



All using Agencies of the Commonwealth, Participating Political
Subdivision, Authorities, Private Colleges and Universities

CHANGE Page 1 of 9
Contract No. 4600016283
Contract Original Approval Date: 08/29/2018

Purchasing Agent:
Name: Shawn Danner
Phone: 717-787-8085
Fax:
 Valid from/to: 09/01/2018 - 08/31/2024

Your SAP Vendor Number With Us: 102592

Supplier Name/Address:
 CANON USA INC
 1 CANON PARK
 MELVILLE NY 11747-3036
 USA
 Supplier Telephone No: 214-354-3315
 Supplier Fax No.:

Please Deliver To:
 To be determined at the
 time of the Purchase Order
 unless specified below

Your Quotation: Date:
 Collective No.:
 Our Quotation:

Payment Terms:
 NET 30 DAYS

The Commonwealth of Pennsylvania, through the Department of General Services, accepts the submission of the Bidder/Contractor for the awarded item(s) at the price(s) set forth below in accordance with: 1) the RFQ submitted by the Bidder/Contractor, if any; 2) the documents attached to this Contract or incorporated by reference, if any, and 3) the contract terms and conditions stored on the website address at www.dgs.state.pa.us for this type of Contract as of the date of the RFQ, if any, or other solicitation for this Contract, all of which, as appropriate, are incorporated herein by reference. When the Bidder/Contractor receives an order from a Commonwealth agency, the order constitutes the Bidder/Contractor's authority to furnish the item(s) to the agency at the time(s) and place(s) specified in the order. RFQ, as used herein, means Request for Quotations, Invitation for Bids, Invitation to Qualify, or Request for Proposals, as appropriate.

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
20	Ledger Size B&W Seg 1 IRA 4525II	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
30	Black & White Faxing	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
40	3 Hole Punch	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		

SEE LAST PAGE FOR ESTIMATED
TOTAL VALUE INFORMATION



CHANGE Page 2 of 9
Contract No. 4600016283
Contract Original Approval Date: 08/29/2018

Supplier Name:
 CANON USA INC

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
50	Saddle Stitch	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
60	Additional Trays or Drawers	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
70	High Capacity Tray	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
80	Memory Expansion Kit	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
90	Badge Reader Secure Printing	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
100	Ledger Size B&W Seg 2 IRA 4525II	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
180	Ledger Size B&W Seg 3 IRA 4535II	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		



CHANGE Page 3 of 9
Contract No. 4600016283
Contract Original Approval Date: 08/29/2018

Supplier Name:
 CANON USA INC

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
260	Ledger Size B&W Seg 4 IRA 4545II	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
330	Ledger Size B&W Seg 5 IRA 6555II	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
410	Ledger Size B&W Seg 6 IRA 6565II	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
490	Legal Size B&W Seg 1 IRA4525II	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
570	Legal Size B&W Seg 1 IRA4525II	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
650	Legal Size B&W Seg 2 IRA4525II	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
730	Legal Size B&W Seg 3 IRA4535II	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		



CHANGE Page 4 of 9
Contract No. 4600016283
Contract Original Approval Date: 08/29/2018

Supplier Name:
 CANON USA INC

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
		Invoice Date		Invoice Value		
810	Legal Size B&W Seg 4 IRA4545II	0.00	Each	0.00	1 Each	0.00
Invoice Plan:						
		Invoice Date		Invoice Value		
880	Legal Size B&W Seg 5 IRA6555i II	0.00	Each	0.00	1 Each	0.00
Invoice Plan:						
		Invoice Date		Invoice Value		
960	Legal Size B&W Seg 6 IRA6565i II	0.00	Each	0.00	1 Each	0.00
Invoice Plan:						
		Invoice Date		Invoice Value		
1100	Color Seg 2 IRAC5540i II	0.00	Each	0.00	1 Each	0.00
Invoice Plan:						
		Invoice Date		Invoice Value		
1180	Color Seg 3 IRAC5535i II	0.00	Each	0.00	1 Each	0.00
Invoice Plan:						
		Invoice Date		Invoice Value		
1260	Color Seg 1 IRA 3530i II	0.00	Each	0.00	1 Each	0.00
Invoice Plan:						
		Invoice Date		Invoice Value		
1270	Color Seg 2 iR5540i III	0.00	Each	0.00	1 Each	0.00
Invoice Plan:						



CHANGE Page 5 of 9
Contract No. 4600016283
Contract Original Approval Date: 08/29/2018

Supplier Name:
 CANON USA INC

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
			Invoice Date	Invoice Value		
1280	Color Seg 3 iR5535i III	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
1290	Ledger Seg 1 iR4525i III	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
1300	Ledger Seg 2 iR4525i III	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
1310	Ledger Seg 3 iR4535i III	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
1320	Ledger Seg 4 iR4545i III	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
1330	Ledger Seg 5 iR6555i III	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
1340	ledger Seg 6 iR6565i III	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		



CHANGE Page 6 of 9
Contract No. 4600016283
Contract Original Approval Date: 08/29/2018

Supplier Name:
CANON USA INC

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
1350	Color Seg 1 imageRUNNER ADVANCE DX C3730	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date		Invoice Value	

1360	Color Seg 2 imageRUNNER ADVANCE DX C5740	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date		Invoice Value	

1370	Color Seg 3 imageRUNNER ADVANCE DX C5735	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date		Invoice Value	

1380	Ledger Seg 1 & 2 imageRUNNER ADVANCE DX	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date		Invoice Value	

1390	Ledger Seg 3 imageRUNNER ADVANCE DX 4735	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date		Invoice Value	

1400	Ledger seg 4 imageRUNNER ADVANCE DX 4745	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date		Invoice Value	



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Contract No. 4600016283
Contract Original Approval Date: 08/29/2018

Supplier Name:
 CANON USA INC

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
1410	Color Seg 2 imageRUNNER ADVANCE DX C5840	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
1420	Color Seg 1 imageRUNNER C3830i	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
1430	Color Seg 3 imageRUNNER C3835i	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
1440	Ledger seg 1 DX4825i	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
1450	ledger seg 2 DX4825i	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
1460	Ledger Seg 3 DX 4835i	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
1470	Ledger Seg 4 DX 4845i	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		



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Contract No. 4600016283
Contract Original Approval Date: 08/29/2018

Supplier Name:
CANON USA INC

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
1480	Color Seg 1 imageRUNNER ADV DX C3930i	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
	*** New Item ***					
1490	Color Seg 3 imageRUNNER ADV DX C3935i	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
	*** New Item ***					
1500	Ledger Seg 1 imageRUNNER ADV DX 4925i	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
	*** New Item ***					
1510	Ledger Seg 2 imageRUNNER ADV DX 4925i	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
	*** New Item ***					
1520	Ledger Seg 3 imageRUNNER ADV DX 4935i	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
	*** New Item ***					



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Contract No. 4600016283
Contract Original Approval Date: 08/29/2018

Supplier Name:
 CANON USA INC

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
1530	Ledger Seg 4 imageRUNNER ADV DX 4945i	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date		Invoice Value	
	*** New Item ***					
<hr/>						
1540	Ledger Seg 5 imageRUNNER ADV 6855i	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date		Invoice Value	
	*** New Item ***					
<hr/>						
1550	Ledger Seg 6 imageRUNNER ADV 6870i	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date		Invoice Value	
	*** New Item ***					

General Requirements for all Items:

Header Text

Contract extended to 8/31/2024
 via EP Extension 35210_1. SD
 No further information for this contract.

Estimated Total Value:
 \$ 5,000,000.00
 Currency: USD



All using Agencies of the Commonwealth, Participating Political
Subdivision, Authorities, Private Colleges and Universities

CHANGE Page 1 of 5
Contract No. 4600016283
Contract Original Approval Date: 08/29/2018

Purchasing Agent:
Name: Shawn Danner
Phone: 717-787-8085
Fax:

Valid from/to: 09/01/2018 - 02/28/2024

Please Deliver To:

To be determined at the
time of the Purchase Order
unless specified below

Your SAP Vendor Number With Us: 102592

Supplier Name/Address:

CANON USA INC
 1 CANON PARK
 MELVILLE NY 11747-3036
 USA
 Supplier Telephone No: 631-330-5443
 Supplier Fax No.: 631-330-5459

Your Quotation: Date:
 Collective No.:
 Our Quotation:

Payment Terms:
NET 30 DAYS

The Commonwealth of Pennsylvania, through the Department of General Services, accepts the submission of the Bidder/Contractor for the awarded item(s) at the price(s) set forth below in accordance with: 1) the RFQ submitted by the Bidder/Contractor, if any; 2) the documents attached to this Contract or incorporated by reference, if any, and 3) the contract terms and conditions stored on the website address at www.dgs.state.pa.us for this type of Contract as of the date of the RFQ, if any, or other solicitation for this Contract, all of which, as appropriate, are incorporated herein by reference. When the Bidder/Contractor receives an order from a Commonwealth agency, the order constitutes the Bidder/Contractor's authority to furnish the item(s) to the agency at the time(s) and place(s) specified in the order. RFQ, as used herein, means Request for Quotations, Invitation for Bids, Invitation to Qualify, or Request for Proposals, as appropriate.

