



Commonwealth of Virginia
Virginia Information Technologies Agency

STATEWIDE PRINTING DEVICES AND MANAGED PRINT SERVICES

Date: February 22, 2016

Contract #: VA-130405-LII

Authorized User: All public bodies, including VITA, and all Commonwealth Agencies as defined by §2.2-4301 and referenced by §2.2-4304 of the *Code of Virginia*

Contractor: Lexmark International Inc.
740 W. Circle Road
Lexington, KY 40550

FIN: 06-1308215

Contact Person: Deb Rossi
Voice: 202-378-9003
Email: deb.rossi@lexmark.com

Term: April 5, 2016 – April 4, 2017

Payment: Net 30 days

For Additional Contract Information, Please Contact:

Virginia Information Technologies Agency
Supply Chain Management

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Strategic Sourcing Specialist
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NOTES: Individual Commonwealth of Virginia employees are not authorized to purchase equipment or services for their personal use from this Contract.

For updates, please visit our Website at <http://www.vita.virginia.gov/procurement/contracts.cfm>

VIRGINIA INFORMATION TECHNOLOGIES AGENCY (VITA): Prior review and approval by VITA for purchases in excess of \$100,000.00 is required for State Agencies and Institutions only.



COMMONWEALTH of VIRGINIA

Virginia Information Technologies Agency

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TDD VOICE -TEL. NO.
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February 22, 2016

Deb Rossi
Lexmark International Inc.
One Lexmark Centre Drive
740 West New Circle Road
Lexington Kentucky 40550

Per Section 3.A. ("Term and Termination") of contract VA-130405-LII, The Virginia Information Technologies Agency has elected to exercise its option to renew the contract for one year, from April 5, 2016 through April 4, 2017. Should you have any questions, please feel free to contact me.

Respectfully,
Doug Crenshaw
Strategic Sourcing Manager
Virginia Information Technologies Agency
(804) 416-6160



COMMONWEALTH of VIRGINIA

Virginia Information Technologies Agency

Samuel A. Nixon, Jr.
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711

February 25, 2015

Ben Lewis
Lexmark International Inc.

Per Section 3.A. ("Contract Term") of contract VA-130405-LII, The Virginia Information Technologies Agency has elected to exercise its option to renew the contract for one year, from April 5, 2015 through April 4, 2016. Should you have any questions, please feel free to contact me.

Respectfully,
Doug Crenshaw
Strategic Sourcing Manager
Virginia Information Technologies Agency
(804) 416-6160

**MODIFICATION NO. 1
TO
CONTRACT NUMBER VA-130405-LII
BETWEEN THE
COMMONWEALTH OF VIRGINIA
AND
LEXMARK INTERNATIONAL, INC.**

This MODIFICATION No. 1 is hereby incorporated into and made an integral part of Contract VA-130405-LII

The purpose of this Modification is to add the clause(s) and clarifications listed below:

1. Add to the definition of "Authorized Users" in Section 2 Subsection C on Contract Page 1.
"Authorized Users also include private institutions of higher education chartered in Virginia and granted tax-exempt status under §501(c)(3) of the Internal Revenue Code. A list of the private institutions eligible to use this contract can be found at <http://www.cicv.org/our-Colleges/Profiles.aspx>
2. Add to the definition of "Reimbursement of Expenses" in Section 5 Subsection B on Contract Page 6.
"If the authorized User is a private institution chartered in Virginia and granted tax-exempt status under §501(c)(3) of the Internal Revenue Code, such private institution may have its own per diem amounts applicable to Supplier's pre-approved travel expenses."
3. Add to the definition of "Indemnification" in Section 12 Subsection A on Contract Pages 12-13.
"In the event of settlement between Supplier and private institution of higher education who is an Authorized User of this contract, the settlement shall be satisfactory to such institution."
4. Add to the definition of "Hardware-related (System and Third-Party) Software License" in Section 17 Subsection J on Contract Page 26.
"If Authorized User is a state agency, board, commission, or other quasi-political entity of the Commonwealth of Virginia or other body referenced in Title 2.2 of the Code of Virginia, the license shall be held by the Commonwealth. If Authorized User is a locality, municipality, school, school system, college, university, local board, local commission, or local quasi-political entity, the license shall be held by that public body. If Authorized User is a private institution, the license shall be held by that private institution."
5. Add to the definition of "SOFTWARE LICENSE (NON-HARDWARE RELATED)" in Section 18 on Contract Page 27.
"If Authorized User is a state agency, board, commission, or other quasi-political entity of the Commonwealth of Virginia or other body referenced in Title 2.2 of the Code of Virginia, the license shall be held by the Commonwealth. If Authorized User is a locality, municipality, school, school system, college, university, local board, local commission, or local quasi-political entity, the license shall be held by that public body. If Authorized User is a private institution, the license shall be held by that private institution."

6. Add to the definition of "Dispute Resolution" in Section 20 Subsection E on Contract Page 37.
"In the event of any breach by a public body or a private institution, Supplier's remedies shall be limited to claims for damages and Prompt Payment Act interest and, if available and warranted, equitable relief, all such claims to be processed pursuant to this Section. In no event shall Supplier's remedies include to the right to terminate any license or support services hereunder."

The foregoing is the complete and final expression of the parties' agreement to modify Contract VA-130405-L11 by this Modification No. 1.

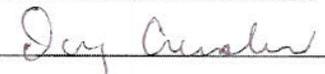
ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PERSONS SIGNING THIS CONTRACT ARE AUTHORIZED REPRESENTATIVES OF EACH PARTY TO THIS CONTRACT AND ACKNOWLEDGE THAT EACH PARTY AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE CONTRACT.

LEXMARK INTERNATIONAL, INC

BY: 
NAME: Ronald Binkauskas
TITLE: Vice President & GM of North America
DATE: July 28, 2014

COMMONWEALTH OF VIRGINIA

BY: 
NAME: Day Crenshaw
TITLE: VATA Sourcign mgr
DATE: 8/11/14



Statewide Printing Devices and Managed Print Services Information Technology Contract

between

The Virginia Information Technologies Agency

on behalf of

The Commonwealth of Virginia

and

LEXMARK INTERNATIONAL, INC.

**STATEWIDE PRINTING DEVICES AND MANAGED PRINT SERVICES
INFORMATION TECHNOLOGY CONTRACT
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STATEWIDE PRINTING DEVICES AND MANAGED PRINT SERVICES INFORMATION TECHNOLOGY CONTRACT

THIS STATEWIDE PRINTING DEVICES AND MANAGED PRINT SERVICES INFORMATION TECHNOLOGY CONTRACT ("Contract") is entered into by and between the Virginia Information Technologies Agency (VITA) pursuant to §2.2-2012 of the Code of Virginia and on behalf of the Commonwealth of Virginia, and Lexmark International, Inc. ("Supplier"), a corporation headquartered at 740 W. New Circle Road Lexington KY 40550, to be effective as of April 5, 2013 ("Effective Date").

1. PURPOSE

This Contract sets forth the terms and conditions under which Supplier agrees to provide purchase/rental/lease of Multifunction Devices, Wide Format, Low-End Devices, High Speed Production Devices, Software and related accessories/supplies, Services and Maintenance for devices and Managed Print Services to Authorized Users of this Contract.

2. DEFINITIONS

A. Acceptance

Successful delivery and performance of all Services and Deliverables at the location(s) designated and, if applicable, successful Acceptance testing in conformance with the Requirements, as set forth in this Contract and by an Authorized User in the applicable order or Statement of Work.

B. Agent

Any third Party independent Agent of any Authorized User.

C. Authorized Users

All public bodies, including VITA, as defined by §2.2-4301 and referenced by §2.2-4304 of the Code of Virginia.

D. Computer Virus

Any malicious code, program, or other internal component (e.g., computer virus, computer worm, computer time bomb, or similar component), which could damage, destroy, alter or disrupt any computer program, firmware, or hardware or which could, in any manner, reveal, damage, destroy, alter or disrupt any data or other information accessed through or processed by such Software in any manner.

E. Confidential Information

Any confidential or proprietary information of a Party that is disclosed in any manner, including oral or written, graphic, machine readable or other tangible form, to any other Party in connection with or as a result of discussions related to this Contract or any order or Statement of Work issued hereunder, and which at the time of disclosure either (i) is marked as being "Confidential" or "Proprietary", (ii) is otherwise reasonably identifiable as the confidential or proprietary information of the disclosing Party, or (iii) under the circumstances of disclosure should reasonably be considered as confidential or proprietary information of the disclosing Party.

F. Consumables

Toner, drums, fuser agent, developer, ink cartridges, maintenance kits, feeder rollers, transfer kits, waste toner boxes and cleaning kits, needed for the operation of the Products provided by Supplier on behalf of the Authorized User in order to fulfill the Services.

G. Deliverable(s)

The tangible embodiment of the Products, Software, and/or Services including the development or creation of Work Product and provision of required management, administrative and technical reports, documents, Documentation, plans, drawings, schematics, and media, provided by Supplier as identified in this Contract and/or any applicable order or Statement of Work issued under this Contract.

H. Documentation

Those materials detailing the information and instructions needed in order to allow any Authorized User and its Agents to make productive use of the Deliverables, and to implement and develop

self-sufficiency with regard to the Deliverables obligated under this Contract and as may be specified in an order or Statement of Work issued under this Contract.

I. Electronic Self-Help

Any use of electronic means to exercise Supplier's license termination rights, if allowable pursuant to the Software License section of this Contract, upon breach or cancellation, termination or expiration of this Contract or any order or Statement of Work placed hereunder.

J. Lease Agreement

The executed agreement for the lease of wide format and high speed production devices between an Authorized User and the Supplier, pursuant to the terms and conditions of this Contract.

K. Lease Term

The fixed non-cancelable term, plus all periods covered by bargain renewal options, plus all periods for which failure to renew the lease would impose a penalty sufficient to make the renewal reasonably assured, plus all periods covered by ordinary renewal options during which the lessee guarantees the lessor's debt with respect to the leased property, plus all periods covered by ordinary renewal portions up to the date a bargain purchase option becomes exercisable, plus all renewals or extensions of the lease, which are at the lessor's option.

L. Maintenance Level

The parameters of Maintenance Services, including the times during which and time-frames in which Supplier shall respond to a request for Maintenance Services. The available Maintenance Levels shall be as defined in the Contract. The actual Maintenance Level for a unit of Product or Software shall be set forth in the executed order or SOW for Maintenance of that Product or Software referencing this Contract.

M. Maintenance Period; Maintenance Coverage Period (MCP)

The term during which Maintenance is to be provided for a unit of Product or Software.

N. Maintenance Services (or Maintenance)

Those preventive, remedial and support Services and Software Updates, provided by Supplier at Authorized User's request in order to ensure continued operation of the Product, or Software.

O. Managed Print Services

Services offered by Supplier to optimize or manage an Authorized User's document output which could include items such as but not limited to office printing needs, furnishing supplies, service and overall management of the printer fleet.

P. Multifunction Device (MFD)

A device which includes various capabilities, including by not limited to, copying, printing, faxing and scanning as determined by the applicable original equipment manufacturers specifications.

Q. Operating Condition

That condition which allows a Product or Software to function in a normal, acceptable working manner, as designed by the Product manufacturer or Software Publisher.

R. Party

Supplier, VITA, or any Authorized User.

S. Preventive Maintenance

Maintenance that can be performed in advance of an actual problem or malfunction through the monitoring of internal diagnostic reports generated automatically by the Products, including print output devices.

T. Product(s)

Hardware, including printing devices, peripherals, and any other equipment, including the hardware's system Software, all upgrades, all applicable user Documentation and related accessories as set forth in this Contract.

U. Receipt

An Authorized User or its Agent has physically received any Deliverable at the correct "ship-to" location.

V. Rental Agreement

The executed agreement for rental of MFD Product, Software and related accessories between an Authorized User and the Supplier, pursuant to the terms and conditions of this Contract.

W. Rental Services

Those Services, preventive and remedial, performed by Supplier at Authorized User's request in order to ensure continued operation of the rented Product. Rental Services shall include support services.

X. Rental Term

The time period beginning at Acceptance, and any extension(s) thereto allowable pursuant to this Contract, and except as cancelled or terminated in accordance with this Contract, during which Supplier rents a unit of Product to an Authorized User.

Y. Requirements

The functional, performance, operational, compatibility, Acceptance testing criteria and other parameters and characteristics of the Products, Software, Services, and/or other Deliverables as set forth in Exhibit C and such other parameters, characteristics, or performance standards that may be agreed upon in writing by VITA and Supplier or the Parties to an order or Statement of Work issued hereunder. [In case of conflict, see the Entire Contract clause for order of precedence.]

Z. Response Time

The time between Supplier's receipt of Authorized User's request for Maintenance support and the time Supplier commences repair or remediation.

AA. Service (s)

Any work performed or Services provided by the Supplier to VITA or any Authorized User under this Contract including but not limited to, configuration design, installation, testing, support, maintenance, and training. This Contract shall not provide for consulting or professional services or services that might result in the creation of Work Product.

BB. Software

The programs and code, and any subsequent modifications or releases of such programs and code, excluding Work Product, provided by Supplier under this Contract.

CC. Software Publisher

The licensor of any Software, or the hardware Product's System Software, provided by Supplier under this Contract.

DD. Software Update

Any Software patch, fix, upgrade, update, enhancement, new release, or access mode, including, without limitation, modifications to the Software which can increase the speed, efficiency, or base of operation of the Software or add additional capabilities to or otherwise improve the functionality of the Software, which are to be provided by Supplier under this Contract as set forth in the Contract and any Authorized User's order or SOW. Excluding any Software Update provided for general release, and unless otherwise stated in the Contract, any Software Update developed by Supplier or any other third Party, using Commonwealth funds, shall be deemed Work Product.

EE. Statement of Work

Any document in substantially the form of Exhibit D (describing the deliverables, due dates, assignment duration and payment obligations for a specific project, engagement, or assignment for which Supplier shall be providing Products, Software and/or Services to an Authorized User), which, upon signing by both Parties, shall be deemed a part of this Contract.

FF. Supplier

Means the Supplier and any of its Affiliates (i.e., an entity that controls, is controlled by, or is under common control with Supplier).

GG. System Software

The operating system code, including Software, firmware and microcode, (object code version) for each hardware Product, including any subsequent revisions, as well as any applicable Documentation.

3. TERM AND TERMINATION

A. Contract Term

This Contract is effective and legally binding as of the Effective Date and, unless terminated as provided for in this section, shall continue to be effective and legally binding for a period of two (2) years. VITA, in its sole discretion, may extend this Contract for up to four (4) additional one (1) year periods after the expiration of the initial two (2) year period. VITA will issue a written notification to the Supplier stating the extension period thirty (30) days prior to the expiration of any current term. In addition, performance of an order or Statement of Work (SOW) issued during the term of this Contract may survive the expiration of the term of this Contract, in which case all terms and conditions required for the operation of such order or SOW shall remain in full force and effect until the Services and Deliverables pursuant to such order or SOW have met the final Acceptance criteria of the applicable Authorized User and Supplier has received formal Acceptance from the Authorized User. Supplier shall not include any automatic renewal provisions in any maintenance agreement, lease agreement, rental agreement, or software license as part of any order or SOW between an Authorized User and the Supplier or Supplier's OEM, if the Supplier is a reseller of the Product(s) or Software.

B. Termination for Convenience

VITA may terminate this Contract, in whole or in part, or any order or SOW issued hereunder, in whole or in part. Except for orders or SOWs placed in conjunction with a Lease Agreement, or Rental Agreement, an Authorized User may terminate an order or SOW, in whole or in part, upon not less than thirty (30) days prior written notice.

C. Termination for Breach or Default

VITA shall have the right to terminate this Contract, in whole or in part, or any order or SOW issued hereunder, in whole or in part, or an Authorized User may terminate an order or SOW, in whole or in part, for breach and/or default of Supplier. Supplier shall be deemed in breach and/or default in the event that Supplier fails to meet any material obligation set forth in this Contract or in any order or SOW issued hereunder.

If VITA deems the Supplier to be in breach and/or default, VITA shall provide Supplier with notice of breach and/or default and allow Supplier fifteen (15) days to cure the breach and/or default. If Supplier fails to cure the breach as noted, VITA may immediately terminate this Contract or any order or SOW issued hereunder, in whole or in part. If an Authorized User deems the Supplier to be in breach and/or default of an order or SOW, such Authorized User shall provide Supplier with notice of breach and/or default and allow Supplier fifteen (15) days to cure the breach and/or default. If Supplier fails to cure the breach and/or default as noted, such Authorized User may immediately terminate its order or SOW, in whole or in part. Any such termination shall be deemed a Termination for Breach or Termination for Default. In addition, if Supplier is found by a court of competent jurisdiction to be in violation of or to have violated 31 USC 1352 or if Supplier becomes a Party excluded from Federal Procurement and Non-procurement Programs, VITA may immediately terminate this Contract, in whole or in part, for breach, and VITA shall provide written notice to Supplier of such termination. Supplier shall provide prompt written notice to VITA if Supplier is charged with violation of 31 USC 1352 or if federal debarment proceedings are instituted against Supplier.

D. Termination for Non-Appropriation of Funds

All payment obligations under this Contract are subject to the availability of legislative appropriations at the federal, state, or local level, for this purpose. In the event of non-appropriation of funds, irrespective of the source of funds, for the items under this Contract, VITA may terminate this Contract, in whole or in part, or any order, in whole or in part, or an Authorized User may terminate an order, in whole or in part, for those goods or Services for which funds have not been appropriated. Written notice will be provided to the Supplier as soon as possible after legislative action is completed.

E. Effect of Termination

Upon termination, neither the Commonwealth, nor VITA, nor any Authorized User shall have any future liability except for Services and Deliverables rendered by Supplier and Accepted by the Authorized User prior to the termination date.

In the event of a Termination for Breach or Termination for Default, Supplier shall accept return of any Deliverable that was not accepted by the Authorized User(s), and Supplier shall refund any monies paid by any Authorized User for such Deliverable, and all costs of de-installation and return of Deliverables shall be borne by Supplier. Termination by Supplier will not be considered.

F. Transition of Services

Prior to or upon expiration or termination of this Contract and at the request of VITA, Supplier shall provide all assistance as VITA or an Authorized User may reasonably require to transition Services to the Authorized User, its Agent(s) or any follow-on Supplier(s). This obligation may extend beyond expiration or termination of the Contract for a period not to exceed six (6) months. In the event of a termination for breach and/or default of Supplier, Supplier shall provide such assistance at no charge or fee to VITA or any Authorized User; otherwise, Supplier shall provide such assistance at the hourly rate or a charge agreed upon by Supplier and VITA or an Authorized User.

G. Contract Kick-Off Meeting

Within 30 days of Contract award, Supplier may be required to attend a contract orientation meeting, along with the VITA contract manager/administrator, the VITA and/or other CoVa Agency project manager(s) or authorized representative(s), technical leads, VITA representatives for SWaM and Sales/IFA reporting, as applicable, and any other significant stakeholders who have a part in the successful performance of this Contract. The purpose of this meeting will be to review all contractual obligations for both parties, all administrative and reporting Requirements, and to discuss any other relationship, responsibility, communication and performance criteria set forth in the Contract. The Supplier may be required to have its assigned account manager as specified in the Contract and a representative from its contracts department in attendance. The time and location of this meeting will be coordinated with Supplier and other meeting participants by the VITA contract manager.

H. Contract Closeout

Prior to the contract's expiration date, Supplier may be provided contract close out Documentation and shall complete, sign and return to VITA Supply Chain Management within 30 days of receipt. This Documentation may include, but not be limited to: Patent/Royalty Certificate, Tangible Property/Asset Certificate, Escrow Certificate, SWaM Reports Completion Certificate, Sales Reports/IFA Payments Completion Certificate, and Final Payment Certificate. Supplier is required to process these as requested to ensure completion of close-out administration and to maintain a positive performance reputation with the Commonwealth of Virginia. Any closeout Documentation not received within 30 days of Supplier's receipt of our request will be documented in the contract file as Supplier non-compliance. Supplier's non-compliance may affect any pending payments due the Supplier, including final payment, until the Documentation is returned.

4. SUPPLIER PERSONNEL

A. Selection and Management of Supplier Personnel

Supplier shall take such steps as may be necessary to ensure that all Supplier personnel performing under this Contract are competent and knowledgeable of the contractual arrangements and the applicable order between Authorized User and Supplier. Supplier shall be solely responsible for the conduct of its employees, Agents, and subcontractors, including all acts and omissions of such employees, Agents, and subcontractors, and shall ensure that such employees and subcontractors comply with the appropriate Authorized User's site security, information security and personnel conduct rules, as well as applicable federal, state and local laws, including export regulations. Authorized User reserves the right to require the immediate removal from such Authorized User's premises of any employee, subcontractor or Agent of Supplier whom such Authorized User believes has failed to comply or whose conduct or behavior is unacceptable or unprofessional or results in a security or safety breach.

B. Supplier Personnel Supervision

Supplier acknowledges that Supplier or any of its Agents, contractors, or subcontractors, is and shall be the employer of Supplier personnel, and shall have sole responsibility to supervise,

counsel, discipline, review, evaluate, set the pay rates of and terminate the employment of Supplier personnel.

C. Subcontractors

Supplier shall not use subcontractors to perform any portion of this Contract or any order or SOW issued under this Contract unless specifically authorized in writing to do so by VITA or the Authorized User, respectively. If an order or SOW issued pursuant to this Contract is supported in whole or in part with federal funds, Supplier shall not subcontract any portion of the work pursuant to such order or SOW to any subcontractor that is a Party excluded from Federal Procurement and Nonprocurement Programs. In no event shall Supplier subcontract any portion of the work to any subcontractor which is debarred by the Commonwealth of Virginia or which owes back taxes to the Commonwealth and has not made arrangements with the Commonwealth for payment of such back taxes.

5. FEES, ORDERING AND PAYMENT PROCEDURE

A. Fees and Charges

As consideration for the Products, Software, Services and Deliverables provided hereunder, an Authorized User shall pay Supplier the fee(s) set forth on Exhibit C, which lists any and all fees and charges. The fees and any associated discounts shall be applicable throughout the term of this Contract; provided, however, that in the event the fees or discounts apply for any period less than the entire term.

Supplier agrees that it shall not increase the fees more than once during any twelve (12) month period, commencing at the end of year one (1). No such increase shall exceed the lesser of three percent (3%) or the annual increase in the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, All Items, Not Seasonally Adjusted, as published by the Bureau of Labor Statistics of the Department of Labor (<http://www.bls.gov/cpi/home.htm>), for the effective date of the increase compared with the same index one (1) year prior. Any such change in price shall be submitted in writing in accordance with the above and shall not become effective for sixty (60) days thereafter. Supplier agrees to offer price reductions to ensure compliance with the Competitive Pricing Section.

B. Reimbursement of Expenses

If allowable pursuant to an Authorized User's SOW, such Authorized User shall pay, or reimburse Supplier, for all reasonable and actual travel-related expenses for greater than thirty (30) miles from portal to portal incurred by Supplier during the relevant period; provided, however, that such Authorized User shall only be liable to pay for Supplier's travel-related expenses, including transportation, meals, lodging and incidental expenses, that have been authorized by such Authorized User in advance and which will be reimbursable by such Authorized User at the then-current per diem amounts as published by the Virginia Department of Accounts (<http://www.doa.virginia.gov>, or a successor URL(s)).

All reimbursed expenses will be billed to the Authorized User on a pass-through basis without any markup by Supplier. At Authorized User's request, Supplier shall provide copies of receipts for all travel expenses over US\$30.00.

C. Statement of Work (SOW)

An SOW shall be required, when appropriate for any Products, Software, Services or Deliverables ordered by an Authorized User pursuant to this Contract. All Services shall be performed at the times and locations set forth in the applicable SOW and at the rates set forth in Exhibit C herein. Unless VITA issues a written authorization for a time and materials type SOW, any SOW shall be of a fixed price type, but may with the written approval of VITA, contain a cost-reimbursable line item(s) for pre-approved travel expenses. For time and materials type SOWs, Supplier personnel shall maintain daily time records of hours and tasks performed which shall be submitted or made available for inspection by the Authorized User upon forty-eight (48) hours advance written notice.

D. Ordering

Notwithstanding all Authorized User's rights to license or purchase Supplier's Products, Software or Services under this Contract, an Authorized User is under no obligation to license or purchase from Supplier any of Supplier's Products, Software or Services. This Contract is optional use and

non-exclusive and all Authorized Users may, at their sole discretion, purchase, license or otherwise receive benefits from third party suppliers of products, software and services similar to, or in competition with, the products and services provided by Supplier.

Supplier is required to accept any order placed by an Authorized User through the eVA electronic procurement website portal (<http://www.eva.virginia.gov/>). eVA is the Commonwealth of Virginia's e-procurement system. State agencies, as defined in §2.2-2006 of the Code of Virginia, shall order through eVA. All other Authorized Users are encouraged to order through eVA, but may order through the following means:

- i). Purchase Order (PO): An official PO form issued by an Authorized User.
- ii). Any other order/payment charge or credit card process, such as AMEX, MASTERCARD, or VISA under contract for use by an Authorized User.

This ordering authority is limited to issuing orders for the Products, Software and Services available under this Contract. Under no circumstances shall any Authorized User have the authority to modify this Contract. An order from an Authorized User may contain additional terms and conditions; however, to the extent that the terms and conditions of the Authorized User's order are inconsistent with the terms and conditions of this Contract, the terms of this Contract shall supersede.

Notwithstanding the foregoing, Supplier shall not accept any order from an Authorized User if such order is to be funded, in whole or in part, by federal funds and if, at the time the order is placed, Supplier is not eligible to be the recipient of federal funds as may be noted on any of the Lists of Parties Excluded from Federal Procurement and Nonprocurement Programs.

ALL CONTRACTUAL OBLIGATIONS UNDER THIS CONTRACT IN CONNECTION WITH AN ORDER PLACED BY ANY AUTHORIZED USER ARE THE SOLE OBLIGATION OF SUCH AUTHORIZED USER AND NOT THE RESPONSIBILITY OF VITA UNLESS SUCH AUTHORIZED USER IS VITA.

