



Commonwealth of Virginia
Virginia Information Technologies Agency

STATEWIDE PRINTING DEVICES AND MANAGED PRINT SERVICES

Date: February 23, 2016

Contract #: VA-130405-SEC

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: Sharp Electronics Corporation
1 Sharp Plaza
Mahwah, NJ 07495-1123

FIN: 13-1968872

Contact Person: Christine Bush
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Term: April 5, 2016 – April 4, 2017

Payment: Net 30 days

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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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February 22, 2016

Christine Bush
Sharp Electronics Corporation
1 Sharp Plaza
Mahwah New Jersey 07430

Per Section 3.A. ("Term and Termination") of contract VA-130405-SEC, 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

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February 19, 2015

Christine Bush
Sharp Electronics Corporation

Per Section 3.A. ("Contract Term") of contract VA-130405-SEC, 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



Statewide Printing Devices and Managed Print Services Information Technology Contract

between

The Virginia Information Technologies Agency

on behalf of

The Commonwealth of Virginia

and

SHARP ELECTRONICS CORP

**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 Sharp Electronics Corp ("Supplier"), a corporation headquartered at 1 Sharp Plaza, Mahwah NJ, 07495, 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.

Sharp Electronics Corporation

By: 
(Signature)

Name: Michael Marusic
(Print)

Title: Senior Vice President

Date: March 29, 2013

Address for Notice:

Sharp Electronics Corporation
One Sharp Plaza
Mahwah, NJ 07495

Attention: Pamela Barrick

Email: barrickp@sharpsec.com

VITA

By: 
(Signature)

Name: SAM NIXON
(Print)

Title: CIO

Date: 4/5/13

Address for Notice:

11751 MEADOWVILLE LN
CHRESTEN VA 23836

Attention: Contract Administrator

Appendix E

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

****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.

Appendix E - MFD

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>Sharp Electronics Corporation is in compliance with section 508 IT accessibility standard, V-Pats for the devices offered are available upon request. Sharp provides additional functionality with a braille overlay label kits available for our MX-2610N/3110N/3610N, MX-4110N/4111N/5110N/5111N, the three Hercules models MX-M904/M1054/M1204, and our Polaris models MX-6240N/ 7040N. Produced on a braille writer in conjunction with the North Dakota Vision Services/School for the Blind, these transparent, easy to use overlays allow the most common operations- such as copying and faxing as well as black and white and color Start labels, are easily placed on the touchscreen and do not hinder the easy, interactive functions of the new User Interface. The new Braille overlay Labels offer options such as the number pad (0-9, *, #, Clear), color start, Roam button, Black & White Start, Copy, Fax, Clear All, and 1,2,3,4 for personalized favorites.</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>All Sharp models in the present Document Systems and Multifunction Products line are ENERGY STAR® qualified for energy efficiency.</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>	N	<p>Sharp Electronics Corporation will utilize our network of Independent Sharp Authorized Dealers to provide installation and service throughout the Commonwealth of Virginia.</p>
<p>Does your proposed solution include any additional power protection with each unit? If so, please explain.</p>	Y	<p>A surge protector is provided in the pricing as an option.</p>
<p>Does your proposed solution include any devices that will not operate on a standard 120 volt outlet? If so, please explain.</p>	Y	<p>Yes, The following models do not operate on a standard outlet: MX-4110N, MX-623N, AND MX-753N require 120 VAC, 60 Hz, 20 AMP dedicated circuit, NEMA 5-20 Receptacle</p>
<p>Do the devices being proposed work with multiple operating systems? If so, please describe.</p>	Y	<p>XP x64, Vista x64, 7 x64, Server 2008 x64, Mac OS X 10.2 - 10.6, however the device specification should be reviewed to ensure compatability. Dealers recognize that meeting customer expected service levels ensure high customer satisfaction levels and continuity. Sharp has established a strong training program requiring factory certification and ongoing on-line training on Sharp Academy for all technicians, for each model that they service. Sharp's first call efficiency program with BEI, a Government Benchmarking Company, enables Sharp to ensure greater customer satisfaction. Service staff audit dealers quarterly to ensure that training certifications, training expertise, parts availability, etc. are being maintained</p>
<p>Do your service/sales personal undergo training on a semi-annual or annual basis? If so, please explain.</p>	Y	

Sharp will actively promote the Contract both through our dealer network, as well as to all current and potential schools, universities, local and non-Executive Branch State agencies. Sharp's marketing strategy includes educating our dealer network and customers on the benefits of the VITA contract. This effort is multi-tiered and includes a customized web link accessible via Sharp's intranet, customized brochures and flyers, dealer training and participation in VITA regional trade shows. Sharp can design and create co-branded banners for dealers to display at trade shows and meetings.

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.

Y

Sharp will invite management to actively participate in Sharp's state dealer meetings. State meetings are held regionally, include local representation by Sharp dealerships and are scheduled throughout the calendar year. Sharp will provide incentives for using the contract to dealer salespeople and managers through our Ultimate Rewards program. This program is a versatile, on-line sales and merchandise program designed to reward Sharp dealer, CCR and SBS sales reps and Sharp dealer, CCR and SBS sales managers for selling Sharp products through the contract. All Sharp dealer sales reps and sales managers are encouraged to improve their level of sales and technical competency by completing the Sharp Academy on-line training program – an in-depth and up-to-date education on Sharp products, software and solutions. The Ultimate Rewards point values earned are directly related to the Sharp Academy level of training completed.

Does your proposed solution include a re-stocking fee on returned equipment? Please provide details.

Y

There is a restocking fee of 10% of the purchase price provided the unit has not been installed.

Services

Does your proposal solution include any user training on installed devices? If so, please explain.

Y

Sharp will coordinate training with the installing and servicing location to immediately follow equipment installation. This will include the operation of the equipment, how to add toner, clear minor jams, how to protect the equipment, and when to request maintenance. Classes will be conducted at the user locations. Operator classes typically cover the operation of the equipment and how utilize all features of the device. These classes are designed so that the student/attendee is motivated to learn the basic use of specific features of the device to make their jobs easier. Attendees will be instructed on the complete operation of the control panel and all of the screens in order to have full utilization of the device's features. Classes are generally one to two hours in length and operational manuals will be provided at each unit for additional reference. Also available is a program that will enable users to go on line to a web site dedicated to The State of Arkansas, titled MY SHARP, and view end user demonstrations on all products selected and to also get re-fresh operator training. This is at NO CHARGE. This means that Sharp will be available to every user 24 hours a day to assist in the operation of the installed devices.

Does your proposed solution include any testing of the device once the installation is complete? If so, please explain.

Y

Sharp's Technical Staff and Government Account Manager will complete a final walk through of an installation to ensure that all equipment is installed, fully operational and to answer any additional questions regarding the equipment or in case there is a need for some additional training. In addition, Sharp will provide Technical support to your Systems Administrator to ensure a smooth and seamless transition/installation to your network.