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
1270	Color Seg 2 iR5540i III	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
	*** New Item ***					
1280	Color Seg 3 iR5535i III	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
	*** New Item ***					
1290	Ledger Seg 1 iR4525i III	0.00	Each	0.00	1 Each	0.00

SEE LAST PAGE FOR ESTIMATED
TOTAL VALUE INFORMATION



CHANGE Page 2 of 5
Contract No. 4600016283
Contract Original Approval Date: 08/29/2018

Supplier Name:
 CANON USA INC

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
Invoice Plan:						
			Invoice Date	Invoice Value		
*** New Item ***						
1300	Ledger Seg 2 iR4525i III	0.00	Each	0.00	1 Each	0.00
Invoice Plan:						
			Invoice Date	Invoice Value		
*** New Item ***						
1310	Ledger Seg 3 iR4535i III	0.00	Each	0.00	1 Each	0.00
Invoice Plan:						
			Invoice Date	Invoice Value		
*** New Item ***						
1320	Ledger Seg 4 iR4545i III	0.00	Each	0.00	1 Each	0.00
Invoice Plan:						
			Invoice Date	Invoice Value		
*** New Item ***						
1330	Ledger Seg 5 iR6555i III	0.00	Each	0.00	1 Each	0.00
Invoice Plan:						
			Invoice Date	Invoice Value		
*** New Item ***						
1340	ledger Seg 6 iR6565i III	0.00	Each	0.00	1 Each	0.00
Invoice Plan:						
			Invoice Date	Invoice Value		
*** New Item ***						
1350	Color Seg 1 imageRUNNER ADVANCE DX C3730	0.00	Each	0.00	1 Each	0.00
Invoice Plan:						



CHANGE Page 3 of 5
Contract No. 4600016283
Contract Original Approval Date: 08/29/2018

Supplier Name:
 CANON USA INC

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
			Invoice Date		Invoice Value	
	*** New Item ***					
1360	Color Seg 2 imageRUNNER ADVANCE DX C5740	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date		Invoice Value	
	*** New Item ***					
1370	Color Seg 3 imageRUNNER ADVANCE DX C5735	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date		Invoice Value	
	*** New Item ***					
1380	Ledger Seg 1 & 2 imageRUNNER ADVANCE DX	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date		Invoice Value	
	*** New Item ***					
1390	Ledger Seg 3 imageRUNNER ADVANCE DX 4735	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date		Invoice Value	
	*** New Item ***					
1400	Ledger seg 4 imageRUNNER ADVANCE DX 4745	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date		Invoice Value	



CHANGE Page 4 of 5
Contract No. 4600016283
Contract Original Approval Date: 08/29/2018

Supplier Name:
 CANON USA INC

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
*** New Item ***						
1410	Color Seg 2 imageRUNNER ADVANCE DX C5840	0.00	Each	0.00	1 Each	0.00
Invoice Plan:			Invoice Date	Invoice Value		
*** New Item ***						
1420	Color Seg 1 imageRUNNER C3830i	0.00	Each	0.00	1 Each	0.00
Invoice Plan:			Invoice Date	Invoice Value		
*** New Item ***						
1430	Color Seg 3 imageRUNNER C3835i	0.00	Each	0.00	1 Each	0.00
Invoice Plan:			Invoice Date	Invoice Value		
*** New Item ***						
1440	Ledger seg 1 DX4825i	0.00	Each	0.00	1 Each	0.00
Invoice Plan:			Invoice Date	Invoice Value		
*** New Item ***						
1450	ledger seg 2 DX4825i	0.00	Each	0.00	1 Each	0.00
Invoice Plan:			Invoice Date	Invoice Value		
*** New Item ***						
1460	Ledger Seg 3 DX 4835i	0.00	Each	0.00	1 Each	0.00
Invoice Plan:			Invoice Date	Invoice Value		



CHANGE Page 5 of 5
Contract No. 4600016283
Contract Original Approval Date: 08/29/2018

Supplier Name:
CANON USA INC

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
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*** New Item ***

1470	Ledger Seg 4 DX 4845i	0.00	Each	0.00	1 Each	0.00
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Invoice Plan:

Invoice Date Invoice Value

*** New Item ***

General Requirements for all Items:

No further information for this contract.

Estimated Total Value:
\$ 5,000,000.00
Currency: USD



All using Agencies of the Commonwealth, Participating Political
Subdivision, Authorities, Private Colleges and Universities

ORIGINAL Page 1 of 4
Contract No. 4600016283
Contract Original Approval Date: 08/29/2018

Purchasing Agent:
Name: Amy Layman
Phone: 717-346-3826
Fax: 717-783-6241

Valid from/to: 09/01/2018 - 08/31/2020

Your SAP Vendor Number With Us: 102592

Supplier Name/Address:
 CANON USA INC
 1 CANON PARK
 MELVILLE NY 11747-3036
 USA
 Supplier Telephone No: 631-330-2613
 Supplier Fax No.: 631-330-5459

Please Deliver To:

To be determined at the
time of the Purchase Order
unless specified below

Your Quotation: Date:
 Collective No.:
 Our Quotation:

Payment Terms:
NET 30 DAYS

The Commonwealth of Pennsylvania, through the Department of General Services, accepts the submission of the Bidder/Contractor for the awarded item(s) at the price(s) set forth below in accordance with: 1) the RFQ submitted by the Bidder/Contractor, if any; 2) the documents attached to this Contract or incorporated by reference, if any, and 3) the contract terms and conditions stored on the website address at www.dgs.state.pa.us for this type of Contract as of the date of the RFQ, if any, or other solicitation for this Contract, all of which, as appropriate, are incorporated herein by reference. When the Bidder/Contractor receives an order from a Commonwealth agency, the order constitutes the Bidder/Contractor's authority to furnish the item(s) to the agency at the time(s) and place(s) specified in the order. RFQ, as used herein, means Request for Quotations, Invitation for Bids, Invitation to Qualify, or Request for Proposals, as appropriate.

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
20	Ledger Size B&W Seg 1 IRA 4525II	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
30	Black & White Faxing	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		
40	3 Hole Punch	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:		Invoice Date	Invoice Value		

SEE LAST PAGE FOR ESTIMATED
TOTAL VALUE INFORMATION



Contract No. 4600016283
Contract Original Approval Date: 08/29/2018

Supplier Name:
CANON USA INC

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
50	Saddle Stitch	0.00	Each	0.00	1 Each	0.00
Invoice Plan:			Invoice Date	Invoice Value		
60	Additional Trays or Drawers	0.00	Each	0.00	1 Each	0.00
Invoice Plan:			Invoice Date	Invoice Value		
70	High Capacity Tray	0.00	Each	0.00	1 Each	0.00
Invoice Plan:			Invoice Date	Invoice Value		
80	Memory Expansion Kit	0.00	Each	0.00	1 Each	0.00
Invoice Plan:			Invoice Date	Invoice Value		
90	Badge Reader Secure Printing	0.00	Each	0.00	1 Each	0.00
Invoice Plan:			Invoice Date	Invoice Value		
100	Ledger Size B&W Seg 2 IRA 4525II	0.00	Each	0.00	1 Each	0.00
Invoice Plan:			Invoice Date	Invoice Value		
180	Ledger Size B&W Seg 3 IRA 4535II	0.00	Each	0.00	1 Each	0.00
Invoice Plan:			Invoice Date	Invoice Value		



ORIGINAL Page 3 of 4
Contract No. 4600016283
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Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
260	Ledger Size B&W Seg 4 IRA 4545II	0.00	Each	0.00	1 Each	0.00
Invoice Plan:						
		Invoice Date		Invoice Value		

