



**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:**

*[Handwritten Signature]* 12-12-14  
\_\_\_\_\_  
SIGNATURE DATE  
*Trace Sokol VP Marketing*  
\_\_\_\_\_  
PRINTED NAME AND TITLE OF SIGNATORY (above)



**Central Procurement Office**

**State of Tennessee, Department of General Services:**

*[Handwritten Signature]* 12/29/14  
\_\_\_\_\_  
Michael F. Perry, Chief Procurement Officer DATE



## Attachment A

### MASTER LEASE BETWEEN THE STATE OF TENNESSEE, DEPT OF GENERAL SERVICES CENTRAL PROCUREMENT OFFICE AND CANON SOLUTIONS AMERICA, INC.

This Master Lease (the "Lease"), 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 "Lessor," is for the leasing of Statewide Multifunction Devices, as further defined in the "SCOPE OF SERVICES."

The Lessor is a For-Profit Corporation.

Lessor Place of Incorporation or Organization: One Canon Park, Melville, NY 11747

Lessor Edison Registration ID #160525

#### A. SCOPE OF SERVICES:

- A.1. The Lessor shall provide all equipment (the "Equipment"), services and deliverables as required, described, and detailed herein and shall meet all service and delivery timelines as specified by this Lease.
- A.2. The Lessor 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.3. Other Governmental Bodies and qualified non-profit agencies may utilize the Lease as negotiated by the State.

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

#### A.4. 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.shtml?form\\_name=ServiceCall](http://www.csa.canon.com/About_Us/Contact_Us/Contact_Us_landing_page.shtml?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.shtml?form\\_name=ServiceCall](http://www.csa.canon.com/About_Us/Contact_Us/Contact_Us_landing_page.shtml?form_name=ServiceCall)



- c. The Lessor 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 Lessor's Dispatch Department, until the time the Technician arrives at the State's 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 Lease 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 leased and shall include the details outlined in subsections i. through iv., below. All delivery orders are subject to the terms and conditions of this Lease. In the event of conflict between a delivery order and this Lease, this Lease shall control.
  - i. Purchase order: Each Purchase Order must reference this Lease 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. Lessor 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 Lessor when supplies are needed.
  - iii. Lessor 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 Lessor 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 Lessor 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 Lessor 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 Lessor to the State Contract Administrator. The Lessor 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 Lessor fails to meet the requested delivery date, the user may cancel such order at that time, provided equipment has not been shipped from the Lessor's warehouse. However, the Lessor 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 Lessor 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 Lessor will, at the user's written request, replace non-performing equipment if the customer meets the following three (3) 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 Lessor must maintain a a fleet average uptime of 95% over the four (4) four (4) fixed quarterly intervals per year. Downtime is calculated from the time a service call is placed with the Lessor 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 Lessor's Service department.

### 5. Device Downtime

- a. Failure to meet the Lessor'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 Lessor upon your written request, shall be your sole and exclusive remedy for any failure by the Lessor 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.5. Machine Specifications

### Multi-Function Device

#### 1. Standard

- Network connectivity capable
- All leased 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 data overwriting 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.6. Assessment

As part of the go-forward strategy, the State expects the Lessor 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 Lessor 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 Lessor Representative.
2. Capture device utilization from networked devices if the device is capable of reporting utilization. Equipment used for analysis 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 presented in 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 Lessor'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 Lessor with approval from the Central Procurement Office. The estimated assessment timeframe is expected to take forty-five (45) days with analysis by the Lessor provided within ten (10) days of completion of the assessment.
  11. Any additional data that the Lessor 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.7. 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 Lessor 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 Lessor 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 Lessor 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 Lessor 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. Lessors should provide guidance regarding the strategy they would use to Right-Size the State's output/input device fleet.

#### A.8. Reporting



Purchase and Usage Quarterly Reports: The Lessor 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 Lessor 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 Lessor agrees to provide all data requested in a flat file format as designated by the State Contract Administrator.

#### A.9. 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 Lessor 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 Lessor 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.10. 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 Lessor'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 Lessor(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.11. Training

The awarded Lessor 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 Lessor 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.12. Security

1. Connectivity

Devices utilized by the State must meet the following criteria:

- a. Connect to the State's network through an industry-standard Ethernet connection/network adapter that the Lessor 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. Lessor's installation method must be approved by the State. Maintenance of the network adapter maintenance must be provided, as part of the contracted Lessor's regular maintenance.
- b. 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.
- c. 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.
- d. 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.