E. Orders for Lease/Rental Products or MPS

In addition to the foregoing, if an Authorized User places an order or SOW to lease or rent Product(s) provided by the Supplier, the Authorized User must comply with the Virginia Department of Accounts (DOA) CAPP Manual and the Treasury Board's Master Equipment Leasing Program (MELP), as applicable. The Supplier agrees to provide relevant information and completion of related documentation in a timely manner as required by the Authorized User to satisfy compliance. Title to any lease or rental Products shall remain with Supplier during the Lease Term or Rental Term, including any renewals.

Commonwealth localities are exempt from DOA CAPP Manual and the Treasury Board's MELP requirements referenced in this section; however, may have specific requirements that must be included in their order or SOW to ensure Supplier compliance.

Supplier may not assign such purchase order(s) and Lease(s) to a third party.

Authorized Users are not allowed to sign any leasing or rental documents supplied by Supplier or any third party representing Supplier. For MPS agreements, the terms of this contract take precedence over any such MPS agreement.

F. Orders for Lease-Purchase Products

In addition to the foregoing, if an Authorized User places an order or SOW to Lease-Purchase Product(s) provided by the Supplier, the Authorized User must comply with the Virginia Department of Accounts (DOA) CAPP Manual and the Treasury Board's Master Equipment Leasing Program (MELP), as applicable. The Supplier agrees to provide relevant information and completion of related documentation in a timely manner as required by the Authorized User to satisfy compliance.

Suppliers will be required to fill in their Fixed Spread Rate (in decimal format) in each category that they wish to offer leasing. The Fixed Spread Rate amount entered will be added to current US Treasury Interest Rate Swap rate when leasing arrangements are made.

Lease pricing will be based on the Supplier's Fixed Spread Rate as specified in the appropriate category in Exhibit C, Pricing Schedule, of this Contract, and added to the appropriate last business day of the most recent quarter current US Treasury Interest Rate Swap rate located at.

<http://www.federalreserve.gov/releases/h15/current/>.

In a Lease-Purchase transaction, the purchase price offered to the Authorized User shall be based on a fair market value for buyout as defined in and in accordance with the rules and regulations found at:

http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Topics/31205.pdf at the end of the Lease Term.

Further, if a financing arrangement is involved, the financing term for the Product(s) shall be determined by the Product(s)' useful life, as defined in the CAPP link in the paragraph above.

Commonwealth localities are exempt from DOA CAPP Manual and the Treasury Board's MELP requirements referenced in this section; however, may have specific requirements that must be included in their order or SOW to ensure Supplier compliance.

G. Orders that Include Trade-In Products

In addition to the foregoing, if an Authorized User places an order or SOW for Products, where a trade-in of old products is included, the Authorized User must comply with the Virginia DOA CAPP Manual and must adhere to the rules and regulations in the Agency Procurement and Surplus Property Manual, published by the Division of Purchases and Supply (DPS), Department of General Services (DGS). The Supplier agrees to provide relevant information and completion of related documentation in a timely manner as required by the Authorized User to satisfy compliance. Commonwealth localities are exempt from the requirements of this provision; however, may have specific requirements that must be included in their order or SOW to ensure Supplier compliance.

H. Purchase Price and Price Protection

Exhibit C sets forth the prices by Product type (including whole units and repairable major components thereof), for Software, warranty services and Maintenance Services, and for non-Warranty and non-Maintenance Services offered by the Supplier and the appropriate Commonwealth discounts. Percentage off list for Products, Software and Services shall not decrease during the life of the contract.

I. Supplier Quote and Request for Quote

Should an Authorized User determine that a competitive process is required to ensure it receives the best value, such Authorized User may, at its sole discretion, on a case-by-case basis and upon approval by VITA, use a Request for Quote (RFQ) process to obtain Product, Software and Services identical or similar to that provided by Supplier pursuant to this Contract. The RFQ process is typically used when an Authorized User requires a complete solution that may be fulfilled by Products, Software and Services herein, but whose complexity or size may result in economies that could not be passed on to the Authorized User within the confines of the established contract catalog discount pricing. When an RFQ is used, the project timing and requirements will be clearly outlined in the RFQ document. In some situations, the Authorized User may not identify the exact specifications required. If that is the case, the RFQ respondents will be given the opportunity to identify and propose their recommended specifications.

In cases where the RFQ process is invoked, the Authorized User will issue an RFQ describing its requirements to potential suppliers, and suppliers will provide, at their discretion, within the timeframe specified in the RFQ, a detailed Statement of Work (SOW)-based quote. Any quote submitted to the Authorized User as a result of this process shall include (a) a detailed description of each item proposed, at the Exhibit C line item level, (b) the quantity of each such item, (c) the contract price, (d) any additional percentage discount offered, and (e) an extended/total price.

Generally, the Authorized User will select the supplier offering the lowest total cost proposal. However, non-price factors may be included in the evaluation criteria for a given RFQ. Any purchase from Supplier that is a result of the RFQ process shall be subject to the terms and conditions specified and outlined in this Contract and any subsequent modifications. Additional terms and conditions may be requested or mandated within the RFQ document. To the extent that any terms and conditions of the Authorized User are inconsistent with the terms and conditions of this Contract, the terms and conditions of this Contract shall supersede.

J. Change Orders

All changes to the Products, Software Services and Deliverables to be provided pursuant to any given order or SOW must be described in a written change request, which includes any

appropriate adjustments to the order or SOW. Either Party to an order or SOW may issue a change request that will be subject to written approval of the other Party before it becomes part of this Contract. In no event shall any order or SOW or any modification thereto require the Supplier to perform any work beyond the scope of this Contract.

K. Invoice Procedures

Supplier shall remit each invoice to the "bill-to" address provided with the order promptly after all Products, Software, Services, and Deliverables, have been accepted and in accordance with the payment schedule in the applicable order. Payment for support Services shall be annually in arrears unless otherwise stated herein, or in any order referencing this Contract. No invoice shall include any costs other than those identified in the executed order, which costs shall be in accordance with Exhibit C. Without limiting the foregoing, all shipping costs are the Supplier's responsibility except to the extent such charges are identified in Exhibit C, or as noted in any executed order referencing this Contract. Invoices issued by the Supplier shall identify at a minimum:

- i). Itemization and description of Product, Software, Services Type, Deliverables, and, if applicable, project milestone
- ii). Quantity, charge and extended pricing for each Product, Software, and/or Services item or milestone
- iii). Product serial number, if any
- iv). Applicable order date
- v). Ship or delivery date
- vi). Ship-to or delivered-to contact name
- vii). This Contract number and the applicable order number
- viii). Supplier's Federal Employer Identification Number (FEIN).

Any terms included on Supplier's invoice shall have no force or effect and will in no way bind VITA or any Authorized User.

L. Purchase Payment Terms

Supplier is responsible for the accuracy of its billing information. Supplier agrees not to issue invoices hereunder until items or milestones have met Acceptance criteria. Charges for Products, Software, Deliverables or Services accepted more than ninety (90) days prior to receipt of a valid invoice may not be paid. Should Supplier repeatedly over bill Authorized User, Authorized User may assess a one percent (1%) charge for the amount over-billed for each month that such over-billing continues.

In the event any Deliverable is shipped without the applicable Documentation, payment shall not be due until the required Documentation is provided.

If there are any disputed items, an Authorized User shall pay all undisputed charges and promptly notify Supplier in writing of any disputed amount. Supplier shall thereupon review its records, and, if it does not concur with the Authorized User, provide the Authorized User with Documentation to support the charge. If such charges remain in dispute, such dispute shall be resolved in accordance with the Dispute Resolution section of this Contract. In the absence of the Supplier's written evidence identifying the merit of the disputed amounts, Authorized User may not pay the disputed amounts and may consider the matter concerning the specific identified amounts closed. All payment terms are net thirty (30) days after Acceptance.

M. Payment for Lease or Rental Products or MPS

The ordering Authorized User shall pay the applicable monthly or annual payment for the Product(s) as specified in the executed Lease Agreement, Rental Agreement or MPS agreement. Payment shall be made by the ordering Authorized User unless the purchase order is terminated by the Authorized User pursuant to the Term and Termination provisions in Section 3 of this Contract.

N. Additional Leasing Terms for Wide Format Printers

1. General

Pursuant to these Leasing Terms and Conditions ("Terms and Conditions") the Supplier shall lease Product(s) covered by the Contract in Exhibit C. Authorized Users shall, in addition to

the outright purchase of Product, have the option to lease and/or finance Product from the Supplier. The ordering Authorized User shall indicate its election to lease Product (each such lease transaction hereinafter called a "Lease") on the applicable purchase order issued to the Supplier. Such Lease may also include financed Product that is financed (in either case "Financed Items").

The Supplier may not assign such purchase order and Lease to a third party.

Authorized Users are not allowed to sign any leasing documents supplied by Supplier or any third party representing Supplier.

2. Lease Pricing Plans

Supplier agrees to provide the Product and Financed Items covered in Exhibit C of the Contract, as specified in Authorized User's purchase order, through at least one of the pricing plans below. The leasing plan selected by the Authorized User is identified on the purchase order.

- i. Thirty-six (36) month Lease with Fair Market Value Option
- ii. Forty-eight (48) month Lease with Fair Market Value Option
- iii. Sixty (60) month Lease with Fair Market Value Option
- iv. Seventy-two (72) month Lease with Fair Market Value Option
- v. Eighty-Four (84) month Lease with Fair Market Value Option

3. Commencement of Lease Term

The term of each lease shall commence on the date the Product and/or Financed Items are accepted under the section "Acceptance and Cure Period."

4. Title

Title in or to the Product shall not pass to the Authorized User but shall remain with the Supplier. The Product shall remain personal property and shall not become a fixture or affixed to real property. The Authorized User will keep the Product free and clear of all encumbrances except the Supplier's security interest.

5. Risk of Loss

Supplier shall assume and bear the risk of loss, damage, or theft to the Product and all component parts thereof while same is in the Authorized User's possession, unless it could have been prevented by the Authorized User's exercise of reasonable care or diligence in the use, protection, or care of the Product. No loss or damage to the Product shall impair any obligation of the Supplier or of the Authorized User, except as hereinafter expressly provided. Unless the damage could have been prevented by the Authorized User's exercise of reasonable care or diligence in the use, protection, or care of the equipment, the Supplier shall repair or cause to be repaired all damages to the Product, if the Supplier determines the equipment can be economically repaired. In the event that the Product is stolen, destroyed or rendered irreparable, unusable, or damaged as determined by Supplier, the Lease shall terminate and the Authorized User's obligation to pay for the Product shall be deemed to have ceased as of the date of the loss.

6. Purchase Option

If the Authorized User is not in default, it shall have the right to buy the equipment "as is with no additional warranty" at the expiration of the Lease term by tendering the purchase option amount. For Lease with Fair Market Value option, the Fair Market Value of the equipment shall be as established by the Supplier which shall not exceed the then purchase price of the equipment as established. Upon the Authorized User's exercise of this purchase option, all right, title and interest in the equipment shall pass to the Authorized User upon payment.

7. Extension

If the Authorized User has not elected to purchase the equipment at the expiration of a lease term, and as long as the Authorized User is not in default under the Lease, the Lease (other than Leases that expire five years or greater from date of installation) may be extended for

one additional year upon written notice from the Authorized User. The extension will be under the same terms and conditions then in effect.

6. REPORTING

Supplier is required to submit to VITA the following monthly reports:

- Report of Sales; and
- Small Business Subcontracting Report

These reports must be submitted using the instructions found at the following URL:

<http://www.vita.virginia.gov/scm/default.aspx?id=97>

Failure to comply with all reporting requirements may result in default of the Contract.

Suppliers are encouraged to review the site periodically for updates on Supplier reporting.

7. STEERING COMMITTEE

[Reserved]

8. AUTHORIZED USER SELF-SUFFICIENCY

Prior to or at any time during Supplier's performance of an order issued, or which may be issued, pursuant to this Contract, an Authorized User may require that Supplier provide to Authorized User a detailed plan to develop Authorized User self-sufficiency and to transition operation and management to Authorized User or its Agent, which Agent may be VITA or an Agent of VITA or a third Party provider under contract with Authorized User. At Authorized User's request and pursuant to an order for Supplier's Services issued hereunder, Supplier shall provide all assistance reasonably required by Authorized User to develop self-sufficiency. During and/or after the transition period, Authorized User may, if applicable and at its sole discretion, elect to order or continue Maintenance Services from Supplier for any Software or hardware components provided by Supplier under this Contract.

9. ESCROW AGREEMENT

[Reserved]

10. COMPETITIVE PRICING

Supplier warrants and agrees that each of the charges, economic or Product, Software and Services terms or warranties granted pursuant to this Contract are comparable to or better than the equivalent charge, economic or product term or warranty being offered to any commercial or government customer of Supplier. If Supplier enters into any arrangements with another customer of Supplier or with an Authorized User to provide Product, Software or Services under more favorable prices, as the prices may be indicated on Supplier's current U.S. and International price list or comparable document, then this Contract shall be deemed amended as of the date of such other arrangements to incorporate those more favorable prices, and Supplier shall immediately notify VITA of such change.

11. CONFIDENTIALITY

A. Treatment and Protection

Each Party shall (i) hold in strict confidence all Confidential Information of any other Party, (ii) use the Confidential Information solely to perform or to exercise its rights under this Contract, and (iii) not transfer, display, convey or otherwise disclose or make available all or any part of such Confidential Information to any third-Party. However, an Authorized User may disclose the Confidential Information as delivered by Supplier to subcontractors, contractors or Agents of such Authorized User that are bound by non-disclosure contracts with such Authorized User. Each Party shall take the same measures to protect against the disclosure or use of the Confidential Information as it takes to protect its own proprietary or Confidential Information (but in no event shall such measures be less than reasonable care).

B. Exclusions

The term "Confidential Information" shall not include information that is:

- i). in the public domain through no fault of the receiving Party or of any other person or entity that is similarly contractually or otherwise obligated;
- ii). obtained independently from a third-Party without an obligation of confidentiality to the disclosing Party and without breach of this Contract;
- iii). developed independently by the receiving Party without reference to the Confidential Information of the other Party; or
- iv). required to be disclosed under The Virginia Freedom of Information Act (§§2.2-3700 et seq. of the Code of Virginia) or similar laws or pursuant to a court order.

C. Return or Destruction

Upon the termination or expiration of this Contract or upon the earlier request of the disclosing Authorized User, Supplier shall (i) at its own expense, (a) promptly return to the disclosing Authorized User all tangible Confidential Information (and all copies thereof except the record required by law) of the disclosing Authorized User, or (b) upon written request from the disclosing Authorized User, destroy such Confidential Information and provide the disclosing Authorized User with written certification of such destruction, and (ii) cease all further use of the Authorized User's Confidential Information, whether in tangible or intangible form.

VITA or the Authorized User shall retain and dispose of Supplier's Confidential Information in accordance with the Commonwealth of Virginia's records retention policies or, if Authorized User is not subject to such policies, in accordance with such Authorized User's own records retention policies.

D. Confidentiality Statement

All Supplier personnel, contractors, Agents, and subcontractors performing pursuant to this Contract shall be required to sign a confidentiality statement or non-disclosure agreement. Any violation of such statement or agreement shall be deemed a breach of this Contract and may result in termination of the Contract or any order or SOW issued hereunder.

12. INDEMNIFICATION AND LIABILITY

A. Indemnification

Supplier agrees to indemnify, defend and hold harmless the Commonwealth, VITA, any Authorized User, their officers, directors, agents and employees (collectively, "Commonwealth's Indemnified Parties") from and against any and all losses, damages, claims, demands, proceedings, suits and actions, including any related liabilities, obligations, losses, damages, assessments, fines, penalties (whether criminal or civil), judgments, settlements, expenses (including attorneys' and accountants' fees and disbursements) and costs (each, a "Claim" and collectively, "Claims"), incurred by, borne by or asserted against any of Commonwealth's Indemnified Parties to the extent such Claims in any way relate to, arise out of or result from: (i) any intentional or willful conduct or negligence of any employee, agent, or subcontractor of Supplier, (ii) any act or omission of any employee, agent, or subcontractor of Supplier (iii) breach of any representation, warranty or covenant of Supplier contained herein, (iv) any defect in the Product or Services, or (v) any actual or alleged infringement or misappropriation of any third party's intellectual property rights by any of the Product or Services. Selection and approval of counsel and approval of any settlement shall be accomplished in accordance with all applicable laws, rules and regulations. For state agencies the applicable laws include §§ 2.2-510 and 2.2-514 of the Code of Virginia. In all cases the selection and approval of counsel and approval of any settlement shall be satisfactory to the Commonwealth.

In the event that a Claim is commenced against any of Commonwealth's Indemnified Parties alleging that use of the Products, Software, Deliverables or that the provision of Services under this Contract infringes any third party's intellectual property rights and Supplier is of the opinion that the allegations in such Claim in whole or in part are not covered by this indemnification provision, Supplier shall immediately notify VITA and the affected Authorized User(s) in writing, via certified mail, specifying to what extent Supplier believes it is obligated to defend and indemnify under the terms and conditions of this Contract. Supplier shall in such event protect the interests of the Commonwealth's Indemnified Parties and secure a continuance to permit VITA and the affected Authorized User(s) to appear and defend their interests in cooperation with

Supplier as is appropriate, including any jurisdictional defenses VITA or the affected Authorized User(s) may have.

In the event of a Claim pursuant to any actual or alleged infringement or misappropriation of any third party's intellectual property rights by any of the Products, Software, Deliverables or Services, and in addition to all other obligations of Supplier in this Section, Supplier shall at its expense, either (a) procure for all Authorized Users the right to continue use of such infringing Products, Software, Deliverables or Services, or any component thereof; or (b) replace or modify such infringing Products, Software, Deliverables or Services, or any component thereof, with non-infringing products, software, deliverables or services satisfactory to VITA. And in addition, Supplier shall provide any Authorized User with a comparable temporary replacement or reimburse VITA or any Authorized User for the reasonable costs incurred by VITA or such Authorized User in obtaining an alternative products, software, deliverables or services in the event such Authorized User cannot use the affected Products, Software, Deliverables or Services. If Supplier cannot accomplish any of the foregoing within a reasonable time and at commercially reasonable rates, then Supplier shall accept the return of the infringing Products, Software, Deliverables or Services, along with any other components rendered unusable by any Authorized User as a result of the infringing component, and refund the price paid to Supplier for such components.

B. Liability

Except for liability with respect to (i) any intentional or willful misconduct or negligence of any employee, agent, or subcontractor of Supplier, (ii) any act or omission of any employee, agent, or subcontractor of Supplier, (iii) claims for bodily injury, including death, and real and tangible property damage, (iv) Supplier's indemnification obligations, and (v) Supplier's confidentiality obligations, Supplier's liability shall be limited to twice the aggregate value of Products, Software Deliverables and Services provided under this Contract. Supplier agrees that it is fully responsible for all acts and omissions of its employees, agents, and subcontractors, including their gross negligence or willful misconduct

FOR ALL OTHER CONTRACTUAL CLAIMS, IN NO EVENT WILL ANY PARTY BE LIABLE TO ANY OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING (WITHOUT LIMITATION) LOSS OF PROFIT, INCOME OR SAVINGS, EVEN IF ADVISED OF THE POSSIBILITY THEREOF, EXCEPT WHEN SUCH DAMAGES ARE CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE PARTY, ITS EMPLOYEES, AGENTS OR SUBCONTRACTORS.

13. INSURANCE

In addition to the insurance coverage required by law as referenced in the Incorporated Contractual Provisions section of this Contract, Supplier shall carry errors and omissions insurance coverage in the amount of \$1,000,000 per occurrence.

14. SECURITY COMPLIANCE

Supplier agrees to comply with all provisions of the then-current Commonwealth of Virginia security procedures, published by the Virginia Information Technologies Agency (VITA) and which may be found at (<http://www.vita.virginia.gov/library/default.aspx?id=537#securityPSGs>) or a successor URL(s), as are pertinent to Supplier's operation. Supplier further agrees to comply with all provisions of the relevant Authorized User's then-current security procedures as are pertinent to Supplier's operation and which have been supplied to Supplier by such Authorized User. Supplier shall also comply with all applicable federal, state and local laws and regulations. For any individual Authorized User location, security procedures may include but not be limited to: background checks, records verification, photographing, and fingerprinting of Supplier's employees or agents. Supplier may, at any time, be required to execute and complete, for each individual Supplier employee or agent, additional forms which may include non-disclosure agreements to be signed by Supplier's employees or agents acknowledging that all Authorized User information with which such employees and agents come into contact while at the Authorized User site is confidential and proprietary. Any unauthorized release of proprietary or Personal information by the Supplier or an employee or agent of Supplier shall constitute a breach of its obligations under this Section and the Contract.

Supplier shall immediately notify VITA and Authorized User, if applicable, of any Breach of Unencrypted and Unredacted Personal Information, as those terms are defined in Virginia Code 18.2-186.6, and other personal identifying information, such as insurance data or date of birth, provided by VITA or Authorized User to Supplier. Supplier shall provide VITA the opportunity to participate in the investigation of the Breach and to exercise control over reporting the unauthorized disclosure, to the extent permitted by law.

Supplier shall indemnify, defend, and hold the Commonwealth, VITA, the Authorized User, their officers, directors, employees and agents harmless from and against any and all fines, penalties (whether criminal or civil), judgments, damages and assessments, including reasonable expenses suffered by, accrued against, or charged to or recoverable from the Commonwealth, VITA, the Authorized User, their officers, directors, agents or employees, on account of the failure of Supplier to perform its obligations pursuant this Section.

15. IMPORT/EXPORT

In addition to compliance by Supplier with all export laws and regulations, VITA requires that any data deemed "restricted" or "sensitive" by either federal or state authorities, must only be collected, developed, analyzed, or otherwise used or obtained by persons or entities working within the boundaries of the United States.

16. BANKRUPTCY

If Supplier becomes insolvent, takes any step leading to its cessation as a going concern, fails to pay its debts as they become due, or ceases business operations continuously for longer than fifteen (15) business days, then VITA may immediately terminate this Contract, and an Authorized User may terminate an order, on notice to Supplier unless Supplier immediately gives VITA or such Authorized User adequate assurance of the future performance of this Contract or the applicable order. If bankruptcy proceedings are commenced with respect to Supplier, and if this Contract has not otherwise terminated, then VITA may suspend all further performance of this Contract until Supplier assumes this Contract and provides adequate assurance of performance thereof or rejects this Contract pursuant to Section 365 of the Bankruptcy Code or any similar or successor provision, it being agreed by VITA and Supplier that this is an executory contract. Any such suspension of further performance by VITA or Authorized User pending Supplier's assumption or rejection shall not be a breach of this Contract, and shall not affect the rights of VITA or any Authorized User to pursue or enforce any of its rights under this Contract or otherwise.

17. HARDWARE-SPECIFIC PROVISIONS

Supplier shall offer all Product types identified in Exhibit C and shall offer Maintenance Services for all Product purchased hereunder. No Authorized User is obligated to continue Maintenance Services on Product that has been removed from service, provided Supplier has been notified in writing of such removal.

During any MCP, Lease Term or Rental Term, Supplier shall provide all Services required to maintain the Product in Operating Condition and to ensure Authorized User has sufficient supplies available at all times. Such Services include, but are not limited to, performing preventive and remedial maintenance, providing replacement parts, maintaining sufficient inventory of spare parts to support the Authorized User's installed base, and correcting any malfunctions or defects in any unit of Product.

A. Trial Period for MFD's

At an Authorized User's request, Supplier shall provide Authorized User a unit of Product for a thirty (30) day trial period. If a unit of Product is offered for a trial period the Authorized User shall issue an order for the monthly rental rate of that unit of Product and state that such order is for a thirty (30) day trial. The trial period shall start when the Supplier has completed installation and has made the unit of Product ready for normal use. If during such trial period the unit is deemed to be unacceptable by the Authorized User, the Authorized User may cancel the order and Supplier shall remove such unit at no cost to such Authorized User.

Following the trial period, Authorized User may, at its option, continue or discontinue use of Supplier's Product. Should Authorized User elect to purchase or rent Supplier's Product,

Authorized User shall issue an order for purchase or rental of the Product, and Supplier shall credit the trial period price charged to the Authorized User toward the purchase or rental of the unit. If the trial unit provided to such Authorized User was a new unit, the Authorized User shall retain such unit at its location; however, if the trial unit provided to such Authorized User was a demonstration unit (i.e., one which had made any number of copies prior to installation), Supplier shall remove the demonstration unit and deliver a new unit upon receipt of Authorized User's order for purchase or rental of Supplier's Product. Should Authorized User elect to discontinue use of Supplier's Product, Authorized User shall so notify Supplier and Supplier shall de-install and remove the trial unit from the Authorized User's premises at no additional cost to the Authorized User.

B. Delivery, Installation and Acceptance

1. Delivery Procedure

Supplier shall deliver all Product(s) F.O.B. Destination with such destination being the "ship to" address specified in the applicable order. Supplier shall bear all risk of loss or damage to Product(s) until Receipt. In all cases, Supplier shall arrange and pay for all transportation and insurance sufficient to fully protect the Product(s) while in transit. Each shipment shall include a packing slip indicating this Contract number, the Authorized User's order number, the part number, a description of the Product(s) shipped and the quantity shipped. Each package in any shipment shall be numbered, shall have stenciled on one end and one side a description of the quantity of Product(s) contained therein by part number and description, and shall conspicuously display the number of the package in that shipment which contains the packing slip. If required by the Authorized User, Supplier shall bar code all packages shipped. If any loss to, or damage of, the Product occurs prior to Acceptance by the Authorized User, Supplier shall immediately provide a replacement item. Title to Product(s) purchased by Authorized User, excluding System Software, shall pass upon Acceptance.

Supplier shall make available all appropriate and/or related user documentation at the time of delivery of the first unit of each different Product type. Product(s) delivered without the appropriate and required documentation shall be considered "shipped short" until the applicable documentation has been received.