330	Ledger Size B&W Seg 5 IRA 6555II	0.00	Each	0.00	1 Each	0.00
Invoice Plan:						
		Invoice Date		Invoice Value		

410	Ledger Size B&W Seg 6 IRA 6565II	0.00	Each	0.00	1 Each	0.00
Invoice Plan:						
		Invoice Date		Invoice Value		

490	Legal Size B&W Seg 1 IRA4525II	0.00	Each	0.00	1 Each	0.00
Invoice Plan:						
		Invoice Date		Invoice Value		

570	Legal Size B&W Seg 1 IRA4525II	0.00	Each	0.00	1 Each	0.00
Invoice Plan:						
		Invoice Date		Invoice Value		

650	Legal Size B&W Seg 2 IRA4525II	0.00	Each	0.00	1 Each	0.00
Invoice Plan:						
		Invoice Date		Invoice Value		

730	Legal Size B&W Seg 3 IRA4535II	0.00	Each	0.00	1 Each	0.00
Invoice Plan:						



ORIGINAL Page 4 of 4
Contract No. 4600016283
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Supplier Name:
 CANON USA INC

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
		Invoice Date		Invoice Value		
810	Legal Size B&W Seg 4 IRA4545II	0.00	Each	0.00	1 Each	0.00
Invoice Plan:						
		Invoice Date		Invoice Value		
880	Legal Size B&W Seg 5 IRA6555i II	0.00	Each	0.00	1 Each	0.00
Invoice Plan:						
		Invoice Date		Invoice Value		
960	Legal Size B&W Seg 6 IRA6565i II	0.00	Each	0.00	1 Each	0.00
Invoice Plan:						
		Invoice Date		Invoice Value		
1100	Color Seg 2 IRAC5540i II	0.00	Each	0.00	1 Each	0.00
Invoice Plan:						
		Invoice Date		Invoice Value		
1180	Color Seg 3 IRAC5535i II	0.00	Each	0.00	1 Each	0.00
Invoice Plan:						
		Invoice Date		Invoice Value		

General Requirements for all Items:

No further information for this contract.

Estimated Total Value:
 \$
 Currency: USD



All using Agencies of the Commonwealth, Participating Political
Subdivision, Authorities, Private Colleges and Universities

CHANGE Page 1 of 1
Contract No. 4600016283
Contract Original Approval Date: 08/29/2018

Purchasing Agent:
Name: Amy McFadden
Phone: 717-346-3826
Fax: 717-783-6241

 Valid from/to: 09/01/2018 - 08/31/2020

Your SAP Vendor Number With Us: 102592

Supplier Name/Address:
 CANON USA INC
 1 CANON PARK
 MELVILLE NY 11747-3036
 USA
 Supplier Telephone No: 631-330-2613
 Supplier Fax No.: 631-330-5459

Please Deliver To:

 To be determined at the
 time of the Purchase Order
 unless specified below

Your Quotation: Date:
 Collective No.:
 Our Quotation:

Payment Terms:
 NET 30 DAYS

The Commonwealth of Pennsylvania, through the Department of General Services, accepts the submission of the Bidder/Contractor for the awarded item(s) at the price(s) set forth below in accordance with: 1) the RFQ submitted by the Bidder/Contractor, if any; 2) the documents attached to this Contract or incorporated by reference, if any, and 3) the contract terms and conditions stored on the website address at www.dgs.state.pa.us for this type of Contract as of the date of the RFQ, if any, or other solicitation for this Contract, all of which, as appropriate, are incorporated herein by reference. When the Bidder/Contractor receives an order from a Commonwealth agency, the order constitutes the Bidder/Contractor's authority to furnish the item(s) to the agency at the time(s) and place(s) specified in the order. RFQ, as used herein, means Request for Quotations, Invitation for Bids, Invitation to Qualify, or Request for Proposals, as appropriate.

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
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1260	Color Seg 1 IRA 3530i II	0.00	Each	0.00	1 Each	0.00
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Invoice Plan:

Invoice Date

Invoice Value

*** New Item ***

General Requirements for all Items:

No further information for this contract.

Estimated Total Value:
 \$
 Currency: USD

**CONTRACT
FOR
COMMONWEALTH OF PENNSYLVANIA, DEPARTMENT OF GENERAL SERVICES
FOR DIGITAL MULTIFUNCTIONAL DEVICES**

THIS CONTRACT for the provision of **Digital Multifunctional Devices** ("Contract") is entered into by and between the **Commonwealth of Pennsylvania**, acting through the Department of General Services ("DGS"), and **Canon USA Inc** ("Contractor").

WHEREAS, DGS issued a Request For Proposals for the provision of **Digital Multifunctional Devices** for Commonwealth executive agencies, RFP No. **6100044411** ("RFP"); and

WHEREAS, Contractor submitted a proposal in response to the RFP; and

WHEREAS, DGS determined that it was in the best interest to award to all responsive and responsible offerors in accordance with 62 Pa. C.S. § 517(e)(3) and Contractor's proposal, was deemed responsive and responsible after taking into consideration all of the evaluation factors set forth in the RFP and selected Contractor for contract negotiations; and

WHEREAS, DGS and Contractor have negotiated this Contract as their final and entire agreement in regard to providing **Digital Multifunctional Devices** to the Commonwealth.

NOW THEREFORE, intending to be legally bound hereby, DGS and Contractor agree as follows:

1. Contractor shall, in accordance with the terms and conditions of this Contract, provide **Digital Multifunctional Devices** as more fully defined in the RFP, to Commonwealth executive agencies.
2. Commonwealth executive agencies shall procure their requirements for **Digital Multifunctional Devices** in accordance with the terms and conditions of this Contract.
3. Contractor agrees to provide the **Digital Multifunctional Devices** listed in its Cost Submittal, which is attached hereto as Exhibit B and made a part hereof, at the prices listed for those items in **Exhibit B**.
4. Contractor agrees to meet and maintain the commitments to small diverse businesses made in its Small Diverse Business and Small Business Submittal, which is attached hereto as **Exhibit C** and made a part hereof. Any proposed change to a small diverse business commitment must be submitted to the DGS Bureau of Diversity Inclusion and Small Business Opportunities ("BDISBO"), which will make a recommendation as to a course of action to the Contracting


Officer. Contractor shall complete the Prime Contractor's Quarterly Utilization Report and submit it to the Contracting Officer and BDISBO within ten (10) workdays at the end of each calendar quarter that the Contract is in effect.

5. This Contract is comprised of the following documents, which are listed in order of precedence in the event of a conflict between these documents:
 - a. The Contract document contained herein.
 - b. The Contract Terms and Conditions contained in the RFP, which is attached hereto as **Exhibit A** and made part of this Contract.
 - c. The Contractor's Cost Submittal, which is attached hereto as **Exhibit B** and made a part hereof.
 - d. The Contractor's Small Diverse Business Submittal, which is attached hereto as **Exhibit C** and made a part hereof.
 - e. The RFP, including all of the referenced Appendices and as revised by all Addenda issued thereto, which is attached hereto as **Exhibit D** and made a part hereof.
 - f. The Contractor's Technical Submittal, which is attached hereto as **Exhibit E** and made a part hereof.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have signed this Contract as of the dates written below. Execution by the Commonwealth will be as described in the Contract Terms and Conditions, paragraph 003.1b Signatures- Contract (March 2007).

Witness:


By: 
(Assistant) Secretary

Ed Friel
Printed Name/Date

CONTRACTOR:

By: 
(Vice) President

Toyotsugu Kuwamura
Printed Name/Date


Federal I.D. Number

**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES**

By: To be obtained electronically
Deputy Secretary for Procurement Date

APPROVED AS TO FORM AND LEGALITY:

To be obtained electronically
Office of Chief Counsel Date

8-FA-19.2
Office of General Counsel Date

8-FA-19.2
Office of Attorney General Date

**APPROVED FOR FISCAL RESPONSIBILITY,
BUDGETARY APPROPRIATENESS AND
AVAILABILITY OF FUNDS:**

To be obtained electronically
Comptroller Date

PART V - CONTRACT TERMS and CONDITIONS

V.1 CONTRACT-001.1a Contract Terms and Conditions (Nov 30 2006)

The Contract with the selected offeror (who shall become the "Contractor") shall include the following terms and conditions:

V.2 CONTRACT-002.1d Term of Contract – Contract (May 2012)

The initial term of the Contract shall be 02 year(s) and 00 month(s).

The term of the Contract shall commence on the Effective Date (as defined below) and shall end on the Expiration Date identified in the Contract, subject to the other provisions of the Contract.

The Effective Date shall be: a) the Effective Date printed on the Contract after the Contract has been fully executed by the Contractor and the Commonwealth (signed and approved as required by Commonwealth contracting procedures) or b) the "Valid from" date printed on the Contract, whichever is later.

