



**AMENDMENT ONE
OF STATEWIDE CONTRACT #400 Multifunction Devices & Services
EDISON CONTRACT # 39769**

This Amendment is made and entered by and between the State of Tennessee, Department of General Services, Central Procurement Office, hereinafter referred to as the "State" and Canon Solutions America, Inc, hereinafter referred to as the "Contractor." For good and valuable consideration, the sufficiency of which is hereby acknowledged, it is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

1. The following is added as Contract section A.19. Adding Multifunction Devices and/or Options to SWC 400 MFD & Services Contract

A.19. Adding Multifunction Devices and/or Options. The State may, at its sole discretion and with written notice to the Contractor, request changes (either additions or deletions) to the multifunction groups that are necessary but were unspecified in this Contract. Such additions and deletions will be executed without a formal Contract Amendment upon the documented mutual agreement by the Contract Parties, as follows:

1. Memorandum of Understanding – After receipt of a written request from the State, the Contractor shall respond to the State, within a maximum of ten (10) business days, with a written proposal for adding or deleting to the multifunction groups and associated information. Said proposal must specify:
 - a. the effect, if any, of implementing the requested change(s) on all other services and devices required under this Contract;
 - b. the expected schedule for completing the change(s); and,
 - c. the rate for the new multifunction device and/or option(s).

The Contractor shall not perform any additional service or provide any additional devices until the State has approved the proposal. If approved, the State will sign the proposal, and it shall constitute a Memorandum of Understanding (MOU) between the Contract Parties pertaining to the specified change(s) and shall be incorporated, hereby, as a part of this Contract. The State reserves the right to negotiate rates on devices and options proposed by the Contractor.

2. The following is added as section A.25. Adding Multifunction Devices and/or Options to SWC 400 MFD & Services Master Lease Agreement

A.25. Adding Multifunction Devices and/or Options. The State may, at its sole discretion and with written notice to the Lessor, request changes (either additions or deletions) to the multifunction groups that are necessary but were unspecified in this Lease. Such additions and deletions will be executed without a formal Lease Amendment upon the documented mutual agreement by the Lease Parties, as follows:

1. Memorandum of Understanding – After receipt of a written request from the State, the Lessor shall respond to the State, within a maximum of ten (10) business days, with a written proposal for adding or deleting the multifunction groups and associated information. Said proposal must specify:
 - a. the effect, if any, of implementing the requested change(s) on all other services and devices required under this Lease;
 - b. the expected schedule for completing the change(s); and,
 - c. the rate for the new multifunction device and/or option(s).

The Lessor shall not perform any additional service or provide any additional devices until the State has approved the proposal. If approved, the State will sign the proposal, and it shall constitute a Memorandum of Understanding (MOU) between the Lease Parties pertaining to the specified change(s) and shall be incorporated, hereby, as a part of this Lease. The State reserves the right to negotiate rates on devices and options proposed by the Lessor.



Required Approvals. The State is not bound by this Amendment until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

Amendment Effective Date. The revisions set forth herein shall be effective December 1, 2014. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

Canon Solutions America, Inc:

Trace Sokol

SIGNATURE 12-12-14
DATE
TRACE SOKOL VP Marketing

PRINTED NAME AND TITLE OF SIGNATORY (above)



Central Procurement Office

State of Tennessee, Department of General Services:

Michael F. Perry

Michael F. Perry, Chief Procurement Officer 12/29/14
DATE



**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPT OF GENERAL SERVICES
CENTRAL PROCUREMENT OFFICE
AND
Canon Solutions America, Inc.**

This Contract, by and between the State of Tennessee, Department of General Services, Central Procurement Office, hereinafter referred to as the "State" and Canon Solutions America, Inc., hereinafter referred to as the "Contractor," is for the purchasing and leasing of Statewide Multi-Function Devices, Scanners & Services, as further defined in the "SCOPE OF SERVICES."

The Contractor is a For-Profit Corporation
Contractor Place of Incorporation or Organization: One Canon Park, Melville, NY 11747
Contractor Edison Registration ID #160525

A. SCOPE OF SERVICES:

- A.1. The Contractor shall provide all service and deliverables as required, described, and detailed herein and shall meet all service and delivery timelines as specified by this Contract.
- A.2. The Contractor shall provide leasing of equipment under the contract on the Terms & Conditions as set forth in Attachment A Master Lease hereto and purchase of equipment under the Terms & Conditions of this contract as set forth below.
- A.3. The Contractor shall perform analysis as further defined in A.6. Assessment for each State agency to identify savings opportunities that can be realized by:
 - 1. Optimizing device management
 - 2. Consolidating output devices
 - 3. Reducing Print output
 - 4. Lowering total cost of ownership, and
 - 5. Implementing workflow improvements to increase workplace efficiency
- A.4. Other Governmental Bodies and qualified non-profit agencies may utilize the Contract as negotiated by the State.

The State, shall not be responsible or liable for the transactions between the Contractor and these entities.