2. Late Delivery

Supplier hereby acknowledges and agrees that failure to deliver the Product(s) ordered in strict accordance with the agreed upon delivery schedule determined in accordance with this Contract or an approved order issued by Authorized User shall constitute a material breach of this Contract resulting in damages to the ordering Authorized User, the total sum of which would be impracticable or difficult to ascertain as of the Effective Date of this Contract or the approved order issued by the Authorized User. As an estimate of the minimum amount of damages such Authorized User will suffer, Supplier agrees to credit the Authorized User an amount equal to one-half of one percent (.05%) of the total purchase price, or an agreed upon percent of the order's total purchase price that is specified in the approved order, for each day that the Product(s) is/are undelivered or nonoperational for a period of thirty days (30) following the agreed upon delivery date. If the delay lasts longer than thirty (30) days, the Authorized User may immediately cancel the order. Any credit due the Authorized User will be applied to the next periodic invoice.

In addition, in the event the Supplier fails for any reason to deliver within thirty-five days (35) of the agreed upon delivery date set forth in the order/schedule, the ordering Authorized User, at its own discretion, may give Supplier oral or written notice of breach. Once notice by such Authorized User is sent or given, the Authorized User may immediately procure the undelivered items or items similar thereto, from another source. Once the Authorized User has effected a purchase from an alternate source (in accordance with the Virginia Public Procurement Act, §§ 2.2-4300 et seq. of the Code of Virginia), the Authorized User may charge-back Supplier, in which case Supplier agrees to reimburse the Authorized User for any difference in cost between the original contract price and the Authorized User's cost to cover from the alternate source. In no event shall any Authorized User be held to pay Supplier any costs incurred by Supplier, including but not limited to ordering, marketing,

manufacturing, or delivering the item(s) which are subject of such Authorized User's notice of breach. Notwithstanding the foregoing, the Authorized User reserves any and all other remedies available at law or in equity.

3. Product Trade-in and Upgrade

(To be quoted by Supplier on individual quote provided in response to an Authorized User's Request for Quote (RFQ).

4. Product Transfer between Authorized Users

In the event of a transfer of Product to another location, the Authorized User receiving the transferred Product(s) will pay Supplier removal and installation charges. The Supplier is responsible for preparation and is reimbursed per the order or SOW authorized charges as approved in advance by the Authorized User receiving the transferred Product(s). All purchase option credits, present and future on such Product(s) will remain in effect for use by the Authorized User receiving the transferred Product(s) and that Authorized User is responsible for tracking the Product(s) for compliance with the DOA CAPP Manual and the DGS Surplus Property Manual rules and regulations. Commonwealth localities are exempt from the requirements of this provision; however, may have specific requirements that must be included in their order or SOW to ensure Supplier compliance.

5. Product Installation

The Authorized User's purchase order shall include any requirement for Supplier to install the Product. If so authorized, Supplier shall provide the initial installation of all Product(s) at no additional charge. Installation shall include: unpacking, removal of all shipping/packing materials, positioning, connecting to internal utility services, testing, and related necessary services to allow for Acceptance by the Authorized User.

All Product installations shall comply with building and facilities standards established by the ordering Authorized User. If such Authorized User installs the Product, Supplier shall provide all reasonably necessary telephone assistance at no charge.

6. Product Acceptance

Product(s) shall be deemed accepted when the ordering Authorized User determines that such Product(s) successfully operates in accordance with the Requirements. Such Authorized User shall commence Acceptance testing within five (5) days, or within such other period as set forth in the applicable order, after receipt/installation of the Product(s). Acceptance testing will be no longer than ten (10) days, or such longer period as may be agreed in writing between Authorized User and Supplier. Supplier agrees to provide to the Authorized User such assistance and advice as the Authorized User may reasonably require, at no additional cost, during such Acceptance testing, other than pre-approved travel expenses incurred which are reimbursable by the Authorized User at the then-current per diem amounts as published by the Virginia Department of Accounts. Any such travel expenses must be pre-approved by the Authorized User and shall be reimbursable by such Authorized User at the then-current per diem amounts as published by the Virginia Department of Accounts (<http://www.doa.virginia.gov>, or a successor URL(s)). Authorized User shall provide to Supplier written notice of Acceptance upon successful Acceptance testing. Should Authorized User fail to provide Supplier written notice of successful or unsuccessful Acceptance testing within five (5) days following the Acceptance testing period, the Product(s) shall be deemed Accepted.

7. Cure Period

Supplier shall correct any non-conformities identified during Acceptance testing and re-submit such previously non-conforming Product(s) for re-testing within seven (7) days of written notice of non-conformance, or as otherwise agreed between the Authorized User and Supplier in the applicable order. Should Supplier fail to cure the non-conformity or deliver Product(s) which meets the Requirements, such Authorized User may, in its sole discretion: (i) reject the Product(s) in its entirety and recover amounts previously paid hereunder; (ii) issue a "partial Acceptance" of the Product(s) with an equitable adjustment in the price to account for such deficiency; or (iii) conditionally accept the applicable Product(s) while reserving its right to revoke Acceptance if timely correction is not forthcoming. Failure of a Product(s) to meet, in all material respects, the Requirements after the second set of

acceptance tests may constitute a default by Supplier. In the event of such default, the Authorized User may, at its sole discretion, terminate its order, in whole or in part, for the Product(s) and any Services to be provided thereunder by Supplier.

8. Product Discontinuation

During the term of this Contract, if any Product(s) listed on Exhibit C of this Contract is discontinued and Supplier does not offer a substitute acceptable to VITA, Supplier shall, for each Authorized User who purchased the discontinued Product(s), continue to meet such Authorized User's needs for the discontinued Product(s) for not less than twelve (12) months. Additionally, Supplier shall make available to the Authorized User maintenance parts for discontinued Product(s) for five (5) years from the date of such discontinuation. In every event, Supplier will provide any Authorized User with 120 days advance written notice of its intent to discontinue any Product type previously ordered by such Authorized User.

C. Training for Non-MFDs

Only if Authorized User's order or SOW includes Supplier's training services, Supplier is not responsible for initial training. Pursuant to a mutually agreed upon schedule, Supplier shall provide sufficient personnel experienced and qualified to conduct such training. Available optional training, and applicable pricing and discounts, are described in Exhibit C of this Contract.

D. Performance Levels and Remedies

1. Purchased Product

During the first five (5) years of use by the Authorized User, Product purchased by such Authorized User, and covered continuously by Maintenance or Rental Services, as applicable, shall be required to operate satisfactorily and produce acceptable printed quality at a ninety-five percent (95%) effectiveness level during any month of the five (5) year period beginning at Product Acceptance.

The effectiveness level for a unit of Product shall be computed by dividing the total productive time by the sum of that time plus the Product failure downtime.

Product failure downtime shall not include malfunction due to operator error or preventive maintenance calls.

In addition, the Product failure rate shall not, during any three (3) month period, average more than two (2) malfunctions (breakdowns) per month requiring Supplier correction. No unit of Product shall require six (6) or more service calls in any three (3) month period.

The Product failure rate calculation shall not include service calls for malfunction due to operator error or preventive maintenance.

In the event that the Product does not meet the performance requirements of this section, (a) during the first year of Maintenance, Supplier shall, at no additional cost to the Authorized User, replace the non-compliant unit of Product with a new unit of Product matching all requirements of the original unit of Product, and (b) during subsequent years of Maintenance, Supplier shall replace the non-compliant unit of Product with a unit of Product having equal or greater features.

2. Leased or Rented Product

Products rented or leased by an Authorized User shall be required to operate satisfactorily and produce acceptable printed quality at a ninety-five percent (95%) effectiveness level during any month during the Lease or Rental Term.

The effectiveness level for a unit of Product shall be computed by dividing the total productive time by the sum of that time plus the Product failure downtime.

Product failure downtime shall not include malfunction due to operator error or preventive maintenance calls.

In addition, the Product failure rate shall not, during any three (3) month period, average more than two (2) malfunctions (breakdowns) per month requiring Supplier correction. No unit of Product shall require six (6) or more service calls in any three (3) month period.

The Product failure rate calculation shall not include service calls for malfunction due to operator error or preventive maintenance.

In the event that the Product does not meet the performance requirements of this section, the Supplier shall replace the non-complaint unit of Product with a new unit of Product matching all requirements of the original unit of Product. Should Supplier fail to replace the unit of Product in accordance with this section, the Authorized User may immediately terminate the applicable order without penalty, and Supplier shall, at its own expense, immediately remove the unit of Product from the Authorized User's premises.

E. Removal of Lease or Rental Product

If following the expiration of the Lease Term or Rental Term, Supplier fails to remove off-lease Product within 30 days following the Rent Term or Lease Term expiration, the Authorized User shall send written notice (as provided in the notice provisions of this Contract) to the Supplier requesting removal of the Product within 30 days of its receipt of the notice. If after a second such notice by Authorized User and subsequent 30 day period, the Product has not been removed by the Supplier, the Authorized User may deem the Product to have been abandoned by the Supplier and Authorized User may dispose of the Product at its sole discretion without further liability to the Supplier.

F. Return of Product

At the expiration or termination of a Lease Agreement or Rental Agreement or for the return or removal of any Product to Supplier, the Authorized User will cooperate with Supplier in arranging pickup of the Product. If the leased or rented Product contains a hard drive, the Authorized User and Supplier will ensure compliance with Commonwealth Data Removal standard before the equipment is removed from the Authorized User's location. The requirements for compliance are located at the following URL:

http://www.vita.virginia.gov/uploadedFiles/Library/PSGs/Data_Removal_Standard_514_03%2010_07_2008_r3.pdf

. If the Supplier performs the cleaning of the hard drive, the Supplier will provide written certification to the Authorized User that the hard drive has been cleaned in full compliance with the Commonwealth Data Removal standard.

G. Product Support and Additional Services

1. Authorized User or Third Party Support

a) Documentation and Support Availability

In the event that VITA terminates this Contract, Supplier shall provide all the necessary user and installation documentation and maintenance and repair training reasonably required to enable any Authorized User to maintain and repair the Product(s) itself or to obtain support and maintenance services from a third-party. Supplier shall also provide the documentation and training necessary to allow any Authorized User to self-maintain to the subcomponent level. In addition, Supplier agrees to provide, for a period of five (5) years from the date of the last purchase, spare parts and components at the cost set forth in Exhibit C of this Contract, including those solely sourced by Supplier, to enable any Authorized User or its designated third-party maintenance provider to provide full maintenance and repair of the Product(s).

b) Timeliness and Price

Supplier agrees to make the above-referenced documentation, training and spare parts and components available within fifteen (15) days following receipt of a written request, and at a price set forth in Exhibit C of this Contract, such price not to exceed Supplier's published price list, or the fair market value, but in no event at prices above the lowest price paid by any other customer of Supplier. In addition, Supplier agrees to sell Product(s), as set forth in Exhibit C of this Contract, to any Authorized User's third-party maintenance provider under contract with such Authorized User, at the prices as set forth in Exhibit C of this Contract, for the sole purpose of supporting the Authorized User's installed inventory. Supplier agrees to document and provide to all Authorized Users in a timely manner any and all revisions to information and parts and components lists as they are developed or supplied by Supplier.

2. Engineering Changes and Product Modification

For each Authorized User that purchased Product(s), Supplier agrees to document and provide to such Authorized User any and all planned engineering changes to the Product(s) ninety (90) days prior to incorporation. All engineering changes which affect the safety of the Product(s) ("Safety Changes") or the ability of the Product(s) to meet the published specifications ("Performance Changes"), shall be made at no cost to the Authorized User. Supplier shall install all Safety Changes and Performance Changes within thirty (30) days after issuance of the engineering change order by the Product's manufacturer. If such engineering changes affect Product processing or operating capability, they shall be scheduled at the Authorized User's request as to time and at the Authorized User's option. The Authorized User shall have the option to waive all other engineering changes planned by Supplier on the Product(s) delivered or planned for delivery to the Authorized User.

3. Parts and Maintenance Support

Supplier agrees to make available new/certifiable as new spare parts and the Maintenance Services identified in the Maintenance Services section herein and Exhibit C of this Contract hereto for each Product type ordered by an Authorized User, for five (5) years from the expiration of the initial Warranty Period of the last unit of any given Product type provided by Supplier to such Authorized User. Thereafter, Supplier shall advise such Authorized User of its intent to discontinue either certain parts or maintenance services for any Product type ordered by the Authorized User.

Supplier shall notify the Authorized User one (1) year prior to the effective date of any such discontinuance, and shall provide to the Authorized User the opportunity to purchase spare parts in a quantity adequate to support its installed base. Should Supplier advise the Authorized User of its intent to discontinue certain parts for any Product type ordered by the Authorized User, the Authorized User has the option to request and Supplier has the obligation to provide, all documentation, including source code, required to ensure ongoing support, including full maintenance and repair by the Authorized User or its designated third-party maintenance provider within thirty (30) days prior to the discontinuance date or to replace the unsupported Product with a supported Product at a cost to the Authorized User of no more than the cost delta between the supported Product and the unsupported Product.

4. Inventory Record

Supplier shall maintain, at no additional cost, a record of all units of Product covered under warranty/maintenance by type, quantity and location, including the end date for each unit's Warranty Period or maintenance term ("Inventory Record"). Product quantities and types may vary as Product is added or deleted from coverage, and Authorized User shall notify Supplier in writing of any Product relocated, added, or removed from service. Upon such notification, Supplier shall amend the Inventory Record to reflect such relocation, addition, or deletion of Product(s). Supplier shall provide, at no additional cost, a copy of the most current Inventory Record to any Authorized User upon request.

5. Product Service Record

Supplier shall maintain, at no additional cost, a Product Service Record for each unit of Product covered under warranty or maintenance. The Product Service Record shall record the following for such unit of Product: (i) installation/ relocation/ removal/ modifications; (ii) remedial actions; (iii) preventive actions; (iv) any additional services not covered by warranty or maintenance. Upon request by the Authorized User, Supplier shall provide, at no additional cost, a copy of the Product Service Record.

6. Additional Services

In addition to any on-site warranty or maintenance service obligations, Supplier shall, upon request of an Authorized User by means of a Statement of Work (SOW) issued in accordance with the ordering provisions of this Contract, provide additional Services which may include: configuration, installation/repair, training, service on multifunction devices not covered by this Contract; service outside the applicable hours of service; relocation of previously installed hardware; assistance to Authorized User's IT department in mutually

acceptable duties related to the warranty or maintenance services provided under this Contract; and other services related to the Product as published by the Product manufacturer or the Supplier. Software programming/engineering services and the development of Work Product are not authorized as Services under this Contract.

By operation of this Contract, any SOW resulting in a commitment of any individual employee or contractor of Supplier, whether employed by Supplier or a contractor or subcontractor of Supplier, for more than one thousand (1,000) hours of work during any six (6) month period or of any such individual employee or contractor for more than eight (8) months in any twelve (12) month period shall be voidable by VITA, in its sole discretion. If an SOW is voided by VITA, such SOW shall no longer be binding on either Party and all obligations with respect to such SOW shall expire.

The charge for such Services shall be at the hourly rate specified in Exhibit C and shall be inclusive of all expenses.

H. Warranty and Remedy

1. Supplier

Supplier shall perform its obligations hereunder in accordance with the highest professional duty of care.

2. Ownership

Supplier warrants that it has the right to provide the Services, including Deliverables, and is the owner of the Product(s) or otherwise has the right to grant to the Commonwealth or any Authorized User title to or the right to use the Product(s) provided hereunder without violating or infringing any law, rule, regulation, copyright, patent, trade secret or other proprietary right of any third-party. Upon receipt of payment, the Commonwealth or the ordering Authorized User, as applicable, shall obtain good and clear title to the purchased Product(s), excluding the System Software, and Deliverables, free and clear of all liens, claims, security interests and encumbrances.

3. Supplier Viability

Supplier warrants that it has the financial capacity to perform and continue to perform its obligations under this Contract, that no legal proceedings have been threatened or brought against Supplier that could materially adversely affect performance of this Contract, and that entering into this Contract is not prohibited by any contract, or order by any court of competent jurisdiction.

4. Compatibility

Supplier warrants that each Product provided hereunder is, and shall continue to be, data, program, and upward compatible with any other Product available or to be available from Supplier within the same family of Products so that data files created for each Product can be utilized without adaptation of the other Products, and so that programs written for the Product shall operate on the next generation of Products, and not result in the need for alteration, emulation, or other loss of efficiency for a period of not less than ten (10) years.

5. Product(s)

Supplier warrants the following with respect to the Product(s):

- i). Product(s) pursuant to a particular Request for Proposal (RFP), quote, or Request for Quote (RFQ) shall be those specified and shall satisfactorily function as specified in the applicable documentation for the Product for its manufacturer;
- ii). The Product(s) shall be free of defects in material, design and workmanship;
- iii). Upon delivery, the Product(s) shall be new and in Operating Condition and shall have all released engineering changes released to date already installed;
- iv). Each Product delivered hereunder shall function in conformance with the Requirements;
- v). No engineering change made to the Product(s) or System Software revisions shall degrade the performance of the Product(s) to a level below that defined in the applicable Request for Proposal, and in the Product manufacturer's published specifications;

- vi). Upon delivery, all System Software shall be at the current release level unless otherwise requested by the ordering Authorized User; and
- vii). The System Software shall not contain any embedded device or code (e.g., time bomb) that is intended to obstruct or prevent any Authorized User's use of the System Software, nor shall Supplier disable any Authorized User's use of such System Software through remote access or otherwise. If the System Software contains authorization codes allowing access to a data base or other software, Supplier warrants that such codes shall be perpetual and non-expiring.

6. Warranty Services

During the warranty periods described in Exhibit C or as specified in the applicable order, Supplier warrants that the Product, Deliverables and Services shall meet or exceed the Requirements. Supplier shall provide warranty services (including unlimited telephonic support and all necessary travel and labor) during the Warranty Period at the prices identified in Exhibit C. Supplier shall correct, at no additional cost to any Authorized User, all errors identified during the warranty period that result in a failure of the Product, Deliverables or Services to meet the Requirements.

For Products under either the manufacturer's warranty or extended warranty, Supplier agrees to a maximum of two (2) business days repair time. If the Product cannot be repaired in the two (2) business days time period, Supplier agrees to either replace the defective Product or provide the Authorized User a loaner at no additional cost until the original Product can be repaired.

For Products that are replaced during either the warranty, the warranty period does not restart once the replacement product has been accepted by Authorized User.

Exhibit B of this Contract provides detailed descriptions of the Supplier's warranty and maintenance offerings and responsibilities as well as remedies available to the Authorized User in the event Supplier fails to perform its warranty and maintenance obligations. Any remedies shall be paid to the Authorized User on a quarterly basis. Exhibit B of this Contract defines coverage periods, response times, and restore times.

If multiple warranty levels are available, an Authorized User may elect, at any time, an alternative warranty level offered by Supplier. Such amendment shall take effect within thirty (30) days following Supplier's receipt of Authorized User's written notice, in the form of a modification to an order.

Authorized User's designated control organization shall have the exclusive authority to request warranty services. Supplier shall not respond to calls for service from any other source without prior written approval of Authorized User's agreement administrator designated on the relevant order.

a) Products Covered

Exhibit C of this Contract lists all Product types covered under warranty.

b) Preventive Maintenance

Supplier's Preventive Maintenance offerings and responsibilities, and the Authorized User's associated remedies, are described in Exhibit B of this Contract.

c) Remedial Maintenance

Supplier's Remedial Maintenance offerings and responsibilities, and the Authorized User's associated remedies, are described in Exhibit B of this Contract.

d) Replacement Parts

Supplier's offerings and responsibilities related to Replacement Parts, and the Authorized User's associated remedies, are described in Exhibit B of this Contract.

e) Spares

Supplier's offerings and responsibilities related to Spares, and the Authorized User's associated remedies, are described in Exhibit B of this Contract.

f) Notification and Correction of Defects

Supplier's offerings and responsibilities related to notification and correction of defects, and the Authorized User's associated remedies, are described in Exhibit B of this Contract.

g) Depot Warranty

Supplier's depot warranty offerings and responsibilities are described in Exhibit B of this Contract.

h) On-site Warranty

Supplier's on-site warranty offerings and responsibilities are described in Exhibit B of this Contract.

i) System Software Warranty

As part of the standard warranty offering, for a period of not less than twelve (12) months beginning on the date of Acceptance, Supplier shall provide the following warranty services (including unlimited telephonic support and all necessary travel and labor) without additional charge to any Authorized User to maintain the System Software in accordance with the Requirements:

i). New Releases

Supplier's responsibilities related to new releases of System Software and Documentation are described in Exhibit B of this Contract.

ii). Coverage

Supplier's offerings and responsibilities related to coverage for telephonic and written consultation in connection with use, problems, and operation of the System Software are described in Exhibit B of this Contract.

iii). Response and Restore Times

Supplier's response and restore times related to use, problems, and operation of the System Software, and Authorized User's associated remedies, are described in Exhibit B of this Contract.

iv). Software Evolution

Should Supplier or Software Publisher merge or splinter the System Software previously provided to any Authorized User, such action on the part of Supplier or Software Publisher shall not in any way result in any Authorized User being charged additional license or support fees in order to receive enhancements, releases, upgrades or support for the System Software.

If Supplier or Software Publisher reduces or replaces functionality contained in a licensed System Software product and provides the same or substantially similar functionality as or within a separate or renamed System Software product, then the Commonwealth or the Authorized User shall be entitled to license such System Software product at no additional license or maintenance fee, and subject to the terms and conditions herein.

If Supplier or Software Publisher releases an option, future System Software product or other release that has substantially the same functionality as the Software products provided under this Contract, and Software Publisher and/or Supplier ceases to provide maintenance for the older System Software product, then Supplier shall offer the Commonwealth or the Authorized User the option to exchange licenses for such replacement System Software product or function at no additional charge.

j) Escalation Procedures

To be provided by Supplier.

k) Remedies

In addition to any remedies described in Exhibit B of this Contract, if Supplier is unable to make a Product, including System Software, conform, in all material respects to the Requirements, within thirty (30) days following notification by an Authorized User, Supplier shall, at such Authorized User's request, either (i) replace the non-conforming Product or (ii)

accept return of the non-conforming Product and return all monies paid by such Authorized User for the returned Product.

Notwithstanding anything to the contrary in this Contract, VITA and any Authorized User retain all rights and remedies available at law or in equity.

l) **Product Maintenance Services and Renewal Options**

At least sixty (60) days prior to the expiration of the Warranty Period, Supplier shall notify the Authorized User, and the Authorized User, at its sole discretion, may order from Supplier Maintenance Services, including System Software Maintenance for a period of one (1) year (Maintenance Coverage Period) and for the annual fee identified in Exhibit C of this Contract. Supplier warrants that it shall make Maintenance Services available for all the Products, including System Software, listed in Exhibit C of this Contract, or which are components of Products listed in Exhibit C of this Contract, for a period of at least five (5) years from the expiration of the initial Warranty Period of any Product provided to an Authorized User pursuant to this Contract. Termination of this Contract or cancellation of Maintenance Services, including System Software Maintenance Services if provided as a separate offering from Supplier, by an Authorized User shall not affect this Contract or the grant of any license pursuant thereto.

THE OBLIGATIONS OF SUPPLIER UNDER THIS WARRANTY AND REMEDY SECTION ARE MATERIAL. SUPPLIER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY CONCERNING MERCHANTABILITY OR FITNESS FOR ANY OTHER PARTICULAR PURPOSE.

7. Maintenance Services

Supplier shall perform preventive maintenance during regular business hours unless preventive maintenance affects the hardware processing, in which case preventive maintenance shall be performed as mutually agreed and at no additional cost to an Authorized User

Supplier shall provide Maintenance Services (including unlimited telephonic support and all necessary travel and labor) during the Maintenance Coverage Period (MCP) at the prices identified in Exhibit C of this Contract without additional charge to maintain the Product in accordance with the Requirements.

Exhibit B of this Contract provides detailed descriptions of the Supplier's warranty and maintenance offerings and responsibilities as well as remedies available to the Authorized User in the event Supplier fails to perform its warranty and maintenance obligations. Any remedies shall be paid to the Authorized User on a quarterly basis. Exhibit B of this Contract defines coverage periods, response times, and restore times.

Authorized User's designated control organization shall have the exclusive authority to request maintenance services. Supplier shall not respond to calls for service from any other source without prior written approval of Authorized User's agreement administrator designated on the relevant order.

Maintenance Services shall be as follows:

a) Product Covered

Exhibit C of this Contract lists all Product types for which Supplier offers Maintenance Services. No Authorized User is obligated to continue Maintenance Services on any Product that has been removed from service, provided Supplier has been notified in writing of such removal.

b) Preventive Maintenance

Supplier's Preventive Maintenance offerings and responsibilities, and the Authorized User's associated remedies, are described in Exhibit B of this Contract.

c) Remedial Maintenance

Supplier's Remedial Maintenance offerings and responsibilities, and the Authorized User's associated remedies, are described in Exhibit B of this Contract.

d) Replacement Parts

Supplier's offerings and responsibilities related to Replacement Parts, and the Authorized User's associated remedies, are described in Exhibit B of this Contract.

e) Spares

Supplier's offerings and responsibilities related to Spares, and the Authorized User's associated remedies, are described in Exhibit B of this Contract.

f) Notification and Correction of Defects

Supplier's offerings and responsibilities related to notification and correction of defects, and the Authorized User's associated remedies, are described in Exhibit B of this Contract.

g) Advanced Replacement Services

Supplier's advanced replacement service offerings and responsibilities are described in Exhibit B of this Contract.

h) On-site Maintenance Services

Supplier's on-site maintenance service offerings and responsibilities are described in Exhibit B of this Contract.

i) System Software Maintenance

During the MCP and as part of the standard Maintenance Services offering, Supplier shall provide the following Maintenance Services (including unlimited telephonic support and all necessary travel and labor) without additional charge to any Authorized User to maintain the System Software in accordance with the Requirements:

i). New Releases

Supplier's responsibilities related to new releases of System Software and Documentation are described in Exhibit B of this Contract.

ii). Coverage

Supplier's offerings and responsibilities related to coverage for telephonic and written consultation in connection with use, problems, and operation of the System Software are described in Exhibit B of this Contract.

iii). Response and Restore Times

Supplier's response and restore times related to use, problems, and operation of the System Software, and any associated remedies, are described in Exhibit B of this Contract.

iv). Software Evolution

Should Supplier merge or splinter the System Software previously provided to any Authorized User, such action on the part of Supplier shall not in any way result in any Authorized User being charged additional license or Maintenance fees in order to receive enhancements, releases, upgrades or support for the System Software.