V.3 CONTRACT-002.2a Renewal of Contract Term (Nov 30 2006)

The Contract may be renewed for a maximum of 3 additional 1 year term(s), so long as Commonwealth provides written notice to Contractor of its intention to extend the Contract by letter prior to the expiration of the term of the agreement, or any extension thereof. The Commonwealth may exercise the renewal as individual year or multiple year term(s). Any renewal will be under the same terms, covenants and conditions. No further document is required to be executed to renew the term of the contract.

V.4 CONTRACT-002.3 Extension of Contract Term (Nov 30 2006)

The Commonwealth reserves the right, upon notice to the Contractor, to extend any single term of the Contract for up to three (3) months upon the same terms and conditions.

V.5 CONTRACT-003.1b Signatures – Contract (July 2015)

The Contract shall not be a legally binding contract until the fully-executed Contract has been sent to the Contractor. No Commonwealth employee has the authority to verbally direct the commencement of any work or delivery of any supply under this Contract prior to the Effective Date. The Contractor hereby waives any claim or cause of action for any service or work performed prior to the Effective Date.

The Contract may be signed in counterparts. The Contractor shall sign the Contract and return it to the Commonwealth. After the Contract is signed by the Contractor and returned to the Commonwealth, it will be processed for Commonwealth signatures and approvals. When the Contract has been signed and approved by the Commonwealth as required by Commonwealth contracting procedures, the Commonwealth shall create a Contract output form which shall: 1) clearly indicate "Fully executed" at the top of the form; 2) include a printed Effective Date and 3) include the printed name of the Purchasing Agent indicating that the document has been electronically signed and approved by the Commonwealth. Until the Contractor receives the Contract output form with this information on the Contract output form, there is no legally binding contract between the parties.

The fully-executed Contract may be sent to the Contractor electronically or through facsimile equipment. The

electronic transmission of the Contract shall require acknowledgement of receipt of the transmission by the Contractor. Receipt of the electronic or facsimile transmission of the Contract shall constitute receipt of the fully-executed Contract.

The Commonwealth and the Contractor specifically agree as follows:

- a. No handwritten signature shall be required in order for the Contract to be legally enforceable.
- b. The parties agree that no writing shall be required in order to make the Contract legally binding, notwithstanding contrary requirements in any law. The parties hereby agree not to contest the validity or enforceability of a genuine Contract or acknowledgement issued electronically under the provisions of a statute of frauds or any other applicable law relating to whether certain agreements be in writing and signed by the party bound thereby. Any genuine Contract or acknowledgement issued electronically, if introduced as evidence on paper in any judicial, arbitration, mediation, or administrative proceedings, will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither party shall contest the admissibility of copies of a genuine Contract or acknowledgements under either the business records exception to the hearsay rule or the best evidence rule on the basis that the Contract or acknowledgement were not in writing or signed by the parties. A Contract or acknowledgement shall be deemed to be genuine for all purposes if it is transmitted to the location designated for such documents.
- c. Each party will immediately take steps to verify any document that appears to be obviously garbled in transmission or improperly formatted to include re-transmission of any such document if necessary.

V.6 CONTRACT-004.1a Definitions (Oct 2013)

As used in this Contract, these words shall have the following meanings:

- a. Agency: The department, board, commission or other agency of the Commonwealth of Pennsylvania listed as the Purchasing Agency. If a COSTARS entity or external procurement activity has issued an order against this contract, that entity shall also be identified as "Agency".
- b. Contracting Officer: The person authorized to administer this Contract for the Commonwealth and to make written determinations with respect to the Contract.
- c. Days: Unless specifically indicated otherwise, days mean calendar days.
- d. Developed Works or Developed Materials: All documents, sketches, drawings, designs, works, papers, files, reports, computer programs, computer documentation, data, records, software, samples or any other tangible material without limitation authored or prepared by Contractor as the work product covered in the scope of work for the Project.
- e. Documentation: All materials required to support and convey information about the services required by this Contract. It includes, but is not necessarily restricted to, written reports and analyses, diagrams, maps, logical and physical designs, system designs, computer programs, flow charts, disks, and/or other machine-readable storage media.
- f. Services: All Contractor activity necessary to satisfy the Contract.

V.7 CONTRACT-005.1a Purchase Orders (July 2015)

Commonwealth agencies may issue Purchase Orders against the Contract. These orders constitute the Contractor's authority to make delivery. All Purchase Orders received by the Contractor up to and including the expiration date of the Contract are acceptable and must be performed in accordance with the Contract. Each Purchase Order will be deemed to incorporate the terms and conditions set forth in the Contract.

Purchase Orders may be electronically signed by the Agency. The electronically-printed name of the purchaser represents the signature of that individual who has the authority, on behalf of the Commonwealth, to authorize the Contractor to proceed.

Purchase Orders may be issued electronically or through facsimile equipment. The electronic transmission of a purchase order shall require acknowledgement of receipt of the transmission by the Contractor. Receipt of the electronic or facsimile transmission of the Purchase Order shall constitute receipt of an order. Orders received by the Contractor after 4:00 p.m. will be considered received the following business day.

a. No handwritten signature shall be required in order for the Contract or Purchase Order to be legally enforceable.

b. The parties agree that no writing shall be required in order to make the Purchase Order legally binding. The parties hereby agree not to contest the validity or enforceability of a Purchase Order or acknowledgement issued electronically under the provisions of a statute of frauds or any other applicable law relating to whether certain agreements be in writing and signed by the party bound thereby. Any Purchase Order or acknowledgement issued electronically, if introduced as evidence on paper in any judicial, arbitration, mediation, or administrative proceedings, will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither party shall contest the admissibility of copies of Purchase Orders or acknowledgements under either the business records exception to the hearsay rule or the best evidence rule on the basis that the Purchase Order or acknowledgement were not in writing or signed by the parties. A Purchase Order or acknowledgment shall be deemed to be genuine for all purposes if it is transmitted to the location designated for such documents.

c. Each party will immediately take steps to verify any document that appears to be obviously garbled in transmission or improperly formatted to include re-transmission of any such document if necessary.

Purchase Orders under ten thousand dollars (\$10,000) in total amount may also be made in person or by telephone using a Commonwealth Purchasing Card. When an order is placed by telephone, the Commonwealth agency shall provide the agency name, employee name, credit card number, and expiration date of the card. Contractors agree to accept payment through the use of the Commonwealth Purchasing Card.

V.8 CONTRACT-006.1 Independent Prime Contractor (Oct 2006)

In performing its obligations under the Contract, the Contractor will act as an independent contractor and not as an employee or agent of the Commonwealth. The Contractor will be responsible for all services in this Contract whether or not Contractor provides them directly. Further, the Contractor is the sole point of contact with regard to all contractual matters, including payment of any and all charges resulting from the Contract.

V.9 CONTRACT-007.01a Supplies Delivery (Nov 30 2006)

All item(s) shall be delivered F.O.B. Destination. The Contractor agrees to bear the risk of loss, injury, or destruction of the item(s) ordered prior to receipt of the items by the Commonwealth. Such loss, injury, or destruction shall not release the Contractor from any contractual obligations. Except as otherwise provided in this contract, all item(s) must be delivered within the time period specified. Time is of the essence and, in addition to any other remedies, the Contract is subject to termination for failure to deliver as specified. Unless otherwise stated in this Contract, delivery must be made within thirty (30) days after the Effective Date.

V.10 CONTRACT-007.02 Estimated Quantities (Nov 30 2006)

It shall be understood and agreed that any quantities listed in the Contract are estimated only and may be increased or decreased in accordance with the actual requirements of the Commonwealth and that the Commonwealth in accepting any bid or portion thereof, contracts only and agrees to purchase only the materials and services in such quantities as represent the actual requirements of the Commonwealth. The Commonwealth reserves the right to purchase materials and services covered under the Contract through a separate competitive procurement procedure, whenever Commonwealth deems it to be in its best interest.

V.11 CONTRACT-008.1a Warranty (Oct 2006)

The Contractor warrants that all items furnished and all services performed by the Contractor, its agents and subcontractors shall be free and clear of any defects in workmanship or materials. Unless otherwise stated in the Contract, all items are warranted for a period of one year following delivery by the Contractor and acceptance by the Commonwealth. The Contractor shall repair, replace or otherwise correct any problem with the delivered item. When an item is replaced, it shall be replaced with an item of equivalent or superior quality without any additional cost to the Commonwealth.

V.12 CONTRACT-009.1c Patent, Copyright, and Trademark Indemnity (Oct 2013)

The Contractor warrants that it is the sole owner or author of, or has entered into a suitable legal agreement concerning either: a) the design of any product or process provided or used in the performance of the Contract which is covered by a patent, copyright, or trademark registration or other right duly authorized by state or federal law or b) any copyrighted matter in any report, document or other material provided to the Commonwealth under the contract.

