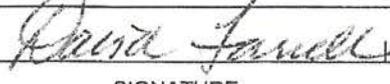
	Contract Amendment		AZ DEPT. OF ADMINISTRATION STATE PROCUREMENT OFFICE 100 N. 15 TH AVE., STE. 201 Phoenix, AZ 85007
	CONTRACT NO.: ADSP013 - 050377	PAGE 1	
AMENDMENT NO.: Nine (9)			

CONTRACTOR: Xerox Corporation 2700 N. Central Ave Suite 500 Phoenix AZ 85004 CONTACT: Ouida Goodwin PHONE: 801-535-8525 EMAIL: ouida.goodwin@xerox.com	STATE AGENCY: AZ Department of Administration (ADOA) State Procurement Office 100 N. 15 th Ave., Ste.201 Phoenix, AZ 85007 CONTACT: Christopher Lacey PHONE: (602) 542-7165 EMAIL: christopher.lacey@azdoa.gov
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Multifunctional Devices, Including Products and Maintenance

Pursuant to Uniform Terms and Conditions, Paragraph 5, Contract Changes, 5.1 Amendments, the above referenced contract shall be amended as follows:

1. Pursuant to Scope of Work, Section 5.4 Technology Requirements, shall be amended to include the following:
 - 5.4.4 Equipment shall undergo a cleansing or erasure of the hard drives at the end of the product life or when any hard drive leaves customer control. The Contractor shall provide a certification of destruction.
2. Pursuant to Special Terms and Condition, Paragraph 41, New Equipment, the above reference Contract shall be amended to include new product models identified within each class, and related accessories and software, as evidenced within pricing document titled "Updated State Price File 2017"
3. Pursuant to Special Terms and Conditions section 43 Sales Promotions shall be amended to include the following:
 - 43.1.3 The start and end date (8/1/16 – 6/30/17) of the sales promotion discounts shall be offered for a minimum of eleven (11) months.
4. In accordance with Special Terms and Conditions Paragraph 3, Contract Extension, Page 15 of 34, the aforementioned contract is hereby extended for eleven (11) months, (8/1/16 – 6/30/17).
5. All other terms, conditions and provisions remain unchanged.

This Contract Amendment is not binding against the State of Arizona unless signed by an authorized representative of the Contractor and then accepted in writing by an authorized representative of the State.			
CONTRACTOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.		THE ABOVE REFERENCED CONTRACT AMENDMENT IS HEREBY EXECUTED THIS DATE BY THE STATE.	
			
SIGNATURE		SIGNATURE	
DATE		DATE	
David Farrell Finance Director		Christopher Lacey, Senior Procurement Officer	



Contract Amendment

AZ DEPT. OF ADMINISTRATION
STATE PROCUREMENT OFFICE
100 N. 15TH AVE., STE. 201
Phoenix, AZ 85007

CONTRACT NO.: ADSP013-050377

PAGE
1

AMENDMENT NO.: EIGHT (8)

OF
1

CONTRACTOR:
Xerox Corporation.
2700 N. Central Ave Suite 500
Phoenix AZ 85004

CONTACT: Lisa Reek

PHONE: 480-390-1574

EMAIL: Lisa.Reek@xerox.com

STATE AGENCY:
AZ Department of Administration (ADOA)

State Procurement Office
100 N. 15th Ave., Ste.201
Phoenix, AZ 85007

CONTACT: Christopher Lacey

PHONE: (602) 542-7165

EMAIL: christopher.lacey@azdoa.gov

Multifunctional Devices, Including Supplies and Maintenance

1. In accordance with the Special Terms and Conditions, Paragraph 3. Contract Extension, on Page 15 of 34, the aforementioned contract is hereby extended for an additional thirty days. 6/30/2016 -- 7/30/2016.
2. All other terms, conditions and provisions remain unchanged.

This Contract Amendment is not binding against the State of Arizona unless signed by an authorized representative of the Contractor and then accepted in writing by an authorized representative of the State.

CONTRACTOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.

THE ABOVE REFERENCED CONTRACT AMENDMENT IS HEREBY EXECUTED THIS DATE BY THE STATE.

David Farrell x 6/23/16
SIGNATURE DATE

Christopher Lacey | 6-28-16
SIGNATURE DATE

David Farrell
Finance Director

Christopher Lacey,
Senior Procurement Officer



Contract Amendment

State of Arizona
State Procurement Office
100 N. 15TH Avenue, Suite 201
Phoenix, AZ 85007

Contract No.: ADSP013-050377

PAGE
1 OF 1

Amendment No.: Seven (7)

CONTRACTOR:

Xerox Corporation
2700 N. Central Ave., Suite 500
Phoenix, AZ 85004

CONTACT: Gloria Northington
PHONE: (602) 234-5403
EMAIL: gloria.northington@xerox.com

STATE AGENCY:

AZ Department of Administration
State Procurement Office
100 N. 15th Avenue, Suite 201
Phoenix, AZ 85007

CONTACT: Missy Mudry, CPPB
PHONE: (602) 542-9107
EMAIL: Missy.Mudry@azdoa.gov

Multifunctional Devices, Including Products and Maintenance

Pursuant to Uniform Terms and Conditions, Paragraph 5, Contract Changes, 5.1 Amendments, the above referenced Contract shall be amended as follows:

1. In accordance with Special Terms and Conditions, Paragraph 27, Price Adjustment, the above referenced Contract shall be amended to include the following pricing update as evidenced in the document titled "Pricing as of October 2015".
2. All other terms, conditions and provisions remain unchanged.

This Contract Amendment is not binding against the State of Arizona unless signed by an authorized representative of the Contractor and then accepted in writing by an authorized representative of the State.

Contractor hereby acknowledges receipt and understanding of the above amendment.

The above referenced contract amendment is hereby executed this date by the State.

David Farrell 10/20/15
Signature Date

Missy Mudry 10/22/15
Signature Date

David Farrell
Finance Director

Printed/Typed Name and Title

Missy Mudry

Sr. Procurement Officer

Printed/Typed Name and Title



Contract Amendment

State of Arizona
 State Procurement Office
 100 N. 15TH Avenue, Suite 201
 Phoenix, AZ 85007

Contract No.: ADSPO13-050377

PAGE
1 OF 2

Amendment No.: Six (6)

CONTRACTOR:

Xerox Corporation
 2700 N. Central Ave., Suite 500
 Phoenix, AZ 85004

CONTACT: Karen DeMuro
PHONE: (303)796-6342
EMAIL: karen.demuro@xerox.com

STATE AGENCY:

AZ Department of Administration
 State Procurement Office
 100 N. 15th Avenue, Suite 201
 Phoenix, AZ 85007

CONTACT: Missy Mudry
PHONE: (602) 542-9107
EMAIL: Missy.Mudry@azdoa.gov

Multifunctional Devices, Including Products and Maintenance

Pursuant to Uniform Terms and Conditions, Paragraph 5, Contract Changes, 5.1 Amendments, the above referenced Contract shall be amended as follows:

1. In accordance with the Special Terms and Conditions, Section 3, Contract Extensions, this contract shall be extended for a one year period through June 30, 2016.
2. Remove Special Terms and Condition, Section 35, Administration Fee/Usage Reports in its entirety and replace with the following language:

35. ADMINISTRATIVE FEE / USAGE REPORTS

35.1 Method of Assessment. At the completion of each quarter, the contractor reviews all sales under their contract in preparation for submission of their Usage Report. The contractor identifies all sales receipts transacted by members of the State Purchasing Cooperative and assesses one percent (1.0%) of this amount in their Usage Report. An updated list of State Purchasing Cooperative members may be found at: <https://spo.az.gov/state-purchasing-cooperative>. At its option, the State may expand or narrow the applicability of this fee. The State shall provide thirty (30) written notice prior to exercising or changing this option. The contractor shall summarize all sales, along with all assessed Administrative Fee amounts within their Usage Report, including total amounts for the following:

- Total sales receipts from State agencies, boards and commissions;
- Total sales receipts from members of the State Purchasing Cooperative; and
- Total Administrative Fee amount based on one percent (1.0%) of the sales receipts from members of the State Purchasing Cooperative.

35.2 Submission of Reports and Fees. Within thirty (30) days following the end of the quarter, the contractor submits their Usage Report and if applicable, a check in the amount of one percent (1%) of their sales receipts from members of the State Purchasing Cooperative, to the Department of Administration, State Procurement Office. Contractors are required to use the State's current report templates unless you have authorization from your contract officer to use a different format. You need to complete Form 799, which is a cover letter that gives the totals of your transactions; and Form 801, which is an Excel spreadsheet that details your transactions. Sales to state agencies and the cooperative members are to be totaled separately. The most current forms can be downloaded at <https://spo.az.gov/statewide-contracts-administrative-fee>.

35.2.1 The submission schedule for Administrative Fees and Usage reports shall be as follows:

FY Q1, July through September	Due October 31
FY Q2, October through December	Due January 31
FY Q3, January through March	Due by April 30
FY Q4, April through June	Due by July 31

35.2.2 Usage Reports and any questions are to be submitted by email to the state's designated usage report email address: usage@azdoa.gov

35.2.3 Administrative Fees shall be made out to the "State Procurement Office" and mailed to:

Department of Administration
General Services Division
ATTN: "Statewide Contracts Administrative Fee"
100 N. 15th Avenue, Suite 202
Phoenix, AZ 85007

35.3 The Administrative Fee shall be a part of the Contractor's unit prices and is not to be charged directly to the customer in the form of a separate line item. Statewide contracts shall not have separate prices for State Agency customers and State Purchasing Cooperative customers.

35.4 Contractor's failure to remit administrative fees in a timely manner consistent with the contract's requirements may result in the State exercising any recourse available under the contract or as provided for by law.

3. All other terms, conditions and provisions remain unchanged.

This Contract Amendment is not binding against the State of Arizona unless signed by an <u>authorized representative</u> of the Contractor and then accepted in writing by an authorized representative of the State.	
Contractor hereby acknowledges receipt and understanding of the above amendment.	The above referenced contract amendment is hereby executed this date by the State.
 Signature	 Signature
4/29/15 Date	4/29/15 Date
_____ David Farrell Finance Director _____ Printed/Typed Name and Title	_____ Missy Mudry Sr. Procurement Officer _____ Printed/Typed Name and Title



Contract Amendment

State of Arizona
State Procurement Office

100 N. 15TH Avenue, Suite 201

Phoenix, AZ 85007

Contract No.: ADSP013-050377

PAGE
1 OF 1

Amendment No.: Five (5)

CONTRACTOR:

Xerox Corporation
2700 N. Central Ave., Suite 500
Phoenix, AZ 85004

CONTACT: Gloria Northington
PHONE: (602)234-5403
EMAIL: gloria.northington@xerox.com

STATE AGENCY:

AZ Department of Administration
State Procurement Office
100 N. 15th Avenue, Suite 201
Phoenix, AZ 85007

CONTACT: Missy Mudry
PHONE: (602) 542-9107
EMAIL: Missy.Mudry@azdoa.gov

Multifunctional Devices, including Products and Maintenance

1. Pursuant to Special Terms and Conditions, Paragraph 41, New Equipment, the above referenced Contract shall be amended to include the Versant V2100 Press Color Production System within Class 4, as evidenced within pricing document titled "Pricing as of February 2015".
2. All other terms, conditions and provisions remain unchanged.