Does your proposed solution provide Authorized Users service within 8 business hours of notification or next business day? If so, please explain.	Y	When service support is needed, the end user would contact our centralized service dispatch center located in Mahwah, New Jersey (operation hours 9:00 AM – 8:00 PM, Monday – Friday excluding Federal holidays). A consistent set of procedures is followed for all service requests to either resolve the problem immediately over the telephone or dispatch a call to the local servicing dealer or branch. The centralized dispatch center is adequately staffed at all times to ensure prompt and adequate access and availability. The central dispatch center also has a built in back up capability so that customer events are automatically transferred to back up staff in the event of unanticipated call volume Upon receipt of dispatch, the local servicing entity will call the customer within 1 hour to confirm the service call and to give an estimated time of arrival for the service technician (within 8 working hours of the placement of the original service request.). Upon completion of the call, the local servicing entity contacts the centralized dispatch facility with the time of the call completion, details of the service calls and any pertinent followup information.
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.	Y	Sharp Electronics, through our independent authorized dealer will supply comparable MFD loaners at no cost to the City if MFD downtime is more than two (2) business days until the original equipment is repaired to full working order, or is replaced.
When rental agreements are established, does your solution include pre-defined service level agreements? If so, please provide those in Appendix A	Y	To be determined with the rental agreement.
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	Sharp has the ability to provide ecommerce sites to our National customers using Ariba, CommerceOne and Oracle SSS, as well as many other e-Procurement platforms. In the case of Ariba, we provide catalog data, pricing information and invoicing to our customers using the CIFF file format method.
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	Sharp Electronics will utilize our network of Authorized Sharp Dealers, as well as a direct branch of Sharp Business Systems to service the Commonwealth of Virginia in its entirety. These branches receive corporate incentives to sell products from this contract as well, however the Commonwealth of Virginia and VITA will have a central contact with Sharp Electronics for any sales and service needs.
		<p>Technical assistance is available on the Sharp “hot-line” from 9:00 AM East Coast time till 5:00 PM West Coast Time. On-line information can be accessed 24 hours a day, seven days a week. In order to provide the most efficient turn around time from the initial reporting of a malfunction, the calling location should provide the following information to the Service Dispatcher:</p> <ul style="list-style-type: none"> • THE EXACT LOCATION OF THE UNIT • THE SERIAL NUMBER (FROM THE LABEL ON THE FRONT OF THE COPIER) • WHAT THE PROBLEM MIGHT BE. <p>Each Copier installed through the VITA contract will have a call record of every call and the repairs made which will reside with the machine at all times. In addition to the service log that is kept with each machine, Sharp will provide with detailed Performance reports. Should an agency/ school require additional information, Sharp will endeavor to comply and, if necessary, design a specific report for the appropriate customer.</p>
Does your proposed solution provide hardware and software support from 8:00 am - 5:00 pm EST? If so, please provide details.	Y	

Listed below are the actions by Sharp to assist the customer in placing a service call:

- Once the above information is acquired, each key operator should call the local servicing Sharp location, (this will be provided on the label on the front of the copier).
- Local Key Operator will provide the Service Dispatcher the Sharp Model Number and equipment Serial Number.
- The Service Dispatcher will confirm the address and location of the equipment.
- The Service Dispatcher will ask for the name of the caller and the phone number.
- The Service Dispatcher will ask for details, if possible, regarding the problem. At the same time, the Dispatcher will try to solve any operational problems by phone. The technician is then paged.

If the problem cannot be solved then a service call will be made. Local Key Operator will get a Service ID number. The technician will then call the end user and notify them that the call has been received and will provide the estimated time of arrival. The technician will also discuss the problem with the end user and obtain information as to the condition of the equipment (i.e., is the equipment operable or is it totally down?). In many cases, the technician can walk the end user through the problem, such as a jam, and get the equipment up and running quickly. The technician will then, upon arrival, make the necessary adjustments to the equipment. Once the necessary repairs have been completed, the technician will report back to the end user or a designated representative, or Local Key Operator that made call with the status of the copier. Upon leaving the location, the technician will report back to the dispatcher that the call is complete and all repairs have been made.

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

Sharp has the ability to provide ecommerce sites to our National customers using Ariba, CommerceOne and Oracle SSS, as well as many other e-Procurement platforms. In the case of Ariba, we provide catalog data, pricing information and invoicing to our customers using the CIFF file format method. Sharp Electronics currently has a punch-out catalog website that interfaces with eVA, upon establishment of a new contract, we would continue to provide an updated version of the current website, or develop a new one that meets the requirements of VITA.

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

Sharp offers complete customized reporting on all aspects of their copier and fax operations. Sharp's reporting is set-up as a menu driven Excel program. Some of the features of the Sharp's reporting are as follows:
Purchasing Reports – to include equipment purchased, model, accessories, serial number, invoice total, total cost, delivered location with contact name and phone numbers and e-mail address (if provided on original order), local service provider with phone numbers and e-mail address (if available)

Usage/ Maintenance Reports – should at a minimum include equipment model number and serial number, usage history, YTD maintenance costs, and cumulative maintenance costs over the life of the equipment
 Usage/Maintenance Reports – to include equipment model, accessories, serial number, location installed, contact name phone numbers, e-mail (if provided), cost per copy or cost per month or year, cumulative maintenance costs, local service provider with phone numbers and e-mail address (if available)
 Service Level Reports – should at a minimum include service call details, response times, resolution and service level. The supplier should also summarize these reports to provide an overall view of service level compliance
 Service Level Reports – to include model, accessories, Serial #, date and time call received, time dispatched, Call tag #, response time, problem, solution, service provider, and an overall report showing overall response time, up-time and up-time percentage
 Customer Satisfaction Reports / Surveys
 Customer Satisfaction Reports – Monthly survey reports measuring the end user satisfaction on a Scale of 1 to 5 with 5 being very satisfied and 1 being very dissatisfied can be provided. Surveys are based on questions ranging from equipment performance and features to service provider performance to the performance of the support team.
 Other Reports – please provide any detail on additional reporting capabilities that would assist in managing their office equipment install base

Sharp reports are all created on a custom basis. It would be important for Sharp and the VITA participating agency/ school to discuss what data is important. This approach would determine what information would be helpful in managing the day to day operations. Taking the information provided, Sharp has the experience necessary to create any additional reports required. It would also be Sharp’s intent to post all reporting on the Sharp Web site, offering instant access to information as needed.

Does your proposed solution maintain an electronic service log that is available to Authorized Users? If so, please provide details and examples.

Y

As part of Sharps National Maintenance Program, an accessible electronic service log is available
 Sharp reports are all created on a custom basis. It would be important for Sharp and your (company/agency) to discuss what data is important. This approach would determine what information would be helpful in managing the day to day operations. Taking the information provided, Sharp has the experience necessary to create any additional reports required. It would also be Sharp’s intent to post all reporting on the Sharp Web site, offering instant access to information as needed.

Does your proposed solution include any additional reports that would be a benefit to Authorized Users? If so, please provide details and examples.