A.5. Service Level Agreement

1. Service Calls

- a. Canon Solutions America, Inc
Customer Service Department
Monday-Friday 7:00am-5:00pm CST
1-800-355-1385
http://www.csa.canon.com/About_Us/Contact_Us/Contact_Us_landing_page.shtm?form_name=ServiceCall
- b. Canon Solutions America, Inc
Help Desk Call Center



Monday-Friday 7:00am-7:00pm CST

1-800-355-1385

http://www.csa.canon.com/About_Us/Contact_Us/Contact_Us_landing_page.shtm?form_name=ServiceCall

- c. The Contractor will commit to a fleet average response time of four (4) hours, over four (4) fixed quarterly intervals per year. Response time shall be calculated from the time the customer call is placed with Contractor's Dispatch Department, until the time the Technician arrives at the individual location. For the State's individual locations which have multiple machines and multiple active service calls, the Technician's arrival shall stop the response time calculation for all open service calls at that location.

2. Ordering Equipment and Supplies

- a. Any equipment, supplies, and services to be furnished under this Contract shall be ordered by issuance of a purchase order document or purchase order number. The Purchase Order will indicate the machine plus options to be purchased and shall include the details outlined in subsections i. through iv, below. All delivery orders are subject to the terms and conditions of this Contract. In the event of conflict between a delivery order and this Contract, this Contract shall control.
 - i. Purchase order: Each Purchase Order must reference this contract by name and/or number, and must be signed by an authorized signatory.
 - ii. Each Purchase order shall contain all of the pertinent transaction details, including:
 - a. Ship to address
 - b. Bill to address
 - c. Monthly payment amount
 - d. Details about equipment being provided – model number and all accessories must be noted
 - e. Service to include Toner and Staples.
- b. Equipment
 - i. Contractor must deliver all equipment within 30 days of purchase order issue.
- c. Supplies
 - i. The cost for supplies is included in the monthly charge and overage cost per page (CPP). The overage cost applies only to the color-capable equipment and is calculated by multiplying the total number of color prints and copies by the color usage amount for the specified time period. All monochrome prints, copies and faxes are included in the base service fee regardless of usage amount.
 - ii. Agencies will contact the Contractor when supplies are needed.
 - iii. Contractor must provide two (2) toner cartridges at the time of installation; one for immediate use in the device and one as a back-up. When the user loads the second cartridge into the device, the user will order a new toner. Users will contact the Contractor via a phone/online ordering system to order more supplies. This will ensure that the user will always have one toner of each type (black, magenta, cyan, and yellow, for example) in the machine and one of each on the shelf. During periods of planned high volume usage the Contractor shall accommodate the user by allowing additional toner stock (of an additional one toner per type), if necessary. The CPO will have final decision authority if there is question as to the necessity of additional toner stock.
 - iv. The user will need to provide the contact person, address, and serial number to the Contractor representative who will in turn supply a confirmation number.



All supplies must be delivered within two (2) business days of order/request, if placed before noon CST. All supplies ordered considered to be an emergency must be delivered within one (1) business day of order/request. Original equipment manufacturer supplies are requested under this contract.

- v. Any alleged abuse of supplies shall be reported by the Contractor to the State Contract Administrator. The Contractor should submit, in writing, the nature of the abuse, with detailed documentation and supply records. The Central Procurement Office will make a final determination regarding each allegation.
- vi. Supplies shall include all parts, drum, toner, fuser webs, fuser oil/developer and staples as applicable.
- d. Rejected Items or Late Delivery. In the event the Contractor fails to meet the requested delivery date, the user may cancel such order at that time, provided equipment has not been shipped from the Contractor's warehouse. However, the Contractor cannot be held responsible for delays in deliveries due to national backorder of Equipment, inclement weather, acts of God, or other events of natural disasters beyond our control.

3. Maintenance

- a. Maintenance includes on-site service calls, scheduled preventative maintenance calls, parts, and labor.
- b. Should the user be dissatisfied with a service technician dispatched to their location, the Contractor will replace the service technician, or any assigned technician at the request of the State, provided it does not violate applicable laws or regulations.
- c. The Contractor will, at the user's written request, replace non-performing equipment if the customer meets the following three conditions:
 - i. The equipment is continuously under the Canon Solutions America, Inc. maintenance agreement from date of installation
 - ii. The customer fulfills all of the terms of the maintenance agreement applicable to customer
 - iii. Before requesting a replacement unit, the customer gives Canon Solutions America, Inc. the opportunity to cure any service problems which the customer may have with the equipment.

4. Device Uptime

- a. The Contractor must maintain a fleet average uptime of 95% over the four (4) fixed quarterly intervals per year. Downtime is calculated from the time a service call is placed with the Contractor until the time the technician completes the repair.
- b. Uptime requirements will not include preventative maintenance service calls, calls which could have been prevented by key operator functions outlined in unit's operation manual, calls created by user mishandling, units which are running outside the manufacturer's optimum performance volume, or units which need to be over-hauled as a result of reaching useful life, in the opinion of the Contractor's Service department.