If Supplier or Software Publisher reduces or replaces functionality contained in a licensed System Software product and provides the same or substantially similar functionality as or within a separate or renamed System Software product, then the Commonwealth or the Authorized User shall be entitled to license such System Software product at no additional license or maintenance fee, and subject to the terms and conditions herein.

If Supplier or Software Publisher releases an option, future System Software product or other release that has substantially the same functionality as the Software products provided under this Contract, and Software Publisher and/or Supplier ceases to provide maintenance for the older System Software product, then Supplier shall offer the Commonwealth or the Authorized User the option to exchange licenses for such replacement System Software product or function at no additional charge.

v). Escalation Procedures

To be proposed by Supplier.

vi). Remedies

In addition to any remedies described in Exhibit B of this Contract, if Supplier is unable to make a Product, including the System Software, conform, in all material respects, to the

Requirements within thirty (30) days following notification by an Authorized User, Supplier shall, at such Authorized User's request, either (i) provide a replacement Product at no additional cost to the Authorized User, or (ii) accept return of the Product and return all monies paid by such Authorized User (a) for Maintenance Services for the returned Product, including System Software, pro-rated on a monthly basis as of the date the Authorized User reported the non-conformity and (b) for the Product, including System Software, pro-rated on a monthly basis as of the date the Authorized User reported the non-conformity and based on the average life of the Product.

Notwithstanding anything to the contrary in this Contract or in any exhibit hereto, VITA and any Authorized User retain all rights and remedies available at law or in equity.

8. Ordering

An Authorized User may order Maintenance Services for any Product at any time during the term of the Contract, irrespective of whether such Product is covered under warranty or maintenance at the time the order is issued to Supplier. Each order shall identify:

- i). Product and, if applicable, serial number, for which Maintenance Services shall be provided,
- ii). Maintenance Level to be provided, and
- iii). MCP for the Product Maintenance.

Authorized User may elect, at any time, an alternative Maintenance Level offered by Supplier. Such amendment shall take effect within thirty (30) days following Supplier's receipt of Authorized User's written notice, in the form of a modification to an order.

Unless otherwise agreed to by the Authorized User and Supplier, the MCP for a unit of Product shall be one (1) year from the effective date of any executed order for Maintenance on such Product.

9. Renewal of Purchased Product

At least sixty (60) days prior to the expiration of the MCP for each unit of Product, Supplier shall notify the Authorized User of such expiration, and the Authorized User, at its sole discretion, may issue an order to Supplier to renew Maintenance Services, including System Software Maintenance Services, for an additional one (1) year period. The annual fee for Maintenance Services shall not exceed the fee charged for the preceding year's Maintenance Services by more than three percent (3%), or the annual change in CPI, as defined in the Purchase Price and Price Protection section, in effect at the time, whichever is less. Termination of this Contract or cancellation of Maintenance Services, including System Software Maintenance Services if provided as a separate offering from Supplier, by an Authorized User shall not affect this Contract or the grant of any license pursuant thereto.

10. Renewal of Lease or Rental Product

At least sixty (60) days prior to the expiration of the Lease Term or Rental Term for each unit of Product, Supplier shall notify the Authorized User of such expiration, and the Authorized User, at its sole discretion, may issue an order to Supplier to extend the Lease Term or Rental Term in accordance with the following provisions.

An Authorized User may elect to renew a twelve (12), thirty-six (36), forty-eight (48) or sixty (60) month Lease Agreement or Rental Agreement for one (1) year beyond the initial Lease Term or Rental Term. In order to enter into a one-year renewal agreement for the existing unit of Product, the Supplier shall reduce the rental rate charged to the Authorized User not less than five percent (5%). No more than one (1) renewal term is allowable pursuant to this Contract for a thirty-six (36), forty-eight (48) or sixty (60) month initial Lease Term Rental Term. Following the one renewal term, an Authorized User must enter into a new Lease Agreement or Rental Agreement using a current contract.

I. Scope of Use

Any Authorized User may use the Product(s), and any software licensed in connection with such Product(s), on a worldwide basis for the benefit of itself and its agents. Supplier further

authorizes use of the Product(s) by third parties who are under contract with an Authorized User to provide outsourcing services, including but not limited to providing application development services, data processing or facilities or infrastructure management services for the benefit of such Authorized User. For Products to which the Commonwealth or an Authorized User takes title, and any System Software which is integral to such Products, under the terms of this Contract, there are no restrictions on subsequent resale or distribution thereof by the Commonwealth or such Authorized User.

J. Hardware-related (System and Third-Party) Software License

If Authorized User is a state agency, board, commission, or other quasi-political entity of the Commonwealth of Virginia or other body referenced in Title 2.2 of the Code of Virginia, the license shall be held by the Commonwealth. If Authorized User is a locality, municipality, school, school system, college, university, local board, local commission, or local quasi-political entity, the license shall be held by that public body.

VITA will consider Supplier-provided language ONLY when Supplier is a reseller of the Software and the software publisher requires and End User License Agreement (EULA). In such case, Supplier is advised that VITA will require the execution of a License Agreement Addendum (LAA) to such EULA to address terms and conditions in such EULA with which VITA, as a government entity, by law or by policy, cannot agree.

1. License Grant

Supplier hereby grants to the Commonwealth and all Authorized Users a fully paid, perpetual, worldwide, nonexclusive, transferable, irrevocable license to use, and to permit any agent of the Commonwealth or such Authorized User to use, System Software for each Product. Each license granted under this Contract authorizes the Commonwealth or such Authorized User and any agent of the Commonwealth or such Authorized User to use Supplier-licensed programs in machine readable form on any system without limitation. It is expressly understood that "perpetual" license rights shall commence upon delivery of the System Software to the Authorized User and shall exist in perpetuity unless otherwise terminated in accordance with the applicable provisions of this Contract. The System Software is the property of Supplier, and no title or ownership of the System Software or any of its parts, including documentation, is transferred to the Commonwealth or the Authorized User.

2. Limitations on Copying and Disclosure

The Commonwealth, an Authorized User, or any agent of the Commonwealth or such Authorized User may make a reasonable number of backup, archival, and disaster recovery copies of the System Software. Any copies of the software or documentation made by the Commonwealth or an Authorized User pursuant to this Contract shall bear all copyright, trademark and other proprietary notices included therein by Supplier and, except as expressly authorized, neither the Commonwealth nor the Authorized User shall distribute same to any third-party without Supplier's prior written consent. The Commonwealth may distribute the System Software and documentation if such distribution is incidental to transfer of Product to which it has taken title. Neither the Commonwealth nor any Authorized User may resell the System Software except if such resale is incidental to the resale of Product(s) to which the Commonwealth or such Authorized User has taken title.

3. Business Continuity and Recovery

Authorized User or its Agent may run the System Software concurrently at a back-up site. In the event that all of an Authorized User's copies of the System Software, including all backup copies, are destroyed, irreparably damaged or otherwise lost due to fire, explosion, sabotage, flood or other natural disaster not occasioned by the fault of such Authorized User, Supplier shall provide to the Authorized User, at no additional cost, a replacement copy of the System Software and documentation; provided however, that nothing contained in this Section shall obligate Supplier to replace or assist in the recovery of data lost concurrent with the loss of the System Software.

4. Authorized User Compliance

Compliance with the terms and conditions of any license granted pursuant to this Contract is solely the responsibility of the Authorized User which purchased such license and not the responsibility of VITA, unless VITA purchased such license on its own behalf.

5. No Subsequent, Unilateral Modification of Terms by Supplier (“Shrink Wrap”)

Notwithstanding any other provision or other unilateral license terms which may be issued by Supplier after the Effective Date of this Contract, and irrespective of whether any such provisions have been proposed prior to or after the issuance of an order for System Software licensed under this Contract, or the fact that such other agreement may be affixed to or accompany System Software upon delivery (“shrink wrap”), the terms and conditions set forth herein shall supersede and govern licensing and delivery of all products and services hereunder.

K. Supplier-Sponsored Product Promotions

The Supplier, at its discretion, may sponsor Product and Service promotions during the Contract term or any extensions thereof. Should Supplier choose to sponsor such a promotion, Supplier shall provide in writing to VITA, at least five (5) days prior to the promotion, the following information: (i) the dates of the promotion or the duration of the promotion to include the commencement date and the ending date; (ii) the exact Products or Services covered in the promotion; and (iii) the pricing or percentage discount offered during the promotion. VITA shall communicate to Supplier in writing its agreement to the promotion.

The Supplier shall be in breach of the Contract in the absence of a written agreement regarding the promotion. In any event wherein the Supplier proposes prices that are different than the Contract prices to any Authorized User without first obtaining VITA’s agreement, the Supplier shall be in breach of the Contract, and VITA shall have all remedies available under Contract and law and in equity.

All Supplier-sponsored Product or Service promotions shall be available to all Authorized Users. Should the Supplier request a promotion that would be limiting, either through product configuration or quantities of Products and Services, VITA, at its sole discretion, may not provide a written agreement. VITA and Supplier agree that promotions shall not target any one Authorized User, or a few Authorized Users.

VITA and Authorized Users, at their discretion, may assist in advertising the promotion. This assistance may consist of advertising space on Authorized User web sites, or other assistance at an Authorized User’s discretion.

18. SOFTWARE LICENSE (NON-HARDWARE RELATED)

If Authorized User is a state agency, board, commission, or other quasi-political entity of the Commonwealth of Virginia or other body referenced in Title 2.2 of the Code of Virginia, the license shall be held by the Commonwealth. If Authorized User is a locality, municipality, school, school system, college, university, local board, local commission, or local quasi-political entity, the license shall be held by that public body.

A. License Grant

- i). Supplier grants to the Commonwealth and all Authorized Users a fully paid, perpetual, worldwide, nonexclusive, transferable, irrevocable object code license to use, copy, modify, transmit and distribute the Software and Documentation including any subsequent revisions, in accordance with the terms and conditions set forth herein and subject only to the limitations and/or restrictions explicitly set forth in this Contract. It is expressly understood that “perpetual” license rights shall commence upon delivery of the Software to the Authorized User and shall exist in perpetuity unless otherwise terminated in accordance with the applicable provisions of this Contract. The Software is the property of Supplier and/or its licensors, and no title or ownership of the Software or any of its parts, including Documentation, shall transfer to the Commonwealth or any Authorized User.
- ii). The Commonwealth and all Authorized Users shall have the right to use, copy, modify, transmit and distribute the Software for their benefit, for government use and purposes, and for the benefit of their Agents, including internal and third-party information processing.

- iii). The Commonwealth and any Authorized User may allow access to the Software by third party vendors who are under contract with an Authorized User to provide services to or on behalf of such Authorized User, or by other entities as required for conducting the business of government. Access includes loading or executing the Software on behalf of such Authorized User or its Agents.
- iv). The license fee includes a test system copy, which consists of the right to use the Software for non-production test purposes, including but not limited to, problem/defect identification, remediation, and resolution, debugging, new version evaluation, Software interface testing, and disaster recovery technique analysis and implementation.
- v). In the event that all of an Authorized User's copies of the Software, including all backup copies, are destroyed, irreparably damaged or otherwise lost due to fire, explosion, sabotage, flood or other disaster, Supplier shall provide to such Authorized User, at no additional cost, replacement copies of the Software and Documentation. Nothing contained in this Section shall obligate Supplier to replace or assist in the recovery of data lost concurrent with the loss of the Software.
- vi). An Authorized User may make a reasonable number of copies of the Software and Documentation for use in training, support, demonstrations, backup, archiving, disaster recovery and development and may run the Software concurrently at a back-up site for no additional license fees or costs. Such Authorized User agrees that any copies of the Software or Documentation that it makes under this Contract shall bear all copyright, trademark and other proprietary notices included therein by Supplier.
- vii). Except as expressly authorized, an Authorized User shall not distribute the Software to any third party without Supplier's prior written consent.
- viii). Except as provided or allowed by law, no Party shall reverse engineer, decompile, disassemble, or otherwise attempt to derive source code or other trade secrets from any software or other intellectual property of any other Party.

B. Third-party Software Licensed by Software Publisher

If Supplier provides Software which is licensed directly from the Software Publisher through an end user licensing agreement (EULA) or similar license document, Supplier may be required by VITA to obtain the Software Publisher's consent to the License Agreement Addendum (LAA) before accepting orders for the Third-party Software. If the EULA provides for a "perpetual" license, it is expressly understood that "perpetual" license rights shall commence upon delivery of the Software and shall exist in perpetuity unless otherwise terminated in accordance with the applicable provisions of this Contract.

Nothing contained herein shall be construed to restrict or limit an Authorized User's rights to use any technical data which such Authorized User may already possess or acquire under proper authorization from other sources.

Compliance with the terms and conditions of any license granted pursuant to this Contract is solely the responsibility of the Authorized User which purchased such license and not the responsibility of VITA, unless VITA purchased such license on its own behalf.

C. License Type

All licenses granted, regardless of the type, include all uses set forth above. License type may vary by Software product and shall be set forth in Exhibit C and identified on any order issued pursuant to this Contract.

D. No Subsequent, Unilateral Modification of Terms by Supplier ("Shrink Wrap")

Notwithstanding any other provision or other unilateral license terms which may be issued by Supplier after the Effective Date of this Contract, and irrespective of whether any such provisions have been proposed prior to or after the issuance of an order for Software licensed under this Contract, or the fact that such other agreement may be affixed to or accompany Software upon delivery ("shrink wrap"), the terms and conditions set forth herein shall supersede and govern licensing and delivery of all products and services provided under this Contract.

E. Delivery and Installation

1. Scheduling

Supplier shall deliver Software and perform the Services according to the delivery dates set forth on the appropriate order.

2. Installation of Software

a) Supplier Installation of Software

Unless otherwise agreed, the Software license fee includes initial installation. Supplier is required to install the Software in accordance with the installation schedule set forth on the order. Supplier shall conduct its standard appropriate diagnostic evaluation at the Authorized User's user site to determine that the Software is properly installed and fully ready for productive use, and shall supply the Authorized User with a copy of the results of the diagnostic evaluation promptly after completion of installation.

Supplier agrees that failure to install the Software in accordance with the delivery schedule in the applicable order shall constitute a material breach of this Contract resulting in damages to the Authorized User. As an estimate of the damages such Authorized User shall suffer, Supplier agrees to credit such Authorized User an amount equal to two percent (2%) of the total license fee, for each day of undelivered or delivered but non-operational Software for a period of thirty (30) days following the agreed upon delivery date. If the delay lasts longer than thirty (30) days, such Authorized User may immediately cancel the order and collect the damages for that period of late delivery. Such Authorized User reserves any and all other remedies available at law or in equity for delays lasting longer than thirty (30) days or for non-delivery.

b) Authorized User Installation of Software

If an Authorized User elects to install the Software itself or to contract with a third party to perform installation services, the Software shall be deemed to be installed when all programs, program libraries and user interfaces are copied to and initialized on the appropriate equipment as executable by having the ordering Authorized User, its Agent, or its third party installer invoke the primary function of each major component of the Software or when Acceptance criteria have been met. Authorized User shall provide to Supplier written notice of Acceptance upon completion of installation and successful Acceptance testing.

3. Documentation of Software Configuration

If the Services include configuration of Software by Supplier, Supplier shall provide to the appropriate Authorized User documentation containing a description of the configuration. Such documentation shall be sufficiently detailed such that any appropriately trained employee or Agent of any Authorized User may reconstruct the configuration of the Software.

F. Acceptance and Cure Period

1. Acceptance

Software shall be deemed accepted when the Authorized User determines that such Software successfully operates in accordance with the Requirements. Such Authorized User agrees to commence Acceptance testing within five (5) business days after receipt of the Software, or within such other period as set forth in the applicable order, after receipt of the Software. Acceptance testing will be no longer than ten (10) business days, or such longer period as may be agreed in writing between Authorized User and Supplier, for the first instance of each product type set forth in Exhibit C of this Contract. Supplier agrees to provide to such Authorized User such assistance and advice as such Authorized User may reasonably require, at no additional cost, during such Acceptance testing, other than travel expenses pre-approved by the Authorized User which will be reimbursable by such Authorized User at the then-current per diem amounts as published by the Virginia Department of Accounts (<http://www.doa.virginia.gov/>, or a successor URL(s)). Authorized User shall provide to Supplier written notice of Acceptance upon completion of successful Acceptance testing. Should Authorized User fail to provide Supplier written notice of successful or unsuccessful Acceptance testing within five (5) days following the Acceptance testing period, the Software shall be deemed Accepted.

2. Cure Period

Supplier shall correct any non-conformities identified during Acceptance testing and re-submit such non-conforming Software for re-testing within seven (7) days of the appropriate Authorized User's written notice of non-conformance, or as otherwise agreed between such Authorized User and Supplier in the applicable order. Should Supplier fail to cure the non-conformity or deliver Software which meets the Requirements, such Authorized User may, in its sole discretion: (i) reject the Software in its entirety and recover amounts previously paid hereunder; (ii) issue a "partial Acceptance" of the Software with an equitable adjustment in the price to account for such deficiency; or (iii) conditionally accept the applicable Software while reserving its right to revoke Acceptance if timely correction is not forthcoming. Failure of the Software to meet, in all material respects, the Requirements after the second set of acceptance tests may constitute a default by Supplier. In the event of such default, the Authorized User may, at its sole discretion, terminate its order, in whole or in part, for the Software and Services to be provided thereunder by Supplier.

G. Warranty Services

At any time during the Warranty Period of twelve (12) months after Acceptance, if the Supplier is directly licensing the Software, Supplier shall provide the following warranty services (including unlimited telephonic support and all necessary travel and labor) without additional charge to any Authorized User to maintain the Software in accordance with the Requirements:

1. Known Defects

Promptly notify all Authorized Users of any defects or malfunctions in the Software or Documentation of which it learns from any source other than an Authorized User and provide to all Authorized Users a correction of any such defects or malfunctions, or a work around until a correction is available, within sixty (60) days of Supplier's knowledge of such defect or malfunction.

2. Coverage

Supplier will provide to any Authorized Users all reasonably necessary telephone or written consultation requested by such Authorized Users in connection with use, problems and operation of the Software.

3. Service Levels

Respond to problems with the Software identified by an Authorized User in no more than one (1) hour after notification. Resolve all problems according to the following:

- ix). Priority 1 (Software inoperable) within six (6) hours
- x). Priority 2 (certain processing interrupted or malfunctioning but Software able to process) within twenty four (24) hours
- xi). Priority 3 (minor intermittent malfunctioning, Software able to process data) within three (3) days.

The level of severity (e.g., 1, 2, 3), shall be defined by such Authorized User

4. Remedies

If Supplier is unable to make the Software conform, in all material respects, to the Requirements within thirty (30) days following written notification by an Authorized User, Supplier shall, at such Authorized User's request, cancel the license to such Software, accept return of such Software and Documentation, if applicable, rendered unusable, and return all monies paid by such Authorized User for the non-conforming Software and Documentation and such other related Service(s) rendered unusable.

Supplier agrees that failure to make the Software conform, in all material respects, to the Requirements within ten (10) days following notification by an Authorized User shall constitute a material breach of this Contract resulting in damages to the Authorized User. As an estimate of the damages such Authorized User shall suffer, Supplier agrees to credit such Authorized User an amount equal to two percent (2%) of the total license fee, for each day that the Software is non-conforming, for a period of up to thirty (30) days. If after such thirty (30) day period Supplier is unable to make the Software conform, Supplier shall, at such

Authorized User's request, cancel the license to such Software, accept return of the Software and Documentation, if applicable, and return all monies paid for the non-conforming Software and Documentation. Such Authorized User reserves any and all other remedies available at law or in equity for delays lasting longer than thirty (30) days.

H. Maintenance Services

Where the Supplier is licensing Software, the following shall apply:

Supplier shall provide Maintenance Services during the Maintenance Period at the prices identified in Exhibit C of this Contract without additional charge to maintain the Software in accordance with the Requirements and to provide upgrades, updates, and new releases as they are made generally available.

The prices identified in Exhibit C of this Contract are inclusive of all necessary labor and, unless otherwise provided therein, all necessary travel. Should travel not be included in the prices identified in Exhibit C of this Contract, any travel expense must be pre-approved by the Authorized User and shall be reimbursed in accordance with the then-current per diem rates established by the Virginia Department of Accounts at (<http://www.doa.virginia.gov/> or a successor URL(s)).

In addition to the minimum Maintenance Services described in this Section, Exhibit B of this Contract provides detailed descriptions of Supplier's additional maintenance offerings, if any, and Supplier's associated responsibilities as well as remedies available to the Authorized User in the event Supplier fails to perform its maintenance obligations. Any monetary remedies shall be paid to the Authorized User on a quarterly basis. Exhibit B of this Contract defines coverage periods, response times, and restore times.

1. Ordering

An Authorized User may order Maintenance Services for any Software at any time during the term of this Contract, irrespective of whether such Software is covered under warranty or maintenance at the time the order is issued to Supplier. Each order shall identify:

- i). Software product and number of units for which Maintenance Services shall be provided,
- ii). Maintenance Level to be provided, and
- iii). Maintenance Period for Software Maintenance.

Authorized User may elect, at any time, an alternate Maintenance Level offered by Supplier. Such amendment shall take effect within thirty (30) days following Supplier's receipt of Authorized User's written notice, in the form of a modification to an order.

Unless otherwise agreed by the Authorized User and Supplier, the Maintenance Period for a unit of Software shall be one (1) year from the effective date of any executed order for Maintenance on such Software product. Co-termination of Maintenance Periods, TBD based on Supplier proposal.]

2. Renewal

Not less than sixty (60) days prior to the expiration of the Maintenance Period for each unit of Software, Supplier shall notify the Authorized User of such expiration, and the Authorized User, at its sole discretion, may issue an order to Supplier to renew Maintenance Services for an additional one (1) year period. The annual fee for Maintenance Services shall not exceed the fee charged for the preceding year's Maintenance Services by more than three percent (3%), or the annual change in CPI, as defined in the Fees and Charges section, in effect at the time, whichever is less. Termination of this Contract or cancellation of Maintenance Services by an Authorized User shall not affect this Contract or the grant of any license.

3. Services

At a minimum, Maintenance Services shall include the following:

- a) Known Defects

Supplier's offerings and responsibilities related to known defects in the Software are described in Exhibit B of this Contract.

b) New Releases

Supplier's offerings and responsibilities related to new releases of the Software are described in Exhibit B of this Contract.

c) Coverage

Supplier's offerings and responsibilities related to coverage for telephonic and written consultation in connection with use, problems, and operation of the Software are described in Exhibit B of this Contract.

d) Service Levels

Supplier's offerings and responsibilities related to response and restore times for any problems with the Software identified by an Authorized User, and any associated remedies are described in Exhibit B of this Contract.

e) Additional Maintenance Services

Supplier's additional Maintenance Service offerings are described in Exhibit B of this Contract.

4. Software Evolution

Should Supplier or Software Publisher merge or splinter the Software previously provided to any Authorized User, such action on the part of Supplier or Software Publisher shall not in any way result in any Authorized User being charged additional license or support fees in order to receive enhancements, releases, upgrade or support for the Software.

If Supplier or Software Publisher reduces or replaces functionality contained in a licensed Software product and provides the same or substantially similar functionality as or within a separate or renamed Software product, then the Commonwealth or the Authorized User shall be entitled to license such Software product at no additional license or maintenance fee, and subject to the terms and conditions herein.

If Supplier or Software Publisher releases an option, future Software product or other release that has substantially the same functionality as the Software products provided under this Contract, and Software Publisher and/or Supplier ceases to provide maintenance for the older Software product, then Supplier shall offer the Commonwealth or the Authorized User the option to exchange licenses for such replacement Software product or function at no additional charge.

5. Maintenance Services Remedies

In addition to any remedies described elsewhere in this Contract, if Supplier is unable to make the Software conform, in all material respects, to the published Software documentation within thirty (30) days following notification by an Authorized User, Supplier shall, at such Authorized User's request, accept cancellation of the license to such non-conforming software and (i) return all monies paid by such Authorized User for the cancelled license, pro-rated using the straight-line method for an estimated software life cycle of five (5) years, or, if a term license, shall return the prorated license fee for the remainder of the license term; and (ii) return the prorated maintenance charge for the remainder of the maintenance term. The prorated amount due an Authorized User shall be calculated from the date on which the Software ceased operating in accordance with the Requirements.

I. General Warranty

Supplier warrants and represents to VITA the Software described in Exhibit C of this Contract as follows:

1. Ownership

Supplier is the owner of the Software or otherwise has the right to grant the license to use the Software granted hereunder without violating or infringing any law, rule, regulation, copyright, patent, trade secret or other proprietary right of any third party.

2. Software and Documentation

Supplier warrants the following with respect to the Software:

- i). If the RFP specified or Exhibit C of this Contract specifies the hardware equipment an Authorized User shall use to run the Software, then Supplier warrants the Software, and any

subsequent release, is compatible with and shall perform as stated with such hardware for a period of ten (10) years of the Effective Date.

- ii). If an order issued by an Authorized User pursuant to this Contract specified the hardware equipment such Authorized User shall use to run the Software, then Supplier warrants the Software, and any subsequent release, is compatible with and shall perform as stated with such hardware for a period of five (5) years of the date of such order. However Supplier will in no event be liable for the failure of Software if such failure is due to changes in the hardware or use of third party software by such Authorized User.
- iii). The Software provided hereunder is at the current release level unless an Authorized User specifies an older version in its order, in which case item (iii) shall not apply and the older version of the Software, and any subsequent release, is compatible with and shall perform as stated with any hardware specified in the applicable order for a period of five (5) years of the date of such order;
- iv). No corrections, workarounds or future Software releases provided by Supplier under the warranty provisions or under maintenance or support services shall degrade the Software, cause any other warranty to be breached, or require an Authorized User to acquire additional hardware equipment or software;
- v). Supplier warrants that the Documentation and all modifications or amendments thereto which Supplier is required to provide under this Contract shall be sufficient in detail and content to allow an Authorized User to operate the Software without reference to any other materials or information.