- e. 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 Lessor 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.
- f. 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)
- g. 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.
- h. The contracted Lessor 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 Lessor must provide details of the Lessor'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

- a. All employees, agents, and other affiliates of Lessors under the contract shall protect the security of information identified to them as Protected Health Information (PHI). The Lessor'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 Lessor's employees, agents, and other affiliates who are allowed access to such facilities during the term of the contract.
- b. 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 Lessor with responsibility for notifying the appropriate State official.

## 3. HIPAA Compliance

The Lessor 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 Lessor 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 Lessor shall sign any documents that are reasonably necessary to keep the State and the Lessor 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 Lessor to pick-up a leased device at the device's termination date, the Lessor must destroy the data contained in the hard disk drive, the



Lessor 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 total cost for this service is included in Lessor's monthly lease price. This shall not relieve Lessor from any of its obligations regarding confidentiality or proper treatment of data under HIPAA or any other applicable law or regulation.

A.13. Equipment Substitution

The State intends to stay current in its data processing technology; therefore, the Central Procurement Office may allow the Lessor 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 Contract.
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 Lessor's offer contains sufficient detailed information to substantiate that the criteria above are met.

Options leased shall end coterminous with equipment originally leased. Options added after equipment installation will be priced at the originally contracted price, amortized over the remaining term of the leased.

A.14. Damages

If leased property is damaged, stolen or lost as a result of the Lessor's or Lessor's employees negligence, such property shall be repaired or replaced by the Lessor. This is in addition to any other obligations of Lessor regarding confidentiality or proper treatment of data under HIPAA or any other applicable law or regulation.

Alternatively, if Leased 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 Lessor to the State.

Should a machine be destroyed while in the possession of the State, whether fire, theft, or acts of God, the said value of the machine at the time of the occurrence shall be based on a depreciation schedule on the anticipated life of the machine being three (3) years and computed as a straight line expense.

A.15. Termination of Lease Charges

The State shall not be required to pay any termination charges for early termination of an agency lease. For example, in the event that an agency no longer requires the use of the leased machine, the agency may, with a thirty (30) day written notification, return the machine without penalty. The Lessor shall be required to pick-up the machine at no additional cost to the State.

If an agency misjudges the need for a machine, it will not be allowed to return such machine and cancel its lease without prior approval of the Central Procurement Office. The agency should first determine if another section of its own agency has a need for the machine. If a new location is



determined, the Lessor shall move the machine to the new location and set it up. The moving date shall be mutually agreed upon by the agency and the Lessor. Payment for this service will be rendered by the agency pursuant to its local purchasing authority.

- A.16. Guarantee. Items included in this lease are to have a Total Satisfaction Guarantee. Lessor will, without charge, replace the Equipment if the State is not satisfied, with an identical model, or like Equipment with comparable features and capabilities, from acceptance by the State of defective Equipment to the end of the term of this Lease. Any Equipment requiring excessive service calls will be considered defective. Prior to replacement, the Lessor shall have had the opportunity to return the product to good working order. Replacement Equipment provided under this guarantee shall be delivered within 10 calendar days. Acceptance by the State of unsatisfactory performance of Equipment or service provider shall not waive the requirements of this section, nor satisfactory performance of any obligation remaining to be performed by Lessor. For purposes of clarity, Total Satisfaction Guarantee shall be applicable for the initial term of each installed unit, for a period not to exceed sixty (60) months.
- A.17. Delivery/Risk of Loss/Leased Equipment. All Equipment shall be delivered by F.O.B. Destination. 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 Lessor 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. 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. The risk of loss due to all other causes shall remain with the Lessor.
- A.18. Equipment Removal. Upon termination of this Lease, Lessor shall take required action to have all Equipment removed. Upon written notification by the State, Equipment shall be removed within ten (10) days from lease termination or the expiration date, at no additional cost to the State, unless the State makes arrangements to continue the Lease temporarily on a month to month basis. Equipment not removed within the allotted time frame, shall be shipped to Lessor at Lessor's expense.
- A.19. Equipment Relocation/Transfer. The State shall be allowed to move or transfer the Equipment from one location to another, at its own expense, as deemed necessary with no change to lease, maintenance plans nor loss of equity. The State shall provide written notification to Lessor of any move or transfer and include new location information. No installation or de-installation charges will be billed based on changes in location.
- A.20. 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. Lessor shall schedule maintenance based on the specific needs of the individual machine as determined by the manufacturer. Lessor 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 default 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 Lessor, at no additional cost to the State, for Equipment that cannot be repaired within 16 working hours of the request for service. Lessor shall supply and maintain service log.