Y

Security

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

Y

Sharp’s Data Security Kit offers multiple layers of security. First, all latent image data within the MFD is encrypted (using an AES algorithm) before being written to the hard drive, RAM or Flash memory. When a document is printed, copied, scanned or faxed, the temporary data stored/buffered in memory is overwritten up to seven (7) times, rendering it unrecoverable. Sharp competitors typically overwrite just three (3) times. It is the combination of encryption and overwrites that sets Sharp apart.

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

Y

Appendix E - High Speed Production

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>Sharp Electronics Corporation has braille overlay label kits available for our MX-2610N/3110N/3610N, MX-4110N/4111N/5110N/5111N, the three Hercules models MX-M904/M1054/M1204, and our Polaris models MX-6240N/7040N. Produced on a braille writer in conjunction with the North Dakota Vision Services/School for the Blind, these transparent, easy to use overlays allow the most common operations- such as copying and faxing as well as black and white and color Start labels, are easily placed on the touchscreen and do not hinder the easy, interactive functions of the new User Interface. The new Braille overlay Labels offer options such as the number pad (0-9, *, #, Clear), color start, Roam button, Black & White Start, Copy, Fax, Clear All, and 1,2,3,4 for personalized favorites.</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>All Sharp models in the present Document Systems and Multifunction Products line are ENERGY STAR® qualified for energy efficiency.</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>Sharp Electronics Corporation will utilize our network of Independent Sharp Authorized Dealers to provide installation and service throughout the Commonwealth of Virginia.</p>
<p>Does your proposed solution include any additional power protection with each unit? If so, please explain.</p>	Y	<p>A surge protector is provided in the pricing as an option.</p>
<p>Does your proposed solution include any devices that will not operate on a standard 120 volt outlet? If so, please explain.</p>	Y	<p>The high Speed devices offered in this proposal require 208 VAC, 60 Hz, 20 AMP dedicated circuit, NEMA 6-20 Receptacle</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. Y

Sharp has the ability to provide ecommerce sites to our National customers using Ariba, CommerceOne and Oracle SSS, as well as many other e-Procurement platforms. In the case of Ariba, we provide catalog data, pricing information and invoicing to our customers using the CIFF file format method.

Do the devices being proposed work with multiple operating systems? If so, please describe. Y

The devices proposed have various capabilities, most include Windows 2000, XP, Vista, 7, Server 2003, Server 2008, XP x64, Vista x64, 7 x64, Server 2008 x64, Mac OS X 10.2 - 10.6, however the device specification should be reviewed to ensure compatibility.

Sharp will actively promote the Contract both through our dealer network, as well as to all current and potential schools, universities, local and non-Executive Branch State agencies. Sharp's marketing strategy includes educating our dealer network and customers on the benefits of the VITA contract. This effort is multi-tiered and includes a customized web link accessible via Sharp's intranet, customized brochures and flyers, dealer training and participation in VITA regional trade shows. Sharp can design and create co-branded banners for dealers to display at trade shows and meetings.

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. Y

Sharp will invite management to actively participate in Sharp's state dealer meetings. State meetings are held regionally, include local representation by Sharp dealerships and are scheduled throughout the calendar year. Sharp will provide incentives for using the contract to dealer salespeople and managers through our Ultimate Rewards program. This program is a versatile, on-line sales and merchandise program designed to reward Sharp dealer, CCR and SBS sales reps and Sharp dealer, CCR and SBS sales managers for selling Sharp products through the contract. All Sharp dealer sales reps and sales managers are encouraged to improve their level of sales and technical competency by completing the Sharp Academy on-line training program – an in-depth and up-to-date education on Sharp products, software and solutions. The Ultimate Rewards point values earned are directly related to the Sharp Academy level of training completed.

Does your proposed solution include a re-stocking fee on returned equipment? Please provide details. Y

There is a restocking fee of 10% of the purchase price provided the unit has not been installed.

Sharp offers complete customized reporting on all aspects of their copier and fax operations. Sharp's reporting is set-up as a menu driven Excel program. Some of the features of the Sharp's reporting are:

Purchasing Reports – should at a minimum include equipment purchased, model and serial number, invoice number, total cost, and delivered location

Purchasing Reports – to include equipment purchased, model, accessories, serial number, invoice total, total cost, delivered location with contact name and phone numbers and e-mail address (if provided on original order), local service provider with phone numbers and e-mail address (if available)

Usage/ Maintenance Reports – should at a minimum include equipment model number and serial number, usage history, YTD maintenance costs, and cumulative maintenance costs over the life of the equipment

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. Y

Each Public Body may have multiple agreements for devices. When processing P-Cards or payments for invoices with multiple agreements, how do you manage the equipment fulfillment at the end of the lease agreement term, to include termination of invoicing and equipment pickup. Please describe. Y

Sharp Electronics maintains a pre-determined equipment management program that includes a termination policy for expiring agreements.

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.

The end user will be notified of lease expiration and if terminating agreement, will schedule a date and time for device to be removed by a Sharp authorized technician.

Does your solution provide the ability for Authorized Users to trade-in devices for credit against new purchase/lease agreements? If so, please describe. Y

Our solution provides the ability to receive credit for equipment traded in against a new purchase, based on the value of the model being traded to be determined on a case by case basis.

Does your solution have the ability to use recycled paper? If so, please describe. Y

Sharp Electronics products are designed for use with recycled content paper, Typical recycled content is 50%, with 30% post consumer waste.

Business Capabilities

Does your proposed solution outline the type of sales process you will be using to ensure that the right production product is being proposed to the Commonwealth of Virginia? If so, please describe Y

Sharp Electronics offers several models in our proposal to ensure the best production level model is available.

Has your company won any awards or recognition in the high speed production area? If so, please describe. Y

Sharp Electronics has received numerous awards for our high speed products, including receiving BLI's Line of the Year award twice. The model offered in this proposal is a new release, and has not yet been evaluated for awards.

Does your proposed solution include how many service technicians are trained to support high speed devices for this contract? If so, please describe and furnish certifications as applicable

N

High speed service technicians are available at all of the Sharp Authorized dealers listed in this proposal. The number of technicians vary based on geographic location.

Has your company implemented any high speed production projects that meet or exceed the requirements of this RFP within the last six months

Y

Sharp provides parts support for all products sold in North America via the Government Parts Center (NPC). The NPC is centrally located in Romeoville, IL about 40 minutes southwest of Chicago. The Sharp NPC processes about 1000 orders daily from authorized service centers around the country. We have the ability to ship any of 90,000 parts for next day delivery when orders are received by 6:00 pm CST.

In your proposed solution, does your company maintain a specific amount of supplies/parts at your locations? If so, please describe

Y

The Government Parts Center is able to provide certain high value parts, such as printed circuit boards (PCBs), on an advance exchange basis reducing the overall cost and alleviating our dealers of the need to inventory these high cost items. Authorized Sharp dealers are provided with factory based information that advises them of the appropriate parts that they should stock locally. Dealers determine the necessary car stock for their technicians.

Does your proposed solution have an in-house order tracking system that can be accessed 24x7 by a user? Please provide details.

N

Sharps order tracking system contains proprietary information that is available to authorized users through our sales and service departments.