3. Limited Warranty

During the warranty period of twelve (12) months, or as specified in the applicable order, Supplier warrants that the Software shall meet or exceed the published Software documentation. Supplier shall either replace the software at no additional cost to the Authorized User or refund the original purchase amount to the Authorized User.

4. Malicious Code

Supplier has used its best efforts through quality assurance procedures to ensure that there are no Computer Viruses or undocumented features in the Software at the time of delivery to an Authorized User. Supplier warrants that the Software does not contain any embedded device or code (e.g., time bomb) that is intended to obstruct or prevent any Authorized User's use of the Software. Notwithstanding any rights granted under this Contract or at law, Supplier hereby waives under any and all circumstances any right it may have or may hereafter have to exercise Electronic Self-Help. Supplier agrees an Authorized User may pursue all remedies provided under law in the event of a breach or threatened breach of this Section, including injunctive or other equitable relief.

5. Open Source

Supplier will notify all Authorized Users if the Software contains any Open Source code and identify the specific Open Source License that applies to any embedded code dependent on Open Source code, provided by Supplier under this Contract.

6. Supplier's Viability

Supplier warrants that it has the financial capacity to perform and continue to perform its obligations under this Contract; that Supplier has no constructive or actual knowledge of a potential legal proceeding being brought against Supplier that could materially adversely affect performance of this Contract and that entering into this Contract is not prohibited by any contract, or order by any court of competent jurisdiction.

7. Supplier's Past Experience

Supplier warrants that the Software has been installed and is operating in a production environment in a non-related third party's facility without significant problems due to the Software or Supplier.

THE OBLIGATIONS OF SUPPLIER UNDER THIS GENERAL WARRANTY SECTION ARE MATERIAL. SUPPLIER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED,

INCLUDING WITHOUT LIMITATION ANY CONCERNING MERCHANTABILITY OR FITNESS FOR ANY OTHER PARTICULAR PURPOSE.

J. Training and Documentation

The license fee includes all costs for the training of one Authorized User trainer per order or SOW at such Authorized User's designated location on the use and operation of the Software, including instruction in any necessary conversion of Authorized User's data for such use. Pursuant to a mutually agreed upon schedule, Supplier shall provide personnel sufficiently experienced and qualified to conduct such training. Available optional training, and applicable pricing and discounts, are described in Exhibit C.

Supplier shall deliver to the Authorized User, three (3) complete hard copies or electronic media of Documentation, as requested by such Authorized User. Authorized User shall have the right, as part of the license granted herein, to make as many additional copies of the Documentation, in whole or in part, for its own use as required. This Documentation shall include, but not be limited to, overview descriptions of all major functions, detailed step-by-step installation and operating procedures for each screen and activity, and technical reference manuals. Authorized User shall have the right, as part of the license granted herein, at its own discretion, to take all or portions of the Documentation, modify or completely customize it in support of the authorized use of the Software and may duplicate such Documentation and include it in an Authorized User document or platform. Authorized User shall continue to include Supplier's copyright notice.

K. Reproduction Rights

At an Authorized User's request, Supplier shall provide the Authorized User with a reproducible diskette or CD. Such Authorized User shall be responsible for making copies and distributing the Software as required. Within thirty (30) days of the end of each calendar quarter, such Authorized User shall provide to Supplier a report of the net number of additional copies of the Software deployed during the quarter. Supplier shall invoice such Authorized User for the net number of new licenses reported as deployed.

L. Evaluation Copy of Software

Supplier shall make available to any Authorized User Software for evaluation purposes at no charge. The evaluation period will be determined by the complexity of testing but will be a period not less than thirty (30) days. Each new project is entitled to an evaluation copy regardless of whether an Authorized User has previously purchased the Software.

19. SERVICES (NON-MAINTENANCE)-SPECIFIC PROVISIONS

A. Services

1. Nature of Services and Engagement

This Contract is optional use and non-exclusive and all Authorized Users may, at their sole discretion, receive benefits from third party suppliers of services similar to, or in competition with, services provided by Supplier.

By operation of this Contract, any order or SOW resulting in a commitment of any individual employee or contractor of Supplier, whether employed by Supplier or a contractor or subcontractor of Supplier, for more than one thousand (1,000) hours of work during any six (6) month period or of any such individual employee or contractor for more than eight (8) months in any twelve (12) month period shall be voidable by VITA, in its sole discretion. If an SOW is voided by VITA, such SOW shall no longer be binding on either Party and all obligations with respect to such SOW shall expire.

2. Acceptance

Service(s) shall be deemed accepted when the Authorized User determines that such Service(s) meets the Requirements set forth in the applicable SOW. If applicable, Supplier shall be responsible for ensuring that any individual Deliverable functions properly with any other Deliverable provided pursuant to the SOW. Should a previously Accepted Deliverable require further modification in order to work properly with any other Deliverable, Supplier shall be responsible for all costs associated with such modification.

Authorized User shall commence Acceptance testing within five (5) business days, or within such other period as set forth in the applicable SOW, after receipt of the Service. Acceptance testing will be no longer than ten (10) business days, or such longer period as may be agreed in writing between Authorized User and Supplier, for each Deliverable or for the first instance of each Service type set forth in Exhibit D of this Contract. Supplier agrees to provide to the Authorized User such assistance and advice as the Authorized User may reasonably require, at no additional cost, during such Acceptance testing. Authorized User shall provide to Supplier written notice of Acceptance upon completion of installation and successful Acceptance testing. Should Authorized User fail to provide Supplier written notice of successful or unsuccessful Acceptance testing within five (5) days following the Acceptance testing period, the Service shall be deemed Accepted.

3. Cure Period

Supplier shall correct any non-conformities identified during Acceptance testing and re-submit such non-conforming Service for re-testing within seven (7) days of the appropriate Authorized User's written notice of non-conformance, or as otherwise agreed between such Authorized User and Supplier in the applicable SOW. Should Supplier fail to cure the non-conformity or deliver a Service which meets the Requirements, the Authorized User may, in its sole discretion: (i) reject the Service in its entirety, and any Service rendered unusable due to the non-conforming Service, and recover amounts previously paid hereunder for all such Services; (ii) issue a "partial Acceptance" of the Service with an equitable adjustment in the price to account for such deficiency; or (iii) conditionally accept the applicable Service while reserving its right to revoke Acceptance if timely correction is not forthcoming. Failure of a Service to meet, in all material respects, the Requirements after the second set of acceptance tests may constitute a default by Supplier. In the event of such default, the Authorized User may, at its sole discretion, terminate its order or SOW, in whole or in part, for the Services to be provided thereunder by Supplier.

B. General Warranty

With respect to the Services provided by Supplier, Supplier represents and warrants the following:

1. Ownership

Supplier has the right to provide the Services, including Deliverables, without violating or infringing any law, rule, regulation, copyright, patent, trade secret or other proprietary right of any third party.

2. Supplier's Viability

Supplier warrants that it has the financial capacity to perform and continue to perform its obligations under this Contract; that Supplier has no constructive or actual knowledge of an actual or potential legal proceeding being brought against Supplier that could materially adversely affect performance of this Contract; and that entering into this Contract is not prohibited by any contract, or order by any court of competent jurisdiction.

3. Supplier's Past Experience

Supplier warrants that the Services have been successfully performed for a non-related third-party without significant problems due to the Services or Supplier.

4. Performance

- vi). All Services shall be performed with care, skill and diligence, consistent with or above applicable professional standards currently recognized in its profession, and Supplier shall be responsible for the professional quality, technical accuracy, completeness and coordination of all plans, information, specifications, Deliverables and Services furnished under this Contract;
- vii). Services pursuant to a particular Request for Proposal ("RFP"), quote, or Request for Quote (RFQ), and any associated Deliverables shall be fit for the particular purposes specified by VITA in the RFP and in this Contract and, if applicable, by the Authorized User requesting such quote or issuing such RFQ, and Supplier is possessed of superior knowledge with respect to the Services and Deliverables and is aware that all Authorized Users are relying on Supplier's skill and judgment in providing the Services and Deliverables;

viii). The documentation which Supplier is required to provide under this Contract shall be sufficient in detail and content to allow a user to understand and fully utilize the Deliverables without reference to any other materials or information.

5. Malicious Code

Supplier has used its best efforts through quality assurance procedures to ensure that there are no computer viruses or undocumented features in any of the media or means used to deliver the Services. Supplier has used the best available means to scan any media on which Deliverables are provided to the Authorized User.

6. Limited Warranty Period and Remedy

During the warranty period of twelve (12) months, or as specified in the applicable SOW, Supplier warrants that the Services shall meet or exceed the Requirements. Supplier shall correct, at no additional cost to any Authorized User, all errors identified during the warranty period that result in a failure of the Services to meet the Requirements. If Supplier is unable to make the Service/Deliverable conform, in all material respects, to the Requirements within ten (10) days following written notification by an Authorized User, Supplier shall, at such Authorized User's request, accept return of such Deliverable and any other related Deliverable(s) rendered unusable, and return all monies paid by such Authorized User for the non-conforming Services and Deliverable and such other related Deliverable(s) rendered unusable.

THE OBLIGATIONS OF SUPPLIER UNDER THIS GENERAL WARRANTY SECTION ARE MATERIAL. SUPPLIER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY CONCERNING MERCHANTABILITY OR FITNESS FOR ANY OTHER PARTICULAR PURPOSE.

C. Training and Documentation

Any training or documentation necessary for an Authorized User to have full benefit of the Service shall be deemed included in the scope of the applicable SOW unless expressly excluded.

20. GENERAL PROVISIONS

A. Relationship Between VITA and Authorized User and Supplier

Supplier has no authority to contract for VITA or any Authorized User or in any way to bind, to commit VITA or any Authorized User to any agreement of any kind, or to assume any liabilities of any nature in the name of or on behalf of VITA or any Authorized User. Under no circumstances shall Supplier, or any of its employees, hold itself out as or be considered an Agent or an employee of VITA or any Authorized User, and neither VITA nor any Authorized User shall have any duty to provide or maintain any insurance or other employee benefits on behalf of Supplier or its employees. Supplier represents and warrants that it is an independent contractor for purposes of federal, state and local employment taxes and agrees that neither VITA nor any Authorized User is responsible to collect or withhold any federal, state or local employment taxes, including, but not limited to, income tax withholding and social security contributions, for Supplier. Any and all taxes, interest or penalties, including, but not limited to, any federal, state or local withholding or employment taxes, imposed, assessed or levied as a result of this Contract shall be paid or withheld by Supplier or, if assessed against and paid by VITA or any Authorized User, shall be reimbursed by Supplier upon demand by VITA or such Authorized User.

B. Incorporated Contractual Provisions

The then-current contractual provisions at the following URL are mandatory contractual provisions, required by law or by VITA, and that are hereby incorporated by reference: <http://www.vita.virginia.gov/uploadedFiles/SCM/StatutorilyMandatedTsandCs.pdf>

The contractual claims provision §2.2-4363 of the Code of Virginia and the required eVA provisions at <http://www.vita.virginia.gov/uploadedFiles/SCM/eVATsandCs.pdf> are also incorporated by reference.

The then-current contractual provisions at the following URL are required contractual provisions, required by law or by VITA, that apply to all orders placed under this Contract that are partially or wholly funded by the American Recovery and Reinvestment Act of 2009 (ARRA) and are hereby

incorporated by reference:

http://www.vita.virginia.gov/uploadedFiles/SCM/ARRA_Ts_Cs_Rev3.pdf

The then-current terms and conditions in documents posted to the aforementioned URLs are subject to change pursuant to action by the legislature of the Commonwealth of Virginia, change in VITA policy, or the adoption of revised eVA business Requirements. If a change is made to the terms and conditions, a new effective date will be noted in the document title. Supplier is advised to check the URLs periodically.

C. Compliance with the Federal Lobbying Act

Supplier's signed certification of compliance with 31 USC 1352 (entitled "Limitation on use of appropriated funds to influence certain Federal Contracting and financial transactions") or by the regulations issued from time to time thereunder (together, the "Lobbying Act") is incorporated as Exhibit F hereto.

D. Governing Law

This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia without regard to that body of law controlling choice of law. Any and all litigation shall be brought in the circuit courts of the Commonwealth of Virginia. The English language version of this Contract prevails when interpreting this Contract. The United Nations Convention on Contracts for the International Sale of Goods and all other laws and international treaties or conventions relating to the sale of goods are expressly disclaimed. UCITA shall apply to this Contract only to the extent required by §59.1-501.15 of the Code of Virginia.

E. Dispute Resolution

In accordance with §2.2-4363 of the Code of Virginia, Contractual claims, whether for money or other relief, shall be submitted in writing to the public body from whom the relief is sought no later than sixty (60) days after final payment; however, written notice of the Supplier's intention to file such claim must be given to such public body at the time of the occurrence or beginning of the work upon which the claim is based. Pendency of claims shall not delay payment of amounts agreed due in the final payment. The relevant public body shall render a final decision in writing within thirty (30) days after its receipt of the Supplier's written claim.

The Supplier may not invoke any available administrative procedure under §2.2-4365 of the Code of Virginia nor institute legal action prior to receipt of the decision of the relevant public body on the claim, unless that public body fails to render its decision within thirty (30) days. The decision of the relevant public body shall be final and conclusive unless the Supplier, within six (6) months of the date of the final decision on the claim, invokes appropriate action under §2.2-4364, Code of Virginia or the administrative procedure authorized by §2.2-4365, Code of Virginia.

Upon request from the public body from whom the relief is sought, Supplier agrees to submit any and all contractual disputes arising from this Contract to such public body's alternative dispute resolution (ADR) procedures, if any. Supplier may invoke such public body's ADR procedures, if any, at any time and concurrently with any other statutory remedies prescribed by the Code of Virginia.

In the event of any breach by a public body, Supplier's remedies shall be limited to claims for damages and Prompt Payment Act interest and, if available and warranted, equitable relief, all such claims to be processed pursuant to this Section. In no event shall Supplier's remedies include the right to terminate any license or support Services hereunder.

F. Advertising and Use of Proprietary Marks

Supplier shall not use the name of VITA or any Authorized User or refer to VITA or any Authorized User, directly or indirectly, in any press release or formal advertisement without receiving prior written consent of VITA or such Authorized User. In no event may Supplier use a proprietary mark of VITA or an Authorized User without receiving the prior written consent of VITA or the Authorized User.

G. Notices

Any notice required or permitted to be given under this Contract shall be in writing and shall be deemed to have been sufficiently given if delivered in person, or if deposited in the U.S. mails, postage prepaid, for mailing by registered, certified mail, or overnight courier service addressed to:

- v). To VITA and to Supplier, if Supplier is incorporated in the Commonwealth of Virginia, to the addresses shown on the signature page.
- vi). To Supplier, if Supplier is incorporated outside the Commonwealth of Virginia, to the Registered Agent registered with the Virginia State Corporation Commission.

Pursuant to Title 13.1 of the Code of Virginia, VITA or Supplier may change its address for notice purposes by giving the other notice of such change in accordance with this Section.

Administrative contract renewals, modifications or non-claim related notices are excluded from the above requirement. Such written and/or executed contract administration actions may be processed by the assigned VITA and Supplier points of contact for this Contract and may be given in person, via U.S. mail, courier service or electronically.

H. No Waiver

Any failure to enforce any terms of this Contract shall not constitute a waiver.

I. Assignment

This Contract shall be binding upon and shall inure to the benefit of the permitted successors and assigns of VITA and Supplier. Supplier may not assign, subcontract, delegate or otherwise convey this Contract or any of its rights and obligations hereunder, to any entity without the prior written consent of VITA, and any such attempted assignment or subcontracting without consent shall be void. VITA may assign this Contract to any entity, so long as the assignee agrees in writing to be bound by the all the terms and conditions of this Contract.

If any law limits the right of VITA or Supplier to prohibit assignment or nonconsensual assignments, the effective date of the assignment shall be thirty (30) days after the Supplier gives VITA prompt written notice of the assignment, signed by authorized representatives of both the Supplier and the assignee. Any payments made prior to receipt of such notification shall not be covered by this assignment.

J. Captions

The captions are for convenience and in no way define, limit or enlarge the scope of this Contract or any of its Sections.

K. Severability

Invalidity of any term of this Contract, in whole or in part, shall not affect the validity of any other term. VITA and Supplier further agree that in the event such provision is an essential part of this Contract, they shall immediately begin negotiations for a suitable replacement provision.

L. Survival

The provisions of this Contract regarding Software License, Warranty, Confidentiality, Liability and Indemnification, and the General Provisions shall survive the expiration or termination of this Contract. In addition, the provisions of this Contract necessary for the use and operation of the Maintenance provisions herein shall continue in effect through termination of the Maintenance Services ordered pursuant to the Maintenance provisions herein.

M. Force Majeure

No Party shall be responsible for failure to meet its obligations under this Contract if the failure arises from causes beyond the control and without the fault or negligence of the non-performing Party. If any performance date under this Contract is postponed or extended pursuant to this section for longer than thirty (30) calendar days, VITA, by written notice given during the postponement or extension, may terminate Supplier's right to render further performance after the effective date of termination without liability for that termination, and in addition an Authorized User may terminate any order affected by such postponement or delay.

N. Remedies

The remedies set forth in this Contract are intended to be cumulative. In addition to any specific remedy, VITA and all Authorized Users reserve any and all other remedies that may be available at law or in equity.

O. Right to Audit

VITA reserves the right to audit those Supplier records that relate to any Deliverables or Services rendered or the amounts due Supplier for such Deliverables or Services under this Contract. VITA's right to audit shall be limited as follows:

- ix). Three (3) years from Acceptance or Service performance date;

- x). Performed at Supplier's premises, during normal business hours at mutually agreed upon times; and
- xi). Excludes access to Supplier cost information.

In no event shall Supplier have the right to audit, or require to have audited, VITA or any Authorized User.

P. Contract Administration

Supplier agrees that at all times during the term of this Contract an account executive, at Supplier's senior management level, shall be assigned and available to VITA. Supplier reserves the right to change such account executive upon reasonable advance written notice to VITA.

Q. Entire Contract

The following Exhibits, including all subparts thereof, are attached to this Contract and are made a part of this Contract for all purposes:

<u>Exhibit A</u>	Request for Proposal
<u>Exhibit B</u>	Warranty, Maintenance and Service Level Agreements (SLA's) provided by supplier)
<u>Exhibit C</u>	Prices
<u>Exhibit D</u>	Statement of Work (SOW)
<u>Exhibit E</u>	Reserved
<u>Exhibit F</u>	Certification Regarding Lobbying
<u>Exhibit G</u>	Reserved

This Contract, its Exhibits, and any prior non-disclosure agreement constitute the entire agreement between VITA and Supplier and supersede any and all previous representations, understandings, discussions or agreements between VITA and Supplier as to the subject matter hereof. Any and all terms and conditions contained in, incorporated into, or referenced by the Supplier's Proposal shall be deemed invalid. The provisions of the Virginia Department of General Services, Division of Purchases and Supply Vendor's Manual shall not apply to this Contract or any order issued hereunder. This Contract may only be amended by an instrument in writing signed by VITA and Supplier. In the event of a conflict, the following order of precedence shall apply: this Contract document, Exhibit C, Exhibit A, and any individual SOW (Exhibit D).

An Authorized User and Supplier may enter into an ordering agreement pursuant to this Contract. To the extent that such ordering agreement, or any order or SOW issued hereunder, include any terms and conditions inconsistent with the terms and conditions of this Contract, such terms and conditions shall be of no force and effect.

VITA and Supplier each acknowledge that it has had the opportunity to review this Contract and to obtain appropriate legal review if it so chose.

Executed as of the Award date set forth below by the undersigned authorized representative of VITA.

Lexmark International, Inc.

By: Ronald Binkauskas
(Signature)
Name: Ronald Binkauskas
(Print)
Title: VP & GM, North America
Date: 4-1-13

Address for Notice:
Lexmark International, Inc
740 West New Circle Road
Lexington, KY 40550
Attention: VP & GM, N.A.
With copy to: General Counsel

By: [Signature]
(Signature)
Name: SAM NIXON
(Print)
Title: CIO
Date: 4/5/13

Address for Notice:
11751 MEADOWVILLE LN
CITESTER VA 23836
Attention: Contract Administrator

Exhibit A

Suppliers are to indicate their capability of fulfilling each specific requirement below. Each Supplier's responses will be reviewed and compared across Suppliers within each service type in order to determine the best solution for the Commonwealth. Detailed requirements are presented in questionnaire format to facilitate direct responses and establish accountability regarding delivery of Solution by the Supplier. To respond to each requirement, Supplier is asked to enter, in the space provided in Column A, a code that best corresponds to its intended response for the requirement listed. The acceptable codes for Column A are as follows:

Y - "Yes" - Supplier can fully meet the requirement as documented with its current application or proposed solution. If applicable, Supplier should provide in Column B an explanation of how it will fulfill the requirement. This may include use of alliances with other suppliers. Supplier may also use Column B to cross-reference a detailed explanation included in an attachment of its proposal.

F - "Yes, Future" - Supplier will be able to fully meet this requirement in the near future (not longer than six months). Supplier should provide a proposed start date and cross-reference any attached documentation in Column B.

N - "No" - Supplier cannot meet the requirement and has no firm plans to be in the position to meet this need within six months.

****Suppliers only need to provide responses for areas that they want to be considered for an award. If a Supplier is only interested in providing MFDs, then only the questions in the tab labeled "MFD" need to be addressed.

Exhibit A

Requirement	Y/N/F	Description
General		
<p>Does your solution/application/product provide effective, interactive control and use with non-visual means and provide 508 Compliance in accordance with the following standard regarding IT Accessibility and 508 Compliance: http://www.vita.virginia.gov/uploadedfiles/library/accessibilitystandard_gov103-00_eff_11-04-05.pdf (refer to www.section508.gov and www.access-board.gov for further information)</p> <p>If yes, please describe how this functionality is achieved and include a completed Voluntary Product Accessibility Template (VPAT) with your proposal: (The VPAT template is located in Appendix C of the Accessibility Standard (Govt103-00)).</p> <p>If no, does your solution/application/product provide alternate accessibility functionality? Please describe.</p>	Y	<p>A continuing commitment to total accessibility</p> <p>At Lexmark, we believe it is good business to make our advanced document management and output technology accessible to everyone. That's why we have a corporate-wide commitment to meeting Section 508 requirements, providing products, services, and information that support total accessibility.</p> <p>As we develop our products and services, Lexmark seeks input from customers with disabilities and incorporates their ideas and feedback to meet their unique needs and challenges. Building on a heritage of accessible products that began with ADA, we have made accessibility a key marker for product evaluation. Through a proactive corporate communication program, we have enhanced our employees' understanding of the importance of Section 508-compatible products to Lexmark's success.</p> <p>Accessibility doesn't happen by chance. Lexmark understands the need to have a strategy and defined processes and methodologies for meeting the intent of Section 508. Lexmark incorporates 508 requirements into every phase of the product development process. And to assure that our accessibility goals are addressed and met, we have created a cross-functional committee dedicated to managing our ongoing Section 508 compliance efforts.</p> <p>Please see Appendix N for VPATs of Lexmark proposed devices.</p>
<p>Does your proposed equipment meet the current U.S. Environmental Protection Agency's and Department of Energy's Energy Star guidelines? If no, please explain.</p>	Y	<p>As a charter Energy Star partner, Lexmark is committed to supporting the Energy Star program through energy-efficient product design. In fact, 100 percent of Lexmark devices released in 2011 and 2012 that include Auto Duplex are Energy Star certified. This was achieved through the development and release of products with Instant Warm Up fusing technologies and factory-standard duplex options.</p>
<p>Does your proposed solution require incorporating subcontractors or alliances to provide sales/service coverage for the entire Commonwealth of Virginia or will you provide all in-house sale/service personnel? If so, please explain.</p>	Y	<p>Lexmark will use a combination of direct field service engineers and strategic partners to deliver maintenance services within the Commonwealth. Lexmark does not use a "network" of servicers, but instead has national servicers who are integrated into our service management processes and systems. This allows Lexmark to maintain complete control of the entire service process, from dispatch, through resolution, to call closure. All sales associated with this contract will be direct with Lexmark and facilitated by your local Lexmark Account Manager</p>
<p>Does your proposed solution include any additional power protection with each unit? If so, please explain.</p>	Y	<p>Lexmark devices have built in power supply assemblies that have surge protection capability which is adequate enough or consistent with the US power grid structure. Lexmark does not necessarily discourage the use of surge protectors with our devices but we do not offer nor provide external surge protectors to our customers as they are not necessary.</p>
<p>Does your proposed solution include any devices that will not operate on a standard 120 volt outlet? If so, please explain.</p>	N	<p>MFDs available for this U.S. location proposal will operate on 100 to 127 volts at 50 to 60 Hz nominal.</p>
<p>Do the devices being proposed work with multiple operating systems? If so, please describe.</p>	Y	<p>The proposed Lexmark devices are compatible with Postscript and PCL, all major PC and Mac Network Operating Systems and applications, all major network protocols, and standard management consoles.</p>
<p>Do your service/sales personal undergo training on a semi-annual or annual basis? If so, please explain.</p>	Y	<p>Lexmark has a number of internal training modules for each arm of the field sales/service/support roles. In conjunction with Lexmark Professional Services group, they engage in Six Sigma certifications, certified document imaging architect approvals. For technology and hardware certification, both online and hands on service and support certifications are also required for all customer-facing roles and responsibilities..</p> <p>All Lexmark-certified technicians are required to maintain model-specific certification on any Lexmark device they service. Training is delivered via a combination of hands-on and computer-based modules. Additional certification is required as new devices are announced. Annual refresh training on existing models is mandatory.</p>
<p>Does your proposed solution include the ability to market and promote this contract to schools, universities, local and non-Executive Branch state agencies? If so, please provide details.</p>	Y	<p>Lexmark's Account Management team is already incented to market and promote Lexmark devices, solutions and services to Virginia's K-12 and higher education, local government, as well as Executive, Legislative, Judicial and Independent agencies. They look forward to being awarded this VITA contract to facilitate their marketing and sales effort.</p>