This Contract Amendment is not binding against the State of Arizona unless signed by an authorized representative of the Contractor and then accepted in writing by an authorized representative of the State.

Contractor hereby acknowledges receipt and understanding of the above amendment.

The above referenced contract amendment is hereby executed this date by the State.

2-14-15

Signature

Date

David Farrell, Finance Director

Printed/Typed Name and Title

2/17/15

Signature

Date

Missy Mudry

Sr. Procurement Officer

Printed/Typed Name and Title



Contract Amendment

Contract No.: ADSPO13-050377

Amendment No.: Three (3)

PAGE
1 OF 1

State of Arizona
State Procurement Office
100 N. 15TH Avenue, Suite 201
Phoenix, AZ 85007

CONTRACTOR:

Xerox Corporation
2700 N. Central Ave., Suite 500
Phoenix, AZ 85004

CONTACT: Gloria Northington
PHONE: (602)234-5403
EMAIL: gloria.northington@xerox.com

STATE AGENCY:

AZ Department of Administration
State Procurement Office
100 N. 15th Avenue, Suite 201
Phoenix, AZ 85007

CONTACT: Missy Mudry
PHONE: (602) 542-9107
EMAIL: Missy.Mudry@azdoa.gov

Multifunctional Devices, Including Products and Maintenance

1. In accordance with Special Term and Conditions Paragraph 3, Contract Extension, on Page 15 of 34, the aforementioned contract is hereby extended for an additional one-year period. The term of the extended contract shall be from July 1, 2014 to June 30, 2015.
2. All other terms, conditions and provisions remain unchanged.

This Contract Amendment is not binding against the State of Arizona unless signed by an authorized representative of the Contractor and then accepted in writing by an authorized representative of the State.

Contractor hereby acknowledges receipt and understanding of the above amendment.

The above referenced contract amendment is hereby executed this date by the State.

Raj K Nagpal

4/29/2014

Signature

Date

Missy Mudry

5/1/14

Signature

Date

Raj K Nagpal

Finance Director

Printed/Typed Name and Title

Missy Mudry

Sr. Procurement Officer

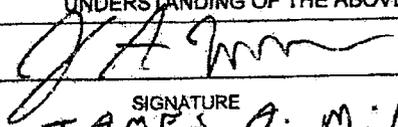
Printed/Typed Name and Title

	Contract Amendment		AZ DEPT. OF ADMINISTRATION STATE PROCUREMENT OFFICE 100 N. 15 TH AVE., STE. 201 Phoenix, AZ 85007
	CONTRACT NO.: ADSP013-050377 Multifunction Devices, Including Supplies and Maintenance	PAGE 1	
	AMENDMENT NO.: Two (2)	OF 2	

CONTRACTOR: Xerox Corporation 2700 North Central Ave, Suite 500 Phoenix, AZ 85004 CONTACT: Jim Miller PHONE: (480) 659-8801 EMAIL: James.Miller2@xerox.com	STATE AGENCY: AZ Department of Administration (ADOA) State Procurement Office 100 N. 15 th Ave., Ste.201 Phoenix, AZ 85007 CONTACT: Charlotte Righetti, CPPB PHONE: (602) 542-9127 EMAIL: charlotte.righetti@azdoa.gov
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Multifunction Devices, Including Supplies and Maintenance

1. Pursuant to Special Terms and Conditions, Paragraph 41, New Equipment, the above referenced Contract shall be amended to include new products within Class 3, as evidenced within pricing document titled Pricing as of October 24, 2013.
2. All other terms, conditions and provisions remain unchanged.

This Contract Amendment is not binding against the State of Arizona unless signed by an authorized representative of the Contractor and then accepted in writing by an authorized representative of the State.	
CONTRACTOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.	THE ABOVE REFERENCED CONTRACT AMENDMENT IS HEREBY EXECUTED THIS DATE BY THE STATE.
	
SIGNATURE JAMES A. MILLER Acct. GM Public Sector PRINTED/TYPED NAME AND TITLE	SIGNATURE Charlotte Righetti, CPPB, Senior Procurement Officer
DATE 10-28-13	DATE 10/29/13

	Contract Amendment		AZ DEPT. OF ADMINISTRATION STATE PROCUREMENT OFFICE 100 N. 15 TH AVE., STE. 201 Phoenix, AZ 85007
	CONTRACT NO.: ADSPO13-050377 Multifunction Devices, Including Supplies and Maintenance	PAGE 1	
	AMENDMENT NO.: One (1)	OF 2	

CONTRACTOR: Xerox Corporation 2700 North Central Ave, Suite 500 Phoenix, AZ 85004 CONTACT: Jim Miller PHONE: (480) 659-8801 EMAIL: James.Miller2@xerox.com	STATE AGENCY: AZ Department of Administration (ADOA) State Procurement Office 100 N. 15 th Ave., Ste.201 Phoenix, AZ 85007 CONTACT: Charlotte Righetti, CPPB PHONE: (602) 542-9127 EMAIL: charlotte.righetti@azdoa.gov
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Multifunction Devices, Including Supplies and Maintenance

1. Pursuant to Uniform Terms and Conditions, Paragraph 5, Contract Changes, 5.1 Amendments, the above referenced Contract shall be amended to include the following language to be a part of the Special Terms and Conditions:

41. NEW EQUIPMENT / REPLACEMENT EQUIPMENT

41.1 The State, at its sole discretion, may allow new products announced by manufacturers, represented on the contract to be offered. The request may be submitted to the State Procurement Office at any time during the contract period and shall be supplemented with the following information. Failure to supply any of the following information with the request may result in the State not considering the request.

41.1.1 A formal notification from the manufacturer stating that the product(s) are new and were not available at the time of contract award.

41.1.2 Documentation from the manufacturer that cites the products by item number and description.

41.1.3 Documentation that provides clear evidence that the new products are within the awarded contract product category.

41.1.4 Pricing for proposed new equipment.

41.2 Approval shall be in the form of a bilateral contract amendment and shall become effective on the date specified in the amendment. Upon approval by the State, the contractor shall make available all catalog/price list updates to all eligible agencies at no additional cost to the State.

42. VOLUME DISCOUNTS

The Contractor may offer volume discounts at any time during the Contract provided that the price is at or below the percent off list price within the Contract and provided that the price reduction is available to all Customers allowed to purchase under the Contract. Approval of volume discounts shall be in the form of a bilateral contract amendment.

43. SALES PROMOTIONS

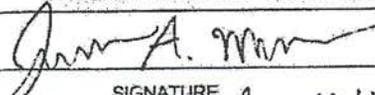
43.1 In addition to decreasing contract pricing, in accordance with the provision entitled price reductions, the contractor may conduct sales promotions involving specific products or groups of products specified herein for specified time periods. If electing to exercise this provision the contractor shall submit:

	Contract Amendment		AZ DEPT. OF ADMINISTRATION STATE PROCUREMENT OFFICE 100 N. 15 TH AVE., STE. 201 Phoenix, AZ 85007
	CONTRACT NO.: ADSP013-050379 Multifunction Devices, Including Supplies and Maintenance	PAGE 2	
AMENDMENT NO.: One (1)			

- 43.1.1 A formal request that identifies the contract product or product group;
- 43.1.2 The promotional price vs. the existing contract price;
- 43.1.3 The start and end date of the sales promotion (shall be offered for a minimum of three (3) months).

43.2 Approval shall be in the form of a bilateral contract amendment. Pricing shall be available to all eligible agencies through the dates specified in the request.

2. All other terms, conditions and provisions remain unchanged.

This Contract Amendment is not binding against the State of Arizona unless signed by an authorized representative of the Contractor and then accepted in writing by an authorized representative of the State.	
CONTRACTOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.	THE ABOVE REFERENCED CONTRACT AMENDMENT IS HEREBY EXECUTED THIS DATE BY THE STATE.
	
DATE 7-30-13	DATE 7/31/13
SIGNATURE JAMES A. MILLER Account GM Public Sector	SIGNATURE Charlotte Righetti, CPPB, Senior Procurement Specialist
PRINTED/TYPED NAME AND TITLE	TYPED NAME AND TITLE



Offer and Acceptance

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OFFER

TO THE STATE OF ARIZONA:

The Undersigned hereby offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, specifications and amendments in the Solicitation and any written exceptions in the offer.

Arizona Transaction (Sales) Privilege Tax License No.:

07127500-H

Federal Employer Identification No.:

16-0468020

E-mail: JAMES.MILLER2@XEROX.COM

Phone: 602-818-7204

Fax: 602-234-~~5304~~

XEROX CORPORATION

Company Name:

2700 N. CENTRAL AV #500

Address

PHOENIX AZ 85004

City

State

Zip

James A. Miller

Signature of Person Authorized to Sign Offer

JAMES A. MILLER

Printed Name

GENERAL MANAGER Public
SECTOR OPERATIONS

Title

By signature in the Offer section above, the Offeror certifies:

1. The submission of the Offer did not involve collusion or other anticompetitive practices.
2. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 2009-09 or A.R.S. §§ 41-1461 through 1465.
3. The Offeror has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. The Offeror certifies that the above referenced organization IS IS NOT a small business with less than 100 employees or has gross revenues of \$4 million or less.
5. In accordance with A.R.S. §§35-393, the offeror hereby certifies that the Offeror does not have scrutinized business operations in Iran.
6. In accordance with A.R.S. §§35-391, the offeror hereby certifies that the Offeror does not have scrutinized business operations in Sudan.

ACCEPTANCE OF OFFER

The Offer is hereby accepted.

The Contractor is now bound to sell the materials or services listed by the attached contract and based upon the solicitation, including all terms, conditions, specifications, amendments, etc., and the Contractor's Offer as accepted by the State.

This Contract shall henceforth be referred to as Contract No.

ADSP013-050377

The Contractor has been cautioned not to commence any billable work or to provide any material or service under this contract until Contractor receives purchase order, contract release document or written notice to proceed.

State of Arizona
Awarded this

20th day of June 2013

Procurement Officer

[Signature]

	Solicitation as Amended		State of Arizona State Procurement Office 100 N 15th Ave., Suite 201 Phoenix, AZ 85007
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1. Introduction:

The State of Arizona, its Agencies, Boards and Commissions (State) as well as Participating Members of the State Purchasing Cooperative (Cooperative), have an ongoing requirement for various products and services as described herein. The purpose of this solicitation is to conduct a competitive process, in accordance with Arizona Revised Statutes (ARS) 41-2501 et seq., to create a contract(s) from which the State and its Cooperative Members may acquire these products and services.