5. Lessor must provide certified manufactured parts, supplies, service and support as allowed by the original manufacturer.
  6. The State authorize Lessor 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 your 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.
  7. 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.
- A.21. Model Upgrades. To meet end users changing needs and requirements, flexibility for adding options during the Lease will be allowed. Options leased shall end coterminous with the Equipment originally leased. The lease price of options added after Equipment installation shall remain consistent with the lease price for adding options prior to Equipment installation. Option pricing will not be pro-rated based on the remaining life of the Equipment lease.
- A.22. Lessor's Representations and Warranties.
- The Lessor warrants and assures that:
1. It has the authority to lease the Equipment;
  2. It will not interfere with the State's use of the Equipment during the Lease term so long as the State abides by the terms and conditions of this Lease; and
  3. It will transfer to the State any transferrable warranty.
- A.23. Repairs. The Lessor shall assume all costs and expenses to maintain the Equipment in good repair, condition and working order and shall furnish any and all parts, mechanisms and devices required to keep the Equipment in good mechanical working order.
- A.24. Ownership. The Equipment is, and shall at all times be and remain, the sole and exclusive property of the Lessor; and the State shall have no right, title or interest therein or thereto except as expressly set forth in this Lease.

**B. MASTER LEASE 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 individual Equipment Lease entered into under this Master Lease shall commence on the date on which the Equipment is delivered and installed in good working order, and shall terminate sixty (60) months thereafter, unless otherwise specified, and in accordance with Master Lease 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 Lessor for all service and Lessor 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 Lessor.

The Lessor is not entitled to be paid for any period under the Lease or any extensions of the Lease for work not requested by the State. The Lessor is not guaranteed payment of any funds to the Lessor under this Lease unless the State requests work and the Lessor performs said work. In which case, the Lessor shall be paid in accordance with the payment rates detailed in Attachment B-2. The State is under no obligation to request work from the Lessor in any specific dollar amounts or to request any work at all from the Lessor during any period of this Lease.

M78  
12/11/13  
Initials: [Signature]  
Name: Tracie Sokol  
Title: Vice President,  
Marketing

- C.2. Compensation Firm. The payment rates and the maximum liability of the State under this Lease are firm for the duration of this Lease and are not subject to escalation for any reason unless amended.



- C.3. Payment Methodology. The State shall pay the Lessor for the lease and maintenance of the Equipment on a monthly basis.

The State shall pay the Lessor for the delivery of acceptable Equipment and the lease and maintenance of the Equipment as follows:

**Refer to Attachment B-2 Lease Canon Solutions CSA List of Available Equipment**

The payment of lease includes, in addition to the Equipment being leased, all parts, labor, drum, toner, fuser webs, fuser oil/developer, and staples as applicable.

- C.4. Travel Compensation. The Lessor shall not be compensated or reimbursed for travel, meals, or lodging.
- C.5. Invoice Requirements. The Lessor shall invoice the State in installments 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 Lessor)
  - b. Invoice Date
  - c. Lease Number (assigned by the State)
  - d. State Agency & Division Name
  - e. State Agency Account Number (assigned by the Lessor to the above-referenced Customer)