5. Device Downtime

- a. Failure to meet the Contractor's fleet-wide response and/or uptime commitments will result in a credit on the fixed maintenance and click charges for each machine which exceeded the maximum during the relevant quarter. The credit, which shall be applied against future service billings, shall be equal to 5% of the fixed maintenance and click charges for each month in which the machine exceeded the maximum. Such credits, which shall be applied by the Contractor upon your



written request, shall be your sole and exclusive remedy for any failure by the Contractor to obtain the above response or uptime commitments. The maximum credit with respect to any particular machine's fixed maintenance and click charges in any particular month shall be 5%, even if both uptime and response time maximums were exceeded for such machine in such month.

A.6. Machine Specifications

Multi-Function Device

1. Standard

- Network connectivity capable
- All devices require HDD removal & replacement prior to return of equipment
- Energy Star compliant
- Auto Duplex
- Minimum input trays sheet capacity
 1. Groups I, VII – 250
 2. Groups II, IX – 500
 3. Groups III, IV, V, VI, VIII - 1000
- Minimum 500 sheet output
- Bypass tray
- Copy, Print, Scan
- Secure/Locked Print
- Automatic Reversing Document Feeder
- All devices with hard drives, should support the enabling of encryption on hard drives
- LDAP authentication to Active Directory
- LDAP read to Active Directory
- Email Address lookup to Active Directory
- Equipment compliant with Section 508 of the Rehabilitation Act

2. Required Options

- Staple finisher options
- Fax Board with Fax Forwarding
- Additional Output Tray – list max trays available per unit
- Additional Input Tray – list max trays available per unit
- HID Card Scanner and Software to enable pull printing/"FollowMe" printing
- Envelope Tray
- Post Script
- Optical Character Recognition (OCR)
- 3-Hole Punch

Machine Condition: All products, materials, supplies and equipment offered and furnished must be new (not used previously or remanufactured), of current manufacturer production, and must have been formally announced by the manufacturer as being commercially available as of the proposal due date.

A.7. Assessment

As part of the go-forward strategy, the State expects the Contractor to demonstrate a clear understanding of the State's goals and objectives and carry out a thorough assessment of the State's current output environment. As part of the assessment the Contractor is expected to perform the following activities;



1. Document the State's current input and output device technology infrastructure, physically mapping out where each device is located. The assessment is expected to include an onsite walk-thru by a qualified Contractor Representative.
2. Capture device utilization from networked devices if the device is capable of reporting utilization. **Equipment used for assessment that interacts with State network must be approved by the Office of Information Resources (OIR) prior to contract award.**
 - a. Equipment used for the assessment that will access the State's network must comply with the requirements listed in "Attachment C OIR White Pages Requirements".
3. Uncover Total Cost of Ownership per device with comprehensive reviews of both direct and indirect costs to include average cost per page for monochrome and color images (where applicable),
4. The assessment summary should include data based on current energy and paper consumption and impact to environment versus proposed future state configuration.
5. The assessment summary should include, at a minimum the following data per device, where applicable:
 - a. Device Manufacturer & Model
 - b. Location – Agency, Department, Address, Floor/Suite, Room/Location on Floor
 - c. Install Date (if available)
 - d. Monochrome & Color Meter Read (Taken at Beginning and End of Assessment)
 - e. Device Functionality (Copy, Print, Scan, Fax, A3/A4, Networkable)
 - f. Cost Per Page for Monochrome and Color Print/Copy
 - g. Device Output Speed Rating (PPM)
 - h. Networked/Non-Networked
6. All assessment data and analysis summaries should be provided in a presentation format that includes analysis breakdown by machine as well as data for current State versus future State comparison. All raw data collected during the audit/analysis phase and reporting summaries must be provided to the Requesting Agency, OIR and Central Procurement Office Contract Manager in editable electronic format. Hard copy summaries shall be provided at the Contractor's discretion.
7. Analysis shall provide a phased implementation recommendation and a comprehensive justification for swapping current owned equipment for new equipment.
8. Analysis shall provide office mapping for assessment location with mapping of current equipment layout, transition period layout and ideal layout.
9. All results of the analysis needs to be routed through Central Procurement Office and Office of Information Resources for approval prior to moving forward with assessment recommendations to agencies.
10. The timeline for accurate analysis is to be determined by the Contractor with approval from the Central Procurement Office. The estimated assessment timeframe is expected to take forty-five (45) days with analysis by the Contractor provided within ten (10) days of completion of the assessment.
11. Any additional data that the Contractor wishes to provide, including more detailed analysis, technology offerings and workflow solutions that would improve office efficiencies and generate cost savings to the State are highly encouraged.

A.8. Right-Sizing Implementation

Right-Sizing is defined as the process of reducing the number of output devices, while matching the capabilities of the fleet to the needs of each purchasing agency. As part of this initiative, the Contractor should present a structured, managed approach for implementation with a built-in change management plan. The implementation should be a phased roll-out, where certain agencies will adopt the new print environment, while service continuity for the remainder of the State is vital. The Contractor should develop an effective strategy to engage various agencies, answer all questions and address agency specific issues during implementation.