Does your proposed solution include a re-stocking fee on returned equipment? Please provide details.	Y	Lexmark will provide the services of shipment, placement, setup, and return of all equipment at all times within the contract period for VITA on a per-event cost. Lexmark works with customers to optimize their fleet of output devices. From there, through constant monitoring of the devices via the LDCM, Lexmark has the ability to evaluate device performance. Key to our governance process is continual rightsizing recommendations, so movement of devices to constantly optimize VITA's fleet and its performance is a normal part of our process. We have approached this in a number of ways. We can either estimate the number of moves required for VITA's fleet and build that cost into the overall program, or provide a rate card reflecting incremental charges for device moves. If the costs are built into the program, there is typically a threshold number of moves included, beyond which a rate card approach would be applied.
Services		
Does your proposal solution include any user training on installed devices? If so, please explain.	Y	Lexmark will provide user training at the time of install for every Lexmark placed within the Commonwealth. For larger, planned deployments, Lexmark may work with the Commonwealth to develop a customized training plan.
Does your proposed solution include any testing of the device once the installation is complete? If so, please explain.	Y	During installation, all devices are configured and a test page is produced to ensure functionality.
Does your proposed solution provide Authorized Users service within 8 business hours of notification or next business day? If so, please explain.	Y	Lexmark has proposed a next business day response based on the fact that Lexmark has found, through its support of the world's largest companies, this is more than sufficient. Enhanced service levels, included 4-hour or 2-hour response SLAs can be established for critical areas.
Does your proposed solution provide a loaner if the proposed equipment will be out of operation for more than 48 hours? If so, please explain.	N	Generally, Lexmark's deployment principles provide redundancy to avoid a situation where a user cannot print, thereby eliminating the need to provide loaner devices. However, we will establish thresholds for when a device would be replaced if there are frequent issues within a defined timeframe. Normally replacement devices are new, not refurbished.
When rental agreements are established, does your solution include pre-defined service level agreements? If so, please provide those in Appendix A	Y	Lexmark can establish pre-defined service levels with the Commonwealth to provide a custom solution. Lexmark has provided examples of potential service levels in Appendix A under the Contracts section.
Does your proposed solution include developing a catalog website that interfaces with eVA and also be a punch-out catalog? If so, please describe and provide screen shots. (http://www.eva.virginia.gov/vendors/pages/catalogcreation.htm)	Y	Lexmark currently provides static and punch-out catalogs to several of our direct customers, including some of the largest manufacturing, retail, healthcare and financial organizations in the United States. Ariba ties into the Lexmark order processing system, enabling efficient order and invoicing processes. Please see Appendix M for screen shots.
You have agreed that you can sell/service the entire Commonwealth of Virginia. Please describe how this will be accomplished for this contract.	N/A	Lexmark's account management team is already engaged in marketing and sales efforts in all corners of the Commonwealth. Our MPS offerings have been implemented worldwide, so there will be no issue implementing and supporting a solution within Virginia's borders.
Does your proposed solution provide hardware and software support from 8:00 am - 5:00 pm EST? If so, please provide details.	Y	Lexmark's help desk is available from 8:00 AM until 8:00 PM EST. Service support will be provided from 8:00 AM until 5:00 PM EST, during normal business days.
Does your proposed solution include the development of a punch-out catalog website that interfaces with eVA? (details at http://www.eva.virginia.gov/vendors/pages/catalogcreation.htm) If so, please explain.	Y	Lexmark currently provides static and punch-out catalogs to several of our direct customers, including some of the largest manufacturing, retail, healthcare and financial organizations in the United States. Ariba ties into the Lexmark order processing system, enabling efficient order and invoicing processes.
Reports		
Does your proposed solution offer quarterly reports to Authorized Users detailing products that have been placed in any of their locations? If so, please provide details and examples.	Y	Lexmark has provided its extensive reporting capabilities in the Detailed Description of the Proposed Managed Print Solution.
Does your proposed solution maintain an electronic service log that is available to Authorized Users? If so, please provide details and examples.	Y	Lexmark will provide detailed service reporting to the Commonwealth. Service activities can be viewed on demand through Lexmark's Web Portal.
Does your proposed solution include any additional reports that would be a benefit to Authorized Users? If so, please provide details and examples.	Y	Lexmark has described the extensive reporting available through the Web Portal as part of its standard offering. Furthermore, Lexmark has described its governance process and the subsequent reporting that is provided as part of our Managed Print Services offering. A Monthly Operations Review example is provided in Appendix K.
Security		

<p>For units that have a hard drive, do you agree to follow the standards at the following link regarding erasing data from hard drives: http://www.vita.virginia.gov/uploadedfiles/VITA_Main_Public/unmanaged/library/psgs/Data_Removal_Standard_514_03%2010_07_2008_r3.pdf</p>	<p style="text-align: center;">Y</p>	<p>Secure Data To extend the capabilities and functionality of our devices, Lexmark equips some of our printers and multifunction products with internal hard disks to store images of documents for job processing. Lexmark offers, at no additional cost, effective security controls to enhance the security of data that is stored on or passes through the hard disk, or to impede malicious users from gaining physical access to the hard disk.</p> <p>Hard Disk Encryption Hard disks in printers and MFDs can be configured to use encryption. An AES key, up to 256-bits, is internally generated by the printer or MFD and used to encrypt all data on the hard disk. The key is stored non-contiguously on the device, making the contents of the hard disk accessible only on the original printer or MFD. The data on a stolen hard disk would not be accessible even if the hard disk was installed in an identical model of printer or MFD.</p> <p>Automatic Hard Disk Wiping (File-Based) This type of hard disk wiping is a file-based wipe which automatically sanitizes data that has been temporarily stored and/or buffered on the device's hard disk. The automatic wiping process can be set to either a single pass or a multiple pass method, which is conducted immediately after data (print, copy, fax, scan, etc.) has been processed by the device.</p> <p>Out of Service Disk Wiping In addition to file-based hard disk wiping capability, Lexmark devices have an out-of-service disk wipe. This type of hard drive wipe is designed to completely sanitize all data, whether that data is fonts, forms, embedded solutions, print, scan, copy, fax, etc., that is on the hard drive. Out-of-service disk wipe supports two levels of disk wiping (fast and secure). A fast disk wipe is a single overwrite pass with all zeros. A secure disk wipe is a three overwrite passes with different bit patterns followed by a verify pass, otherwise known as a NIST or U.S. Department of Defense compliant wipe.</p> <p>Non-Volatile Memory Wipe The non-volatile memory wipe provides a tool for erasing all contents stored on the various forms of flash memory contained on the device. This feature is a complete clearing of all settings, solutions, jobs and faxes on the device. It was designed to be utilized when the Lexmark device is to be retired, recycled, or otherwise removed from a customer's secure environment.</p> <p>Physical Lock Support Lexmark printers and MFDs support Kensington-style locks, which allow the devices to be physically secured. Locking a printer or MFD also locks down the metal cage that houses the hard disk and other optional components, helping to prevent tampering or theft.</p>
<p>Does your proposed solution include the ability for Authorized Users to purchase hard drives from MFD's after the rental period? If so, please provide pricing in Exhibit C in the optional pricing tab</p>	<p style="text-align: center;">N</p>	<p>As detailed above, Lexmark offers extensive security offerings that completely cleanse a device at end of the term and eliminate the wasted expense of hard drive acquisition. If upon device testing and review, the Commonwealth is not satisfied with Lexmark's extensive security, we are willing to provide pricing.</p>

Exhibit A

Requirement	Y/N/F	Description
Managed Print Services (Assessment)		
Does your solution include conducting an assessment of the Authorized Users current printing environment at no cost? If so, please describe.	Y	Lexmark has described its assessment process in its Detailed Description of the Proposed Solution. Generally, Lexmark strives to assess a representative sample instead of visiting every site. This allows for a more efficient deployment without sacrificing the quality of the assessment findings. Once deployment principles are finalized, they can be quickly applied to the remaining sites.
Does your assessment include all devices (connected/non-connected) regardless of manufacturer? If so, please describe.	Y	Lexmark will perform a physical inventory of all devices during the Office Print Assessment stage of our Managed Print Services offering. This includes printers, copiers/MFDs, fax devices, and scanners.
Does your solution include using any automated collection tools? If so, please describe	Y	Lexmark may use an automatic data collection tool to gather initial page counts for networked devices during the Office Print Assessment of our Managed Print Services offering; however, the use of any tool on an agency's network would be submitted to the agency for approval.
Managed Print Services (Supplies)		
Does your solution include Supplies Management services? If so, please describe.	Y	Lexmark has described our Proactive Consumables Management offering in detail within the Detailed Description of the Proposed Solution. Lexmark's proactive services is completely automated, unlike many of our competitors who rely on human intervention to receive device alerts and process toner orders. This creates an efficient, automated process that is less prone to error and omission.
Are there any manufacturers that you cannot supply consumables in your Supply Management services? If so, please provide a list of those	Y	Generally, Lexmark can provide consumables for most major manufacturers. Supporting Ricoh devices can be difficult due to Ricoh's policy to restrict supplies and parts access to their captive agents or direct sales and service organization.
Managed Print Services (Break Fix/Move/Add/Change/Disposal (MACD))		
Does your solution include a break-fix offering? If so, please describe.	Y	Lexmark offers one of the most flexible and comprehensive break-fix service offerings in the marketplace today. Lexmark has proposed next-business day service within our current proposal, but can provide enhance response if needed. Furthermore, Lexmark can support designated service providers or the Commonwealth's own support organization with parts-only support plans and authorized technician training. For larger MPS clients, Lexmark can provide proactive service dispatch, help desk integration, and remote device resolution.
Does your break-fix solution support both network and non-network devices? If so, please describe.	Y	Lexmark can support network and non-network devices. However, within a managed environment, locally-attached devices are typically discouraged and removed so that users are sharing networked devices.
Does your break-fix solution include all devices, regardless of manufacturer? If not, what devices or manufacturers are out of scope?	Y	Generally, Lexmark can provide service and support for most major manufacturers. Supporting Ricoh devices can be difficult due to Ricoh's policy to restrict supplies and parts access to their captive agents or direct sales and service organization.
Does your solution include Move/Add/Change services? If so, please explain.	Y	Lexmark will track all Move/Add/Change activities through its device monitoring and asset management system. Lexmark can also support device relocations or moves as requested. Lexmark can provide a rate card for these services upon request.
Does your solution include any process and verification for secured hard drive disposal? If so, please describe.	Y	Yes. Generally, Lexmark designs its hard-disk disposal process to mirror its client's IT security guidelines. This may include returning the hard disks to a designated IT contact, or may include certified data wiping and disk destruction. Lexmark takes great care to protect customer data. As a result, Lexmark is the current provider for the National Security Administration.
Managed Print Services (General)		
Does your solution include any specific data collection tools to manage a fleet? If so, please describe.	Y	Lexmark has described its data collection agent, Lexmark's LDCM, and its asset management system ARMS in its Detailed Description of its Proposed Solution.
When MPS agreements are established, does your solution include pre-defined service level agreements? If so, please provide those in Appendix A	Y	Lexmark can establish pre-defined service levels with the Commonwealth to provide a custom MPS solution. Lexmark has provided examples of potential service levels in Appendix A.
Does your solution include a general catalog of optional services that are offered? If so, please provide those in Exhibit C (MPS Optional Pricing) tab	Y	Lexmark has proposed a turnkey solution for its Managed Print Services offering. If additional services are required, they can be priced separately as needed.

Managed Print Services (Helpdesk/Support)		
Does your solution include the ability for the Authorized User to call a single helpdesk number? If so, please describe.	Y	Lexmark can provide a single toll-free support number. If necessary, Lexmark can set up intelligent call routing for the Commonwealth to a more customized call flow.
Are helpdesk services supplied by your company? If not, how do you guarantee contract terms and conditions and SLAs will be met.	Y	Lexmark provides its own toll-free help desk line.
Where is your helpdesk located?	N/A	Cebu, Philippines.
What are the operating hours for your helpdesk?	N/A	8:00 AM to 8:00 PM EST. However, expanded hours can be established based on the Commonwealth's requirements.
Describe the qualifications of your helpdesk staff that would be assigned to this contract.	N/A	This contract would be supported by Lexmark's existing helpdesk that expertly supports thousands of customers worldwide. All helpdesk staff must contain technical expertise and participate in a rigorous training process to ensure they are well equipped to address all customer concerns. Our qualifications and detailed training procedures are considered confidential information. If awarded a contract, Lexmark is happy to discuss with VITA in more detail.
Does your solution include the ability to perform remote diagnostics? If so, please describe.	Y	The Lexmark print devices come equipped with sophisticated diagnostic service codes to assist internal customer help desks and Lexmark repair technicians to pinpoint the print-device malfunction. To harness this intrinsic technology, Lexmark offers free device management software to all customers called MarkVision Enterprise (MVE). Agency support staff can use to remotely monitor and diagnose device issues, even setting up dashboards and proactive alert routing. For agencies utilizing Lexmark's full MPS offering, Lexmark can provide more sophisticated proactive device alert routing and utilize these alerts for proactive service dispatch.
Does your solution include any automated helpdesk features? If so, please describe.	Y	Lexmark has described its proactive monitoring and device management offering with its Detailed Description of its Proposed Solution. In addition, MarkVision Enterprise (MVE) is a free device management tool available for use by customer helpdesks. Through MVE, help desks can set up remote alert routings and device management consoles to monitor critical alerts within a given fleet.
Does your solution include the ability to provide on-site personnel across the Commonwealth? If so, please describe how this will be accomplished.	Y	Onsite personnel can be utilized based on the support requirements for the Commonwealth. It is not uncommon for sites to be supported remotely, through Lexmark's monitoring infrastructure. However onsite personnel are available.
Managed Print Services (Software)		
Does your company offer any managed print software solutions? If so, please describe and provide pricing in Exhibit C (MPS Optional Pricing) tab	Y	Lexmark's Managed Print Services offering provides the software and infrastructure needed to provide turnkey print management. Any software needed to support unique applications or specialty requirements can be quoted as needed. Lexmark has provided brief overviews and pricing for its related enterprise content software solutions in Exhibit C.
Managed Print Services (Reports)		
Does your solution provide reports that track items such as number of open help desk tickets, time it took to close ticket, calls per month/day to helpdesk, etc? If so, please describe and provide examples.	Y	Lexmark has described the extensive reporting available through the Web Portal as part of its standard offering. Furthermore, Lexmark has described its governance process and the subsequent reporting that is provided as part of our Managed Print Services offering. A Monthly Operations Review example is provided in Appendix K.
Does your company send out customer satisfaction surveys to the Authorized Users currently enrolled in Managed Print Service engagements? If so, please describe and provide examples	Y	Lexmark sends out an annual customer satisfaction survey. This survey is used to capture honest customer feedback to better our services and offerings. The survey is delivered by a 3rd party company to ensure results are accurately reported.

Exhibit A

Requirement	Y/N/F	Description
General		
<p>Does your solution/application/product provide effective, interactive control and use with non-visual means and provide 508 Compliance in accordance with the following standard regarding IT Accessibility and 508 Compliance: http://www.vita.virginia.gov/uploadedfiles/library/accessibilitystandard_gov103-00_eff_11-04-05.pdf (refer to www.section508.gov and www.access-board.gov for further information) If yes, please describe how this functionality is achieved and include a completed Voluntary Product Accessibility Template (VPAT) with your proposal: (The VPAT template is located in Appendix C of the Accessibility Standard (Govt103-00)). If no, does your solution/application/product provide alternate accessibility functionality? Please describe.</p>	Y	<p>A continuing commitment to total accessibility At Lexmark, we believe it is good business to make our advanced document management and output technology accessible to everyone. That's why we have a corporate-wide commitment to meeting Section 508 requirements, providing products, services, and information that support total accessibility. As we develop our products and services, Lexmark seeks input from customers with disabilities and incorporates their ideas and feedback to meet their unique needs and challenges. Building on a heritage of accessible products that began with ADA, we have made accessibility a key marker for product evaluation. Through a proactive corporate communication program, we have enhanced our employees' understanding of the importance of Section 508-compatible products to Lexmark's success.</p> <p>Accessibility doesn't happen by chance. Lexmark understands the need to have a strategy and defined processes and methodologies for meeting the intent of Section 508. Lexmark incorporates 508 requirements into every phase of the product development process. And to assure that our accessibility goals are addressed and met, we have created a cross-functional committee dedicated to managing our ongoing Section 508 compliance efforts.</p> <p>Please see Appendix N for VPATs of Lexmark proposed devices.</p>
<p>Does your proposed equipment meet the current U.S. Environmental Protection Agency's and Department of Energy's Energy Star guidelines? If no, please explain.</p>	Y	<p>As a charter Energy Star partner, Lexmark is committed to supporting the Energy Star program through energy-efficient product design. In fact, 100 percent of Lexmark devices released in 2011 and 2012 that include Auto Duplex are Energy Star certified. This was achieved through the development and release of products with Instant Warm Up fusing technologies and factory-standard duplex options.</p>
<p>Does your proposed solution require incorporating subcontractors or alliances to provide sales/service coverage for the entire Commonwealth of Virginia or will you provide all in-house sale/service personnel? If so, please explain.</p>	Y	<p>Lexmark will use a combination of direct field service engineers and strategic partners to deliver maintenance services within the Commonwealth. Lexmark does not use a "network" of servicers, but instead has national servicers who are integrated into our service management processes and systems. This allows Lexmark to maintain complete control of the entire service process, from dispatch, through resolution, to call closure. All sales associated with this contract will be direct with Lexmark and facilitated by your local Lexmark Account Manager.</p>
<p>Does your proposed solution include any additional power protection with each unit? If so, please explain.</p>	Y	<p>Lexmark devices have built in power supply assemblies that have surge protection capability which is adequate enough or consistent with the US power grid structure. Lexmark does not necessarily discourage the use of surge protectors with our devices but we do not offer nor provide external surge protectors to our customers as they are not necessary.</p>
<p>Does your proposed solution include any devices that will not operate on a standard 120 volt outlet? If so, please explain.</p>	N	<p>MFDs available for this U.S. location proposal will operate on 100 to 127 volts at 50 to 60 Hz nominal.</p>
<p>Does your proposed solution include the development of a punch-out catalog website that interfaces with eVA? (details at http://www.eva.virginia.gov/vendors/pages/catalogcreation.htm) If so, please explain.</p>	Y	<p>Lexmark currently provides static and punch-out catalogs to several of our direct customers, including some of the largest manufacturing, retail, healthcare and financial organizations in the United States. Ariba ties into the Lexmark order processing system, enabling efficient order and invoicing processes.</p>
<p>Do the devices being proposed work with multiple operating systems? If so, please describe.</p>	Y	<p>The proposed Lexmark devices are compatible with Postscript and PCL, all major PC and Mac Network Operating Systems and applications, all major network protocols, and standard management consoles.</p>
<p>Do your service/sales personal undergo training on a semi-annual or annual basis? If so, please explain.</p>	Y	<p>Lexmark has a number of internal training modules for each arm of the field sales/service/support roles. In conjunction with Lexmark Professional Services group, they engage in Six Sigma certifications, certified document imaging architect approvals. For technology and hardware certification, both online and hands on service and support certifications are also required for all customer-facing roles and responsibilities. All Lexmark-certified technicians are required to maintain model-specific certification on any Lexmark device they service. Training is delivered via a combination of hands-on and computer-based modules. Additional certification is required as new devices are announced. Annual refresh training on existing models is mandatory.</p>
<p>Does your proposed solution include developing a catalog website that interfaces with eVA and also be a punch-out catalog? If so, please describe and provide screen shots. (http://www.eva.virginia.gov/vendors/pages/catalogcreation.htm)</p>	Y	<p>Lexmark currently provides static and punch-out catalogs to several of our direct customers, including some of the largest manufacturing, retail, healthcare and financial organizations in the United States. Ariba ties into the Lexmark order processing system, enabling efficient order and invoicing processes.</p> <p>Please see Appendix L for screen shots.</p>
<p>You have agreed that you can sell/service the entire Commonwealth of Virginia. Please describe how this will be accomplished for this contract.</p>	N/A	
<p>Does your proposed solution provide hardware and software support from 8:00 am - 5:00 pm Eastern Time? If so, please provide details.</p>	Y	<p>Toll-free technical support is available during local business hours Monday to Friday. Extended coverage hours are also available at additional cost. Lexmark also provides a VITA-assigned Systems Engineer who would be available locally for any product- or system-related issues. Additionally, Lexmark would make available our team of product engineers to assist the Systems Engineer and/or VITA for any issues that would require assistance.</p>

<p>Does your proposed solution include the ability to market and promote this contract to schools, universities, local and non-Executive Branch state agencies? If so, please provide details.</p>	<p>Y</p>	<p>Lexmark's Account Management team is already incented to market and promote Lexmark devices, solutions and services to Virginia's K-12 and higher education, local government, as well as Executive, Legislative, Judicial and Independent agencies. They look forward to being awarded this VITA contract to facilitate their marketing and sales effort.</p>
<p>Does your proposed solution include a re-stocking fee on returned equipment? Please provide details.</p>	<p>Y</p>	<p>Lexmark will provide the services of shipment, placement, setup, and return of all equipment at all times within the contract period for VITA on a per-event cost. Lexmark works with customers to optimize their fleet of output devices. From there, through constant monitoring of the devices via the LDCM, Lexmark has the ability to evaluate device performance. Key to our governance process is continual rightsizing recommendations, so movement of devices to constantly optimize VITA's fleet and its performance is a normal part of our process. We have approached this in a number of ways. We can either estimate the number of moves required for VITA's fleet and build that cost into the overall program, or provide a rate card reflecting incremental charges for device moves. If the costs are built into the program, there is typically a threshold number of moves included, beyond which a rate card approach would be applied.</p>
<p>Does your solution provide an inventory management system that tracks items such as beginning/end lease date, dates payments received, location of device, serial number, etc.? If so, please describe.</p>	<p>Y</p>	<p>One of Lexmark's standard reports is the asset register, which is a list of assets under management. It is the definitive source of what is in scope (under management) and what is not. This report helps track changes in fleet size over time and provides a view of the fleet in its entirety, by customer data hierarchy, and a reference to describe each asset and its location within customer's organization. Lexmark also has a billing detail or financial reporting. Most organizations have no idea what their printing/copying is really costing them. This report will summarize the costs associated with devices under management following the customer/data hierarchy established (from the entire enterprise down to the individual asset level). Tracking cost will help customer continuously improve the output fleet over time and track the results of those changes financially. The financial reporting will help compare one department to another or one facility to another for benchmarking purposes and will help track ROI over time.</p>
<p>Each Public Body may have multiple agreements for devices. Please describe your process for tracking multiple agreements and how notifications are handled, payments, equipment pickup, etc.</p>	<p>N/A</p>	<p>Once a lease agreement has been completed and the Authorized User does not wish to keep the equipment, please describe the process on notification, scheduling of pickup, etc. Lexmark will work with VITA and their leasing partners to arrive at the best mutually agreeable method for terminating any existing lease agreements. Lexmark is willing to negotiate with the current supplier for transfer of the devices currently under lease. This could enhance the transition efforts and potentially provide VITA a faster path to steady state and minimize end-user disruption.</p>
<p>Once a lease agreement has been completed and the Authorized User does not wish to keep the equipment, please describe the process on notification, scheduling of pickup, etc.</p>		<p>Once a lease agreement has been completed and the Authorized User does not wish to keep the equipment, please describe the process on notification, scheduling of pickup, etc. Lexmark will work with VITA and their leasing partners to arrive at the best mutually agreeable method for terminating any existing lease agreements. Lexmark is willing to negotiate with the current supplier for transfer of the devices currently under lease. This could enhance the transition efforts and potentially provide VITA a faster path to steady state and minimize end-user disruption.</p>
<p>Does your solution provide the ability for Authorized Users to trade-in devices for credit against new purchase/lease agreements? If so, please describe.</p>	<p>Y</p>	<p>Lexmark has developed an impressive list of Managed Services Clients by providing customized solutions to meet the unique output needs of our customers. Lexmark offers a wide variety of pricing programs, including LexTrade, rebate programs, volume purchase programs, and cost-per-click options. We will work with VITA to fully understand your need for flexibility and craft a solution to meet your requirements. Lexmark's LexTrade program provides our customers an excellent outlet for their current printers as they are replaced with new Lexmark equipment. LexTrade offers the most competitive trade-in values available. We will ship boxing and packaging materials if needed to return your trade-in printers to us. All shipping and handling charges involved in the trade will be covered by Lexmark. The program is flexible, easy to use, and ensures speedy rebates for your trade-in printers. If VITA has devices with remaining book value, Lexmark will assist in identifying a third party company who specializes in purchasing used equipment. This approach assures that VITA obtains the best price on their used equipment and eliminates the handling cost of Lexmark purchasing the equipment and then having to resell the devices. As part of this proposal, Lexmark is offering the most competitive price considering available rebates, promotions and considering the volume level anticipated.</p> <p>Which customers qualify? Anyone that owns functional old printers and is in the market to purchase new Lexmark devices.</p> <p>Why should I participate? Why not? If you are going to purchase a new printer anyway, why not trade in your old equipment for some cash?</p> <p>Additional Services In the event that there is no trade-in value for your printers, Lexmark will take the old equipment off of your hands for a nominal fee and dispose of it in an environmentally safe manner.</p>