2. Background:

The State desires to establish a Contract or Contract Set to supply the needs for multifunctional devices throughout the State of Arizona. The State and the cooperative members currently have fleets that include purchased, rented or leased equipment. This contract shall include service coverage for all currently placed fleet as well as devices that are procured through this contract. Contracts resulting from this solicitation will be used by multiple eligible agencies with delivery locations throughout the State.

3. Definitions:

- 3.1 Accessory - Any items that may be added to the base marking engine.
- 3.2 Authorized Dealer - A Manufacturer's authorized sales and service center that shall be certified by the Manufacturer to sell the Manufacturer's products, perform machine installation, maintenance on machines offered.
- 3.3 Cancelable Rental - Shall meet the financial requirements of an Operational Lease but shall be cancelable given thirty (30) days written notice, at any time during the rental term without penalty.
- 3.4 Capital Lease - is a purchasing method that must meet one or more of the following:
 - 3.4.1 The lease term is greater than 75% of the property's estimated economic life;
 - 3.4.2 The lease contains an option to purchase the property for less than fair market value;
 - 3.4.3 Ownership of the property is transferred to the Customer at the end of the lease term;
 - 3.4.4 Of the present value of the lease payments exceeds 90% of the fair market value;
 - 3.4.5 Such leases shall be subject to monthly payment reductions by the Contractor at renewal, based on the depreciated value. The depreciated value shall be disclosed to the Customer at the time of the renewal and the renewal rate is subject to the same terms and conditions under this Contract.
- 3.5 Equipment Downtime - Is defined as the period of time a piece of equipment is waiting for service to be completed. This time starts with the original service call into the Contractor and ends once all repairs, part installations, equipment modifications, configuration changes, or any prescribed work is completed and the Equipment functions according to OEM published specifications.
- 3.6 Equipment Functions and Options
 - 3.6.1 Automatic Document Feeder (ADF) - An accessory that feeds original documents automatically, one at a time to the exposure glass for scanning and copying;
 - 3.6.2 Automatic Exposure Selection (AES) - A feature that automatically adjusts the exposure when copying from originals with different background shadings;



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- 3.6.3 Automatic Magnification Selection (AMS) - A feature that after detecting the correct size of each original document, the copier automatically calculates the correct magnification (zoom) ratio to fit the paper size selected by the Equipment Operator;
- 3.6.4 Automatic Paper Selection (APS) - A feature that is a built on sensor that detects the size of the original and the copier selects the proper paper size;
- 3.6.5 Automatic Tray Switching (ATS) - A feature that enables a copier to automatically switch from a depleted paper source to another;
- 3.6.6 Automatic Start (AS) - A feature that allows the Equipment Operator to program jobs prior to the Equipment warm-up phase;
- 3.6.7 Base Cabinet - A cabinet placed under a console device, thereby allowing the device to be a standalone unit, instead of a paper-feed unit.
- 3.6.8 Paper-Feed Units - Expands the paper capacity by providing two (2) or more additional paper sources such as cassettes, drawers or trays. Additionally paper-feed units act as a support for base units to utilize the device as a standalone unit (resting on the floor) instead of a base cabinet. For Segments 2 (Console), 3 and 4, the paper-feed units include a minimum of two (2) paper cassettes, drawers or trays.
- 3.6.9 Bypass Paper Supply - A side opening tray into which copying materials may be inserted for the use of copying onto. Should hold multiple sheets of copying material.
- 3.6.10 Data Security Kit - The kit and software required to enable the encryption of all data written to the hard drive.
- 3.6.11 Finisher - An accessory that delivers finished/stapled sets into an offset catch tray(s). Finishers are subdivided into the following classifications:
 - 3.6.11.1 Advanced Finisher - A Finisher that is free standing from the output device, offers a minimum fifty (50) page multi position stapling capacity and can be configured with any combination of three hole punching and saddle stitch finishing;
 - 3.6.11.2 Basic Office Finisher - A Finisher that is free standing from the output device and offers a minimum fifty (50) page stapling capacity; and
 - 3.6.11.3 Internal/Wing Finisher - A Finisher that either is internal to the device or is an attachment to the output side of the device and offers a minimum twenty-five (25) page stapling capacity. Wing Finishers are not free standing by original manufacturing design and relies on the output device for support.
- 3.6.12 Hard Drive Security Kit - The parts and software required to enable US Department of Defense (DoD) standards for data overwrite.
- 3.6.13 Large Capacity Tray (LCT) - A paper source capable of handling more than one thousand (1,000) sheets of paper.
- 3.6.14 Margin Shift - The ability of a machine to shift the image to the right and left, on the front, back, and both sides of the copy, to allow for binding or three-hole punching.
- 3.6.15 Network Connectivity Kit - All parts, boards, software (internal to the machine) to sufficiently enable the copier to network print, scan to the network folder, scan to email (including server based or POP3) and scan to desktop.



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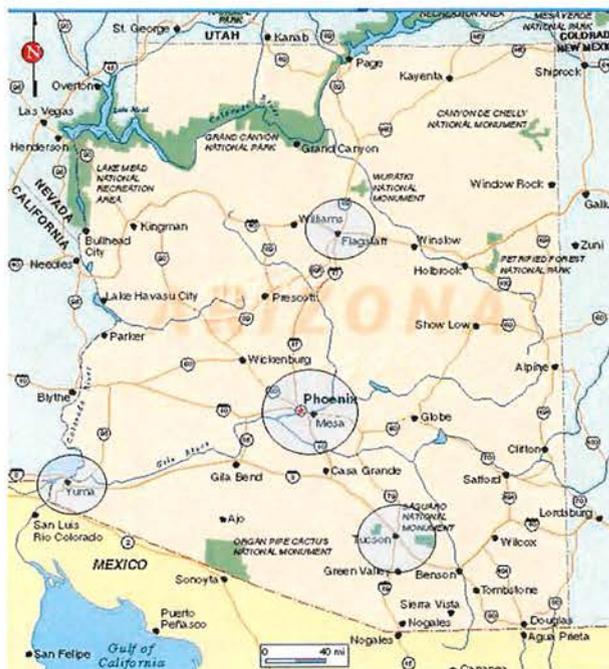
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- 3.6.16 Network Security Kit - All necessary parts and software to enable encrypted communications between print drivers and a copier including any necessary specialized print drivers.
- 3.6.17 Post Process Insertion Kit - An accessory that allows for the insertion of substrates without requiring the material to be fused.
- 3.6.18 Reversing Automatic Document Feeders (RADF) - A Feeder that performs the same functions as an ADF with the added capability to automatically invert (turn) a two-sided original to copy material off of both sides.
- 3.6.19 Scan Speed - The speed a device scans originals through the document feeder at 600x600 DPI resolution or better.
- 3.7 First Time Fix - The measurement of a successful service and technical support call is defined by the Contractor's ability to remedy the underlying issue on the first service call.
- 3.8 Maintenance Service - The scheduled or requested service call to perform quality service checks regarding the performance of the machine, or to diagnose and repair Equipment that has been reported as non-functional.
- 3.9 Replacement Parts - Contractor replacement Equipment mechanical parts that are attached to or integrated into the Equipment that allows or assists the Equipment to function or operate.
- 3.10 Service Zone - There are three (3) established service zones, based on distance from City Center. The service zones are as follows:
 - 3.10.1 Urban - Within fifty (50) miles from a City Center
 - 3.10.2 Rural - Outside fifty (50) miles from a City Center; and
 - 3.10.3 Remote - Areas accessible via road from any Urban or Rural Service Zone regardless of distance.





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- 3.11 Service Call - An on-site technician visit due to machine error or breakdown requiring the onsite services of an authorized service technician to remedy the error.
- 3.12 Service Response Time - The time required to solve a service call beginning from the time the call is logged with the Contractor until either a Service Technician arrives on site or the issue is resolved through the Contractor's telephone support.
- 3.13 Supplies - Consumables that are used for the operation of the Equipment and or ensures the operation of the Equipment according to Manufacturer specifications. Supplies do not include staples and paper.
- 3.14 Type of Equipment:
 - 3.14.1 Console Copier - The dimensions, weight or design of this type of Equipment prohibit desktop support; are free-standing and feature built-in consoles. Console copiers are copiers that offer a Base Cabinet and a Paper Feed Unit;
 - 3.14.2 Desktop Copier - The dimensions, weight or design of this type of Equipment allows it to be supported by a desk or optional stand;
 - 3.14.3 Hybrid Copier - A copier based device that combines high speed four (4) color output with a traditional workgroup or departmental black and white copier/printer. In order for a device to be considered a Hybrid Device, it shall have a rated color production speed within 66% of the rated black and white production speed; and
 - 3.14.4 Multifunction Copier - A device that, by original design, performs Print, Copy and Scan functions.
- 3.15 Segments – The following Segments shall be utilized to group the various speeds of copiers with the Classes referenced in this solicitation:

If a Contractor offers segments greater than what is defined within the solicitation, Offerors may submit their equipment and define the speed in impressions per minute.

Class One (1) Black and White Convenience Copiers

Segment	Speed in Impressions per Minute (IPM)
2	20-29 (Desktop and Console)
3	30-39
4	40-49
5	50-59
6	60-69
7	70-79
8	80-89
9	90-99
10	100-119

Class Two (2) Hybrid Convenience Copiers

Segment	Black and White Speed in Impressions Per Minute (IPM)
2	20-29 (Console Only)
3	30-39
4	40-49
5	50-59



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Class Three (3) Black and White Production Copiers

Segment	Speed in Impressions per Minute (IPM)
1	100-119
2	120-139
3	140-159

Class Four (4) Color Production Copiers

Segment	Speed in Impressions per Minute (IPM)
1	50-59
2	60-69
3	70-79

Class Five (5) Wide Format Copiers (Black & White and/or Color)

Segment	Speed in Linear Feet Per Minute (LPM)
1	2 - 6
2	7 - 15

4. Scope of Products and Services:

The Contractor shall be either an Original Equipment Manufacturer (OEM), or Authorized Dealer (Dealer) and shall provide base equipment, hardware accessories and software required to enable and enhance the equipment capabilities (Equipment) as termed to be either a multi-function device and or copier, as may be ordered by the various Agencies, Commissions, Boards and Participating Members, to any location within the geographical area known as the State of Arizona. All Equipment shall be delivered with start-up supplies and all Equipment shall be set-up, installed and production ready upon completion.

Equipment may be purchased, leased or rented, as detailed throughout this solicitation.

The Contractor shall have the ability to assume rental and lease agreements that were previously established through statewide contracts, specifically: EPS060122, ADSPO12-015669, ADSPO12-015733, ADSPO12-015699 and ADSPO12-015851.

The Contractor shall also provide Equipment maintenance services, that includes all categorizations of priority, i.e., Legacy, Preventative, Routine, and Emergency. The Contractor may offer replacement parts as a component of the monthly maintenance expense, or the Contractor may offer replacement parts as a percentage off from published price lists.

Equipment that is sold, rented or leased shall be new and represent the latest model in current production. Used, shopworn, demonstrator, prototype or discontinued models are not acceptable and will be refused and returned to the Contractor at no additional cost to the State.