The Contractor shall defend any suit or proceeding brought against the Commonwealth on account of any alleged patent, copyright or trademark infringement in the United States of any of the products provided or used in the performance of the Contract.

This is upon condition that the Commonwealth shall provide prompt notification in writing of such suit or proceeding; full right, authorization and opportunity to conduct the defense thereof; and full information and all reasonable cooperation for the defense of same.

As principles of governmental or public law are involved, the Commonwealth may participate in or choose to conduct, in its sole discretion, the defense of any such action.

If information and assistance are furnished by the Commonwealth at the Contractor's written request, it shall be at the Contractor's expense, but the responsibility for such expense shall be only that within the Contractor's written authorization.

The Contractor shall indemnify and hold the Commonwealth harmless from all damages, costs, and expenses, including attorney's fees that the Contractor or the Commonwealth may pay or incur by reason of any infringement or violation of the rights occurring to any holder of copyright, trademark, or patent interests and rights in any products provided or used in the performance of the Contract.

If any of the products provided by the Contractor in such suit or proceeding are held to constitute infringement and the use is enjoined, the Contractor shall, at its own expense and at its option, either procure the right to continue use of such infringement products, replace them with non-infringement equal performance products or modify them so that they are no longer infringing.

If the Contractor is unable to do any of the preceding, the Contractor agrees to remove all the equipment or software which are obtained contemporaneously with the infringing product, or, at the option of the Commonwealth, only those items of equipment or software which are held to be infringing, and to pay the Commonwealth: 1) any amounts paid by the Commonwealth towards the purchase of the product, less straight line depreciation; 2) any license fee paid by the Commonwealth for the use of any software, less an amount for the period of usage; and 3) the pro rata portion of any maintenance fee representing the time remaining in any period of maintenance paid for. The obligations of the Contractor under this paragraph continue without time limit. No costs or expenses shall be incurred for the account of the Contractor without its written consent.

V.13 CONTRACT-009.1d Ownership Rights (Oct 2006)

The Commonwealth shall have unrestricted authority to reproduce, distribute, and use any submitted report, data, or material, and any software or modifications and any associated documentation that is designed or developed and delivered to the Commonwealth as part of the performance of the Contract.

V.14 CONTRACT-010.1a Acceptance (Oct 2006)

No item(s) received by the Commonwealth shall be deemed accepted until the Commonwealth has had a reasonable opportunity to inspect the item(s). Any item(s) which is discovered to be defective or fails to conform to the specifications may be rejected upon initial inspection or at any later time if the defects contained in the item(s) or the noncompliance with the specifications were not reasonably ascertainable upon the initial inspection. It shall thereupon become the duty of the Contractor to remove rejected item(s) from the premises without expense to the Commonwealth within fifteen (15) days after notification. Rejected item(s) left longer than fifteen (15) days will be regarded as abandoned, and the Commonwealth shall have the right to dispose of them as its own property and shall retain that portion of the proceeds of any sale which represents the Commonwealth's costs and expenses in regard to the storage and sale of the item(s). Upon notice of rejection, the Contractor shall immediately replace all such rejected item(s) with others conforming to the specifications and which are not defective. If the Contractor fails, neglects or refuses to do so, the Commonwealth shall then have the right to procure a corresponding quantity of such item(s), and deduct from any monies due or that may thereafter become due to the Contractor, the difference between the price stated in the Contract and the cost thereof to the Commonwealth.

V.15 CONTRACT-010.2 Product Conformance (March 2012)

The Commonwealth reserves the right to require any and all Contractors to:

1. Provide certified data from laboratory testing performed by the Contractor, or performed by an independent laboratory, as specified by the Commonwealth.
2. Supply published manufacturer product documentation.
3. Permit a Commonwealth representative to witness testing at the Contractor's location or at an independent laboratory.
4. Complete a survey/questionnaire relating to the bid requirements and specifications.
5. Provide customer references.
6. Provide a product demonstration at a location near Harrisburg or the using agency location.

V.16 CONTRACT-010.3 Rejected Material Not Considered Abandoned (Oct 2013)

The Commonwealth shall have the right to not regard any rejected material as abandoned and to demand that the Contractor remove the rejected material from the premises within thirty (30) days of notification. The Contractor shall be responsible for removal of the rejected material as well as proper clean-up. If the Contractor fails or refuses to remove the rejected material as demanded by the Commonwealth, the Commonwealth may seek payment from, or set-off from any payments due to the Contractor under this or any other Contract with the Commonwealth, the costs of removal and clean-up. This is in addition to all other rights to recover costs incurred by the Commonwealth.

V.17 CONTRACT-011.1a Compliance With Law (Oct 2006)

The Contractor shall comply with all applicable federal and state laws and regulations and local ordinances in the performance of the Contract.

V.18 CONTRACT-013.1 Environmental Provisions (Oct 2006)

In the performance of the Contract, the Contractor shall minimize pollution and shall strictly comply with all applicable environmental laws and regulations, including, but not limited to: the Clean Streams Law Act of June

22, 1937 (P.L. 1987, No. 394), as amended 35 P.S. Section 691.601 et seq.; the Pennsylvania Solid Waste Management Act, Act of July 7, 1980 (P.L. 380, No. 97), as amended, 35 P.S. Section 6018.101 et seq.; and the Dam Safety and Encroachment Act, Act of November 26, 1978 (P.L. 1375, No. 325), as amended, 32 P.S. Section 693.1.

V.19 CONTRACT-014.1 Post-Consumer Recycled Content (June 2016)

Except as specifically waived by the Department of General Services in writing, any products which are provided to the Commonwealth as a part of the performance of the Contract must meet the minimum percentage levels for total recycled content as specified by the Environmental Protection Agency in its Comprehensive Procurement Guidelines, which can be found at <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.

V.20 CONTRACT-014.3 Recycled Content Enforcement (Feb 2009)

The Contractor may be required, after delivery of the Contract item(s), to provide the Commonwealth with documentary evidence that the item(s) was in fact produced with the required minimum percentage of post-consumer and recovered material content.

V.21 CONTRACT-015.1 Compensation (Oct 2006)

The Contractor shall be required to furnish the awarded item(s) at the price(s) quoted in the Purchase Order. All item(s) shall be delivered within the time period(s) specified in the Purchase Order. The Contractor shall be compensated only for item(s) that are delivered and accepted by the Commonwealth.

V.22 CONTRACT-015.2 Billing Requirements (February 2012)

Unless the Contractor has been authorized by the Commonwealth for Evaluated Receipt Settlement or Vendor Self-Invoicing, the Contractor shall include in all of its invoices the following minimum information:

- Vendor name and "Remit to" address, including SAP Vendor number;
- Bank routing information, if ACH;
- SAP Purchase Order number;
- Delivery Address, including name of Commonwealth agency;
- Description of the supplies/services delivered in accordance with SAP Purchase Order (include purchase order line number if possible);
- Quantity provided;
- Unit price;
- Price extension;
- Total price; and
- Delivery date of supplies or services.

If an invoice does not contain the minimum information set forth in this paragraph, the Commonwealth may return the invoice as improper. If the Commonwealth returns an invoice as improper, the time for processing a payment will be suspended until the Commonwealth receives a correct invoice. The Contractor may not receive payment until the Commonwealth has received a correct invoice.

Contractors are required to establish separate billing accounts with each using agency and invoice them directly. Each invoice shall be itemized with adequate detail and match the line item on the Purchase Order. In no instance shall any payment be made for services to the Contractor that are not in accordance with the prices on the Purchase Order, the Contract, updated price lists or any discounts negotiated by the purchasing agency.

V.23 CONTRACT-016.1 Payment (Oct 2006)

- a. The Commonwealth shall put forth reasonable efforts to make payment by the required payment date. The required payment date is: (a) the date on which payment is due under the terms of the Contract; (b) thirty (30)

days after a proper invoice actually is received at the "Bill To" address if a date on which payment is due is not specified in the Contract (a "proper" invoice is not received until the Commonwealth accepts the service as satisfactorily performed); or (c) the payment date specified on the invoice if later than the dates established by (a) and (b) above. Payment may be delayed if the payment amount on an invoice is not based upon the price(s) as stated in the Contract. If any payment is not made within fifteen (15) days after the required payment date, the Commonwealth may pay interest as determined by the Secretary of Budget in accordance with Act No. 266 of 1982 and regulations promulgated pursuant thereto. Payment should not be construed by the Contractor as acceptance of the service performed by the Contractor. The Commonwealth reserves the right to conduct further testing and inspection after payment, but within a reasonable time after performance, and to reject the service if such post payment testing or inspection discloses a defect or a failure to meet specifications. The Contractor agrees that the Commonwealth may set off the amount of any state tax liability or other obligation of the Contractor or its subsidiaries to the Commonwealth against any payments due the Contractor under any contract with the Commonwealth.