<p>Does your solution have the ability to use recycled paper? If so, please describe.</p>	<p>Y</p>	<p>As an environmentally conscious company, Lexmark supports the use of recycled office paper produced specifically for use in laser (electro photographic) printers. In 1998, Lexmark presented to the US government a study demonstrating that recycled paper produced by major mills in the US fed as well as non-recycled paper. However, no blanket statement can be made that all recycled paper will feed well. Lexmark consistently tests its printers with recycled paper (20–100% post-consumer waste) and a variety of test paper from around the world, using chamber tests for different temperature and humidity conditions.</p> <p>Lexmark aggressively tests recycled papers - specifically papers made with 30 percent, 50 percent and 100 percent post-consumer recycled content - on all Lexmark imaging devices. Our expectation is that the runnability of recycled papers in Lexmark devices will be equivalent to the runnability of virgin fiber paper. While no all-encompassing official "standard" exists for office equipment use of paper, Lexmark has studied and employed European Standard EN12281 as minimum properties and runnability guide for test paper. Test paper includes 100 percent recycled papers from Europe and Asia, to ensure breadth of testing, as well as testing at eight percent to 80 percent relative humidity, in an attempt to cover all physical paper variables relevant to office</p>
<p>Reports</p>		
<p>Does your proposed solution provide quarterly reports to customers detailing products that have been placed in any of their locations? (provide examples)</p>	<p>Y</p>	<p>Lexmark has the capability to generate a wide variety of eight standard reports and invoicing formats. We will work with VITA to generate customized reports based on your specific needs. As part of our standard reporting package, we can generate reports that clearly define print-related costs on both a summary level and a printer level. We can also generate asset management reports to ensure proper utilization and compliance with any output device policies developed by VITA.</p> <p>Standard reports are posted to the Lexmark Web portal and updated daily via dynamic data collected electronically from network devices. These reports can be downloaded to a computer or produced in a variety of formats in hard copy form including PDF and Microsoft Excel.</p> <p>In addition, key VITA personnel can submit requests for changes to asset locations via the same Web portal. The Lexmark business operations team keeps asset records and contact information up to date on a daily basis, ensuring that the automated services offered by Lexmark stay on track and on time.</p> <p>Invoice reports are delivered via e-mail, in Microsoft Excel format, as well as hard copy. Lexmark also routinely works with customers on ad hoc reporting to support the unique aspects of a customer's managed print environment.</p>
<p>Does your proposed solution maintain an electronic service log that is available to customers on specific copiers/printers? (provide examples)</p>	<p>Y</p>	<p>Lexmark will provide detailed service reporting to the Commonwealth. Service activities can be viewed on demand through Lexmark's Web Portal.</p>
<p>Does your proposed solution provide any additional reports that would be an added value to the Commonwealth? Please describe and provide examples.</p>	<p>Y</p>	<p>Lexmark has described the extensive reporting available through the Web Portal as part of its standard offering. Furthermore, Lexmark has described its governance process and the subsequent reporting that is provided as part of our Managed Print Services offering. A Monthly Operations Review example is provided in Appendix K.</p>
<p>Security</p>		
<p>For units that have a hard drive, do you agree to follow the standards at the following link regarding erasing data from hard drives: http://www.vita.virginia.gov/uploadedfiles/VITA_Main_Public/unmanaged/library/psgs/Data_Removal_Standard_514_03%2010_07_2008_r3.pdf</p>	<p>Y</p>	<p>Secure Data To extend the capabilities and functionality of our devices, Lexmark equips some of our printers and multifunction products with internal hard disks to store images of documents for job processing. Lexmark offers, at no additional cost, effective security controls to enhance the security of data that is stored on or passes through the hard disk, or to impede malicious users from gaining physical access to the hard disk.</p> <p>Hard Disk Encryption Hard disks in printers and MFDs can be configured to use encryption. An AES key, up to 256-bits, is internally generated by the printer or MFD and used to encrypt all data on the hard disk. The key is stored non-contiguously on the device, making the contents of the hard disk accessible only on the original printer or MFD. The data on a stolen hard disk would not be accessible even if the hard disk was installed in an identical model of printer or MFD.</p> <p>Automatic Hard Disk Wiping (File-Based) This type of hard disk wiping is a file-based wipe which automatically sanitizes data that has been temporarily stored and/or buffered on the device's hard disk. The automatic wiping process can be set use either a single pass or a multiple pass method, which is conducted immediately after data (print, copy, fax, scan, etc.) has been processed by the device.</p> <p>Out of Service Disk Wiping In addition to file-based hard disk wiping capability, Lexmark devices have an out-of-service disk wipe. This type of hard drive wipe is designed to completely sanitize all data, whether that data is fonts, forms, embedded solutions, print, scan, copy, fax, etc., that is on the hard drive. Out-of-service disk wipe supports two levels of disk wiping (fast and secure). A fast disk wipe is a single overwrite pass with all zeros. A secure disk wipe is a three overwrite passes with different bit patterns followed by a verify pass, otherwise known as a NIST or U.S. Department of Defense compliant wipe.</p>
<p>Does your proposed solution include the ability for Authorized Users to purchase hard drives from devices after the lease period? If so, please provide pricing in Exhibit C in the optional pricing tab</p>	<p>N</p>	<p>As detailed above, Lexmark offers extensive security offerings that completely cleanse a device at end of the term and eliminate the wasted expense of hard drive acquisition. If upon device testing and review, the Commonwealth is not satisfied with Lexmark's extensive security, we are willing to provide pricing.</p>
<p>Services</p>		

Does your proposal solution include any user training on installed devices? If so, please explain.	Y	Lexmark will provide user training at the time of install for every Lexmark placed within the Commonwealth. For larger, planned deployments, Lexmark may work with the Commonwealth to develop a customized training plan.
Does your proposed solution include any testing of the device once the installation is complete? If so, please explain.	Y	During installation, all devices are configured and a test page is produced to ensure functionality.
Does your proposed solution provide Authorized Users service within 8 business hours of notification or next business day? If so, please explain.	Y	Lexmark has proposed a next business day response based on the fact that Lexmark has found, through its support of the world's largest companies, this is more than sufficient. Enhanced service levels, included 4-hour or 2-hour response SLAs can be established for critical areas.
Does your proposed solution provide a loaner if the proposed equipment will be out of operation for more than 48 hours? If so, please explain.	N	Generally, Lexmark's deployment principles provide redundancy to avoid a situation where a user cannot print, thereby eliminating the need to provide loaner devices. However, we will establish thresholds for when a device would be replaced if there are frequent issues within a defined timeframe. Normally replacement devices are new, not refurbished.
When lease/maintenance agreements are established, does your solution include pre-defined service level agreements? If so, please provide those in Appendix A	Y	Lexmark can establish pre-defined service levels with the Commonwealth to provide a custom solution. Lexmark has provided examples of potential service levels in Appendix A under the Contracts section.
Does your proposed solution include developing a catalog website that interfaces with eVA and also be a punch-out catalog? If so, please describe and provide screen shots. (http://www.eva.virginia.gov/vendors/pages/catalogcreation.htm)	Y	Lexmark currently provides static and punch-out catalogs to several of our direct customers, including some of the largest manufacturing, retail, healthcare and financial organizations in the United States. Ariba ties into the Lexmark order processing system, enabling efficient order and invoicing processes. Please see Appendix L for screen shots.
You have agreed that you can sell/service the entire Commonwealth of Virginia. Please describe how this will be accomplished for this contract.	NA	
Does your proposed solution provide hardware and software support from 8:00 am - 5:00 pm EST? If so, please provide details.	Y	Lexmark's help desk is available from 8:00 AM until 8:00 PM EST. Service support will be provided from 8:00 AM until 5:00 PM EST, during normal business days.

EXHIBIT B

APPENDIX A: SERVICE LEVELS

MULTIFUNCTION DEVICES

Today's output technology market has changed significantly in recent years. The vast majority of document output is now printed instead of copied. Faxing has been replaced with scanning. Non-networked devices are the exception instead of the norm. Multifunction devices outnumber single-function devices.

As a result of all of the aforementioned changes, the services and support strategies required to maintain today's output fleets have also changed. Service used to be defined by rapid response times when maintenance was requested in order to ensure users could still use their single networked printer or copy machine. Now, virtually every user is mapped to multiple output devices so that they have redundancy in their work practices.

Furthermore, device repairs always used to require a technician. Now, many device repairs can be resolved by changing a cartridge or other user-replaceable supply items (e.g., maintenance kits, fusers, or photoconductors). Lastly, many device issues can now be resolved remotely through configuration changes or firmware upgrades. In summary, output fleets can be supported *smarter* and with less effort, even proactively.

Lexmark manages highly distributed fleets in some of the world's most demanding environments. Through this experience, Lexmark has found that service level metrics should be uniform as much as possible, across all device types. Furthermore, SLAs should be focused on the desired, over-arching objective – can users print, scan, copy, or fax when they need to. As a result, Lexmark's engagements typically measure a few metrics:

- Service Response Time
- First Time Fix Measurements
- Total Uptime

In reality, device uptime encompasses all of these SLAs into one. Response times must be met and devices must be repaired quickly for a fleet to have a high uptime percentage.

Lexmark also provides contractual obligations for when devices will be replaced due to excessive service calls within a defined period (i.e., 3+ calls in 30 days). By using a few, over-arching measurements, clients can measure Lexmark's service performance quickly and easily.

Lastly, Lexmark focuses on SLAs that can be quantified and measured within standard business processes and reporting. Lexmark has found that SLAs that require special tracking typically fall by the wayside during steady state management and are ineffective measures of performance. When anecdotal data is required to measure an SLA, while the comments are important to understand user sentiment and should be responded to in order to ensure user satisfaction, they are difficult to quantify.

The table below displays the SLAs based on Laser and Multifunction devices.

Performance Standard*	Measurement	Measurement period**	Target % Level***
Service Response Time	Calls Responded to by end of Next Business Day	Monthly	90%
Service First Call Completion	Calls resolved with a single visit	Monthly	85%
Fleet Uptime	Percentage of time the customer fleet of devices is available	Monthly	95%
Automated Meter Collection	Meter reads will be collected through automated monitoring	Monthly	95%
Device Installation	New devices will be installed within 5 business days of receipt	Per Incident	95%
Mechanical Replacement	Device will be replaced with a new, comparable device if more than three service calls with the same issue are placed in a given month	Per Incident	100%

*Lexmark will provide customer with access to SLA reports in Lexmark web portal. Reporting will commence at a mutually agreed upon timeframe.

**Lexmark Account Manager will meet with agencies on a periodic basis to discuss actual performance compared to target % levels.

***Target % levels are subject to a reasonable volume of incidents. For example, if there are only 5 service calls in a month and only 1 is missed, this does not result in a statistically significant percentage.

MANAGED PRINT SERVICES

Lexmark has provided a summary of its Managed Print Services offering in the section titled “Detailed Description of Proposed Solution(s).” In this response, Lexmark has outlined its consultative approach, its management methodologies, and its governance process.

Through this approach, Lexmark will establish key performance indicators that will measure not only our service levels, but also:

- How Lexmark’s solution measures against targeted key performance indicators
- Whether or not Lexmark has delivered the financial benefit targeted in the agreed-to business case
- How Lexmark is driving sustained savings based on the original management principles
- Whether or not Lexmark is introducing new savings opportunities
- How much paper output is being removed from an agency’s output environment

An example of a Lexmark Monthly Operations Report and Quarterly Business Review has been provided to the Commonwealth to demonstrate how Lexmark measures the effectiveness of our services and solutions with larger MPS engagements.



Standard Reporting Package

REPORT NAME/TYPE	DESCRIPTION
Asset Register (list of assets under management)	The definitive source of what is in scope (under management) by asset make/model. Helps track changes in fleet size over time. A view of the fleet in its entirety, by customer hierarchy, and a reference to describe each asset, its status and its physical location within customer's organization.
Device Utilization/Monthly Volume (by asset)	Tracks device usage over time, including types of jobs sent (mono vs. color). Allows customer personnel to make informed decisions about the fleet and can be a critical element of volume/device balancing—which may eliminate the need to purchase additional equipment. Ensures devices are used in the proper volume-band for its capacity. Promotes end user satisfaction and cost savings by having the appropriately sized device for each user group.
Change Management (reporting change in the environment)	Lists <i>all changes</i> to the fleet including additions, removals, hot-swaps, IP address changes and location moves during the last reporting period (typically a month). Helps track projects through completion and ensures that planned changes to the fleet are executed properly.
Acquisition Register (a list of newly acquired assets)	Lists fluid inventory of devices that have been added to the fleet in the last reporting period (typically a month).
Retirement Register (assets removed)	Lists devices that are about to reach end of life or end of lease. This gives Customer ample time to make decisions regarding refresh or disposition of assets.
Missing Meter Reads Manual (by asset)	Identifies those non-networked devices that are missing meter reads for action by the fleet manager. Real time data is a critical element of active management. Accurate meter reads mean accurate reporting.
Missing Meter Reads Automated (by asset)	Identifies those networked devices that are missing meter reads for action by fleet manager. Real time data is a critical element of active management. Accurate meter reads mean accurate reporting.

Pricing Assumptions

- Each laser printer comes with one year of warranty included. Up to four years of extended warranty (covering years 2 through 5) are available as purchased options. Extended warranty rates are listed in Optional Items tab.
- Lexmark MFD pricing is being offered under two scenarios – outright purchase or rental/service
- For an outright purchase, list price and purchase price include only equipment and one year of warranty. (Additional years of warranty are available at additional charge.)
- For a rental/service, the yearly maintenance price includes installation, training, asset management, reporting, remote meter collection, proactive consumables management, and page allowance (where applicable). Yearly maintenance must be purchased to support cost per page (CPP) billing structure.
- CPP includes all supplies and next business day (NBD) response support services.
- CPP pricing is based on standard cartridge yields (5% page coverage).
- Rental factor provided is based on fair market value.
- The term “rental” is based on the definition used by VITA within the RFP’s Information Technologies Contract.
- Any agency that orders fewer than 30 devices from Lexmark will be fulfilled as a straight purchase instead of utilizing the rental plus cost per page option.
- Lexmark will not charge agencies to retain hard drives when MFD rental agreements expire, but there may be a service charge for removing each hard drive.

[Note: Hard drives are typically not required in Lexmark MFDs since they come with adequate memory for most customers. Lexmark suggests that Commonwealth customers not pay for such device features if they are not needed.]

MANUFACTURER Lexmark International, Inc.

Segment	Evaluation Model	List \$	Percentage Off		Purchase Price	Yearly* Maintenance	Purchase Price for 3 Years	Factor for 12	Cost Per	Factor for 36	Cost Per Month
			Month	Month for				Month Rental	for 36 Month		
			List \$				Rental (see note #1 below)	12 Month Rental	(see note #1 below)	Rental	
7	MX310dn	\$501.43	28%	\$359.00	\$ 298.46	\$1,254.37	na	na	0.029796667	\$35.57	
7a	MX310dn	\$501.43	28%	\$359.00	\$ 571.02	\$2,072.06	na	na	0.029796667	\$58.28	
8	MX310dn	\$501.43	28%	\$359.00	\$ 298.46	\$1,254.37	na	na	0.029796667	\$35.57	
8a	MX310dn	\$501.43	28%	\$359.00	\$ 752.73	\$2,617.18	na	na	0.029796667	\$73.42	
9	MX310dn	\$501.43	28%	\$359.00	\$ 298.46	\$1,254.37	na	na	0.029796667	\$35.57	
9a	MX511de	\$1,255.71	40%	\$751.46	\$ 1,105.03	\$4,066.55	na	na	0.029796667	\$114.48	
10	MX310dn	\$501.43	28%	\$359.00	\$ 298.46	\$1,254.37	na	na	0.029796667	\$35.57	
10a	MX511de	\$1,255.71	40%	\$751.46	\$ 1,504.69	\$5,265.54	na	na	0.029796667	\$147.78	
10b	MX511de	\$1,255.71	40%	\$751.46	\$ 2,903.51	\$9,461.99	na	na	0.029796667	\$264.35	
11	CX310dn	\$770.00	40%	\$460.79	\$ 304.80	\$1,375.18	na	na	0.029796667	\$39.13	
11a	X792de	\$5,404.29	40%	\$3,234.09	\$ 3,381.02	\$13,377.15	na	na	0.029796667	\$378.12	
11b	X792de	\$5,404.29	40%	\$3,234.09	\$ 6,856.47	\$23,803.50	na	na	0.029796667	\$667.74	
12	MX310dn	\$501.43	28%	\$359.00	\$ 298.46	\$1,254.37	na	na	0.029796667	\$35.57	
12	MX410de	\$752.86	28%	\$539.00	\$ 298.46	\$1,434.37	na	na	0.029796667	\$40.93	
12	MX511de	\$1,255.71	40%	\$751.46	\$ 305.71	\$1,668.58	na	na	0.029796667	\$47.87	
12a	MX812de	\$5,907.14	45%	\$3,236.88	\$ 1,267.65	\$7,039.83	na	na	0.029796667	\$202.09	
12b	MX812de	\$5,907.14	45%	\$3,236.88	\$ 2,268.81	\$10,043.32	na	na	0.029796667	\$285.52	
13	CX410de	\$1,027.14	40%	\$614.67	\$ 304.80	\$1,529.06	na	na	0.029796667	\$43.71	
13	CX410dte	\$1,284.29	40%	\$768.56	\$ 309.40	\$1,696.76	na	na	0.029796667	\$48.68	
13	CX510dhe	\$1,991.43	40%	\$1,191.73	\$ 309.40	\$2,119.93	na	na	0.029796667	\$61.29	
13a	X792de	\$5,404.29	40%	\$3,234.09	\$ 5,366.99	\$19,335.07	na	na	0.029796667	\$543.61	
13b	X792de	\$5,404.29	40%	\$3,234.09	\$ 11,324.91	\$37,208.82	na	na	0.029796667	\$1,040.11	
14	MX611de	\$1,884.29	40%	\$1,127.61	\$ 391.21	\$2,301.26	na	na	0.029796667	\$66.20	
14a	MX812de	\$5,907.14	45%	\$3,236.88	\$ 1,684.80	\$8,291.29	na	na	0.029796667	\$236.85	
14b	MX812de	\$5,907.14	45%	\$3,236.88	\$ 2,936.26	\$12,045.65	na	na	0.029796667	\$341.14	
15	X792de	\$5,404.29	40%	\$3,234.09	\$ 402.06	\$4,440.27	na	na	0.029796667	\$129.87	
15a	X792de	\$5,404.29	40%	\$3,234.09	\$ 7,849.46	\$26,782.46	na	na	0.029796667	\$750.49	
15b	X792de	\$5,404.29	40%	\$3,234.09	\$ 15,296.86	\$49,124.65	na	na	0.029796667	\$1,371.10	
16	MX710de	\$2,890.00	40%	\$1,729.46	\$ 391.21	\$2,903.11	na	na	0.029796667	\$84.13	
16a	MX812de	\$5,907.14	45%	\$3,236.88	\$ 1,684.80	\$8,291.29	na	na	0.029796667	\$236.85	
16b	MX812de	\$5,907.14	45%	\$3,236.88	\$ 4,187.71	\$15,800.01	na	na	0.029796667	\$445.42	
17	MX812de	\$5,907.14	45%	\$3,236.88	\$ 433.35	\$4,536.92	na	na	0.029796667	\$132.56	
17a	MX812de	\$5,907.14	45%	\$3,236.88	\$ 2,519.11	\$10,794.19	na	na	0.029796667	\$306.37	
17b	MX812de	\$5,907.14	45%	\$3,236.88	\$ 5,022.01	\$18,302.92	na	na	0.029796667	\$514.95	

Note #1: Suppliers must provide a factor for 36 month rental for each segment that they are proposing. Factors for 12, 48 and 60 month are option

Minimum Specs per Segment

Segment	Copies Per Minute	Monthly Volume Range	Monthly Copies Included (Rented and Purchased Units with Maint.)		Document Feeder	Automatic Features	Fax/Scan to Email Capable	Energy Star Compliant	Duplex	Hard Drive Required	Stationary Platen
7	10 - 20	1,000 - 6,000	0		N/A	AES	No	Yes	N/A	N	N
7a	10 - 20	1,000 - 6,000	600		N/A	AES	No	Yes	N/A	N	N
8	21 - 30	1,000 - 6,000	0		ADF	AES	Yes	Yes	N/A	N	N
8a	21 - 30	1,000 - 6,000	1,000		ADF	AES	Yes	Yes	N/A	N	N
9	31 - 40	10,000 - 30,000	0		ADF	AES	Yes	Yes	N/A	N	N
9a	31 - 40	10,000 - 30,000	4,000		ADF	AES	Yes	Yes	N/A	N	N
10	20 - 30	5,000 - 20,000	0		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	N	N
10a	20 - 30	5,000 - 20,000	6,000		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	N	N
10b	20 - 30	5,000 - 20,000	13,000		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	N	N
	20 - 30 b/w, 20 ppm										
11	color	5,000 - 20,000	0		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	Y	N
	20 - 30 b/w, 20 ppm										
11a	color	5,000 - 20,000	6,000		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	Y	N
	20 - 30 b/w, 20 ppm										
11b	color	5,000 - 20,000	13,000		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	Y	N
12	31 - 45	20,000 - 50,000	0		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	N	N
12a	31 - 45	20,000 - 50,000	10,000		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	N	N
12b	31 - 45	20,000 - 50,000	22,000		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	N	N
	30 - 45 b/w, 30 ppm										
13	color	20,000 - 50,000	0		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	Y	N
	30 - 45 b/w, 30 ppm										
13a	color	20,000 - 50,000	10,000		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	Y	N
	30 - 45 b/w, 30 ppm										
13b	color	20,000 - 50,000	22,000		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	Y	N
14	46 - 55	30,000 - 60,000	0		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	N	N
14a	46 - 55	30,000 - 60,000	15,000		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	N	N
14b	46 - 55	30,000 - 60,000	30,000		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	N	N
	40 - 55 b/w, 40 ppm										
15	color	30,000 - 60,000	0		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	Y	N
	40 - 55 b/w, 40 ppm										
15a	color	30,000 - 60,000	15,000		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	Y	N
	40 - 55 b/w, 40 ppm										
15b	color	30,000 - 60,000	30,000		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	Y	N
16	56 - 65	40,000 - 70,000	0		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	N	N
16a	56 - 65	40,000 - 70,000	15,000		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	N	N
16b	56 - 65	40,000 - 70,000	45,000		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	N	N
17	66 - 85	60,000 - 130,000	0		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	N	N
17a	66 - 85	60,000 - 130,000	25,000		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	N	N
17b	66 - 85	60,000 - 130,000	55,000		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	N	N
18	25 - 35	20,000 - 80,000	20,000		N/A	AES, APS	No	Yes	1:2, 2:2, 2:1	N	Y

Accessories for Segment 7
Supplier is to provide percentage off list (list should be publicly available)
Suppliers proposed price must be 20% or more
35% % off List

Supplier is to provide
Supplier

Accessories for Segment 9
Supplier is to provide percentage off list (list should be publicly available)
Suppliers proposed price must be 20% or more
35% % off List

Supplier is to provide
Supplier

Accessories for Segment 11
Supplier is to provide percentage off list (list should be publicly available)
Suppliers proposed price must be 20% or more
35% % off List

Supplier is to provide
Supplier

Accessories for Segment 13
Supplier is to provide percentage off list (list should be publicly available)
Suppliers proposed price must be 20% or more
35% % off List

Supplier is to provide
Supplier

Accessories for Segment 15
Supplier is to provide percentage off list (list should be publicly available)
Suppliers proposed price must be 20% or more
35% % off List

Supplier is to provide
Supplier

Accessories for Segment 17
Supplier is to provide percentage off list (list should be publicly available)
Suppliers proposed price must be 20% or more
35% % off List

Supplier is to provide
Supplier

Factor for 48 Month Rental (see note #1 below)	Cost Per Month for 48 Month Rental	Factor for 60 Month Rental (see note #1 below)	Cost Per Month for 60 Month Rental	Overage Cost Per Click if Monthly Volume Exceeded	Cost Per Click on Color Copies	Cost for User to Retain Hard Drive
0.023743333	\$33.40	0.02028	\$32.15	\$ 0.0386		\$0.00
0.023743333	\$56.11	0.02028	\$54.87	\$ 0.0386	\$ -	\$0.00
0.023743333	\$33.40	0.02028	\$32.15	\$ 0.0386		\$0.00
0.023743333	\$71.25	0.02028	\$70.01	\$ 0.0386	\$ -	\$0.00
0.023743333	\$33.40	0.02028	\$32.15	\$ 0.0386		\$0.00
0.023743333	\$109.93	0.02028	\$107.33	\$ 0.0170	\$ -	\$0.00
0.023743333	\$33.40	0.02028	\$32.15	\$ 0.0386		\$0.00
0.023743333	\$143.23	0.02028	\$140.63	\$ 0.0170	\$ -	\$0.00
0.023743333	\$259.80	0.02028	\$257.20	\$ 0.0170	\$ -	\$0.00
0.023743333	\$36.34	0.02028	\$34.74	\$ 0.0386	\$ 0.2086	\$0.00
0.023743333	\$358.54	0.02028	\$347.34	\$ 0.0098	\$ 0.0582	\$0.00
0.023743333	\$648.16	0.02028	\$636.96	\$ 0.0098	\$ 0.0582	\$0.00
0.023743333	\$33.40	0.02028	\$32.15	\$ 0.0386		\$0.00
0.023743333	\$37.67	0.02028	\$35.80	\$ 0.0304		\$0.00
0.023743333	\$43.32	0.02028	\$40.72	\$ 0.0170		\$0.00
0.023743333	\$182.49	0.02028	\$171.28	\$ 0.0071		\$0.00
0.023743333	\$265.92	0.02028	\$254.71	\$ 0.0071		\$0.00
0.023743333	\$39.99	0.02028	\$37.87	\$ 0.0304	\$ 0.1643	\$0.00
0.023743333	\$44.03	0.02028	\$41.37	\$ 0.0304	\$ 0.1643	\$0.00
0.023743333	\$54.08	0.02028	\$49.95	\$ 0.0304	\$ 0.0819	\$0.00
0.023743333	\$524.04	0.02028	\$512.84	\$ 0.0098	\$ 0.0582	\$0.00
0.023743333	\$1,020.53	0.02028	\$1,009.33	\$ 0.0098	\$ 0.0582	\$0.00
0.023743333	\$59.37	0.02028	\$55.47	\$ 0.0170		\$0.00
0.023743333	\$217.25	0.02028	\$206.04	\$ 0.0071	\$ -	\$0.00
0.023743333	\$321.54	0.02028	\$310.33	\$ 0.0071	\$ -	\$0.00
0.023743333	\$110.29	0.02028	\$99.09	\$ 0.0098	\$ 0.0582	\$0.00
0.023743333	\$730.91	0.02028	\$719.71	\$ 0.0098	\$ 0.0582	\$0.00
0.023743333	\$1,351.53	0.02028	\$1,340.33	\$ 0.0098	\$ 0.0582	\$0.00
0.023743333	\$73.66	0.02028	\$67.67	\$ 0.0144		\$0.00
0.023743333	\$217.25	0.02028	\$206.04	\$ 0.0071	\$ -	\$0.00
0.023743333	\$425.83	0.02028	\$414.62	\$ 0.0071	\$ -	\$0.00
0.023743333	\$112.97	0.02028	\$101.76	\$ 0.0071		\$0.00
0.023743333	\$286.78	0.02028	\$275.57	\$ 0.0071	\$ -	\$0.00
0.023743333	\$495.36	0.02028	\$484.15	\$ 0.0071	\$ -	\$0.00

nal

Accessories for Segment 8

≥ percentage off list (list should be publicly available)
rs proposed price must be 20% or more