Throughout the term of the contract, the State intends to support industry best practices and utilize State-documented successes to draft policy that reflects the best interest of the State. Initially this contract will not require assessments to be conducted by each agency however such assessment will be strongly encouraged prior to the purchase of new equipment. As agencies utilize this service that the State anticipates the number of agencies taking part in the assessment will rapidly increase. While each agency's Right-Sizing Plan will vary significantly in timeframe, the State expects the Contractor to provide a written timeline documenting the key steps in the process. These steps and the timeline shall be based on the information resulting from the analysis/assessment phase. The timeline and key steps should be agreed upon by the Contractor and the agency with documentation provided to the Central Procurement Office. This process will not require Central Procurement Office approval at the commencement of the contract; however, policy could adapt to require this for future right-sizing exercises. The State's intent is to have a uniform Print Management Plan that is easily replicated across agencies in order to encourage maximum participation. Contractors should provide guidance regarding the strategy they would use to Right-Size the State's output/input device fleet.

A.9. Reporting

Purchase and Usage Quarterly Reports: The Contractor shall submit Quarterly Reports in Microsoft Excel format to the State. The Quarterly Reports shall provide statistical data on all purchases made from the awarded contract by State Agencies, Other Governmental Bodies, and non-profit agencies. This statistical data will be detailed and broken down by line item to include, but not limited to at least the following:

1. Contract number
2. Identify State or local agency
3. Contract line item number
4. Installation date
5. Invoice date
6. Invoice number
7. Machine make and model number
8. Machine serial number
9. Commodity description
10. Accessories included
11. Usage volume to date for monochrome prints
12. Usage volume to date for color prints
13. Average monthly volume for monochrome prints
14. Average monthly volume for color prints
15. Name of Agency, other governmental body or non-profit agency
16. Agency location
17. Line item quantity purchases each quarter for each individual agency, other governmental body or non-profit agency
18. Line item dollar amount (volume) purchased each quarter for each individual agency, other governmental body or non-profit agency
19. Line item quantity purchased to date for each individual agency, other governmental body or non-profit agency
20. Line item dollar amount (volume) purchased to date for each individual agency, other governmental body or non-profit agency
21. Total for all color prints
22. Sub totals for each category above
23. Grand totals for each category above



Custom Reports: The Contractor shall provide mutually agreed upon custom/special reports, as requested periodically by the State, at no additional cost to the State. The State's Contract Administrator may request customer reports from time to time.

Reports shall be provided in electronic format. All electronic reports must be submitted in Microsoft Excel format. Reports must include the ability to sort/summarize by account, item number, Category, Equipment Category. Awarded Contractor agrees to provide all data requested in a flat file format as designated by the State Contract Administrator.

A.10. Account Management

Service Organization: All respondents are required to have an adequate service organization with representation to all of Tennessee's geographical areas. In addition, the Contractor must supply an Account Manager to interact with the State. This person will become familiar with the contract, the State agencies, and be prepared to handle all service issues and billing inquiries promptly. The customer service representative will assign an agency account number and ensure that contract rates are attached accordingly. Please indicate this person's name and telephone number in the Contractor contact administrator section of this solicitation.

Hours of operation: The minimum hours of customer service operation will be Monday - Friday, 7:00 am to 5:00 pm CT.

A.11. E-Procurement Supplemental Category Management Functionality – Overview & Commitment

The Tennessee Central Procurement Office is in the process of soliciting a third-party software solution that provides catalog management functionality. This software solution will be targeted to two audiences – Other Governmental Bodies and state employees. It is anticipated that this software will improve the visibility and, ultimately, the adoption of State-wide contracts by Other Governmental Bodies (cities, towns, counties, school corporations). This increased activity should subsequently increase spend on State-wide contracts and enhance the State's position to leverage deeper discounts on commonly purchased products and services. Additionally, it is anticipated that Tennessee State employees will benefit from an improved end-user experience by accessing this Contractor's software through a "master punch-out" and pulling relevant information back into Edison, the State's Oracle PeopleSoft ERP Application system (version 8.9).

The successful Contractor(s) to this RFP will be expected to participate in this initiative. The site will be a secure and credentials based website for all State QPA products and services. Hundreds of governmental bodies will have the ability to log on to the system to see what products and services are available to them through QPAs.

A.12. Training

The awarded Contractor shall conduct basic equipment training to State personnel designated as primary equipment operators within two (2) business days of installation or at the discretion of the purchasing agency. Such training shall cover the basic operational functions of equipment, user maintenance (i.e. replenishment of toner, developer, staples and clearing paper jams, etc.) and any additional training requested by agencies specific to their operational needs (i.e. envelope printing, label printing, etc.). The Contractor shall provide additional training at the request of an agency within seven (7) business days of the request throughout the length of the rental/lease.