- b. The Commonwealth shall have the option of using the Commonwealth purchasing card to make purchases under the Contract or Purchase Order. The Commonwealth's purchasing card is similar to a credit card in that there will be a small fee which the Contractor will be required to pay and the Contractor will receive payment directly from the card issuer rather than the Commonwealth. Any and all fees related to this type of payment are the responsibility of the Contractor. In no case will the Commonwealth allow increases in prices to offset credit card fees paid by the Contractor or any other charges incurred by the Contractor, unless specifically stated in the terms of the Contract or Purchase Order.

V.24 CONTRACT-016.2 ACH Payments (Aug 2007)

- a. The Commonwealth will make contract payments through the Automated Clearing House (ACH). Within 10 days of award of the contract or purchase order, the contractor must submit or must have already submitted their ACH information within their user profile in the Commonwealth's procurement system (SRM).
- b. The contractor must submit a unique invoice number with each invoice submitted. The unique invoice number will be listed on the Commonwealth of Pennsylvania's ACH remittance advice to enable the contractor to properly apply the state agency's payment to the invoice submitted.
- c. It is the responsibility of the contractor to ensure that the ACH information contained in SRM is accurate and complete. Failure to maintain accurate and complete information may result in delays in payments.

V.25 CONTRACT-017.1 Taxes (Dec 5 2006)

The Commonwealth is exempt from all excise taxes imposed by the Internal Revenue Service and has accordingly registered with the Internal Revenue Service to make tax free purchases under Registration No. 23-23740001-K. With the exception of purchases of the following items, no exemption certificates are required and none will be issued: undyed diesel fuel, tires, trucks, gas guzzler emergency vehicles, and sports fishing equipment. The Commonwealth is also exempt from Pennsylvania state sales tax, local sales tax, public transportation assistance taxes and fees and vehicle rental tax. The Department of Revenue regulations provide that exemption certificates are not required for sales made to governmental entities and none will be issued. Nothing in this paragraph is meant to exempt a construction contractor from the payment of any of these taxes or fees which are required to be paid with respect to the purchase, use, rental, or lease of tangible personal property or taxable services used or transferred in connection with the performance of a construction contract.

V.26 CONTRACT-018.1 Assignment of Antitrust Claims (Oct 2006)

The Contractor and the Commonwealth recognize that in actual economic practice, overcharges by the Contractor's suppliers resulting from violations of state or federal antitrust laws are in fact borne by the Commonwealth. As part of the consideration for the award of the Contract, and intending to be legally bound, the Contractor assigns to the Commonwealth all right, title and interest in and to any claims the Contractor now has, or may acquire, under state or federal antitrust laws relating to the products and services which are the subject of this Contract.

V.27 CONTRACT-019.1 Hold Harmless Provision (Nov 30 2006)

- a. The Contractor shall hold the Commonwealth harmless from and indemnify the Commonwealth against any and all third party claims, demands and actions based upon or arising out of any activities performed by the

Contractor and its employees and agents under this Contract, provided the Commonwealth gives Contractor prompt notice of any such claim of which it learns. Pursuant to the Commonwealth Attorneys Act (71 P.S. Section 732-101, et seq.), the Office of Attorney General (OAG) has the sole authority to represent the Commonwealth in actions brought against the Commonwealth. The OAG may, however, in its sole discretion and under such terms as it deems appropriate, delegate its right of defense. If OAG delegates the defense to the Contractor, the Commonwealth will cooperate with all reasonable requests of Contractor made in the defense of such suits.

- b. Notwithstanding the above, neither party shall enter into any settlement without the other party's written consent, which shall not be unreasonably withheld. The Commonwealth may, in its sole discretion, allow the Contractor to control the defense and any related settlement negotiations.

V.28 CONTRACT-020.1 Audit Provisions (Oct 2006)

The Commonwealth shall have the right, at reasonable times and at a site designated by the Commonwealth, to audit the books, documents and records of the Contractor to the extent that the books, documents and records relate to costs or pricing data for the Contract. The Contractor agrees to maintain records which will support the prices charged and costs incurred for the Contract. The Contractor shall preserve books, documents and records that relate to costs or pricing data for the Contract for a period of three (3) years from the date of final payment. The Contractor shall give full and free access to all records to the Commonwealth and/or their authorized representatives.

V.29 CONTRACT-021.1 Default (Oct 2013)

a. The Commonwealth may, subject to the Force Majeure provisions of this Contract, and in addition to its other rights under the Contract, declare the Contractor in default by written notice thereof to the Contractor, and terminate (as provided in the Termination Provisions of this Contract) the whole or any part of this Contract or any Purchase Order for any of the following reasons:

- 1) Failure to begin work within the time specified in the Contract or Purchase Order or as otherwise specified;
- 2) Failure to perform the work with sufficient labor, equipment, or material to ensure the completion of the specified work in accordance with the Contract or Purchase Order terms;
- 3) Unsatisfactory performance of the work;
- 4) Failure to deliver the awarded item(s) within the time specified in the Contract or Purchase Order or as otherwise specified;
- 5) Improper delivery;
- 6) Failure to provide an item(s) which is in conformance with the specifications referenced in the Contract or Purchase Order;
- 7) Delivery of a defective item;
- 8) Failure or refusal to remove material, or remove and replace any work rejected as defective or unsatisfactory;
- 9) Discontinuance of work without approval;
- 10) Failure to resume work, which has been discontinued, within a reasonable time after notice to do so;
- 11) Insolvency or bankruptcy;
- 12) Assignment made for the benefit of creditors;
- 13) Failure or refusal within 10 days after written notice by the Contracting Officer, to make payment or show cause why payment should not be made, of any amounts due for materials furnished, labor supplied or performed, for

equipment rentals, or for utility services rendered;

14) Failure to protect, to repair, or to make good any damage or injury to property;

15) Breach of any provision of the Contract;

16) Failure to comply with representations made in the Contractor's bid/proposal; or

17) Failure to comply with applicable industry standards, customs, and practice.

b. In the event that the Commonwealth terminates this Contract or any Purchase Order in whole or in part as provided in Subparagraph a. above, the Commonwealth may procure, upon such terms and in such manner as it determines, items similar or identical to those so terminated, and the Contractor shall be liable to the Commonwealth for any reasonable excess costs for such similar or identical items included within the terminated part of the Contract or Purchase Order.

c. If the Contract or a Purchase Order is terminated as provided in Subparagraph a. above, the Commonwealth, in addition to any other rights provided in this paragraph, may require the Contractor to transfer title and deliver immediately to the Commonwealth in the manner and to the extent directed by the Contracting Officer, such partially completed items, including, where applicable, reports, working papers and other documentation, as the Contractor has specifically produced or specifically acquired for the performance of such part of the Contract or Purchase Order as has been terminated. Except as provided below, payment for completed work accepted by the Commonwealth shall be at the Contract price. Except as provided below, payment for partially completed items including, where applicable, reports and working papers, delivered to and accepted by the Commonwealth shall be in an amount agreed upon by the Contractor and Contracting Officer. The Commonwealth may withhold from amounts otherwise due the Contractor for such completed or partially completed works, such sum as the Contracting Officer determines to be necessary to protect the Commonwealth against loss.

d. The rights and remedies of the Commonwealth provided in this paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

e. The Commonwealth's failure to exercise any rights or remedies provided in this paragraph shall not be construed to be a waiver by the Commonwealth of its rights and remedies in regard to the event of default or any succeeding event of default.

f. Following exhaustion of the Contractor's administrative remedies as set forth in the Contract Controversies Provision of the Contract, the Contractor's exclusive remedy shall be to seek damages in the Board of Claims.

V.30 CONTRACT-022.1 Force Majeure (Oct 2006)

Neither party will incur any liability to the other if its performance of any obligation under this Contract is prevented or delayed by causes beyond its control and without the fault or negligence of either party. Causes beyond a party's control may include, but aren't limited to, acts of God or war, changes in controlling law, regulations, orders or the requirements of any governmental entity, severe weather conditions, civil disorders, natural disasters, fire, epidemics and quarantines, general strikes throughout the trade, and freight embargoes.