35% % off List

Accessories for Segment 10

≥ percentage off list (list should be publicly available)
rs proposed price must be 20% or more

35% % off List

Accessories for Segment 12

≥ percentage off list (list should be publicly available)
rs proposed price must be 20% or more

35% % off List

Accessories for Segment 14

≥ percentage off list (list should be publicly available)
rs proposed price must be 20% or more

35% % off List

Accessories for Segment 16

≥ percentage off list (list should be publicly available)
rs proposed price must be 20% or more

35% % off List

Accessories for Segment 18

≥ percentage off list (list should be publicly available)
rs proposed price must be 20% or more

35% % off List

Part Number	Description	List Price	Discount vs. List	Annual Service	36 Mo Lease Factor
38C0626	Lexmark CS310, CS410, CS510, CX310, CX410, CX510 650-Sheet Duo Tray	\$ 227.14	35%	n/a	0.029796667
1021231	10' A-B Parallel Cable	\$ 28.56	35%	n/a	0.029796667
1021294	USB Cable (2M)	\$ 21.43	35%	n/a	0.029796667
1025041	X560n 256MB DDR II SDRAM DIMM	\$ 684.29	35%	n/a	0.029796667
1025042	X560n 512MB DDR II SDRAM DIMM	\$ 684.29	35%	n/a	0.029796667
1025043	X560n 1GB DDR II SDRAM DIMM	\$ 982.86	35%	n/a	0.029796667
3073173	Lexmark Swivel Cabinet	\$ 324.29	35%	n/a	0.029796667
14F0000	Parallel 1284-B Interface Catd	\$ 90.00	35%	n/a	0.029796667
14F0037	MarkNet N8120 Gigabit Ethernet Print Server	\$ 170.00	35%	n/a	0.029796667
14F0042	MarkNet N8130 Fiber Ethernet Print Server	\$ 570.00	35%	n/a	0.029796667
14F0100	RS-232C Serial Interface Card	\$ 90.00	35%	n/a	0.029796667
14F0245	256MB User Flash Memory	\$ 455.71	35%	n/a	0.029796667
14T0220	MarkNet 7020e Gigabit Ethernet - 4 port --USB	\$ 398.57	35%	n/a	0.029796667
14T0230	MarkNet 7000e Fast Ethernet - 1 port -- USB	\$ 284.29	35%	n/a	0.029796667
14T0240	MarkNet 7002e Fast Ethernet - 1 port -- parallel	\$ 284.29	35%	n/a	0.029796667
24T7300	Lexmark MX810, MX811, MX812 550-Sheet Tray	\$ 312.86	35%	n/a	0.029796667
24T7350	Lexmark MX810, MX811, MX812 2100-Sheet Tray	\$ 627.14	35%	n/a	0.029796667
24T7351	Lexmark MX71x/MX81x Forms and Bar Code Card	\$ 432.86	35%	n/a	0.029796667
24T7352	Lexmark MX71x/MX81x IPDS Card	\$ 650.00	35%	n/a	0.029796667
24T7353	Lexmark MX71x/MX81x PRESCRIBE Card	\$ 227.14	35%	n/a	0.029796667
25A0013	Staple 3-pack (5,000 per pack) (W840 / X85Xe)	\$ 129.69	45%	n/a	0.029796667
27X0025	MarkNet N8250 802.11b/g/n Wireless Print Server (US/Americas)	\$ 512.86	35%	n/a	0.029796667
27X0129	Lexmark MarkNet 8352 802.11 b/g/n Wireless Print Server (MX310/MX410)	\$ 55.71	35%	n/a	0.029796667
27X0130	MarkNet 8352 802.11b/g/n Wireless Print Server Kit	\$ 55.71	35%	n/a	0.029796667
27X0200	Lexmark 160+GB Hard Disk	\$ 547.14	35%	n/a	0.029796667
27X0210	Lexmark 160+GB Hard Disk	\$ 547.14	35%	n/a	0.029796667
27X0225	Lexmark MarkNet 8350 802.11 b/g/n Wireless Print Server	\$ 227.14	35%	n/a	0.029796667
27X0900	Lexmark RS-232C Serial Interface Card*	\$ 147.14	35%	n/a	0.029796667
27X0901	Lexmark Parallel 1284-B Interface Card*	\$ 147.14	35%	n/a	0.029796667
27X0903	Lexmark MarkNet 8350 802.11 b/g/n Wireless Print Server* (MX510/MX610)	\$ 112.86	35%	n/a	0.029796667
30G0287	Arabic Font Card	\$ 255.71	35%	n/a	0.029796667
30G0825	Korean Font Card	\$ 255.71	35%	n/a	0.029796667
30G0826	Simplified Chinese Font Card	\$ 255.71	35%	n/a	0.029796667
30G0827	Traditional Chinese Font Card	\$ 255.71	35%	n/a	0.029796667
30G0828	Japanese Font Card	\$ 255.71	35%	n/a	0.029796667
35S0267	Lexmark MS310,MS410,MS510,MS610, MX310,MX410,MX510,MX511, MX610, MX611 250-Sheet Tray	\$ 165.71	35%	n/a	0.029796667
35S0567	Lexmark MS310,MS410,MS510,MS610, MX310,MX410,MX510,MX511, MX610, MX611 550-Sheet Tray	\$ 255.71	35%	n/a	0.029796667
35S5888	Lexmark MX410, MX510, MX511 Forms and Bar Code Card	\$ 432.86	35%	n/a	0.029796667
35S5889	Lexmark MX410/MX510/MX511 Card for IPDS	\$ 650.00	35%	n/a	0.029796667
35S5890	Lexmark MX410/MX510/MX511 PRESCRIBE Card	\$ 227.14	35%	n/a	0.029796667
35S6850	Lexmark MX610/MX611 Forms and Bar Code Card	\$ 432.86	35%	n/a	0.029796667
35S6851	Lexmark MX610/MX611 Card for IPDS	\$ 650.00	35%	n/a	0.029796667
35S6852	Lexmark MX610/MX611 PRESCRIBE Card	\$ 227.14	35%	n/a	0.029796667
35S8000	Lexmark MX610 Series Stapler Option	\$ 384.29	35%	n/a	0.029796667
35S8502	Lexmark Adjustable Printer Stand	\$ 384.29	35%	n/a	0.029796667
38C0511	Lexmark CS410 Forms and Bar Code Card	\$ 432.86	35%	n/a	0.029796667
38C0512	Lexmark CS510 Forms and Bar Code Card	\$ 432.86	35%	n/a	0.029796667
38C0516	Lexmark CS410 PRESCRIBE Card	\$ 227.14	35%	n/a	0.029796667
38C0517	Lexmark CS510 PRESCRIBE Card	\$ 227.14	35%	n/a	0.029796667
38C0626	Lexmark CS310, CS410, CS510, CX310, CX410, CX510 650-Sheet Duo Tray	\$ 227.14	35%	n/a	0.029796667

2356066	Extended Warranty - 4 Year Advanced Exchange - MX410	\$539.00			
2356070	Extended Warranty - Upgrade to OnSite Repair - MX410	\$19.00			
2355526	Extended Warranty - 1 Year OnSite Repair - MX410	\$129.00			
2355527	Extended Warranty - 2 Year OnSite Repair - MX410	\$259.00			
2355528	Extended Warranty - 3 Year OnSite Repair - MX410	\$429.00			
2355529	Extended Warranty - 4 Year OnSite Repair - MX410	\$619.00			
2355564	Extended Warranty - 1 Year OnSite Repair - MX510/511	\$329.00			
2355565	Extended Warranty - 2 Year OnSite Repair - MX510/511	\$599.00			
2355566	Extended Warranty - 3 Year OnSite Repair - MX510/511	\$879.00			
2355567	Extended Warranty - 4 Year OnSite Repair - MX510/511	\$1,119.00			
2355602	Extended Warranty - 1 Year OnSite Repair - MX610/611	\$329.00			
2355603	Extended Warranty - 2 Year OnSite Repair - MX610/611	\$599.00			
2355604	Extended Warranty - 3 Year OnSite Repair - MX610/611	\$879.00			
2355605	Extended Warranty - 4 Year OnSite Repair - MX610/611	\$1,119.00			
2355108	Extended Warranty - 1 Year OnSite Repair - MX710	\$549.00			
2355109	Extended Warranty - 2 Year OnSite Repair - MX710	\$999.00			
2355110	Extended Warranty - 3 Year OnSite Repair - MX710	\$1,469.00			
2355111	Extended Warranty - 4 Year OnSite Repair - MX710	\$1,879.00			
2355220	Extended Warranty - 1 Year OnSite Repair - MX812	\$549.00			
2355221	Extended Warranty - 2 Year OnSite Repair - MX812	\$999.00			
2355222	Extended Warranty - 3 Year OnSite Repair - MX812	\$1,469.00			
2355223	Extended Warranty - 4 Year OnSite Repair - MX812	\$1,879.00			
2356210	Extended Warranty - 1 Year OnSite Repair - CX310	\$150.00			
2356211	Extended Warranty - 2 Year OnSite Repair - CX310	\$300.00			
2356212	Extended Warranty - 3 Year OnSite Repair - CX310	\$495.00			
2356213	Extended Warranty - 4 Year OnSite Repair - CX310	\$719.00			
2356248	Extended Warranty - 1 Year OnSite Repair - CX410	\$180.00			
2356249	Extended Warranty - 2 Year OnSite Repair - CX410	\$380.00			
2356250	Extended Warranty - 3 Year OnSite Repair - CX410	\$595.00			
2356251	Extended Warranty - 4 Year OnSite Repair - CX410	\$869.00			
2356286	Extended Warranty - 1 Year OnSite Repair - CX510	\$489.00			
2356287	Extended Warranty - 2 Year OnSite Repair - CX510	\$899.00			
2356288	Extended Warranty - 3 Year OnSite Repair - CX510	\$1,319.00			
2356289	Extended Warranty - 4 Year OnSite Repair - CX510	\$1,689.00			
2353776	Extended Warranty - 1 Year OnSite Repair - X792	\$879.00			
2353777	Extended Warranty - 2 Year OnSite Repair - X792	\$1,599.00			
2353778	Extended Warranty - 3 Year OnSite Repair - X792	\$2,349.00			
2353779	Extended Warranty - 4 Year OnSite Repair - X792	\$3,299.00			

36 Mo Lease	48 Mo Lease Factor	48 Mo Lease	60 Mo Lease Factor	60 Mo Lease	Mono cpp	Color cpp	HD Cost		
\$ 4.43	0.023743333	\$ 3.53	0.02028	\$ 3.02	n/a	n/a			
\$ 0.56	0.023743333	\$ 0.44	0.02028	\$ 0.38	n/a	n/a			
\$ 0.42	0.023743333	\$ 0.33	0.02028	\$ 0.28	n/a	n/a			
\$ 13.35	0.023743333	\$ 10.63	0.02028	\$ 9.08	n/a	n/a			
\$ 13.35	0.023743333	\$ 10.63	0.02028	\$ 9.08	n/a	n/a			
\$ 19.17	0.023743333	\$ 15.27	0.02028	\$ 13.05	n/a	n/a			
\$ 6.28	0.023743333	\$ 5.00	0.02028	\$ 4.27	n/a	n/a			
\$ 1.76	0.023743333	\$ 1.40	0.02028	\$ 1.19	n/a	n/a			
\$ 3.32	0.023743333	\$ 2.64	0.02028	\$ 2.26	n/a	n/a			
\$ 11.12	0.023743333	\$ 8.86	0.02028	\$ 7.57	n/a	n/a			
\$ 1.76	0.023743333	\$ 1.40	0.02028	\$ 1.19	n/a	n/a			
\$ 8.89	0.023743333	\$ 7.08	0.02028	\$ 6.05	n/a	n/a			
\$ 7.77	0.023743333	\$ 6.19	0.02028	\$ 5.29	n/a	n/a			
\$ 5.54	0.023743333	\$ 4.42	0.02028	\$ 3.77	n/a	n/a			
\$ 5.54	0.023743333	\$ 4.42	0.02028	\$ 3.77	n/a	n/a			
\$ 6.10	0.023743333	\$ 4.86	0.02028	\$ 4.15	n/a	n/a			
\$ 12.23	0.023743333	\$ 9.75	0.02028	\$ 8.32	n/a	n/a			
\$ 8.44	0.023743333	\$ 6.73	0.02028	\$ 5.75	n/a	n/a			
\$ 12.68	0.023743333	\$ 10.10	0.02028	\$ 8.63	n/a	n/a			
\$ 4.43	0.023743333	\$ 3.53	0.02028	\$ 3.02	n/a	n/a			
\$ 2.14	0.023743333	\$ 1.70	0.02028	\$ 1.46	n/a	n/a			
\$ 10.00	0.023743333	\$ 7.97	0.02028	\$ 6.81	n/a	n/a			
\$ 1.09	0.023743333	\$ 0.87	0.02028	\$ 0.74	n/a	n/a			
\$ 1.09	0.023743333	\$ 0.87	0.02028	\$ 0.74	n/a	n/a			
\$ 10.67	0.023743333	\$ 8.50	0.02028	\$ 7.26	n/a	n/a			
\$ 10.67	0.023743333	\$ 8.50	0.02028	\$ 7.26	n/a	n/a			
\$ 4.43	0.023743333	\$ 3.53	0.02028	\$ 3.02	n/a	n/a			
\$ 2.87	0.023743333	\$ 2.29	0.02028	\$ 1.95	n/a	n/a			
\$ 2.87	0.023743333	\$ 2.29	0.02028	\$ 1.95	n/a	n/a			
\$ 2.20	0.023743333	\$ 1.75	0.02028	\$ 1.50	n/a	n/a			
\$ 4.99	0.023743333	\$ 3.97	0.02028	\$ 3.39	n/a	n/a			
\$ 4.99	0.023743333	\$ 3.97	0.02028	\$ 3.39	n/a	n/a			
\$ 4.99	0.023743333	\$ 3.97	0.02028	\$ 3.39	n/a	n/a			
\$ 4.99	0.023743333	\$ 3.97	0.02028	\$ 3.39	n/a	n/a			
\$ 4.99	0.023743333	\$ 3.97	0.02028	\$ 3.39	n/a	n/a			
\$ 3.23	0.023743333	\$ 2.58	0.02028	\$ 2.20	n/a	n/a			
\$ 4.99	0.023743333	\$ 3.97	0.02028	\$ 3.39	n/a	n/a			
\$ 8.44	0.023743333	\$ 6.73	0.02028	\$ 5.75	n/a	n/a			
\$ 12.68	0.023743333	\$ 10.10	0.02028	\$ 8.63	n/a	n/a			
\$ 4.43	0.023743333	\$ 3.53	0.02028	\$ 3.02	n/a	n/a			
\$ 8.44	0.023743333	\$ 6.73	0.02028	\$ 5.75	n/a	n/a			
\$ 12.68	0.023743333	\$ 10.10	0.02028	\$ 8.63	n/a	n/a			
\$ 4.43	0.023743333	\$ 3.53	0.02028	\$ 3.02	n/a	n/a			
\$ 7.49	0.023743333	\$ 5.97	0.02028	\$ 5.10	n/a	n/a			
\$ 7.49	0.023743333	\$ 5.97	0.02028	\$ 5.10	n/a	n/a			
\$ 8.44	0.023743333	\$ 6.73	0.02028	\$ 5.75	n/a	n/a			
\$ 8.44	0.023743333	\$ 6.73	0.02028	\$ 5.75	n/a	n/a			
\$ 4.43	0.023743333	\$ 3.53	0.02028	\$ 3.02	n/a	n/a			
\$ 4.43	0.023743333	\$ 3.53	0.02028	\$ 3.02	n/a	n/a			
\$ 4.43	0.023743333	\$ 3.53	0.02028	\$ 3.02	n/a	n/a			

Pricing Assumptions

- Each laser printer comes with one year of warranty included. Up to four years of extended warranty (covering years 2 through 5) are available as purchased options. Extended warranty rates are listed in Optional Items tab.
- Lexmark MFD pricing is being offered under two scenarios – outright purchase or rental/service
- For an outright purchase, list price and purchase price include only equipment and one year of warranty. (Additional years of warranty are available at additional charge.)
- For a rental/service, the yearly maintenance price includes installation, training, asset management, reporting, remote meter collection, proactive consumables management, and page allowance (where applicable). Yearly maintenance must be purchased to support cost per page (CPP) billing structure.
- CPP includes all supplies and next business day (NBD) response support services.
- CPP pricing is based on standard cartridge yields (5% page coverage).
- Rental factor provided is based on fair market value.
- The term “rental” is based on the definition used by VITA within the RFP’s Information Technologies Contract.
- Any agency that orders fewer than 30 devices from Lexmark will be fulfilled as a straight purchase instead of utilizing the rental plus cost per page option.
- Lexmark will not charge agencies to retain hard drives when MFD rental agreements expire, but there may be a service charge for removing each hard drive.

[Note: Hard drives are typically not required in Lexmark MFDs since they come with adequate memory for most customers. Lexmark suggests that Commonwealth customers not pay for such device features if they are not needed.]

Exhibit C-4 BW Lasers

Manufacturer **Lexmark**

Segment	Evaluation Model	List Price	Percentage Off List Price	Purchase Price	Maintenance per Year (Does not include Toner)	True Purchase Price for 3 Years	Publicly Available
24	MS310d	255.71	25.74%	\$189.90	See extended warranty schedule in Optional Items tab	\$237.10	http://shop.lexmark.c
25	MS310d	255.71	25.74%	\$189.90	See extended warranty schedule in Optional Items tab	\$237.10	http://shop.lexmark.c
26	MS310d	255.71	25.74%	\$189.90	See extended warranty schedule in Optional Items tab	\$237.10	http://shop.lexmark.c
26	MS310dn	320.00	25.74%	\$237.64	See extended warranty schedule in Optional Items tab	\$284.84	http://shop.lexmark.c
26	MS410d	448.57	27.90%	\$323.42	See extended warranty schedule in Optional Items tab	\$370.62	http://shop.lexmark.c
26	MS410dn	512.86	27.90%	\$369.77	See extended warranty schedule in Optional Items tab	\$416.97	http://shop.lexmark.c

Segment	Minimum Copies Per Minute	Minimum Paper sources (excluding bypass)	Minimum Paper capacity (excluding bypass)	Minimum Memory	Energy Star Compliant	minimum Warranty (Next business day exchange)	Connectivity Type
24	0 - 15	1	100	8 MB	Yes	One Year	USB
25	16 - 25	1	150	16 MB	Yes	One Year	USB
26	26 - 40	1	200	32 MB	Yes	One Year	USB

Accessories for Segment 24

Vendor is provide a percentage off list (list must be publicly available)

Vendors proposed price must be 10% or more

35% % off List

Accessories for Segment 26

Vendor is provide a percentage off list (list must be publicly available)

Vendors proposed price must be 10% or more

35% % off List

*****Ink/Toner cannot be included as a standard accessory. DGS has establi

****VITA will allow ink/toner to be purchased only at the time of t

site showing list price

[om/MSRP/printer/35S0050](#)

[om/MSRP/printer/35S0050](#)

[om/MSRP/printer/35S0050](#)

[om/MSRP/printer/35S0100](#)

[om/MSRP/printer/35S0150](#)

[om/MSRP/printer/35S0200](#)

Accessories for Segment 25

Vendor is provide a percentage off list (list must be publicly available)

Vendors proposed price must be 10% or more

35 % off List

shed contracts for ink and toner.
he sale of the device.

Exhibit C-4 (Color Lasers)

Manufacturer **Lexmark**

Segment	Evaluation Model	List Price	Percentage Off List Price	Purchase Price	Maintenance per Year (Does not include Toner)	True Purchase Price for 3 Years	Publicly Available
27	CS310n	384.29	35.11%	\$249.36	See extended warranty schedule in Optional Items tab	\$317.36	http://shop.lexmark.cc
27	CS310dn	512.86	35.11%	\$332.79	See extended warranty schedule in Optional Items tab	\$400.79	http://shop.lexmark.cc
28	CS310n	384.29	35.11%	\$249.36	See extended warranty schedule in Optional Items tab	\$317.36	http://shop.lexmark.cc
28	CS310dn	512.86	35.11%	\$332.79	See extended warranty schedule in Optional Items tab	\$400.79	http://shop.lexmark.cc
29	CS310n	384.29	35.11%	\$249.36	See extended warranty schedule in Optional Items tab	\$317.36	http://shop.lexmark.cc
29	CS310dn	512.86	35.11%	\$332.79	See extended warranty schedule in Optional Items tab	\$400.79	http://shop.lexmark.cc
29	CS410n	577.14	40.16%	\$345.38	See extended warranty schedule in Optional Items tab	\$437.38	http://shop.lexmark.cc
29	CS410dn	641.43	40.16%	\$383.85	See extended warranty schedule in Optional Items tab	\$475.85	http://shop.lexmark.cc

Segment	Minimum Copies Per Minute	Minimum Paper sources (excluding bypass)	Minimum Paper capacity (excluding bypass)	Minimum Memory	Energy Star Compliant	Minimum Warranty (Next business day exchange)	Connectivity Type
27	0 - 15	1	100	8 MB	Yes	One Year	USB
28	16 - 25	1	150	16 MB	Yes	One Year	USB
29	26 - 40	1	200	32 MB	Yes	One Year	USB

Accessories for Segment 27

Vendor is provide a percentage off list (list must be publicly available)

Vendors proposed price must be 10% or more

35 % off List

Accessories for Segment 29

Vendor is provide a percentage off list (list must be publicly available)

Vendors proposed price must be 10% or more

35 % off List

*****Ink/Toner cannot be included as a standard accessory. DGS has establish

****VITA will allow ink/toner to be purchased only at the time of the

site showing list price

om/MSRP/printer/28C0000
om/MSRP/printer/28C0050
om/MSRP/printer/28C0000
om/MSRP/printer/28C0050
om/MSRP/printer/28C0000
om/MSRP/printer/28C0050
om/MSRP/printer/28D0000
om/MSRP/printer/28D0050

Accessories for Segment 28

Vendor is provide a percentage off list (list must be publicly available)

Vendors proposed price must be 10% or more

35% off List

red contracts for ink and toner.

sale of the device.

Pricing Assumptions

- Each laser printer comes with one year of warranty included. Up to four years of extended warranty (covering years 2 through 5) are available as purchased options. Extended warranty rates are listed in Optional Items tab.
- Lexmark MFD pricing is being offered under two scenarios – outright purchase or rental/service
- For an outright purchase, list price and purchase price include only equipment and one year of warranty. (Additional years of warranty are available at additional charge.)
- For a rental/service, the yearly maintenance price includes installation, training, asset management, reporting, remote meter collection, and proactive consumables management. Yearly maintenance must be purchased to support cost per page (CPP) billing structure.
- CPP includes all supplies and next business day (NBD) response support services.
- CPP pricing is based on standard cartridge yields (5% page coverage).
- Rental factor provided is based on fair market value.
- The term “rental” is based on the definition used by VITA within the RFP’s Information Technologies Contract.
- Any agency that orders fewer than 30 devices from Lexmark will be fulfilled as a straight purchase instead of utilizing the rental plus cost per page option.
- Lexmark will not charge agencies to retain hard drives when MFD rental agreements expire, but there may be a service charge for removing each hard drive.

[Note: Hard drives are typically not required in Lexmark MFDs since they come with adequate memory for most customers. Lexmark suggests that Commonwealth customers not pay for such device features if they are not needed.]

Optional MPS Pricing

Lexmark has included the following MPS service offerings as part of its standard rental/service proposal to the Commonwealth:

1. Asset Management
2. Reporting
3. Remote Data Collection
4. Proactive Consumables Management

These services are included in the Yearly Maintenance price, which also includes the price for installation and training. The MPS-related portion of the Yearly Maintenance is \$7.50/device/month.

When feasible, for larger agencies with larger device fleets, Lexmark will provide consulting services (including assessment) to develop an Enterprise Output Strategy, and provide advanced device utilization and ongoing governance at no additional charge.

Commonwealth of Virginia Discounts for Perceptive Software Products

Product Category	Discount
Software Products	7.75%
Implementation Services	4.75%
Training	7.75%

EXHIBIT F: CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

- i). No Federal appropriated funds have been paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee or an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement.
- ii). If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- iii). The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and Contracts under grants, loans and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signature:

For Ronald Binkauskas Eric T. Ellis

Printed Name:

Ronald Binkauskas

Organization:

Lexmark International, Inc.

Date:

4-1-13

EXHIBIT H

Lexmark

CATEGORIES WON

MFD Lexmark

Segments 7 – 17b

BW Laser Lexmark

Color Laser Lexmark

Managed Print Services