Is your firm willing to commit to service level agreements? If so, please refer to Appendix A and fill in the yellow shaded areas.

Y

Sharp will actively promote the Contract both through our dealer network, as well as to all current and potential schools, universities, local and non-Executive Branch State agencies. Sharp's marketing strategy includes educating our dealer network and customers on the benefits of the VITA contract. This effort is multi-tiered and includes a customized web link accessible via Sharp's intranet, customized brochures and flyers, dealer training and participation in VITA regional trade shows. Sharp can design and create co-branded banners for dealers to display at trade shows and meetings.

Does your proposed solution include any marketing abilities and resources to promote this contract to schools, universities, local and non-Executive Branch state agencies? Please provide marketing plan and examples of marketing tools.

Y

Sharp will invite management to actively participate in Sharp's state dealer meetings. State meetings are held regionally, include local representation by Sharp dealerships and are scheduled throughout the calendar year. Sharp will provide incentives for using the contract to dealer salespeople and managers through our Ultimate Rewards program. This program is a versatile, on-line sales and merchandise program designed to reward Sharp dealer, CCR and SBS sales reps and Sharp dealer, CCR and SBS sales managers for selling Sharp products through the contract. All Sharp dealer sales reps and sales managers are encouraged to improve their level of sales and technical competency by completing the Sharp Academy on-line training program – an in-depth and up-to-date education on Sharp products, software and solutions. The Ultimate Rewards point values earned are directly related to the Sharp Academy level of training completed.

Does your proposed 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.

Y

Sharp Electronics has the ability to provide several reports, including a Purchasing Report – to include equipment purchased, model, accessories, serial number, invoice total, total cost, delivered location with contact name and phone numbers and e-mail address (if provided on original order), local service provider with phone numbers and e-mail address (if available)

Reports

Does your proposed solution provide quarterly reports to customers detailing products that have been placed in any of their locations? (provide examples)

Y

Sharp offers complete customized reporting on all aspects of their copier and fax operations. Sharp's reporting is set-up as a menu driven Excel program. Some of the features of the Sharp's reporting are as follows:
Purchasing Reports – to include equipment purchased, model, accessories, serial number, invoice total, total cost, delivered location with contact name and phone numbers and e-mail address (if provided on original order), local service provider with phone numbers and e-mail address (if available)

Usage/ Maintenance Reports – should at a minimum include equipment model number and serial number, usage history, YTD maintenance costs, and cumulative maintenance costs over the life of the equipment
Usage/Maintenance Reports – to include equipment model, accessories, serial number, location installed, contact name phone numbers, e-mail (if provided), cost per copy or cost per month or year, cumulative maintenance costs, local service provider with phone numbers and e-mail address (if available)
Service Level Reports – should at a minimum include service call details, response times, resolution and service level. The supplier should also summarize these reports to provide an overall view of service level compliance

Service Level Reports – to include model, accessories, Serial #, date and time call received, time dispatched, Call tag #, response time, problem, solution, service provider, and an overall report showing overall response time, up-time and up-time percentage

Customer Satisfaction Reports / Surveys

Customer Satisfaction Reports – Monthly survey reports measuring the end user satisfaction on a Scale of 1 to 5 with 5 being very satisfied and 1 being very dissatisfied can be provided. Surveys are based on questions ranging from equipment performance and features to service provider performance to the performance of the support team.

Other Reports – please provide any detail on additional reporting capabilities that would assist in managing their office equipment install base

Sharp reports are all created on a custom basis. It would be important for Sharp and the VITA participating agency/ school to discuss what data is important. This approach would determine what information would be helpful in managing the day to day operations. Taking the information provided, Sharp has the experience necessary to create any additional reports required. It would also be Sharp’s intent to post all reporting on the Sharp Web site, offering instant access to information as needed.

Does your proposed solution maintain an electronic service log that is available to customers on specific copiers/printers? (provide examples) Y

Does your proposed solution provide any additional reports that would be an added value to the Commonwealth? Please describe and provide examples. Y

Sharp reports are all created on a custom basis. It would be important for Sharp and your (company/agency) to discuss what data is important. This approach would determine what information would be helpful in managing the day to day operations. Taking the information provided, Sharp has the experience necessary to create any additional reports required. It would also be Sharp’s intent to post all reporting on the Sharp Web site, offering instant access to information as needed.

Security

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 Y

Sharp’s Data Security Kit offers multiple layers of security. First, all latent image data within the MFD is encrypted (using an AES algorithm) before being written to the hard drive, RAM or Flash memory. When a document is printed, copied, scanned or faxed, the temporary data stored/buffered in memory is overwritten up to seven (7) times, rendering it unrecoverable. Sharp competitors typically overwrite just three (3) times. It is the combination of encryption and overwrites that sets Sharp apart.

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 Y

Services

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

Sharp has the ability to provide ecommerce sites to our National customers using Ariba, CommerceOne and Oracle SSS, as well as many other e-Procurement platforms. In the case of Ariba, we provide catalog data, pricing information and invoicing to our customers using the CIFF file format method. Sharp Electronics currently has a punch-out catalog website that interfaces with eVA, upon establishment of a new contract, we would continue to provide an updated version of the current website, or develop a new one that meets the requirements of VITA.

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

Sharp Electronics will utilize our network of Authorized Sharp Dealers, as well as a direct branch of Sharp Business Systems to service the Commonwealth of Virginia in its entirety. These branches receive corporate incentives to sell products from this contract as well, however the Commonwealth of Virginia and VITA will have a central contact with Sharp Electronics for any sales and service needs.

Dealers recognize that meeting customer expected service levels ensure high customer satisfaction levels and continuity. Sharp has established a strong training program requiring factory certification and ongoing on-line training on Sharp Academy for all technicians, for each model that they service. Sharp's first call efficiency program with BEI, a Government Benchmarking Company, enables Sharp to ensure greater customer satisfaction. Service staff audit dealers quarterly to ensure that training certifications, training expertise, parts availability, etc. are being maintained

Do your service/sales personal undergo training on a semi-annual or annual basis? If so, please explain.

Y

Sharp is committed to providing excellence in product service to our customers. We have a formal process in place for Sharp to periodically review our branch and dealers' performance utilizing several parameters. If the dealer is not adhering to their obligations under the Sharp Corporate contract they can be restricted and more closely monitored. Poor performance can lead to their cancellation as a Sharp dealer. At any time, our Government Account clients can notify Sharp in writing if they wish their service to be moved to another Sharp Dealer or Branch.

Does your proposed solution provide hardware and software support from 8:00 am - 5:00 pm EST? If so, please provide details.

Y

Technical assistance is available on the Sharp "hot-line" from 9:00 AM East Coast time till 5:00 PM West Coast Time. On-line information can be accessed 24 hours a day, seven days a week. In order to provide the most efficient turn around time from the initial reporting of a malfunction, the calling location should provide the following information to the Service

Dispatcher:

- THE EXACT LOCATION OF THE UNIT
- THE SERIAL NUMBER (FROM THE LABEL ON THE FRONT OF THE COPIER)
- WHAT THE PROBLEM MIGHT BE.