- f. Lessor Name
  - g. Lessor Tennessee Edison Registration ID Number Referenced in Preamble of this Lease
  - h. Lessor Contact for Invoice Questions (name, phone, and/or fax)
  - i. Lessor 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 equipment installed
    - ii. Black & White usage counts
    - iii. Color usage counts with charge, as applicable
    - iv. Detailed description of options included with cost
    - v. Total Amount Due for the invoice period
2. The Lessor understands and agrees that an invoice under this Lease shall:
- a. include only charges for service described in Lease Section A and in accordance with payment terms and conditions set forth in Lease Section C;
  - b. only be submitted for installed or delivered Equipment accepted by the State;
  - 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 Lessor'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 Lease, not to constitute proper remuneration Equipment delivered or installed and accepted by the State.
- C.8. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Lessor under this or any Lease between the Lessor and the State of Tennessee any amounts, which are or shall become due and payable to the State of Tennessee by the Lessor.
- C.9. Prerequisite Documentation. The Lessor shall not invoice the State under this Lease until the State has received the following documentation properly completed.
- 1. The Lessor 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 Lessor acknowledges and agrees that, once said form is received by the State, all payments to the Lessor, under this or any other Lease the Lessor has with the State of Tennessee shall be made by Automated Clearing House (ACH).
  - 2. The Lessor 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 Lessor's Federal Employer Identification Number or Tennessee Edison Registration ID referenced in this Lease.

**D. STANDARD TERMS AND CONDITIONS:**

- D.1. Required Approvals. The State is not bound by this Lease until it is signed by the Lease parties and approved by appropriate officials in accordance with applicable Tennessee laws and



regulations (depending upon the specifics of this Lease, 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 Lease may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the Master Lease and, depending upon the specifics of the Master Lease 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 Lease without cause for any reason. Said termination shall not be deemed a breach of Lease by the State. The State shall give the Lessor at least sixty (60) days written notice before the effective termination date. The Lessor 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 Lessor for compensation for any service which has not been rendered. Upon such termination, the Lessor 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 Lessor fails to properly perform its obligations under this Lease in a timely or proper manner, or if the Lessor violates any terms of this Lease, the State shall have the right to immediately terminate the Lease and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Lessor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Lease by the Lessor.
- D.5. Subcontracting. The Lessor 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 Lessor shall be the prime Lessor and shall be responsible for all work performed.
- D.6. Conflicts of Interest. The Lessor warrants that no part of the total Lease 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, sublessor, or consultant to the Lessor in connection with any work contemplated or performed relative to this Lease.
- The Lessor acknowledges, understands, and agrees that this Lease shall be null and void if the Lessor is, or within the past six months has been, an employee of the State of Tennessee or if the Lessor 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 Lessor 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 Lease or in the employment practices of the Lessor 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 Lessor 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 Lease to supply goods or services to the state of Tennessee, shall be a material provision of this Lease, a breach



of which shall be grounds for monetary and other penalties, up to and including termination of this Lease.

1. The Lessor hereby attests, certifies, warrants, and assures that the Lessor shall not knowingly utilize the services of an illegal immigrant in the performance of this Lease and shall not knowingly utilize the services of any sublessor who will utilize the services of an illegal immigrant in the performance of this Lease. The Lessor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment F, hereto, semi-annually during the period of this Lease. Such attestations shall be maintained by the Lessor and made available to state officials upon request.
  2. Prior to the use of any sublessor in the performance of this Lease, and semi-annually thereafter, during the period of this Lease, the Lessor shall obtain and retain a current, written attestation that the sublessor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Lease and shall not knowingly utilize the services of any sublessor who will utilize the services of an illegal immigrant to perform work relative to this Lease. Attestations obtained from such sublessor shall be maintained by the Lessor and made available to state officials upon request.
  3. The Lessor shall maintain records for all personnel used in the performance of this Lease. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
  4. The Lessor 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 Lessor from Leasing with, or submitting an offer, proposal, or bid to Lease with the State of Tennessee to supply goods or services for a period of one year after a Lessor is discovered to have knowingly used the services of illegal immigrants during the performance of this Lease.
  5. For purposes of this Lease, "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 Lease.
- D.9. Records. The Lessor shall maintain documentation for all charges under this Lease. The books, records, and documents of the Lessor, insofar as they relate to work performed or money received under this Lease, 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 Leases 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 Lessor's activities conducted and records maintained pursuant to this Lease 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 Lessor shall submit brief, periodic, progress reports to the State as requested.
- D.13. Strict Performance. Failure by any party to this Lease to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Lease shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision.



No term or condition of this Lease shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.

- D.14. Independent Parties. The parties hereto, in the performance of this Lease, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent Leasing entities and that nothing in this Lease 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 Lessor, being an independent Lessor 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 Lessor's employees, and to pay all applicable taxes incident to this Lease.