5. Product Specifications:

5.1 Commercial Product Standard:

The Equipment offered shall be in accordance with the requirements of these specifications. A standard commercial product is a product that has been sold or is being currently offered for sale, on the commercial market



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through advertisements, manufacturer catalogs or brochures, and represents the latest production model. This solicitation shall provide for the following classifications of Equipment:

5.1.1 Class One (1) - Convenience Black and White Copiers;

5.1.2 Class Two (2) - Convenience Hybrid Copiers;

5.1.3 Class Three (3) - Production Black and White Copiers;

5.1.4 Class Four (4) - Production Color Copiers; and

5.1.5 Class Five (5) - Wide Format Copiers.

5.2 Equipment Configurations:

5.2.1 In automatic duplex enabled copiers, the ADF shall be a RADF unless the ADF is equipped to accomplish duplex scanning (scan both sides of the original in the same pass).

5.2.2 All console copiers within Class One (1) and Two (2) shall be capable of the following copier functions: AES, AMS, APS, ATS, AS and Margin Shift.

5.2.3 All copiers shall maintain a scan speed, as defined in this RFP, from an ADF, RADF (including duplex scanners) or separate scanning station, within 66% of the rated speed of the marking engine. Class Three (3) (Production Black and White) shall maintain a scan speed in excess of fifty-five (55) Impressions Per Minute (IPM).

5.2.4 All copiers shall be equipped, at a minimum, with the following components:

5.2.4.1 Marking Engine;

5.2.4.2 Control Panel;

5.2.4.3 Bypass paper supply (except Class three (3) and five (5));

5.2.4.4 Paper Supply equal to or greater than;

5.2.4.4.1 One (1) paper drawer for Segment 2 Desktop copiers,

5.2.4.4.2 Two (2) paper drawers for Segment 2 Console copiers through Segment 4 copiers,

5.2.4.4.3 Four (4) paper drawers and/or 2,000 sheet capacity for Segments 5 and above in Class One (1), Two (2), Three (3) and Four (4), and

5.2.4.4.4 Class Five (5) shall have a minimum paper supply of two (2) rolls;

5.2.4.5 Paper size capacity up to 8.5" x 14" for all Segment 2 desktop copiers and 11" x 17" for all other Segments in Classes One (1), Two (2), Three (3), and Four (4). Class Five (5) copiers shall have a maximum paper size for "E" sized drawings; and

5.2.4.6 All console copiers in Class One (1), Two (2), and Four (4) shall be equipped for duplex copying.

5.2.5 Class One (1) and Two (2) Minimum Available Options - The following optional accessories shall be available for all equipment proposed in Class One (1) and Two (2):



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- 5.2.5.1 **Segment 2 Console** - Network Connectivity Kit, Paper-Feed unit, Basic Office Finisher, Internal Finisher, ADF/RADF, Hard Drive Security Kit, Power Protection and Facsimile;
- 5.2.5.2 **Segment 2 Desktop** - Network Connectivity Kit (or connectivity to a single PC via USB connection for Printing and Scanning), One (1) additional paper drawer, Document Feeder, Power Protection and Facsimile;
- 5.2.5.3 **Segment 3** - Network Connectivity Kit, Paper-Feed Unit, Basic Office Finisher, Advanced Office Finisher, Internal/Wing Finisher, ADF/ADF, Booklet Maker, Inline 3-Hole Punch, Large Capacity Tray, Hard Drive Security Kit, Power Protection and Facsimile;
- 5.2.5.4 **Segment 4** - Network Connectivity Kit, Paper-Feed Unit, Basic Office Finisher, Advanced Office Finisher, Internal/Wing Finisher, ADF/ADF, Booklet Maker, Inline 3-Hole Punch, Large Capacity Tray, Hard Drive Security Kit, Power Protection and Facsimile;
- 5.2.5.5 **Segment 5** - Network Connectivity Kit, Basic Office Finisher, Advanced Office Finisher, ADF/ADF, Booklet Maker, Inline 3-Hole Punch, Large Capacity Tray, Hard Drive Security Kit, Power Protection and Facsimile;
- 5.2.5.6 **Segment 6** - Network Connectivity Kit, Basic Office Finisher, Advanced Office Finisher, ADF/ADF, Booklet Maker, Inline 3-Hole Punch, Large Capacity Tray, Hard Drive Security Kit and Power Protection;
- 5.2.5.7 **Segment 7** - Network Connectivity Kit, Basic Office Finisher, Advanced Office Finisher, ADF/ADF, Booklet Maker, Inline 3-Hole Punch, Large Capacity Tray, Hard Drive Security Kit and Power Protection;
- 5.2.5.8 **Segment 8** - Network Connectivity Kit, Basic Office Finisher, Advanced Office Finisher, ADF/ADF, Booklet Maker, Inline 3-Hole Punch, Large Capacity Tray, Hard Drive Security Kit and Power Protection;
- 5.2.5.9 **Segment 9** - Network Connectivity Kit, Basic Office Finisher, Advanced Office Finisher, ADF/ADF, Booklet Maker, Inline 3-Hole Punch, Large Capacity Tray, Hard Drive Security Kit, Post Process Insertion Unit and Power Protection;
- 5.2.5.10 **Segment 10** - Network Connectivity Kit, Basic Office Finisher, Advanced Office Finisher, ADF/ADF, Booklet Maker, Inline 3-Hole Punch, Large Capacity Tray, Hard Drive Security Kit, Post Process Insertion Unit and Power Protection.
- 5.2.6 All Hybrid Copiers shall comply with the Black and White Segment counterpart, with the addition that all Hybrid Copiers shall include a mandatory accessory of Adobe Postscript.
- 5.2.7 Class Three (3) Minimum Available Options and Specifications - All Class Three (3) copiers shall have as optionally available, the following options:
 - 5.2.7.1 Network Connectivity Kit, Additional Paper Drawers/LCT/Additional Paper Supply Modules, Post Process Insertion Units, (or shared paper trays that may be used for this purpose), Booklet Maker, Offset Stacker Finisher, Basic Finisher, Advanced Finisher, Inline 3-Hole Punch, ADF/RADF/Scan Station and Make Ready Software. Class Three (3) will further be limited to devices that have a monthly duty cycle in excess of 750,000 impressions as defined by the Manufacturers' rated monthly **maximum**;
- 5.2.8 Class Four (4) Minimum Available Options and Specifications - All Class Four (4) copies shall have as optionally available accessory, the following options:



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5.2.8.1 Network Connectivity Kit, Additional Paper Drawers/LCT/Additional Paper Supply Modules, Post Process Insertions Unit (or shared paper trays that may be used for this purpose), Booklet Maker, Offset Stacker Finisher, Basic Finisher, Advanced Finisher, Inline 3-Hole Punch and ADF/RADF/Scan. Class Four (4) will further be limited to devices that have a monthly duty cycle in excess of 750,000 impressions as defined by the Manufacturers' rated monthly **maximum**.

5.2.9 Class Five (5) Minimum Available Options - All Class Five (5) copiers shall have as optionally available accessory the following options:

5.2.9.1 Network Connectivity Kit and Additional Paper Drawers.

5.2.10 Equipment Minimums:

5.2.10.1 All Equipment shall be newly manufactured equipment and currently in production, except as specifically provided for within this RFP;

5.2.10.2 Equipment shall have published specifications;

5.2.10.3 Equipment shall meet or exceed the speed requirements for each Segment of Equipment in each Class; and

5.2.10.4 Equipment shall be Energy Star® compliant.

5.3. Installation and Environmental Requirements - Prior to order acceptance, the Contractor shall advise the Customer of any and all specialized installation and environmental Customer site requirements for delivery and installation of the Equipment. This information should include, but is not limited to:

5.3.1 Air Conditioning;

5.3.2 Electrical Requirements;

5.3.3 Special Grounding;

5.3.4 Cabling Requirements;

5.3.5 Space Requirements;

5.3.6 Humidity and temperature limits; and

5.3.7 Any other considerations critical to the installation.

5.4. Technology Requirements:

5.4.1 **Network Connections** - Equipment shall use only one (1) network connection to accomplish network printing and scanning.

5.4.2 **Print Drivers** - All software and drivers shall be Windows Compliant, as well as all Equipment shall have pre-configurable print drivers for scripting and push method installation on PC's.

5.4.3 **Technology, Authentication and Access** - Any network connected devices (with the exception of Segment 2 Desktop and all Class Three (3) and Four (4) segments) shall offer authentication for all features via LDAP and or Windows AD and the ability to disable authentication for any and all features.



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The credential information from any remote authentication method may not be maintained within the copier's memory or persistent storage.

Access to the device's administrative functions shall be password protected as per any password requirements and shall be changed from default at the time of install.

- 5.4.4 **Security** - Console copiers within Class One (1) and Two (2) shall have as an available option, the ability to encrypt any information written to a copier hard drive.

Equipment shall undergo a cleansing or erasure of the hard drives at the end of the product life or when any hard drive leaves Customer control.

Equipment shall have the capability for a least a onetime overwrite after the completion of each print/scan job and a structured three (3) times overwrite on a weekly off-hours schedule.

- 5.4.5 **Software** - The Contractor shall provide additional software to aid in the multifunctional aspects of the Equipment for each Class. The software below shall be made available on a case by case basis, depending on Customer requirements.

5.4.5.1 **Advanced Scanning Software (Class One (1) and Two (2))** - Advanced scanning software shall enable a device to de-skew and de-speckle scans as well as provide functionality to scan to searchable PDF files and scan to Microsoft applications such as OCR text with formatting (if applicable). Advanced scanning software may be internal to the copier, external software to be utilized on desktop computer or standalone devices that are attached to the copier. In the case of standalone devices, the software shall share a network drop with the copier and not require an additional network drop for its functionality.

5.4.5.2 **Advanced Scanning Interface Software (Class One (1) and Two (2))** - Advanced scanning software shall enable copier devices to scan to Electronic Document Management Software (EDM) including Documentum, FileNet, OnBase, Hummingbird and Microsoft Sharepoint. Additionally the software shall enable an end user to enter indexing fields for the EDM system that will be passed to the system along with the file. This class of software shall have interfaces authorized and updated periodically by the EDM Manufacturer. Advanced Scanning Interface Software may be internal to the copier or standalone devices that are attached to the copier. In the case of standalone devices, the device shall share a network drop with the copier and not require an additional network drop for its functionality.

5.4.5.3 **Simple Accounting Software (Class One (1) and Two (2))** - Simple Accounting Software shall allow for the accounting copies and prints through a simple code entered at the copier as well as through the print driver. The usage information should be retained at the copier level.

Additional functionality that is desirable is **additional** server based software that aggregates this usage information by user code showing the total impression accomplished.

5.4.5.4 **Advanced Accounting Software (Class One (1) and Two (2))** - Advanced Accounting Software shall be copier run software or server based software that will allow for the accounting of all impressions through the use of LDAP, AD or an independent server based database. The program shall control access to the copier and measure the usage. Additionally the software shall have the ability as an option, or included with the software package, to create charge back reports or debit accounts for usage, including common accounting systems and cash control system such as for public or student use in a library. Lastly as an option these programs may have the ability to interface with copier control devices such as bar code readers and magnetic card readers.