Each Copier installed through the VITA contract will have a call record of every call and the repairs made which will reside with the machine at all times. In addition to the service log that is kept with each machine, Sharp will provide with detailed Performance reports. Should an agency/ school require additional information, Sharp will endeavor to comply and, if necessary, design a specific report for the appropriate customer.

Listed below are the actions by Sharp to assist the customer in placing a service call:

- Once the above information is acquired, each key operator should call the local servicing Sharp location, (this will be provided on the label on the front of the copier).
- Local Key Operator will provide the Service Dispatcher the Sharp Model Number and equipment Serial Number.
- The Service Dispatcher will confirm the address and location of the equipment.
- The Service Dispatcher will ask for the name of the caller and the phone number.
- The Service Dispatcher will ask for details, if possible, regarding the problem. At the same time, the Dispatcher will try to solve any operational problems by phone. The technician is then paged.

If the problem cannot be solved then a service call will be made. Local Key Operator will get a Service ID number. The technician will then call the end user and notify them that the call has been received and will provide the estimated time of arrival. The technician will also discuss the problem with the end user and obtain information as to the condition of the equipment (i.e., is the equipment operable or is it totally down?). In many cases, the technician can walk the end user through the problem, such as a jam, and get the equipment up and running quickly. The technician will then, upon arrival, make the necessary adjustments to the equipment.

Once the necessary repairs have been completed, the technician will report back to the end user or a designated representative, or Local Key Operator that made call with the status of the copier.

Upon leaving the location, the technician will report back to the dispatcher that the call is complete and all repairs have been made.

When lease/maintenance agreements are established, does your solution include pre-defined service level agreements? If so, please provide those in Appendix A Y

EXHIBIT B

Appendix A – Service Level Agreements for MFD Devices/Service (SLAs)

*****The items listed below are examples. Please delete these and replace with your own SLAs.

(To be effective 60 days following commencement of the Services/Solution.)

Performance Standard	Measurement	Measurement period	% Level	Service Price	Remedy
Answer Time	Time to arrive at customer site after placement of service request- 4 business hours (Sharp would require customer to provide contact name, install address, model, serial number and name of contact that will be available at the site to sign documentation at close of call)	Business Hours	95%	100%	To be negotiated with VITA
Close Ticket Time	Time to effect repair and close call on service requests- 12 hours	Business Hours	90%	NA	To be negotiated with VITA
Problem Resolution Accuracy Rate	Measurement of number of units that have repeat service calls for the same issue- No more than 5% of population	Monthly	5%	NA	To be negotiated with VITA
Abandoned Call Rate	Total number of calls resolved without the need to dispatch a service technician	Monthly	5%	NA	To be negotiated with VITA
Shipping Time Hardware Failures	Time for replacement of unit should the unit be non-repairable- 30 days with loaner to be provided within 24 hours	Monthly	90%	100%	To be negotiated with VITA
Shipping Time	30 days ARO	Monthly	90%	100%	To be negotiated with VITA
New Install	30 days ARO	Monthly	95%	NA	To be negotiated

					with VITA
New Follow-up	Receipt of quote when requested for a new placement- within 2 days	Monthly	90%	NA	To be negotiated with VITA
Complete Shipments	Number of Complete/ Incomplete	Monthly	95%	100%	To be negotiated with VITA
Response Time	Within 8 business hours of call	Monthly	95%	100%	To be negotiated with VITA
Reporting Accuracy Rate	To be determined	Quarterly	99%	NA	To be negotiated with VITA

Appendix A – Service Level Agreements for High Speed Devices/Service (SLAs)

*****The items listed below are examples. Please delete these and replace with your own SLAs.

(To be effective 60 days following commencement of the Services/Solution.)

Performance Standard	Measurement	Measurement period	% Level	Service Price	Remedy
Answer Time	Time to arrive at customer site after placement of service request- 4 business hours (Sharp would require customer to provide contact name, install address, model, serial number and name of contact that will be available at the site to sign documentation at close of call)	Business Hours	95%	100%	To be negotiated with VITA
Close Ticket Time	Time to effect repair and close call on service requests- 12 hours	Business Hours	90%	NA	To be negotiated with VITA
Problem Resolution Accuracy Rate	Measurement of number of units that have repeat service calls for the same issue- No more than 5% of population	Monthly	5%	NA	To be negotiated with VITA
Abandoned Call Rate	Total number of calls resolved without the need to dispatch a service technician	Monthly	5%	NA	To be negotiated with VITA
Shipping Time Hardware Failures	Time for replacement of unit should the unit be non-repairable- 30 days with loaner to be provided within 24 hours	Monthly	90%	100%	To be negotiated with VITA
Shipping Time	30 days ARO	Monthly	90%	100%	To be negotiated with VITA
New Install	30 days ARO	Monthly	95%	NA	To be negotiated

					with VITA
New Follow-up	Receipt of quote when requested for a new placement- within 2 days	Monthly	90%	NA	To be negotiated with VITA
Complete Shipments	Number of Complete/ Incomplete	Monthly	95%	100%	To be negotiated with VITA
Response Time	Within 8 business hours of call	Monthly	95%	100%	To be negotiated with VITA
Reporting Accuracy Rate	To be determined	Quarterly	99%	NA	To be negotiated with VITA

Appendix A – Service Level Agreements for Managed Print Services (SLAs)

*****The items listed below are examples. Please delete these and replace with your own SLAs.

(To be effective 60 days following commencement of the Services/Solution.)

Performance Standard	Measurement	Measurement period	% Level	Service Price	Remedy
Answer Time	Time to arrive at customer site after placement of service request- 4 business hours (Sharp would require customer to provide contact name, install address, model, serial number and name of contact that will be available at the site to sign documentation at close of call)	Business Hours	95%	100%	To be negotiated with VITA
Close Ticket Time	Time to effect repair and close call on service requests- 12 hours	Business Hours	90%	NA	To be negotiated with VITA
Problem Resolution Accuracy Rate	Measurement of number of units that have repeat service calls for the same issue- No more than 5% of population	Monthly	5%	NA	To be negotiated with VITA
Abandoned Call Rate	Total number of calls resolved without the need to dispatch a service technician	Monthly	5%	NA	To be negotiated with VITA
Shipping Time Hardware Failures	Time for replacement of unit should the unit be non-repairable- 30 days with loaner to be provided within 24 hours	Monthly	90%	100%	To be negotiated with VITA
Shipping Time	30 days ARO	Monthly	90%	100%	To be negotiated with VITA
New Install	30 days ARO	Monthly	95%	NA	To be negotiated

					with VITA
New Follow-up	Receipt of quote when requested for a new placement- within 2 days	Monthly	90%	NA	To be negotiated with VITA
Complete Shipments	Number of Complete/ Incomplete	Monthly	95%	100%	To be negotiated with VITA
Response Time	Within 8 business hours of call	Monthly	95%	100%	To be negotiated with VITA
Reporting Accuracy Rate	To be determined	Quarterly	99%	NA	To be negotiated with VITA