- D.15. State Liability. The State shall have no liability except as specifically provided in this Lease.
- D.16. Force Majeure. The obligations of the parties to this Lease 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 Lessor shall comply with all applicable State and Federal laws and regulations in the performance of this Lease.
- D.18. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of Tennessee. The Lessor 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 Lease. The Lessor 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 Lease 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 Lease 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 Lease 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 Lease are declared severable.
- D.21. Headings. Section headings of this Lease are for reference purposes only and shall not be construed as part of this Lease.

**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 Lease, 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 Lease 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  
3<sup>rd</sup> Floor, WRS Tennessee Tower  
312 Rosa L. Parks Avenue  
Nashville, TN 37243  
Telephone # (615) 741-7078  
Katie.Lillard@tn.gov

The Lessor:

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](mailto: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. This Lease 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 Lease upon written notice to the Lessor. Said termination shall not be deemed a breach of Lease by the State. Upon receipt of the written notice, the Lessor shall cease all work associated with this Lease. Should such an event occur, the Lessor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Lessor 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 Lessor 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 Lease to the contrary, the Lessor agrees that if it is later determined that the true nature of the working relationship between the Lessor and the State under this Lease is that of "employee/employer" and not that of an



independent Lessor, the Lessor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Lessor received from TCRS during the period of this Lease.

E.5. Insurance. The Lessor shall carry adequate liability and other appropriate forms of insurance.

1. The Lessor 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 Lessor 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 Lessor 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 Lessor by the State or acquired by the Lessor 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 Lessor 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 Lessor'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 Lessor of this Contract; previously possessed by the Lessor without written obligations to the State to protect it; acquired by the Lessor without written restrictions against disclosure from a third party which, to the Lessor's knowledge, is free to disclose the information; independently developed by the Lessor 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 Lessor 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 Lessor 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 Lessor'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 Lessor'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 Lessor'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 Lessor uses any of its pre-existing, proprietary or independently developed tools, materials or information ("Lessor Materials"), the Lessor shall retain all right, title and interest in and to such Lessor Materials, and the State shall acquire no right, title or interest in or to such Lessor Materials EXCEPT the Lessor grants to the State an unlimited, non-transferable license to use, copy and distribute internally, solely for the State's internal purposes, any Lessor Materials reasonably associated with any Work Product provided under the Contract.
  2. The Lessor 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 Lessor Materials reasonably associated with any Work Product, in accordance with this Contract and applicable state law.
  3. Nothing in this Contract shall prohibit the Lessor'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 Lessor 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 Lessor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the State for the Lessor'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 Lessor shall be responsible to the State for the residual value of the property at the time of loss.
- E.10. Lobbying. The Lessor 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 Lessor shall complete and submit Standard Form -LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The Lessor 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 Lessor 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 offense 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 Lessor 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. Lessor Commitment to Diversity. The Lessor shall comply with the Letter of Diversity Commitment provided at contract Attachment 6.6.2.

The Lessor shall assist the State in monitoring the Lessor'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 Lessor 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 Lessor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Lessor 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 Lessor to the State.

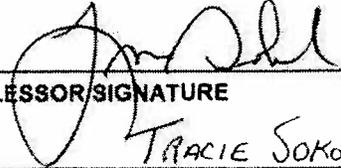


In the event of any such suit or claim, the Lessor shall give the State immediate notice thereof and shall provide all assistance required by the State in the State's defense. The State shall give the Lessor written notice of any such claim or suit, and the Lessor shall have full right and obligation to conduct the Lessor's own defense thereof. Nothing contained herein shall be deemed to accord to the Lessor, 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 Lessor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations.
1. Lessor 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. Lessor 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 Lessor 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 Lessor 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 Lessor 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 Lease.
- E.16. Survival of Terms. All provisions, except for those listed below, of this Master Lease shall remain in full force and effect and survive the expiration or termination of this Master Lease for 60 months after such date, as specified in Master Lease section B.1. The following Master Lease provisions will terminate with the expiration date as specified in Master Lease section B.1.: A.6. Assessment; A.7. Right-Sizing Implementation; A.8. Reporting; A.13. Equipment Substitution; and A.21. Model Upgrades.

IN WITNESS WHEREOF,

Canon Solutions America, Inc.:

	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:

*Michael F. Perry*

*12/5/13*

Michael F. Perry, Chief Procurement Officer

DATE