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- 5.4.5.5 Make Ready Software (Class Three (3) and Four (4)) - Make Ready Software shall be capable of performing the following tasks: de-speckle of scanned originals, de-skew of scanned originals, impositioning of pages, insertion of additional pages, tab insertion, pagination, crash numbering, Bates Stamping and submission of the job to the copier.
- 5.4.5.6 Production Management Software (Class Three (3) and Four (4)) - Production Management Software shall have the capability to monitor the production workflow, load balance between multiple devices and perform color/black and white splitting (and pre-programming for document insertion and recombination).
- 5.4.5.7 Simple Online Submission Software (Class Three (3) and Four (4)) - Simple Online Submission Software shall be capable of:
- 5.4.5.7.1 Submission of print jobs through a web server;
 - 5.4.5.7.2 Conversion of print jobs to PDF format either through a print driver or through uploading to the web server;
 - 5.4.5.7.3 Customization of the submission site including branding (naming and logo), finishing options, paper available and services available;
 - 5.4.5.7.4 Capability to insert cost center codes;
 - 5.4.5.7.5 Capability to print job ticket;
 - 5.4.5.7.6 Capability for secure (password protected) access;
 - 5.4.5.7.7 Secure Administrator access; and
 - 5.4.5.7.8 Catalog ordering of pre-printed materials such as forms.
- 5.4.5.8 Advanced Online Submission Software (Class Three (3) and Four (4)) - Advanced Online Submission Software shall be capable of:
- 5.4.5.8.1 All features of the simple online submission software;
 - 5.4.5.8.2 Both print driver and server based conversion of applications to PDF format;
 - 5.4.5.8.3 Cost estimating of print jobs as well as tracking of print jobs throughout the production process;
 - 5.4.5.8.4 Web based queue management;
 - 5.4.5.8.5 Archival capabilities of print jobs for end users;
 - 5.4.5.8.6 LDAP authentication capabilities; and
 - 5.4.5.8.7 Usage reporting for chargeback purposes.

6. Maintenance and Services

6.1. Warranty



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6.1.1 All Equipment shall carry a minimum ninety (90) day warranty that is free from defects in material and workmanship. If defects are identified, the Contractor shall repair or replace defective parts promptly on a like-for-like basis without additional cost to the Customer. Any and all items failing during the warranty period will be replaced free of charge. Upon significant failure the warranty period will commence again for a minimum ninety (90) additional days.

6.2 Maintenance

6.2.1 The Contractor shall offer at least two of the three variations of Services and Maintenance Programs listed below:

6.2.1.1 Option 1 - A program based on a monthly flat fee, with unlimited B&W copies and Color copies (if applicable for said equipment), and shall include all supplies; and

6.2.1.2 Option 2 - A program that shall include a cost per copy beyond the specified monthly minimum copy counts, and shall include supplies; and

6.2.1.3 Option 3 – A program based on a monthly flat fee, with unlimited B&W copies and a cost per copy for Color copies, and shall include all supplies.

6.2.2 The Contractor shall provide maintenance services after the initial ninety (90) warranty according to the method and costs as awarded. These services shall be categorized into the following categories:

6.2.2.1 Scheduled/Preventative Maintenance - shall include the provision of all supplies, cleaning, diagnostics, or other activities required to maintain the manufacturer's recommended performance levels. Replacements parts are to be made available for an additional cost. The interval of these services shall be either as recommended by the Manufacturer, or as requested by the Customer. This category shall also include any Emergency repair requests during normal business hours.

6.2.2.2 Legacy Maintenance - shall include the above services as stated for Scheduled/Preventative, except these services shall be reserved for Equipment previously purchased, leased or rented through other State contract vehicles or Procurement Opportunities. Specific Contract vehicles shall mean: EPS060122, and ADSPO12-015669, ADSPO12-015733, ADSPO12-015699, and ADSPO12-015851.

6.2.2.3 No Maintenance - shall provide services on an as needed request. If the State chooses this option for any installed Equipment, the State shall be charged an hourly rate and will also be responsible for any parts necessary to repair the Equipment. Supplies shall be purchased separately utilizing other Contracts if available.

6.2.2.4 Rental/Lease Equipment Maintenance – Scheduled/Preventative Maintenance shall be included in the agreement price of equipment being placed through a Rental or Lease Agreement. Maintenance for Rented and Leased equipment shall include a provision for all replacements parts at no additional charge.

6.3 Hard Drive Surrender Services

The State may engage the Contractor to provide Hard Drive Surrender Services on eligible equipment. If engaged to provide this services, the Contractors Service Technicians will remove the hard drive from the applicable equipment, as shown on the Contractor's work order and provide the entity custody of the hard drive before the equipment is removed from the location or any other disposition of the equipment.



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6.4 As stated in the Definitions, the provision of Maintenance and Services shall be provided for the entire State of Arizona. The State has been designated into three (3) service areas; Urban, Rural and Remote.

6.4.1 Urban - All cities specified as Urban shall include any outlying communities as Urban, regardless if any portion is beyond the specified radius. The following Cities are classified as Urban:

6.4.1.1 Flagstaff;

6.4.1.2 Yuma;

6.4.1.3 Tucson; and

6.4.1.4 Phoenix

6.4.2 All other areas not classified above in 6.4.1 shall be considered as Rural and or Remote.

6.5 Services other than Maintenance shall include the following:

6.5.1 Customer consultation regarding Equipment functionality, attributes, and or other requirements.

6.5.1.1 Customer may request that the Contractor come into their agency and perform an analysis that would overlook all equipment currently in the fleet then provide a report to the customer that states recommendations as well as potential cost savings. What the final analysis is to include is to be agreed upon between the Customer and the Contractor, mutually.

6.5.1.2 This service shall be charged at an hourly rate to the requesting customer.

6.5.2 Customer Point of Contact(s) for questions regarding sales, quote development, billing, and maintenance;

6.5.3 Contractor shall provide toll free phone, local phone, facsimile, email, internet and any electronic automated method for the State to place service calls;

6.5.4 Equipment Additions and Moves; and

6.5.5 Training.

6.6 Meter Card Requirements

The Contractor will be responsible for remotely or physically taking meter readings monthly at each Equipment site. The Contractor may provide an electronic method for providing periodic meter readings. These electronic methods may include online submission and or automated electronic submission to be performed by the equipment in place via an available network connection as approved by the Customer.

If the room or location where the Equipment is installed is not accessible at the time of the reading, then a verbal reading will be relayed to the Contractor. Copy volumes will be shown on the meter cards or a report shall be supplied by the Contractor. The cards will contain the following data:

6.6.1 Machine serial number;

6.6.2 Meter reading;

6.6.3 "Unusable Copies" count;

6.6.4 Number of copies used during service calls; and

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6.6.5 Authorized Key Operator signature.

If the Customer does not have the ability or preference to not provide the Contractor access to the available network connection, the Contractor shall ensure other mechanisms shall be in place to provide this service.

Meter readings will constitute the total copy volume for a single calendar month.

6.7 Training

Initial training will occur upon delivery and installation of equipment at the point of delivery. Training will be prescheduled with State designated personnel for both typical and unique operational functions. Training shall be available on a continuing basis during the entire term that the equipment is in service, whether it is a refresher session, training new personnel, or to assist with add-on options that the user has purchased. Proposed training materials shall represent all model offerings. Training shall be provided at no additional cost to the Customer.

6.8 Instructions Manuals

Instructions manuals shall be included for each piece of Equipment that is purchased, leased or rented. The instruction manual shall contain, but not be limited to:

- 6.8.1 A section defining the capabilities of the Equipment;
- 6.8.2 A general section describing the technical operation of the Equipment;
- 6.8.3 A section describing the installation and use criteria of the Equipment; and
- 6.8.4 A section on the primary points of contact for sales, training, and maintenance/service.

7. Pricing Requirements:

The Offeror shall propose Equipment and Services that would correlate with both new and previously purchased equipment (legacy equipment) as follows:

7.1 Equipment;

Offeror shall make available manufacturer's base model units at a fixed discount off list price. Offeror shall also make available a fixed discount off list price for all associated parts and accessories that are available as options defined within the Scope of Work. Discounts shall be offered in whole numbers. Offeror shall provide equipment in current production and marketed to the general public and education/government agencies at the time the bid is submitted. Proposed discounts shall be submitted using Attachment II "Discount Schedule".

7.2 Services;

Offeror shall provide services, as described herein, at an hourly or flat rate, whichever is requested for each service. Pricing shall be submitted using the ProcureAZ "Items" tab.

7.3 Legacy Equipment Needs;

Offeror shall propose the most advantageous solution to the State within their offer regarding Legacy Maintenance. This solution shall also include a pricing matrix. The solution shall be certain to meet the needs of the State that are computed within the Scope of Work.



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1. PURPOSE

Pursuant to provisions of the Arizona Procurement Code, A.R.S. 41-2501 Et Seq., the State of Arizona intends to establish a Contract for the materials or services as listed herein.

2. TERM OF CONTRACT

The term of any resultant Contract shall commence on date of award and shall continue for a period of one (1) year thereafter, unless terminated, canceled or extended as otherwise provided herein.

3. CONTRACT EXTENSIONS FIVE (5) YEAR MAXIMUM

The Contract term is for the stated period subject to additional successive periods of twelve (12) months per extension with a maximum aggregate including all extensions not to exceed five (5) years.

4. CONTRACT TYPE (AS NEEDED)

Fixed Price

5. NON-EXCLUSIVE CONTRACT

This contract has been awarded with the understanding and agreement that it is for the sole convenience of the State of Arizona. The State reserves the right to obtain like goods or services from another source when necessary. Off-contract purchase authorization(s) may be approved by the State Procurement Office. Approvals shall be at the exclusive discretion of the State and shall be final. Off-contract procurement shall be consistent with the Arizona Procurement Code.

6. ELIGIBLE AGENCIES (Statewide)

This Contract shall be for the use of all State of Arizona departments, agencies, commissions and boards. In addition, eligible universities, political subdivisions and nonprofit educational or public health institutions may participate at their discretion. In order to participate in this contract, a university, political subdivision, or nonprofit educational or public health institution shall have entered into a Cooperative Purchasing Agreement with the Department of Administration, State Procurement Office as required by Arizona Revised Statutes § 41-2632.

7. ESTIMATED QUANTITIES (CONSIDERABLE)

The state anticipates considerable activity resulting from contracts that will be awarded as a result of this solicitation; however, no commitment of any kind is made concerning quantities actually acquired and that fact should be taken into consideration by each potential Contractor.

8. LICENSES

The Contractor shall maintain in current status, all federal, state and local licenses and permits required for the operation of the business conducted by the Contractor.

9. NEW EQUIPMENT

All Equipment, materials, parts and other components incorporated in the work or an item covered by this Contract shall be new, of the latest model and of the most suitable grade for the purpose intended. Any and all work under this Contract shall be performed in a skilled and workmanlike manner.