MANUFACTURER Sharp Electronics Corporation

Segment	Evaluation Model	List \$	Percentage Off List \$	Purchase Price	Yearly Maintenance	Purchase Price for 3 Years	Factor for 12 Month Rental (see note #1 below)	Cost Per Month for 12 Month Rental	Factor for 36 Month Rental (see note #1 below)	Cost Per Month for 36 Month Rental	Factor for 48 Month Rental (see note #1 below)
7	MX-B201D	\$2,386.00	62.00%	\$906.68		\$906.68	0.0898	\$81.42	0.03277	\$29.71	0.02724
7a	MX-B201D	\$2,386.00	62.00%	\$906.68	108.00	\$1,230.68	0.0898	\$90.42	0.03277	\$38.71	0.02724
8	MX-M232D	\$4,604.00	62.00%	\$1,749.52		\$1,749.52	0.0898	\$157.11	0.03277	\$57.33	0.02724
8a	MX-M232D	\$4,604.00	62.00%	\$1,749.52	150.00	\$2,199.52	0.0898	\$169.61	0.03277	\$69.83	0.02724
9	MX-M314N	\$8,046.00	62.00%	\$3,057.48		\$3,057.48	0.0898	\$274.56	0.03277	\$100.19	0.02724
9a	MX-M314N	\$8,046.00	62.00%	\$3,057.48	480.00	\$4,497.48	0.0898	\$314.56	0.03277	\$140.19	0.02724
10	MX-M264N	\$7,096.00	62.00%	\$2,696.48		\$2,696.48	0.0898	\$242.14	0.03277	\$88.36	0.02724
10a	MX-M264N	\$7,096.00	62.00%	\$2,696.48	660.00	\$4,676.48	0.0898	\$297.14	0.03277	\$143.36	0.02724
10b	MX-M264N	\$7,096.00	62.00%	\$2,696.48	1,020.00	\$5,756.48	0.0898	\$327.14	0.03277	\$173.36	0.02724
11	MX-2615N	\$9,330.00	62.00%	\$3,545.40		\$3,545.40	0.0898	\$318.38	0.03277	\$116.18	0.02724
11a	MX-2615N	\$9,330.00	62.00%	\$3,545.40	792.00	\$5,921.40	0.0898	\$384.38	0.03277	\$182.18	0.02724
11b	MX-2615N	\$9,330.00	62.00%	\$3,545.40	1,500.00	\$8,045.40	0.0898	\$443.38	0.03277	\$241.18	0.02724
12	MX-M354N	\$8,796.00	62.00%	\$3,342.48		\$3,342.48	0.0898	\$300.15	0.03277	\$109.53	0.02724
12a	MX-M354N	\$8,796.00	62.00%	\$3,342.48	1,080.00	\$6,582.48	0.0898	\$390.15	0.03277	\$199.53	0.02724
12b	MX-M354N	\$8,796.00	62.00%	\$3,342.48	1,560.00	\$8,022.48	0.0898	\$430.15	0.03277	\$239.53	0.02724
13	MX-3115N	\$10,680.00	62.00%	\$4,058.40		\$4,058.40	0.0898	\$364.44	0.03277	\$132.99	0.02724
13a	MX-3115N	\$10,680.00	62.00%	\$4,058.40	1,200.00	\$7,658.40	0.0898	\$464.44	0.03277	\$232.99	0.02724
13b	MX-3115N	\$10,680.00	62.00%	\$4,058.40	1,800.00	\$9,458.40	0.0898	\$514.44	0.03277	\$282.99	0.02724
14	MX-M503N	\$14,696.00	62.00%	\$5,584.48		\$5,584.48	0.0898	\$501.49	0.03277	\$183.00	0.02724
14a	MX-M503N	\$14,696.00	62.00%	\$5,584.48	1,440.00	\$9,904.48	0.0898	\$621.49	0.03277	\$303.00	0.02724
14b	MX-M503N	\$14,696.00	62.00%	\$5,584.48	2,100.00	\$11,884.48	0.0898	\$676.49	0.03277	\$358.00	0.02724
15	MX-4110N	\$16,171.00	62.00%	\$6,144.98		\$6,144.98	0.0898	\$551.82	0.03277	\$201.37	0.02724
15a	MX-4110N	\$16,171.00	62.00%	\$6,144.98	1,500.00	\$10,644.98	0.0898	\$676.82	0.03277	\$326.37	0.02724
15b	MX-4110N	\$16,171.00	62.00%	\$6,144.98	2,400.00	\$13,344.98	0.0898	\$751.82	0.03277	\$401.37	0.02724
16	MX-M623N	\$23,800.00	62.00%	\$9,044.00		\$9,044.00	0.0898	\$812.15	0.03277	\$296.37	0.02724
16a	MX-M623N	\$23,800.00	62.00%	\$9,044.00	1,080.00	\$12,284.00	0.0898	\$902.15	0.03277	\$386.37	0.02724
16b	MX-M623N	\$23,800.00	62.00%	\$9,044.00	2,160.00	\$15,524.00	0.0898	\$992.15	0.03277	\$476.37	0.02724
17	MX-753N	\$28,525.00	62.00%	\$10,839.50		\$10,839.50	0.0898	\$973.39	0.03277	\$355.21	0.02724
17a	MX-753N	\$28,525.00	62.00%	\$10,839.50	1,800.00	\$16,239.50	0.0898	\$1,123.39	0.03277	\$505.21	0.02724
17b	MX-753N	\$28,525.00	62.00%	\$10,839.50	3,000.00	\$19,839.50	0.0898	\$1,223.39	0.03277	\$605.21	0.02724
18				\$0.00		\$0.00		\$0.00		\$0.00	

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 optional

Minimum Specs per Segment

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

62 % off List

Accessories

Supplier is to provide percentage off

Suppliers proposed pri

62

Accessories for Segment 9

Supplier is to provide percentage off list (list should be publicly available)

Suppliers proposed price must be 20% or more

Accessories f

Supplier is to provide percentage off

Suppliers proposed pri

62 % off List
Accessories for Segment 11
Supplier is to provide percentage off list (list should be publicly available)
Suppliers proposed price must be 20% or more
62 % off List
Accessories for Segment 13
Supplier is to provide percentage off list (list should be publicly available)
Suppliers proposed price must be 20% or more
62 % off List
Accessories for Segment 15
Supplier is to provide percentage off list (list should be publicly available)
Suppliers proposed price must be 20% or more
62 % off List
Accessories for Segment 17
Supplier is to provide percentage off list (list should be publicly available)
Suppliers proposed price must be 20% or more
62 % off List

62
Accessories f
Supplier is to provide percentage off
Suppliers proposed pri
62
Accessories f
Supplier is to provide percentage off
Suppliers proposed pri
62
Accessories f
Supplier is to provide percentage off
Suppliers proposed pri
62
Accessories f
Supplier is to provide percentage off
Suppliers proposed pri