A.13. Security



1. Connectivity

Devices utilized by the State must meet the following criteria:

- Connect to the State's network through an industry-standard Ethernet connection/network adapter that the Contractor must provide and install at no additional cost to the State. The connection of the device to the State's network or the assignment of an address on the State's network for said device will be conducted by State personnel. Contractor's installation method must be approved by the State. Maintenance of the network adapter maintenance must be provided, as part of the contracted Contractor's regular maintenance.
- Provide the capability to, on demand, overwrite demand, and secure, on a hard disk drive, print sent to the device until the print is ready to be released by an authorized user; it must also provide automated job logging and auditing capabilities/log files, under password control, that are available to administrators.
- Provide capability, on demand, to overwrite or wipe any data stored on the device; it must also provide automated job logging and auditing capabilities/log files, under password control, that are available to administrators.
- Provide and support the establishment of local user accounts and authentication of users for whom local accounts have been established. This authentication is not required to be done via LDAP.
- Provide the ability for any firmware, software, and middleware controlling the device's network capability and operations to be upgraded at the device, for the purpose of maintaining and/or enhancing security on the State's network. The contracted Contractor must, when required by the State, upgrade and/or enhance, within fifteen (15) business days of notification by the State and at no additional costs to the State, the firmware ,software, and/or the middleware of the device to versions specified by the State as necessary to maintain and/or enhance security on the State's network.
- Provide and support the ability to continuously overwrite data written to the hard drive while the drive is in use. Overwrite capabilities must support (at a minimum) single pass overwriting – per NIST Publication 800-88 standards, Appendix A; page 19 (Refer to Attachment D NIST Special Publication 800-80 Standards)
- Require LDAP authentication of a user before permitting the user to scan to e-mail.
During the e-mail transmission from scan, the copier must identify the authenticated user's e-mail address, not the address of the copier as the source/sender of the e-mail.
- The contracted Contractor must, within fifteen (15) days of becoming aware of vulnerabilities, notify the State of said device vulnerabilities to security threats that will potentially and materially impact the security of the State's network. The contracted Contractor must provide details of the Contractor's plan to mitigate all vulnerabilities, and, at the request of the State, implement these plans to all affected devices, all at no additional cost to the State.

2. Protected Health Information

- All employees, agents, and other affiliates of Contractors under the contract shall protect the security of information identified to them as Protected Health Information (PHI). The Contractor's managing agents who are notified by the State about the presence of PHI in facilities covered by the contract will transmit



such notice to all of the Contractor's employees, agents, and other affiliates who are allowed access to such facilities during the term of the contract.

- All individuals covered by this Contract section, shall not read, examine, remove, or otherwise interfere with PHI; they shall not allow access to PHI, or disclose the contents of PHI, to any other person. All individuals with knowledge of an unauthorized disclosure of PHI shall immediately notify either an appropriate State official or a manager of the Contractor with responsibility for notifying the appropriate State official.

3. HIPAA Compliance

The Contractor warrants to the State that it is familiar with the requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations, and will comply with all applicable HIPAA requirements throughout the term of the contract. The Contractor warrants that it will cooperate with the State in the course of performance of the contract to ensure that both parties will be in compliance with HIPAA, including cooperation and coordination with State privacy officials and other compliance officers required by HIPAA and its regulations. The Contractor shall sign any documents that are reasonably necessary to keep the State and the Contractor in compliance with HIPAA, including but not limited to business associate agreements.

4. Hard Disk Removal

The Department of Finance and Administration, Office of Information Resources has partnered with the CPO to develop the State's exit strategy regarding the removal of sensitive and confidential information from output devices which have a hard drive.

Upon notification of the Agency to the Contractor to remove the hard disk, the Contractor must destroy the data contained in the hard disk drive; the Contractor will do so and issue a "Certificate of Destruction" via email for each serial number requested by the agency. Acceptable destruction methods include disintegration, shredding, pulverizing and incineration. The cost for this service is included in Contractor's purchase price.

A.14. Equipment Substitution

The State intends to stay current in its data processing technology; therefore, the Central Procurement Office may allow the Contractor to offer a substitute item, provided that the awarded item is no longer being manufactured. Any substitution offer must be submitted in writing to the State Contract Administrator for evaluation and approval.

The following conditions must be met for any substituted item offer:

1. The functional, technical, and performance characteristics of the substitute item(s) is equal to or exceed the specifications provided in this RFP.
2. The price of the substitute item(s) is equal to or less than the price of the item(s) it is to replace.
3. The substitute item has been formally announced by the manufacturer as being commercially available as of the date the substitution request is made.
4. The Contractor's offer contains sufficient detailed information to substantiate that the criteria above are met.

A.15. Damages



If State property is damaged, stolen or lost as a result of the Contractor's or Contractor's employees negligence and such property has to be repaired or replaced by the State, the expense for such work or replacement will be deducted from the monies due the Contractor. In addition to the foregoing, the State reserves the right to pursue claims for damages through any and all legal remedies available to the State.

Alternatively, if Contractor's property is damaged, stolen or lost as a result of the State's or State's employees negligence and that property has to be repaired or replaced by the State, the expense for such work or replacement will be billed by the Contractor to the State. Pricing must be provided for such occasion.

A.16. Risk of Loss

During the period the machines are in transit or possession of the carrier up to and including the date of acceptance by the State, the Contractor shall be responsible for all risk of loss or damage to the machine. The base machine and all components are to be securely boxed and/or packaged for shipment in order to provide maximum protection during shipment.