The Contractor shall notify the Commonwealth orally within five (5) days and in writing within ten (10) days of the date on which the Contractor becomes aware, or should have reasonably become aware, that such cause would prevent or delay its performance. Such notification shall (i) describe fully such cause(s) and its effect on performance, (ii) state whether performance under the contract is prevented or delayed and (iii) if performance is delayed, state a reasonable estimate of the duration of the delay. The Contractor shall have the burden of proving that such cause(s) delayed or prevented its performance despite its diligent efforts to perform and shall produce such supporting documentation as the Commonwealth may reasonably request. After receipt of such notification, the Commonwealth may elect to cancel the Contract, cancel the Purchase Order, or to extend the time for performance as reasonably necessary to compensate for the Contractor's delay.

In the event of a declared emergency by competent governmental authorities, the Commonwealth by notice to the Contractor, may suspend all or a portion of the Contract or Purchase Order.

V.31 CONTRACT-023.1a Termination Provisions (Oct 2013)

The Commonwealth has the right to terminate this Contract or any Purchase Order for any of the following reasons. Termination shall be effective upon written notice to the Contractor.

a. **TERMINATION FOR CONVENIENCE:** The Commonwealth shall have the right to terminate the Contract or a Purchase Order for its convenience if the Commonwealth determines termination to be in its best interest. The Contractor shall be paid for work satisfactorily completed prior to the effective date of the termination, but in no event shall the Contractor be entitled to recover loss of profits.

b. **NON-APPROPRIATION:** The Commonwealth's obligation to make payments during any Commonwealth fiscal year succeeding the current fiscal year shall be subject to availability and appropriation of funds. When funds (state and/or federal) are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year period, the Commonwealth shall have the right to terminate the Contract or a Purchase Order. The Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the supplies or services delivered under the Contract. Such reimbursement shall not include loss of profit, loss of use of money, or administrative or overhead costs. The reimbursement amount may be paid from any appropriations available for that purpose.

c. **TERMINATION FOR CAUSE:** The Commonwealth shall have the right to terminate the Contract or a Purchase Order for Contractor default under the Default Clause upon written notice to the Contractor. The Commonwealth shall also have the right, upon written notice to the Contractor, to terminate the Contract or a Purchase Order for other cause as specified in the Contract or by law. If it is later determined that the Commonwealth erred in terminating the Contract or a Purchase Order for cause, then, at the Commonwealth's discretion, the Contract or Purchase Order shall be deemed to have been terminated for convenience under the Subparagraph a.

V.32 CONTRACT-024.1 Contract Controversies (Oct 2011)

a. In the event of a controversy or claim arising from the Contract, the Contractor must, within six months after the cause of action accrues, file a written claim with the contracting officer for a determination. The claim shall state all grounds upon which the Contractor asserts a controversy exists. If the Contractor fails to file a claim or files an untimely claim, the Contractor is deemed to have waived its right to assert a claim in any forum. At the time the claim is filed, or within sixty (60) days thereafter, either party may request mediation through the Commonwealth Office of General Counsel Dispute Resolution Program.

b. If the Contractor or the contracting officer requests mediation and the other party agrees, the contracting officer shall promptly make arrangements for mediation. Mediation shall be scheduled so as to not delay the issuance of the final determination beyond the required 120 days after receipt of the claim if mediation is unsuccessful. If mediation is not agreed to or if resolution is not reached through mediation, the contracting officer shall review timely-filed claims and issue a final determination, in writing, regarding the claim. The final determination shall be issued within 120 days of the receipt of the claim, unless extended by consent of the contracting officer and the Contractor. The contracting officer shall send his/her written determination to the Contractor. If the contracting officer fails to issue a final determination within the 120 days (unless extended by consent of the parties), the claim shall be deemed denied. The contracting officer's determination shall be the final order of the purchasing agency.

c. Within fifteen (15) days of the mailing date of the determination denying a claim or within 135 days of filing a claim if, no extension is agreed to by the parties, whichever occurs first, the Contractor may file a statement of claim with the Commonwealth Board of Claims. Pending a final judicial resolution of a controversy or claim, the Contractor shall proceed diligently with the performance of the Contract in a manner consistent with the determination of the contracting officer and the Commonwealth shall compensate the Contractor pursuant to the

terms of the Contract.

V.33 CONTRACT-025.1 Assignability and Subcontracting (Oct 2013)

- a. Subject to the terms and conditions of this paragraph, this Contract shall be binding upon the parties and their respective successors and assigns.
- b. The Contractor shall not subcontract with any person or entity to perform all or any part of the work to be performed under this Contract without the prior written consent of the Contracting Officer, which consent may be withheld at the sole and absolute discretion of the Contracting Officer.
- c. The Contractor may not assign, in whole or in part, this Contract or its rights, duties, obligations, or responsibilities hereunder without the prior written consent of the Contracting Officer, which consent may be withheld at the sole and absolute discretion of the Contracting Officer.
- d. Notwithstanding the foregoing, the Contractor may, without the consent of the Contracting Officer, assign its rights to payment to be received under the Contract, provided that the Contractor provides written notice of such assignment to the Contracting Officer together with a written acknowledgement from the assignee that any such payments are subject to all of the terms and conditions of this Contract.
- e. For the purposes of this Contract, the term "assign" shall include, but shall not be limited to, the sale, gift, assignment, pledge, or other transfer of any ownership interest in the Contractor provided, however, that the term shall not apply to the sale or other transfer of stock of a publicly traded company.
- f. Any assignment consented to by the Contracting Officer shall be evidenced by a written assignment agreement executed by the Contractor and its assignee in which the assignee agrees to be legally bound by all of the terms and conditions of the Contract and to assume the duties, obligations, and responsibilities being assigned.
- g. A change of name by the Contractor, following which the Contractor's federal identification number remains unchanged, shall not be considered to be an assignment hereunder. The Contractor shall give the Contracting Officer written notice of any such change of name.

V.34 CONTRACT-026.1 Other Contractors (Oct 2006)

The Commonwealth may undertake or award other contracts for additional or related work, and the Contractor shall fully cooperate with other contractors and Commonwealth employees, and coordinate its work with such additional work as may be required. The Contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or by Commonwealth employees. This paragraph shall be included in the Contracts of all contractors with which this Contractor will be required to cooperate. The Commonwealth shall equitably enforce this paragraph as to all contractors to prevent the imposition of unreasonable burdens on any contractor.

V.35 CONTRACT-027.1 Nondiscrimination/Sexual Harassment Clause (August 2017)

The Contractor agrees:

1. In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the contract or any subcontract, the Contractor, each subcontractor, or any person acting on behalf of the Contractor or subcontractor shall not discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the *Pennsylvania Human Relations Act* (PHRA) and applicable federal laws, against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.
2. Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the PHRA

and applicable federal laws, against or intimidate any employee involved in the manufacture of supplies, the performance of work, or any other activity required under the contract.

3. The Contractor and each subcontractor shall establish and maintain a written nondiscrimination and sexual harassment policy and shall inform their employees in writing of the policy. The policy must contain a provision that sexual harassment will not be tolerated and employees who practice it will be disciplined. Posting this Nondiscrimination/Sexual Harassment Clause conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the contracted services are performed shall satisfy this requirement for employees with an established work site.

4. The Contractor and each subcontractor shall not discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of PHRA and applicable federal laws, against any subcontractor or supplier who is qualified to perform the work to which the contract relates.

5. The Contractor and each subcontractor represents that it is presently in compliance with and will maintain compliance with all applicable federal, state, and local laws, regulations and policies relating to nondiscrimination and sexual harassment. The Contractor and each subcontractor further represents that it has filed a Standard Form 100 Employer Information Report ("EEO-1") with the U.S. Equal Employment Opportunity Commission ("EEOC") and shall file an annual EEO-1 report with the EEOC as required for employers' subject to *Title VII of the Civil Rights Act of 1964*, as amended, that have 100 or more employees and employers that have federal government contracts or first-tier subcontracts and have 50 or more employees. The Contractor and each subcontractor shall, upon request and within the time periods requested by the Commonwealth, furnish all necessary employment documents and records, including EEO-1 reports, and permit access to their books, records, and accounts by the contracting agency and the Bureau of Diversity, Inclusion and Small Business Opportunities for purpose of ascertaining compliance with provisions of this Nondiscrimination/Sexual Harassment Clause.

6. The Contractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that those provisions applicable to subcontractors will be binding upon each subcontractor.

7. The Contractor's and each subcontractor's obligations pursuant to these provisions are ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor and each subcontractor shall have an obligation to inform the Commonwealth if, at any time during the term of the contract, it becomes aware of any actions or occurrences that would result in violation of these provisions.

8. The Commonwealth may cancel or terminate the contract and all money due or to become due under the contract may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the agency may proceed with debarment or suspension and may place the Contractor in the Contractor Responsibility File.