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
\$24.70	0.02311	\$20.95	0.02	N/A	\$500.00
\$33.70	0.02311	\$29.95	0.015	N/A	\$500.00
\$47.66	0.02311	\$40.43	0.015	N/A	\$500.00
\$60.16	0.02311	\$52.93	0.0125	N/A	\$500.00
\$83.29	0.02311	\$70.66	0.011	N/A	\$500.00
\$123.29	0.02311	\$110.66	0.01	N/A	\$500.00
\$73.45	0.02311	\$62.32	0.011	N/A	\$500.00
\$128.45	0.02311	\$117.32	0.01	N/A	\$500.00
\$158.45	0.02311	\$147.32	0.01	N/A	\$500.00
\$96.58	0.02311	\$81.93	0.013	0.055	\$500.00
\$162.58	0.02311	\$147.93	0.011	0.055	\$500.00
\$221.58	0.02311	\$206.93	0.011	0.055	\$500.00
\$91.05	0.02311	\$77.24	0.011	N/A	\$500.00
\$181.05	0.02311	\$167.24	0.01	N/A	\$500.00
\$221.05	0.02311	\$207.24	0.01	N/A	\$500.00
\$110.55	0.02311	\$93.79	0.013	0.055	\$500.00
\$210.55	0.02311	\$193.79	0.011	0.055	\$500.00
\$260.55	0.02311	\$243.79	0.011	0.055	\$500.00
\$152.12	0.02311	\$129.06	0.009	N/A	\$500.00
\$272.12	0.02311	\$249.06	0.008	N/A	\$500.00
\$327.12	0.02311	\$304.06	0.008	N/A	\$500.00
\$167.39	0.02311	\$142.01	0.0125	0.055	\$500.00
\$292.39	0.02311	\$267.01	0.01	0.055	\$500.00
\$367.39	0.02311	\$342.01	0.01	0.055	\$500.00
\$246.36	0.02311	\$209.01	0.0065	N/A	\$500.00
\$336.36	0.02311	\$299.01	0.006	N/A	\$500.00
\$426.36	0.02311	\$389.01	0.006	N/A	\$500.00
\$295.27	0.02311	\$250.50	0.0065	N/A	\$500.00
\$445.27	0.02311	\$400.50	0.006	N/A	\$500.00
\$545.27	0.02311	\$500.50	0.006	N/A	\$500.00
\$0.00		\$0.00		N/A	

Adjustable
Platen Cover

Ability for
Magnetic
Card
Programm
er or Coin
Operation

% off List

or Segment 12

list (list should be publicly available)

ce must be 20% or more

% off List

or Segment 14

list (list should be publicly available)

ce must be 20% or more

% off List

or Segment 16

list (list should be publicly available)

ce must be 20% or more

% off List

or Segment 18

list (list should be publicly available)

ce must be 20% or more

% off List

MANUFACTURER Sharp Electronics Corporation

Segment	Evaluation Model	List \$	Percentage Off List \$	Purchase Price	Yearly Maintenance	Purchase Price for 3 Years	Factor for 12 Month Rental (see note #1 below)	Cost Per Month for 12 Month Rental	Factor for 36 Month Rental (see note #1 below)	Cost Per Month for 36 Month Rental	Factor for 48 Month Rental (see note #1 below)
10 ALT	MX-M283N	\$8,946.00	62.00%	\$3,399.48		\$3,399.48	0.0898	\$305.27	0.03277	\$111.40	0.02724
10a ALT	MX-M283N	\$8,946.00	62.00%	\$3,399.48	576.00	\$5,127.48	0.0898	\$353.27	0.03277	\$159.40	0.02724
10b ALT	MX-M283N	\$8,946.00	62.00%	\$3,399.48	960.00	\$6,279.48	0.0898	\$385.27	0.03277	\$191.40	0.02724
12 ALT	MX-M363N	\$10,596.00	62.00%	\$4,026.48		\$4,026.48	0.0898	\$361.58	0.03277	\$131.95	0.02724
12 ALT	MX-M363U	\$8,546.00	62.00%	\$3,247.48		\$3,247.48	0.0898	\$291.62	0.03277	\$106.42	0.02724
12 ALT	MX-M453N	\$11,996.00	62.00%	\$4,558.48		\$4,558.48	0.0898	\$409.35	0.03277	\$149.38	0.02724
12 ALT	MX-M453U	\$9,946.00	62.00%	\$3,779.48		\$3,779.48	0.0898	\$339.40	0.03277	\$123.85	0.02724
12a ALT	MX-M363N	\$10,596.00	62.00%	\$4,026.48	960.00	\$6,906.48	0.0898	\$441.58	0.03277	\$211.95	0.02724
12a ALT	MX-M363U	\$8,546.00	62.00%	\$3,247.48	960.00	\$6,127.48	0.0898	\$371.62	0.03277	\$186.42	0.02724
12a ALT	MX-M453N	\$11,996.00	62.00%	\$4,558.48	960.00	\$7,438.48	0.0898	\$489.35	0.03277	\$229.38	0.02724
12a ALT	MX-M453U	\$9,946.00	62.00%	\$3,779.48	960.00	\$6,659.48	0.0898	\$419.40	0.03277	\$203.85	0.02724
12b ALT	MX-M363N	\$10,596.00	62.00%	\$4,026.48	1,680.00	\$9,066.48	0.0898	\$501.58	0.03277	\$271.95	0.02724
12b ALT	MX-M363U	\$8,546.00	62.00%	\$3,247.48	1,800.00	\$8,647.48	0.0898	\$441.62	0.03277	\$256.42	0.02724
12b ALT	MX-M453N	\$11,996.00	62.00%	\$4,558.48	1,680.00	\$9,598.48	0.0898	\$549.35	0.03277	\$289.38	0.02724
12b ALT	MX-M453U	\$9,946.00	62.00%	\$3,779.48	1,800.00	\$9,179.48	0.0898	\$489.40	0.03277	\$273.85	0.02724
13 ALT	MX-3110N	\$13,030.00	62.00%	\$4,951.40		\$4,951.40	0.0898	\$444.64	0.03277	\$162.26	0.02724
13a ALT	MX-3110N	\$13,030.00	62.00%	\$4,951.40	1,200.00	\$8,551.40	0.0898	\$544.64	0.03277	\$262.26	0.02724
13b ALT	MX-3110N	\$13,030.00	62.00%	\$4,951.40	1,800.00	\$10,351.40	0.0898	\$594.64	0.03277	\$312.26	0.02724
15 ALT	MX-4111N	\$18,821.00	62.00%	\$7,151.98		\$7,151.98	0.0898	\$642.25	0.03277	\$234.37	0.02724
15 ALT	MX-5110N	\$19,971.00	62.00%	\$7,588.98		\$7,588.98	0.0898	\$681.49	0.03277	\$248.69	0.02724
15 ALT	MX-5111N	\$22,921.00	62.00%	\$8,709.98		\$8,709.98	0.0898	\$782.16	0.03277	\$285.43	0.02724
15a ALT	MX-4111N	\$18,821.00	62.00%	\$7,151.98	1,500.00	\$11,651.98	0.0898	\$767.25	0.03277	\$359.37	0.02724
15a ALT	MX-5110N	\$19,971.00	62.00%	\$7,588.98	1,500.00	\$12,088.98	0.0898	\$806.49	0.03277	\$373.69	0.02724
15a ALT	MX-5111N	\$22,921.00	62.00%	\$8,709.98	1,500.00	\$13,209.98	0.0898	\$907.16	0.03277	\$410.43	0.02724
15b ALT	MX-4111N	\$18,821.00	62.00%	\$7,151.98	2,400.00	\$14,351.98	0.0898	\$842.25	0.03277	\$434.37	0.02724
15b ALT	MX-5110N	\$19,971.00	62.00%	\$7,588.98	2,400.00	\$14,788.98	0.0898	\$881.49	0.03277	\$448.69	0.02724
15b ALT	MX-5111N	\$22,921.00	62.00%	\$8,709.98	2,400.00	\$15,909.98	0.0898	\$982.16	0.03277	\$485.43	0.02724