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10. SERIAL NUMBERS

The Contract is for Equipment on which the original Manufacturer's serial number has not been altered in any way. Throughout the Contract term, the State reserves the right to reject any altered Equipment.

11. SAFETY STANDARDS

All items authorized by this Contract shall comply with the current applicable Occupational Safety and Health Standards of the State of Arizona Industrial Commission, The National Electric Code, and The National Fire Protection Association Standards.

12. DEFECTIVE PRODUCTS

All defective products shall be replaced and or exchanged by the Contractor. The cost of transportation, unpacking, inspection, repacking, reshipping or other like expenses shall be paid by the Contractor. All replacement products shall be received by the State within a timeframe that is acceptable to both the State and the Contractor, but no longer than thirty (30) days.

13. LOANER EQUIPMENT

Equipment, including all hardware accessories furnished under this Contract shall be capable of continuous operation. In those instances where the Equipment or any accessories become inoperable for a period of seventy-two (72) consecutive working hours, the Contractor shall, at the State's option, provide a loaner copier or accessory of equal capability at no additional cost. Loaner Equipment is defined as Equipment that will be installed on a temporary basis while the malfunctioning Equipment is repaired or until Equipment is replaced and installed. All Loaner Equipment will be replaced within thirty (30) days with the original equipment or a new replacement.

14. TRIAL OR DEMONSTRATION EQUIPMENT

Trial or Demonstration Equipment may be provided under this Contract. Any trial or demonstration period shall not exceed thirty (30) calendar days. No trial or demonstration machine may be converted to a lease, rental or purchase, unless the Equipment was new, prior to the current placement as a trial or demonstration machine. Trial or Demonstration Equipment installation, set-up, and removal shall be provided by the Contractor at no cost, and shall include all initial startup supplies, except paper and staples.

15. MAINTENANCE AND SERVICES

15.1 Service Hours

Scheduled/Preventative Maintenance or Emergency/Corrective Maintenance shall be performed during normal working hours, 8:00 a.m. MST to 5:00 p.m. MST, Monday through Friday, except for State observed holidays.

15.2 Emergency/After Hours Service Calls

The Contractor shall make services available on an emergency basis (unscheduled/corrective) during normal business hours, as well as after normal working hours and during State observed holidays. Emergency or After Hours Service Calls may be provided at a separate service call rate per hour. Either categorization service rate shall not charge for parts and supplies, covered under an established Maintenance/Service.

15.3 Scheduled/Preventative Maintenance

Scheduled/Preventative Maintenance shall be based on the specific needs of the individual machines and in accordance with the Manufacturer's recommendation for optimum equipment performance. The Contractor shall schedule regular preventative maintenance services by appointment with thirty (30) days advanced notice,



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or by establishment of a standard schedule. Scheduled/Preventative Maintenance is not considered as downtime. These calls shall include, but not be limited to:

- 15.3.1 Routine Cleaning;
- 15.3.2 Lubrication;
- 15.3.3 Any Necessary Adjustments; and
- 15.3.4 Replacement of unserviceable parts.

15.4 Onsite Response Times for Service Calls

On-site response times shall be as follows:

- 15.4.1 Urban - On-site response shall not exceed four (4) hours;
- 15.4.2 Rural - On-site response shall not exceed six (6) hours. Service Technician shall provide a telephone call, or email to the Location within two (2) hours of initial service call to the Contractor; and
- 15.4.3 Remote - On-site response shall not exceed eight (8) hours. Service Technician shall provide a telephone call or email to the the Location within two (2) hours of initial service call to the Contractor.

Service calls to the Contractor after 3:00 p.m. MST, shall be serviced the next business day. The Service Technician shall report to the service site, no later than 9:00 a.m. MST, or at a time expressly agreed upon by the State.

16. PURCHASE OF MAINTENANCE/SERVICE AGREEMENTS

Maintenance Agreements and Maintenance Service Agreements shall be made available for purchase on new Equipment at any time during the ninety (90) day warranty period. The Contractor shall also allow the State to purchase the agreements up to nine (9) months after the ninety (90) day warranty period has expired (one (1) year after installation of the equipment) without incurring an update charge.

17. AVAILABILITY OF REPAIR PARTS

The Contractor shall guarantee the availability of repair parts for a minimum of five (5) years subsequent to the acceptance of the Equipment. All branded Equipment components, spare parts, application software, and ancillary equipment purchased and supplied, shall be OEM components. Used and remanufactured components shall not be provided. The Contractor shall ensure that these items are operable and installed in accordance with Manufacturer's specifications.

18. ORDER DELIVERY AND INSTALLATION

Unless otherwise agreed to in writing, delivery of the Equipment, start-up supplies, and consumables shall be within thirty (30) calendar days after receipt of order. **Start-up supplies shall be enough to last through the initial 90 day warranty period.** For orders that include five (5) or more devices, delivery of Equipment shall be within forty-five (45) days. Equipment shall be F.O.B. Destination and delivered to the specific receiving point at any location within the State of Arizona, as required by the State at the time of order. Contractors shall not charge for equipment that is delivered to the Contractor's facilities prior to delivery and installation at the State's location.

Contractor shall retain title and control of all goods until they are delivered, received and installed. All risk of transportation and all related charges shall be the responsibility of the Contractor. All claims for visible and concealed



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damage shall be filed by the Contractor. The State will notify the Contractor promptly of any damaged goods and shall assist the Contractor in arranging for inspection if needed.

All Equipment shall be delivered and installed at no additional cost, including connectivity to the State's network. The State shall ensure that the space selected for installation is of adequate size for proper installation and use. The Contractor shall perform complete installation and verify operation of all Equipment.

Contractor shall at all times keep the premises and the areas in which the work is performed free from accumulation of waste materials or rubbish as well as tools, installation equipment, machinery and surplus materials during the installation process. The Contractor shall remove from the installation site all crates, wrappings and other flammable waste materials.

19. NETWORK CONNECTED MACHINES

The Contractor shall provide a similar contact method as provided for under Scheduled/Preventative Maintenance, where the State may contact the Contractor either by phone, email, facsimile or internet, and ask connectivity questions or seek assistance regarding the connectivity of their machine.

20. EPA ENERGY STAR® PRODUCTS

HB 2324, Chapter 114, A.R.S. 34-451 requires that the State of Arizona purchase Energy Star® products or products certified by the Federal Energy Management Program as energy efficient for all product classifications available. If an Energy Star® product or certified product is available, documentation of the Energy Star® status or certification shall be submitted with the Equipment.

21. TRADE-INS

Trade-Ins are encouraged for all State Agencies, Boards and Commissions. Trade-ins shall be in accordance with the rules established by Surplus Property. Reference the Surplus Property Reference Manual for procedures to be followed. Reference is found at: http://www.azdoa.gov/agencies/msd/surplus_property/reference_manual.asp. Cooperative Members shall follow rules that are established by each of their respective governances.

22. EQUIPMENT DEVICE SECURITY

All new equipment purchases, new equipment rentals, or new equipment lease agreements, regardless of the procurement method utilized to obtain the equipment, shall include at a minimum, the following security devices:

1. Encryption Hard Drive: AES 28-128 bit encryption
2. Data Overwrite Software

23. RELOCATION OF EQUIPMENT

The State may request the relocation of Equipment, either within a Facility or to another designated Entity. Upon notification by the State, the Contractor shall prepare the Equipment for transport, pick-up, delivery, and provide all labor for the installation of the relocated Equipment. The Contractor may charge a flat fee for this service.

24. CANCELLATION OF RENTAL AGREEMENTS

Notwithstanding the provisions of Availability of Funds for the Current State Fiscal Year and Availability of Funds for the Next State Fiscal Year, the State will provide a thirty (30) day written notice of cancellation. Cancellation within a period of time less than the term of the rental agreement may result in the charge of certain fees and other applicable charges not to exceed the residual value of the Equipment. The cancellation notice from the State shall include the following information:



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- 25.1 Equipment location referencing, State Name, Building Location and Room Number;
- 25.2 Equipment Model and Serial Number;
- 25.3 Meter Reading; and
- 25.4 Date the Equipment will be available for removal.

25. SECURE LOCATION DELIVERIES

The Contractor will be responsible for contacting the Secure Location., i.e., Arizona Department of Corrections, for security clearance, hours of operation, dress code, and other related rules when scheduling a delivery or service call. Lack of familiarity with the locations or policies will not relieve a Contractor of their responsibilities in fulfillment of the delivery, installation, maintenance/service and contract requirements.

26. WARRANTY

All Equipment supplied under this Contract shall be fully guaranteed by the Contractor for a minimum period of ninety (90) days from the date of acceptance by the State. Any defects in design, workmanship, or materials, that would result in non-compliance with the specifications, shall be fully corrected by the Contractor, including all parts and labor, without cost to the State.

27. PRICE ADJUSTMENT

Contractor prices accepted and subsequently awarded by a Contract shall remain in effect for a minimum of one (1) year. The Contractor may request a price adjustment, but the State will not review or approve an increase until the Contract has been in effect for one (1) year. The State will review any requested rate increase to determine whether such request is reasonable in relation to increased supplier or material costs. Contractor shall provide written justification for any price adjustment requested, including information contained in the Consumer Price Index or similar official cost analysis to support any requested price increase. Any price increase adjustment, if approved, will be effective upon execution of a written Contract amendment. Likewise, the Contractor shall offer the State a price adjustment reduction concurrent with reduced costs from their suppliers. Price reductions will become effective upon execution of a Contract amendment.

28. PRICE REDUCTION

Price reductions may be submitted to the state for consideration at any time during the Contract period. The Contractor shall offer the State a price reduction on the Contract product(s) concurrent with a published price reduction made to other customers. The State at its own discretion may accept a price reduction. The Contractor shall request, in writing, a price reduction. The Contractor shall request, in writing, a price reduction and provide the following:

- 29.1 A formal announcement from the manufacturer that the cost of the contract product has been reduced.
- 29.2 Documentation, i.e., published cost lists, from the manufacturer showing, to the satisfaction of the state, the actual cost reduction.
- 29.3 Documentation showing that the published cost reductions have been offered to other distributors.

29. PAYMENT PROCEDURES

The State will not make payments to any Entity, Group or individual other than the Contractor with the Federal Employer Identification (FEI) Number identified in the Contract. Contractor invoices requesting payment to any Entity, Group or individual other than the contractually specified Contractor shall be returned to the Contractor for correction.



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The Contractor shall review and insure that the invoices for services provided show the correct Contractor name prior to sending them for payment.

If the Contractor Name and FEI Number change, the Contractor shall complete an "Assignment and Agreement" form transferring contract rights and responsibilities to the new Contractor. The State shall indicate consent on the form. A written Contract Amendment shall be signed by both parties and a new W-9 form shall be submitted by the new Contractor and entered into the system prior to any payments being made to the new Contractor.