A.17. Delivery

All Equipment shall be delivered F.O.B. Destination. Upon delivery and acceptance of the Equipment to the State, risk of loss shall accrue to the State arising only from gross negligence or willful acts, or from theft or disappearance of the equipment.

A.18. Full Service Maintenance Requirements

1. Full Service maintenance cost shall be inclusive of all cost for full preventative maintenance, emergency calls, parts, labor and all other charges required to keep the equipment fully operational and maintained in good working condition and auto-replenishing of all supplies, except for paper, staples and binding tape.
2. Maintenance shall include both preventive maintenance and remedial maintenance (unscheduled repair service). Maintenance shall be performed during normal working hours (7:00am to 5:00pm CST, Monday through Friday, excluding holidays).
3. Contractor shall schedule maintenance based on the specific needs of the individual machine as determined by the manufacturer. Contractor shall schedule preventative maintenance calls in advance with the office where the machine is located. The preventative maintenance calls shall include, but not be limited to, routine cleaning, lubrication, necessary adjustments and replacement of unserviceable parts.
4. Service provider shall be available on-site within a fleet average of four (4) business hours from the time service call is placed, excluding holidays. Response time shall mean the arrival of a trained service person at the user's site. A telephone call, unless it results in solving the problem, shall not be deemed an acceptable service response. Repeated failure to provide service to all specified areas, within the contracted time, will result in remedies as outlined in Section A.4.5.a. of this Contract. Assured availability of parts herein will be five years from the date of installation. Payment will be made for the number of months in which service was actually rendered. A loaner of similar make and model shall be provided by the Contractor, at no additional cost to the State, for Equipment that cannot be repaired within 16 working hours of the request for service. Contractor shall supply and maintain service log.
5. Contractor must provide certified manufactured parts, supplies, service and support as allowed by the original manufacturer.
6. The State authorizes Contractor to use networked features of the Equipment including imageWARE Remote to receive software updates, activate features/new licenses and/or transmit use and service data accumulated by the Equipment over the State's



1. network by means of an HTTPS protocol and to store, analyze and use such data for purposes related to servicing the Equipment and product improvement.
2. The State agrees to provide meter readings for all color-capable equipment to Contractor in accordance with Contractor's normal procedures. If Contractor does not receive timely meter readings from the State, the State agrees to pay invoices that reflect Contractor's estimates of meter readings. Contractor reserves the right to verify the accuracy of any meter readings from time to time, and to invoice the State for any shortfall in the invoice for the next periodic billing cycle.

B. CONTRACT PERIOD:

- B.1. This Contract shall be effective for the period December 3, 2013, and ending on December 2, 2016 with two additional one-year options to renew. The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.
- B.2. Term Extension. The State reserves the right to extend this Contract for an additional period or periods of time representing increments of no more than one year and a total contract term of no more than five (5) years, provided that such an extension of the contract term is effected prior to the current, contract expiration date by means of a contract amendment. If a term extension necessitates additional funding beyond that which was included in the original Contract, an increase of the State's maximum liability will also be affected through contract amendment, and shall be based upon payment rates provided in the original Contract.
- B.3. Each Equipment's service under this Contract shall commence on the date on which the Equipment is delivered and installed in good working order, and the service shall terminate sixty (60) months thereafter, unless otherwise specified, and in accordance with State of Tennessee Canon Solutions America Contract section E.16., Survival of Terms.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Liability. The payment rates in section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid for any period under the Contract or any extensions of the Contract for work not requested by the State. The Contractor is not guaranteed payment of any funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in Attachment B-1. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

- C.2. Compensation Firm. The payment rates and the maximum liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.
- C.3. Payment Methodology. The Contractor shall be compensated based on the payment rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in section C.1.

MTO
12/11/13

Initials: TS
Name: Tegan Sokol
Title: Vice President, Marketing





The Contractor's compensation shall be contingent upon the satisfactory completion of units, milestones, or increments of service defined in section A.

Refer to Attachment B-1 Purchase Canon Solutions USA List of Available Equipment

The payment of service includes all parts, labor, drum, toner, fuser webs, fuser oil/developer, and staples as applicable.

- C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.
- C.5. Invoice Requirements. The Contractor shall invoice the State only for completed increments of service and for the amount stipulated in section C.3, above, and present said invoices no more often than monthly, with all necessary supporting documentation, to:

State Agency Billing Address as defined on the Purchase Order

1. Each invoice shall clearly and accurately detail all of the following required information (calculations must be extended and totaled correctly).
 - a. Invoice Number (assigned by the Contractor)
 - b. Invoice Date
 - c. Contract Number (assigned by the State)
 - d. Customer Account Name: **State Agency & Division Name**
 - e. Customer Account Number (assigned by the Contractor to the above-referenced Customer)
 - f. Contractor Name
 - g. Contractor Tennessee Edison Registration ID Number Referenced in Preamble of this Contract
 - h. Contractor Contact for Invoice Questions (name, phone, and/or fax)
 - i. Contractor Remittance Address
 - j. Description of Delivered Service
 - k. Complete Itemization of Charges, which shall detail the following:
 - i. Service or Milestone Description (including name & title as applicable) of each service invoiced
 - ii. Number of Completed Units, Increments, Hours, or Days as applicable, of each service invoiced
 - iii. Applicable Payment Rate (as stipulated in Section C.3.) of each service invoiced
 - iv. Amount Due by Service
 - v. Total Amount Due for the invoice period
2. The Contractor understands and agrees that an invoice under this Contract shall:
 - a. include only charges for service described in Contract Section A and in accordance with payment terms and conditions set forth in Contract Section C;
 - b. only be submitted for completed service and shall not include any charge for future work;
 - c. not include sales tax or shipping charges; and
 - d. initiate the timeframe for payment (and any discounts) only when the State is in receipt of the invoice, and the invoice meets the minimum requirements of this section C.5.



- C.6. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or matter in relation thereto. A payment by the State shall not be construed as acceptance of any part of the work or service provided or as approval of any amount invoiced.
- C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute proper remuneration for compensable services.
- C.8. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts, which are or shall become due and payable to the State of Tennessee by the Contractor.
- C.9. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following documentation properly completed.
 - 1. The Contractor shall complete, sign, and present to the State an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once said form is received by the State, all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH).
 - 2. The Contractor shall complete, sign, and present to the State a "Substitute W -9 Form" provided by the State. The taxpayer identification number detailed by said form must agree with the Contractor's Federal Employer Identification Number or Tennessee Edison Registration ID referenced in this Contract.

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. The State is not bound by this Contract until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a breach of contract by the State. The State shall give the Contractor at least sixty (60) days written notice before the effective termination date. The Contractor shall be entitled to compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.



- D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.
- The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six months has been, an employee of the State of Tennessee.
- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.8. Prohibition of Illegal Immigrants. The requirements of Tennessee Code Annotated, Section 12-4-124, et seq., addressing the use of illegal immigrants in the performance of any Contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.

1. The Contractor hereby attests, certifies, warrants, and assures that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document (Refer Attachment F) hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the Contractor and made available to state officials upon request.
2. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained



- from such subcontractors shall be maintained by the Contractor and made available to state officials upon request.
3. The Contractor shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
 4. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Tennessee Code Annotated, Section 12-4-124, et seq. for acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this Contract.
 5. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.
- D.9. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.10. Prevailing Wage Rates. All contracts for construction, erection, or demolition or to install goods or materials that involve the expenditure of any funds derived from the State require compliance with the prevailing wage laws as provided in Tennessee Code Annotated, Section 12-4-401, et seq..
- D.11. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.12. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.13. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.14. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint ventures, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.



The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.

- D.15. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.16. Force Majeure. The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, natural disasters, riots, wars, epidemics, or any other similar cause.
- D.17. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.18. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under Tennessee Code Annotated, Sections 9-8-101 through 9-8-407.
- D.19. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.20. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.21. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:



Katie Lillard
Department of General Services
Central Procurement Office
3rd Floor, W RS Tennessee Tower
312 Rosa L. Parks Avenue
Nashville, TN 37243
615-741-7078
Katie.Lillard@tn.gov

The Contractor:

J. Mark Choate
Strategic Account Manager
Canon Solutions America, Inc.
402 BNA Drive, Suite 360
Nashville, TN 37217
(615) 238-6254
jchoate@csa.canon.com

With a copy of any notice of default or violation to:

Canon Solutions America, Inc.
One Canon Park
Melville, NY 11747
Attn: Legal Division

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.4. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in Tennessee Code Annotated, Section 8-36-801, et. seq., the law governing the Tennessee Consolidated Retirement System (TCRS), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established pursuant to Tennessee Code Annotated, Title 8, Chapter 35, Part 3 accepts state employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the period of this Contract.
- E.5. Insurance. The Contractor shall carry adequate liability and other appropriate forms of insurance.



1. The Contractor shall maintain, at minimum, the following insurance coverage:
 - a. Workers' Compensation/ Employers' Liability (including all states coverage) with a limit not less than the relevant statutory amount or one million dollars (\$1,000,000) per occurrence for employers' liability whichever is greater.
 - b. Comprehensive Commercial General Liability (including personal injury & property damage, premises/operations, independent contractor, contractual liability and completed operations/products) with bodily injury/property damage combined single limit not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate.
 - c. Automobile Coverage (including owned, leased, hired, and non-owned vehicles) with a bodily injury/property damage combined single limit not less than one million dollars (\$1,000,000) per occurrence.
2. At any time State may require the Contractor to provide a valid Certificate of Insurance detailing Coverage Description; Insurance Company & Policy Number; Exceptions and Exclusions; Policy Effective Date; Policy Expiration Date; Limit(s) of Liability; and Name and Address of Insured. Failure to provide required evidence of insurance coverage shall be a material breach of this Contract.

NOTE: "Umbrella" or "excess" insurance is not an acceptable substitute for the specified minimum amounts of required liability and workers compensation insurance. The Contractor shall provide, no later than the contract start date, a valid certificate of insurance naming the State of Tennessee as an additional insured.