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 optional

Product Code	Description	Purchase Price
HDDReplace	Hard Drive Removal	\$ 500.00
MX-USX1	1 Sharpdesk User License	\$ 153.00
MX-USX5	5 Sharpdesk User Licenses	\$ 327.00
MX-US10	10 Sharpdesk User Licenses	\$ 491.00
MX-US50	50 Sharpdesk User Licenses	\$ 1,605.00
MX-USA0	100 Sharpdesk User Licenses	\$ 2,390.00
MX-UN01A	OSA Network Scanner Tool (1) License	\$ 138.00
MX-UN05A	OSA Network Scanner Tool (5) Licenses	\$ 295.00
MX-UN10A	OSA Network Scanner Tool (10) Licenses	\$ 442.00
MX-UN50A	OSA Network Scanner Tool (50) Licenses	\$ 1,441.00
Mx-UNIHA	OSA Network Scanner Tool (100) Licenses	\$ 2,145.00

Sharp Electronics is not responsible for typographical errors. Designs and Specifications are subject to change without notice

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		Energy Star Compliant	Duplex	Hard Drive Required	Stationary Platen	Edge Mounted Platen Glass
							Email Capable						
10	20 - 30	5,000 - 20,000	0		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	N	N	N	
10a	20 - 30	5,000 - 20,000	6,000		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	N	N	N	
10b	20 - 30	5,000 - 20,000	13,000		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	N	N	N	
12	31 - 45	20,000 - 50,000	0		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	N	N	N	
12a	31 - 45	20,000 - 50,000	10,000		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	N	N	N	
12b	31 - 45	20,000 - 50,000	22,000		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	N	N	N	
13	30 - 45 b/w, 30 ppm color	20,000 - 50,000	0		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	Y	N	N	
13a	30 - 45 b/w, 30 ppm color	20,000 - 50,000	10,000		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	Y	N	N	
13b	30 - 45 b/w, 30 ppm color	20,000 - 50,000	22,000		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	Y	N	N	
15	40 - 55 b/w, 40 ppm color	30,000 - 60,000	0		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	Y	N	N	
15a	40 - 55 b/w, 40 ppm color	30,000 - 60,000	15,000		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	Y	N	N	
15b	40 - 55 b/w, 40 ppm color	30,000 - 60,000	30,000		RADF	AES, APS	Yes	Yes	1:2, 2:2, 2:1	Y	N	N	

Accessories for Segment 10
 Supplier is to provide percentage off list (list should be publicly available)
 Suppliers proposed price must be 20% or more
 62 % off List

Accessories f
 Supplier is to provide percentage off
 Suppliers proposed pri
 62

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

Accessories f
 Supplier is to provide percentage off
 Suppliers proposed price must

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
\$92.60	0.02311	\$78.56	0.009	N/A	\$500.00
\$140.60	0.02311	\$126.56	0.008	N/A	\$500.00
\$172.60	0.02311	\$158.56	0.008	N/A	\$500.00
\$109.68	0.02311	\$93.05	0.009	N/A	\$500.00
\$88.46	0.02311	\$75.05	0.010	N/A	\$500.00
\$124.17	0.02311	\$105.35	0.009	N/A	\$500.00
\$102.95	0.02311	\$87.34	0.010	N/A	\$500.00
\$189.68	0.02311	\$173.05	0.008	N/A	\$500.00
\$168.46	0.02311	\$155.05	0.008	N/A	\$500.00
\$204.17	0.02311	\$185.35	0.008	N/A	\$500.00
\$182.95	0.02311	\$167.34	0.008	N/A	\$500.00
\$249.68	0.02311	\$233.05	0.008	N/A	\$500.00
\$238.46	0.02311	\$225.05	0.008	N/A	\$500.00
\$264.17	0.02311	\$245.35	0.008	N/A	\$500.00
\$252.95	0.02311	\$237.34	0.008	N/A	\$500.00
\$134.88	0.02311	\$114.43	0.013	0.055	\$500.00
\$234.88	0.02311	\$214.43	0.011	0.055	\$500.00
\$284.88	0.02311	\$264.43	0.011	0.055	\$500.00
\$194.82	0.02311	\$165.28	0.0125	0.055	\$500.00
\$206.72	0.02311	\$175.38	0.0125	0.055	\$500.00
\$237.26	0.02311	\$201.29	0.0125	0.055	\$500.00
\$319.82	0.02311	\$290.28	0.010	0.055	\$500.00
\$331.72	0.02311	\$300.38	0.010	0.055	\$500.00
\$362.26	0.02311	\$326.29	0.010	0.055	\$500.00
\$394.82	0.02311	\$365.28	0.010	0.055	\$500.00
\$406.72	0.02311	\$375.38	0.010	0.055	\$500.00
\$437.26	0.02311	\$401.29	0.010	0.055	\$500.00

% off List

Minimum Requirements for B/W and Color High Speed Devices

For B/W Devices, suppliers can only submit devices that are 95 pages per minute and higher and have a monthly duty cycle of 700,000 pages or more

For Color Devices, suppliers can only submit devices that are 50 pages per minute in speed or higher, 600 x 600 DPI and that have a monthly duty cycle of 200,000 pages or more

Exhibit C-3

SUPPLIER ITEM NUMBER	PRODUCT DESCRIPTION	LIST PRICE	CURRENT GSA DISCOUNT (Percentage Amount)	VITA DISCOUNT (Percentage Amount, should be equal to or greater than GSA Discount)
1	MX-M1054	40495.00	N/A	62.00%
2	MX-M1204	50745.00	N/A	62.00%

* these items are not currently on GSA, our typical GSA discount would be 37.5%

FIXED SPREAD

**RATE (In decimal
form)**

0.03277 **36 Month Rate**

0.02724 **48 Month Rate**

0.02311 **60 Month Rate**

72 Month Rate

84 Month Rate

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:



Printed Name:

___ Michael Marusic ___

Organization:

___ Sharp Electronics Corporation ___

Date:

___ March 29, 2013 ___

EXHIBIT H

Sharp

CATEGORIES WON

MFD Sharp

Segments 7 – 17b

High Speed Production Sharp