30. INFORMATION DISCLOSURE

The Contractor shall establish and maintain procedures and controls that are acceptable to the State for the purpose of assuring that no information contained in its records or obtained from the state or from others in carrying out its functions under the contract shall be used or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the Contract. Persons requesting such information should be referred to the State. The Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the State.

31. EMPLOYEES OF THE CONTRACTOR

All employees of the Contractor employed in the performance of work under the Contract shall be considered employees of the Contractor at all times, and not employees of the State. The Contractor shall comply with the Social Security Act, Workman's Compensation laws and Unemployment laws of the State of Arizona and all State, local and Federal legislation relevant to the Contractor's business.

32. ORDER PROCESS

The award of a Contract shall be in accordance with the Arizona Procurement Code. Any attempt to represent any material and/or service not specifically awarded as being under contract with the State is a violation of the Contract and the Arizona Procurement Code. Any such action is subject to the legal and contractual remedies available to the State inclusive of, but not limited to, contract cancellation, suspension and/or debarment of the Contractor.

33. CONTRACTOR PERFORMANCE REPORTS

Program management shall document Contractor performance, both exemplary and needing improvements where corrective action is needed or desired. Copies of corrective action reports will be forwarded to the Procurement Office for review and any necessary follow-up. The Procurement Office may contact the Contractor upon receipt of the report and may request corrective action. The Procurement Office shall discuss the Contractor's suggested corrective action plan with the Procurement Specialist for approval of the plan.

34. OFFSHORE PERFORMANCE OF WORK PROHIBITED

Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or "overhead" services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

35. ADMINISTRATIVE FEE / USAGE REPORTS



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- 36.1 Contractor shall assess an administrative fee in the amount of one (1%) against all contract sales to members of the State Purchasing Cooperative – including cities, counties, school districts and other qualified members. The administrative fee is calculated against all sales under this contract minus any taxes or regulatory fees, minus any returns or credits, and minus any shipping charges not already included in the unit prices. An updated list of State Purchasing Cooperative members may be found at http://spo.az.gov/Cooperative_Procurement/SPC/default.asp. At its option, the State may expand or narrow the applicability of this fee. The State shall provide thirty (30) written notice prior to exercising or changing this option.
- 36.2 Contractors shall submit a Quarterly Usage Report documenting all contract sales. For more information on the Quarterly Usage Report or the Administrative Fee, its calculation, submission or use, and the proper Usage Report Forms see the State Procurement Office's web site at http://spo.az.gov/Contractor_Resources/Admin_Fee/default.asp. Any alternate Quarterly Usage Report format shall be approved by the Procurement Officer. Any usage report that is submitted to the State for the purpose of satisfying this requirement shall be deemed public record and all information contained in such report shall not be considered confidential, including any supplemental information contained in the submitted report beyond that which is requested in the Sample Forms located at the State Procurement Office Web Site.
- 36.3 The Administrative Fee shall be submitted, along with a Quarterly Usage Report to the State Procurement Office within thirty (30) days following the end of each calendar quarter. Administrative Fees shall be submitted to the following address:
Arizona Department of Administration
State Procurement Office
Attention: Statewide Contract Administrative Fee
100 N. 15th Avenue, Suite 201
Phoenix, AZ 85007.
- 36.4 The submission schedule for Administrative Fees and Usage reports shall be as follows:

FY Q1, July through September	Due October 31
FY Q2, October through December	Due January 31
FY Q3, January through March	Due by April 30
FY Q4, April through June	Due by July 31
- 36.5 The Administrative Fee shall be a part of the Contractor's unit prices and is not to be charged directly to the customer in the form of a separate line item. Statewide contracts shall not have separate prices for State Agency customers and State Purchasing Cooperative customers.
- 36.6 Contractor's failure to remit administrative fees in a timely manner consistent with the contract's requirements may result in the State exercising any recourse available under the contract or as provided for by law.

36. ACCESS CONSTRAINTS AND REQUIREMENTS

Contractor access to State facilities and resources shall be properly authorized by State personnel, based on business need and **will be restricted to least possible privilege**. Upon approval of access privileges, the Contractor shall maintain strict adherence to all policies, standards, and procedures. Policies / Standards, ADOA/ASET Policies/Procedures, and Arizona Revised Statutes (ARS) 28-447, 28-449, 28-450, 38-421, 13-2408, 13-2316, 41-770).

Failure of the Contractor, its agents or subcontractors to comply with policies, standards, and procedures including any person who commits an unlawful breach or harmful access (physical or virtual) will be subject to prosecution under all applicable state and / or federal laws.

Any and all recovery or reconstruction costs or other liabilities associated with an unlawful breach or harmful access shall be paid by the Contractor.



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37. SECTION 508 COMPLIANCE

Unless specifically authorized in the Contract, any electronic or information technology offered to the State of Arizona under this Contract shall comply with A.R.S. § 41-3531 and § 41-3532 and Section 508 of the Rehabilitation Act of 1973, which requires that employees and members of the public shall have access to and use of information technology that is comparable to the access and use by employees and members of the public who are not individuals with disabilities.

38. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996

The Contractor warrants that it is familiar with the requirements of HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH Act) of 2009, and accompanying regulations and will comply with all applicable HIPAA requirements in the course of this Contract. Contractor warrants that it will cooperate with the State in the course of performance of the Contract so that both the State and the Contractor will be in compliance with HIPAA, including cooperation and coordination with the Arizona Strategic Enterprise Technology (ASET) Group, Statewide Information Security and Privacy Office (SISPO), Chief Privacy Officer and HIPAA Coordinator and other compliance officials required by HIPAA and its regulations. Contractor will sign any documents that are reasonably necessary to keep the State and Contractor in compliance with HIPAA, including but not limited to, business associate agreements.

If requested, the Contractor agrees to sign a "Pledge to Protect Confidential Information" and to abide by the statements addressing the creation, use and disclosure of confidential information, including information designated as protected health information and all other confidential or sensitive information as defined in policy. In addition, if requested, Contractor agrees to attend or participate in job related HIPAA training that is: (1) intended to make the Contractor proficient in HIPAA for purposes of performing the services required and (2) presented by a HIPAA Privacy Officer or other person or program knowledgeable and experienced in HIPAA and who has been approved by the ASET/SISPO Chief Privacy Officer and HIPAA Coordinator.

39. INDEMNIFICATION

Contractor shall indemnify, defend, save and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State of Arizona.

This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

40. INSURANCE

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.



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The *insurance requirements* herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

A. MINIMUM SCOPE AND LIMITS OF INSURANCE: Contractor shall provide coverage with limits of liability not less than those stated below.

1. Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage, personal and advertising injury and broad form contractual liability coverage.

- General Aggregate \$ 2,000,000
- Products – Completed Operations Aggregate \$ 1,000,000
- Personal and Advertising Injury \$ 1,000,000
- Blanket Contractual Liability – Written and Oral \$ 1,000,000
- Damage to Rented Premises \$ 50,000
- Each Occurrence \$ 1,000,000

a. The policy shall be endorsed to include the following additional insured language: ***“The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.”*** Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.

b. Policy shall contain a waiver of subrogation endorsement in favor of the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

2. Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

- Combined Single Limit (CSL) \$ 1,000,000

a. The policy shall be endorsed to include the following additional insured language: ***“The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor.”*** Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.

b. Policy shall contain a waiver of subrogation endorsement in favor of the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

c. Policy shall contain a severability of interest provision.

3. Worker's Compensation and Employers' Liability



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- Workers' Compensation Statutory
- Employers' Liability
 - Each Accident \$ 500,000
 - Disease – Each Employee \$ 500,000
 - Disease – Policy Limit \$1,000,000

- a. Policy shall contain a waiver of subrogation endorsement in favor of the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- b. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. § 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

4. Professional Liability (Errors and Omissions Liability)

- Each Claim \$1,000,000
- Annual Aggregate \$2,000,000

- a. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.
- b. The policy shall cover professional misconduct or negligence acts for those positions defined in the Scope of Work of this contract.

B. ADDITIONAL INSURANCE REQUIREMENTS: The policies shall include, or be endorsed to include, the following provisions:

1. The Contractor's policies shall stipulate that the insurance afforded the Contractor shall be primary insurance and that any insurance carried by the Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by the A.R.S. § 41-621 (E).
2. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

C. NOTICE OF CANCELLATION: With the exception of (10) day notice of cancellation for non-payment of premium, any changes material to compliance with this contract in the insurance policies above shall require (30) days written notice to the State of Arizona. Such notice shall be sent directly to **Charlotte Righetti, CPPB 100 North 15th Avenue, Suite 201, Phoenix, AZ 85007** and shall be sent by certified mail, return receipt requested.

D. ACCEPTABILITY OF INSURERS: Contractors insurance shall be placed with companies duly licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII or duly authorized to transact Workers' Compensation insurance in the State of Arizona. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. VERIFICATION OF COVERAGE: Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by an authorized representative.



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All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to **Charlotte Righetti, CPPB 100 North 15th Avenue, Suite 201, Phoenix, AZ 85007**. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete copies of all insurance policies required by this Contract at any time.

- F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.
- G. **APPROVAL:** Any modification or variation from the *insurance requirements* in this Contract shall be made by the contracting agency in consultation with the Department of Administration, Risk Management Division. Such action will not require a formal Contract amendment, but may be made by administrative action.
- H. **EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.



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UNIFORM TERMS AND CONDITIONS

1. **Definition of Terms.** As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

- 1.1 "Attachment" means any item the Solicitation requires the Offeror to submit as part of the Offer.
- 1.2 "Contract" means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
- 1.3 "Contract Amendment" means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
- 1.4 "Contractor" means any person who has a Contract with the State.
- 1.5 "Days" means calendar days unless otherwise specified.
- 1.6 "Exhibit" means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
- 1.7 "Gratuity" means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
- 1.8 "Materials" means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.
- 1.9 "Procurement Officer" means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
- 1.10 "Services" means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.
- 1.11 "Subcontract" means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
- 1.12 "State" means the State of Arizona and Department or Agency of the State that executes the Contract.
- 1.13 "State Fiscal Year" means the period beginning with July 1 and ending June 30,

2 Contract Interpretation

- 2.1 Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
- 2.2 Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.



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2.3 Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:

- 2.3.1 Special Terms and Conditions;
- 2.3.2 Uniform Terms and Conditions;
- 2.3.3 Statement or Scope of Work;
- 2.3.4 Specifications;
- 2.3.5 Attachments;
- 2.3.6 Exhibits;
- 2.3.7 Documents referenced or included in the Solicitation.

2.4 Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.

2.5 Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.

2.6 No Parol Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.

2.7 No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3 Contract administration and operation.

3.1 Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.

3.2 Non-Discrimination. The Contractor shall comply with State Executive Order No. 2009-09 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.

3.3 Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.

3.4 Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines noncompliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.

3.5 Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement



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Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.