- E.6. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall permit Contractor to disclose any information that is confidential under federal or state law or regulations, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

- E.7. Incorporation of Additional Documents: Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below:



1. This Contract with any attachments or exhibits;
 2. Any clarifications or addenda to the Contractor's proposal seeking this Contract;
 3. The State solicitation (RFP #32110-01307), as may be amended, requesting proposals in competition for this Contract;
 4. Any technical specifications provided to proposers during the procurement process to award this Contract;
 5. The Contractor's proposal seeking this Contract.
- E.8. State Ownership of Work Products. The State shall have ownership, right, title, and interest, including ownership of copyright, in all work products, including computer source code, created, designed, developed, derived, documented, installed, or delivered under this Contract subject to the next subsection and full and final payment for each "Work Product." The State shall have royalty-free and unlimited rights and license to use, disclose, reproduce, publish, distribute, modify, maintain, or create derivative works from, for any purpose whatsoever, all said Work Products.
1. To the extent that the Contractor uses any of its pre-existing, proprietary or independently developed tools, materials or information ("Contractor Materials"), the Contractor shall retain all right, title and interest in and to such Contractor Materials, and the State shall acquire no right, title or interest in or to such Contractor Materials EXCEPT the Contractor grants to the State an unlimited, non-transferable license to use, copy and distribute internally, solely for the State's internal purposes, any Contractor Materials reasonably associated with any Work Product provided under the Contract.
 2. The Contractor shall furnish such information and data as the State may request, including but not limited to computer code, that is applicable, essential, fundamental, or intrinsic to any Work Product and Contractor Materials reasonably associated with any Work Product, in accordance with this Contract and applicable state law.
 3. Nothing in this Contract shall prohibit the Contractor's use for its own purposes of the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of providing the services requested under this Contract.
 4. Nothing in the Contract shall prohibit the Contractor from developing for itself, or for others, materials which are similar to and/or competitive with those that are produced under this Contract.
- E.9. State Furnished Property. The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the State for the Contractor's temporary use under this Contract. Upon termination of this Contract, all property furnished shall be returned to the State in good order and condition as when received, reasonable use and wear thereof excepted. Should the property be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the residual value of the property at the time of loss.
- E.10. Lobbying. The Contractor certifies, to the best of its knowledge and belief, that:
1. No federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of 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.



2. If any funds other than federally 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 contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit Standard Form -LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The Contractor 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 and is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code.

E.11. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:

1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
2. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
3. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
4. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Contractor shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified.

E.12. Contractor Commitment to Diversity. The Contractor shall comply with the Letter of Diversity Commitment provided at contract Attachment E.

The Contractor shall assist the State in monitoring the Contractor's performance of this commitment by providing, as requested, a quarterly report of participation in the performance of this Contract by small business enterprises and businesses owned by minorities, women, and Tennessee service-disabled veterans. Such reports shall be provided to the state of Tennessee Governor's Office of Diversity Business Enterprise in form and substance as required by said office.

E.13. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any



person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State.

In the event of any such suit or claim, the Contractor shall give the State immediate notice thereof and shall provide all assistance required by the State in the State's defense. The State shall give the Contractor written notice of any such claim or suit, and the Contractor shall have full right and obligation to conduct the Contractor's own defense thereof. Nothing contained herein shall be deemed to accord to the Contractor, through its attorney(s), the right to represent the State of Tennessee in any legal matter, such rights being governed by Tennessee Code Annotated, Section 8-6-106.

E.14. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations.

1. Contractor warrants to the State that it is familiar with the requirements of HIPAA and its accompanying regulations, and will comply with all applicable HIPAA requirements in the course of this Contract.
2. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by HIPAA and its regulations, in the course of performance of the Contract so that both parties will be in compliance with HIPAA.
3. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by HIPAA and that are reasonably necessary to keep the State and Contractor in compliance with HIPAA. This provision shall not apply if information received by the State under this Contract is NOT "protected health information" as defined by HIPAA, or if HIPAA permits the State to receive such information without entering into a business associate agreement or signing another such document.

E.15. Tennessee Department of Revenue Registration. The Contractor shall be registered with the Department of Revenue for the collection of Tennessee sales and use tax. This registration requirement is a material requirement of this Contract.

E.16. Survival of Terms. All provisions, except for those listed below, of this Contract shall remain in full force and effect and survive the expiration or termination of this Contract for 60 months after such date, as specified in Contract section B.1. The following Contract provisions will terminate with the expiration date as specified in the Contract section B.1.: A.7. Assessment; A.8. Right-Sizing; Implementation; A.9. Reporting; and A.14. Equipment Substitution.

IN WITNESS WHEREOF,

Canon Solutions America, Inc.:



[Handwritten Signature]

12-5-13

LESSOR SIGNATURE

DATE

TRACIE SOKOL, VICE PRESIDENT, MARKETING

PRINTED NAME AND TITLE OF LESSOR SIGNATORY (above)

Department of General Services, Central Procurement Office:



[Handwritten Signature]

12/5/13

Michael F. Perry, Chief Procurement Officer

DATE