- 3.6 Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.
- 3.7 Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.
- 3.8 Ownership of Intellectual Property
Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of the contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor (s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.
- 3.9 Federal Immigration and Nationality Act The Contractor shall comply with all federal, state, and local immigration laws and regulations relating to the immigration status of their employees during the term of the Contract. Further the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers or any employee thereof to ensure compliance. Should the State determine that the contractor and or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including but not limited to; suspension of work, termination of the contract for default and suspension and or debarment of the contractor.
- 3.10 E-Verify Requirements In accordance with A.R.S 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with A.R.S. 23-214, Subsection A.
- 3.11 Scrutinized Businesses In accordance with A.R.S. 35-391 and A.R.S. 35-393, Contractor certifies that the Contractor does not have scrutinized business operations in Sudan or Iran.

4 Costs and Payments

- 4.1 Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- 4.2 Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.
- 4.3 Applicable Taxes.



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- 4.3.1 Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.
- 4.3.2 State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.
- 4.3.3 Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.
- 4.3.4 IRS W9 Form. In order to receive payment the Contractor shall have a current IRS W9 Form on file with the State of Arizona, unless not required by law.
- 4.4 Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.
- 4.5 Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:
- 4.5.1 Accept a decrease in price offered by the, contractor
 - 4.5.2 Cancel the Contract
 - 4.5.3 Cancel the contract and re-solicit the requirements.

5 Contract changes

- 5.1 Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the procurement officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
- 5.2 Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.
- 5.3 Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6 Risk and Liability

- 6.1 Risk of Loss. The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt



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does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.

6.2 Indemnification

6.2.1 Contractor/Vendor Indemnification (Not Public Agency) The parties to this contract agree that the State of Arizona, its' departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its' departments, agencies, boards and commissions shall be responsible for its' own negligence. Each party to this contract is responsible for its' own negligence.

6.2.2 Public Agency Language Only Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its' officers, officials, agents, employees, or volunteers."

6.3 Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.

6.4 Force Majeure.

6.4.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "*force majeure*" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

6.4.2 Force Majeure shall not include the following occurrences:

6.4.2.1 Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

6.4.2.2 Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or

6.4.2.3 Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

6.4.3 If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of



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completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

6.4.4 Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

6.5 Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

7 Warranties

7.1 Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.

7.2 Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:

7.2.1 Of a quality to pass without objection in the trade under the Contract description;

7.2.2 Fit for the intended purposes for which the materials are used;

7.2.3 Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;

7.2.4 Adequately contained, packaged and marked as the Contract may require; and

7.2.5 Conform to the written promises or affirmations of fact made by the Contractor.

7.3 Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.

7.4 Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.

7.5 Compliance With Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable licenses and permit requirements.

7.6 Survival of Rights and Obligations after Contract Expiration or Termination.

7.6.1 Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.

7.6.2 Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.



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8 State's Contractual Remedies

- 8.1 Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.
- 8.2 Stop Work Order.
- 8.2.1 The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.
- 8.2.2 If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.
- 8.3 Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.
- 8.4 Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.
- 8.5 Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

9 Contract Termination

- 9.1 Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.
- 9.2 Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.



Uniform Terms and Conditions

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Maintenance

OF
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State of Arizona
State Procurement Office
100 N 15th Ave., Suite 201
Phoenix, AZ 85007

- 9.3 Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.
- 9.4 Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the State without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.
- 9.5 Termination for Default
- 9.5.1 In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.
- 9.5.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.
- 9.5.3 The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.
- 9.6 Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.
- 10 **Contract Claims.** All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.
- 11 **Arbitration.** The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (Title 41).
- 12 **Comments Welcome.** The State Procurement Office periodically reviews the Uniform Terms and Conditions and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 201, Phoenix, Arizona 85007.

**Xerox Clarifications to
State of Arizona
Bid Solicitation - Number ADSP013-00002672
Multifunction Devices, Including Supplies and Maintenance**

The below Clarifications have been discussed and negotiated with the State of Arizona Procurement Office and are incorporated as part of Xerox's offering.

Xerox's Clarifications to the State's Bid

Xerox provides the following clarifications and comments to the below listed State Bid requirements. Should there be a conflict between the terms of the various documents the order of precedence shall be the State's RFP followed by the Xerox proposal, and the Xerox Purchase, Rental, or Lease Agreements.

Scope of Work

4 – Scope of Products and Services and 5.2.10 – Equipment Minimums. Please note that Xerox will provide either newly manufactured or factory produced new model equipment. Both equipment types are currently manufactured by Xerox in a factory environment. None of the equipment provided will be remanufactured, reconditioned, recycled, refurbished, or used, although the equipment may contain some recycled components that meet new parts performance standards. Regardless of the equipment type provided, the State will be the first user of the newly manufactured and factory produced new model equipment.

Special Terms and Conditions

9 – New Equipment. Xerox will provide either newly manufactured or factory produced new model equipment. Both equipment types are currently manufactured by Xerox in a factory environment. Regardless of the equipment type provided, the State will be the first user of the newly manufactured and factory produced new model equipment.

18 – Order Delivery and Installation, F.O.B. Delivery. The Xerox offer includes all expenses associated with the equipment's freight, its shipment to and removal from the State's delivery dock, and its inside delivery/removal, excluding any unique delivery or removal expenses. The State will be responsible for any non-standard inside delivery or removal expenses, such as the additional time or resources required to disassemble the equipment due to the lack of adequate facility access (door removal, upending equipment, or crane support) or the movement of the equipment up/down stairs using stair creepers. If any excess rigging is required, Xerox will include the details and associated costs with the individual equipment proposal prior to performing the actual service.

25 – Cancellation of Rental Agreements. Xerox accepts this provision with the understanding that it does not apply to lease orders. Deliveries for single unit orders will be completed within 30 days of the order receipt date and deliveries for multiple units on a single order will be made within 45 days of the order receipt date. Lease cancellation is detailed in the Negotiated Xerox Lease Agreement, Default & Remedies provision.

29 – Price Reduction. Xerox cannot guarantee that any future price reduction will automatically flow to the agreement, as the State's lease price is not based on standard published prices. Since the Contract offering has been customized based on the specific equipment quantities, impression volumes, agreement term, and service/support requirements included in the State's RFP, including the fixed price requirement, the agreement may not be eligible to receive any further price decreases.

Uniform Terms and Conditions

2.1 – Arizona Law. Xerox understands that any lease or purchase order is subject to the terms of the Arizona Uniform Commercial Code. However, except to the extent expressly allowed under the Contract and to the extent permitted by applicable law, the parties agree to waive all rights and remedies conferred upon the State by Article 2A of the Uniform Commercial Code. That is, Xerox shall not be required to sell the equipment on the used market and be obligated to use proceeds of that sale to offset or mitigate the early termination charges resulting from the State's early termination of the agreement, as Xerox does not have the process capability to support this activity.

3.1 – Records and 3.3 – Audit. Xerox agrees, upon 10-business days written request to make available to the State the financial and other records that are required to substantiate the Services and accurate billings under

**Xerox Clarifications to
State of Arizona
Bid Solicitation - Number ADSP013-00002672
Multifunction Devices, Including Supplies and Maintenance**

the Agreement. These records exclude any information deemed by Xerox to be confidential or proprietary consistent with Arizona State law.

3.8 – Ownership of Intellectual Property. . Xerox does not anticipate the development of any customized products or programming in connection with the services provided under the Contract. Xerox agrees that all State documents printed/copied on Xerox supplied equipment is the State's sole and exclusive property, and that Xerox shall have no rights to these documents. Also all reports and the output of Services is Customer's sole and exclusive property and Xerox will have no rights therein, except as may be required for Xerox to perform Services. All other work prepared by or processes developed by Xerox for the State's use will remain the sole property of Xerox is not deemed as a "work for hire". Xerox grants the State a non-exclusive, perpetual, fully paid-up, world wide right to use, display, reproduce and modify any report, form, design, computer programs, code, or other work of authorship provided by Xerox to the State.

4.2 – Delivery. Prices quoted include the cost of normal inside delivery and removal of the equipment. The State will be responsible for any rigging charges associated with non-standard deliveries. If rigging charges apply, a quote will be provided to the State prior to delivery of the equipment.

4.4 – Availability of Funds for the Next State fiscal year and 4.5 – Availability of Funds for the Current State Fiscal Year. Xerox accepts the State's provision with the understanding that it does not apply to lease orders. Termination of a lease equipment placement due to funding non-appropriation is provided in the Negotiated Xerox Lease Agreement, Funding provision.

5.2 –Subcontracts and 5.3 – Assignment. Please note that Xerox reserves the right to assign the equipment to a parent, subsidiary, or affiliate of Xerox for the purpose of securitizing, monetization, or factoring the transaction. Xerox will continue to be responsible for the provision of Maintenance Services and all other contractual obligations and all payments will be made to Xerox. Xerox's assignment of the Maintenance Services will require the State's prior written consent.

8.2 – Stop Work Order. Xerox accepts the State's provision with the understanding that it does not apply to lease orders, as lease payments do not relieve the end user from payment obligations.

8.4 – Nonconforming Tender. Xerox requests written notice of its performance failure and an opportunity for Xerox to correct its performance prior to the State exercising its rights under this provision.

8.5 – Right of Offset. Xerox requests written notice of any outstanding obligations due to the State, and an opportunity to review the outstanding obligation and pay the amount due prior to the State exercising its rights under this provision.

9.4 – Termination for Convenience. Xerox accepts this provision with the understanding that it does not apply to lease orders. Lease cancellation is detailed in the Negotiated Xerox Lease Agreement, Default & Remedies provision.

9.5 - Termination for Default. Xerox requests written notice of its default and an opportunity to cure its performance before the State exercises its rights under this provision.

Uniform Instructions

13 – Delivery. Prices quoted include the cost of normal inside delivery and removal of the equipment. The State will be responsible for any rigging charges associated with non-standard deliveries. If rigging charges apply, a quote will be provided to the State prior to delivery of the equipment.

***** Last Clarification *****

EXHIBIT B
TO
COOPERATIVE PURCHASING AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
XEROX CORPORATION

[Quote]

See following page.

Lease Pricing PROPOSAL



Presented to FOUNTAIN HILLS, TOWN OF

By Patty Kemnitz

On 8/19/2016

Negotiated Contract : 072653100

Solution

Item	Product Description	Agreement Information	Requested Install Date
1. W7830PT (W7830PT TANDEM)	<ul style="list-style-type: none"> - 2/3 Hole Punch - Convenience Stapler - Office Finisher Lx 	Lease Term: 60 months Purchase Option: FMV	9/2/2016

Monthly Pricing

Item	Lease Minimum Payment	Print Charges			Maintenance Plan Features
		Meter	Volume Band	Per Print Rate	
1. W7830PT	\$92.89	1: BLACK	All Prints	\$0.0056	- Consumable Supplies Included for all prints - Pricing Fixed for Term
		2: COLOR	All Prints	\$0.0506	
Total	\$92.89	Minimum Payments (Excluding Applicable Taxes)			

All information in this proposal is considered confidential and is for the sole use of FOUNTAIN HILLS, TOWN OF. If you would like to acquire the solution described in this proposal, we would be happy to offer a Xerox order agreement. Pricing is subject to credit approval and is valid until 9/18/2016.

For any questions, please contact me at (480)356-2287