V.36 CONTRACT-028.1 Contractor Integrity Provisions (Jan 2015)

It is essential that those who seek to contract with the Commonwealth of Pennsylvania ("Commonwealth") observe high standards of honesty and integrity. They must conduct themselves in a manner that fosters public confidence in the integrity of the Commonwealth contracting and procurement process.

1. DEFINITIONS. For purposes of these Contractor Integrity Provisions, the following terms shall have the meanings found in this Section:

a. "Affiliate" means two or more entities where (a) a parent entity owns more than fifty percent of the voting stock of each of the entities; or (b) a common shareholder or group of shareholders owns more than fifty percent of the voting stock of each of the entities; or (c) the entities have a common proprietor or general partner.

b. "Consent" means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of the execution of this contract.

c. "Contractor" means the individual or entity, that has entered into this contract with the Commonwealth.

d. "Contractor Related Parties" means any affiliates of the Contractor and the Contractor's executive officers, Pennsylvania officers and directors, or owners of 5 percent or more interest in the Contractor.

e. "Financial Interest" means either:

(1) Ownership of more than a five percent interest in any business; or

(2) Holding a position as an officer, director, trustee, partner, employee, or holding any position of management.

f. "Gratuity" means tendering, giving, or providing anything of more than nominal monetary value including, but not limited to, cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind. The exceptions set forth in the *Governor's Code of Conduct, Executive Order 1980-18, the 4 Pa. Code §7.153(b)*, shall apply.

g. "Non-bid Basis" means a contract awarded or executed by the Commonwealth with Contractor without seeking bids or proposals from any other potential bidder or offeror.

2. In furtherance of this policy, Contractor agrees to the following:

a. Contractor shall maintain the highest standards of honesty and integrity during the performance of this contract and shall take no action in violation of state or federal laws or regulations or any other applicable laws or regulations, or other requirements applicable to Contractor or that govern contracting or procurement with the Commonwealth.

b. Contractor shall establish and implement a written business integrity policy, which includes, at a minimum, the requirements of these provisions as they relate to the Contractor activity with the Commonwealth and Commonwealth employees and which is made known to all Contractor employees. Posting these Contractor Integrity Provisions conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the contract services are performed shall satisfy this requirement.

c. Contractor, its affiliates, agents, employees and anyone in privity with Contractor shall not accept, agree to give, offer, confer or agree to confer or promise to confer, directly or indirectly, any gratuity or pecuniary benefit to any person, or to influence or attempt to influence any person in violation of any federal or state law, regulation, executive order of the Governor of Pennsylvania, statement of policy, management directive or any other published standard of the Commonwealth in connection with performance of work under this contract, except as provided in this contract.

d. Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor or material under this contract, unless the financial interest is disclosed to the Commonwealth in writing and the Commonwealth consents to Contractor's financial interest prior to Commonwealth execution of the contract. Contractor shall disclose the financial interest to the Commonwealth at the time of bid or proposal submission, or if no bids or proposals are solicited, no later than the Contractor's submission of the contract signed by Contractor.

e. Contractor certifies to the best of its knowledge and belief that within the last five (5) years Contractor or Contractor Related Parties have not:

(1) been indicted or convicted of a crime involving moral turpitude or business honesty or integrity in any jurisdiction;

(2) been suspended, debarred or otherwise disqualified from entering into any contract with any governmental agency;

(3) had any business license or professional license suspended or revoked;

(4) had any sanction or finding of fact imposed as a result of a judicial or administrative proceeding related to fraud, extortion, bribery, bid rigging, embezzlement, misrepresentation or anti-trust; and

(5) been, and is not currently, the subject of a criminal investigation by any federal, state or local prosecuting or investigative agency and/or civil anti-trust investigation by any federal, state or local prosecuting or investigative agency.

If Contractor cannot so certify to the above, then it must submit along with its bid, proposal or contract a written explanation of why such certification cannot be made and the Commonwealth will determine whether a contract may be entered into with the Contractor. The Contractor's obligation pursuant to this certification is ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to immediately notify the Commonwealth in writing if at any time during the term of the contract it becomes aware of any event which would cause the Contractor's certification or explanation to change. Contractor acknowledges that the Commonwealth may, in its sole discretion, terminate the contract for cause if it learns that any of the certifications made herein are currently false due to intervening factual circumstances or were false or should have been known to be false when entering into the contract.

f. Contractor shall comply with the requirements of the *Lobbying Disclosure Act (65 Pa.C.S. §13A01 et seq.)* regardless of the method of award. If this contract was awarded on a Non-bid Basis, Contractor must also comply with the requirements of the *Section 1641 of the Pennsylvania Election Code (25 P.S. §3260a)*.

g. When contractor has reason to believe that any breach of ethical standards as set forth in law, the Governor's Code of Conduct, or these Contractor Integrity Provisions has occurred or may occur, including but not limited to contact by a Commonwealth officer or employee which, if acted upon, would violate such ethical standards, Contractor shall immediately notify the Commonwealth contracting officer or the Office of the State Inspector General in writing.

h. Contractor, by submission of its bid or proposal and/or execution of this contract and by the submission of any bills, invoices or requests for payment pursuant to the contract, certifies and represents that it has not violated any of these Contractor Integrity Provisions in connection with the submission of the bid or proposal, during any contract negotiations or during the term of the contract, to include any extensions thereof. Contractor shall immediately notify the Commonwealth in writing of any actions or occurrences that would result in a violation of these Contractor Integrity Provisions. Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of the State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth that results in the suspension or debarment of the Contractor. Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.

i. Contractor shall cooperate with the Office of the State Inspector General in its investigation of any alleged Commonwealth agency or employee breach of ethical standards and any alleged Contractor non-compliance with these Contractor Integrity Provisions. Contractor agrees to make identified Contractor employees available for interviews at reasonable times and places. Contractor, upon the inquiry or request of an Inspector General, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Office of the State Inspector General to Contractor's integrity and compliance with these provisions. Such information may include, but shall not be limited to, Contractor's business or financial records, documents or files of any type or form that refer to or concern this contract. Contractor shall incorporate this paragraph in any agreement, contract or subcontract it enters into in the course of the performance of this contract/agreement solely for the purpose of obtaining subcontractor compliance with this provision. The incorporation of this provision in a subcontract shall not create privity of contract between the Commonwealth and any such subcontractor, and no third party beneficiaries shall be created thereby.

j. For violation of any of these Contractor Integrity Provisions, the Commonwealth may terminate this and any other contract with Contractor, claim liquidated damages in an amount equal to the value of anything received in breach of these Provisions, claim damages for all additional costs and expenses incurred in obtaining another contractor to complete performance under this contract, and debar and suspend Contractor from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or non-use of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation or otherwise.

V.37 CONTRACT-029.1 Contractor Responsibility Provisions (Nov 2010)

For the purpose of these provisions, the term contractor is defined as any person, including, but not limited to, a bidder, offeror, loan recipient, grantee or lessor, who has furnished or performed or seeks to furnish or perform,

goods, supplies, services, leased space, construction or other activity, under a contract, grant, lease, purchase order or reimbursement agreement with the Commonwealth of Pennsylvania (Commonwealth). The term contractor includes a permittee, licensee, or any agency, political subdivision, instrumentality, public authority, or other public entity in the Commonwealth.

1. The Contractor certifies, in writing, for itself and its subcontractors required to be disclosed or approved by the Commonwealth, that as of the date of its execution of this Bid/Contract, that neither the Contractor, nor any such subcontractors, are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if the Contractor cannot so certify, then it agrees to submit, along with its Bid/Contract, a written explanation of why such certification cannot be made.
2. The Contractor also certifies, in writing, that as of the date of its execution of this Bid/Contract it has no tax liabilities or other Commonwealth obligations, or has filed a timely administrative or judicial appeal if such liabilities or obligations exist, or is subject to a duly approved deferred payment plan if such liabilities exist.
3. The Contractor's obligations pursuant to these provisions are ongoing from and after the effective date of the Contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to inform the Commonwealth if, at any time during the term of the Contract, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if it or, to the best knowledge of the Contractor, any of its subcontractors are suspended or debarred by the Commonwealth, the federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment.
4. The failure of the Contractor to notify the Commonwealth of its suspension or debarment by the Commonwealth, any other state, or the federal government shall constitute an event of default of the Contract with the Commonwealth.
5. The Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth that results in the suspension or debarment of the contractor. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.
6. The Contractor may obtain a current list of suspended and debarred Commonwealth contractors by either searching the Internet at <http://www.dgs.state.pa.us/> or contacting the:

Department of General Services
Office of Chief Counsel
603 North Office Building
Harrisburg, PA 17125
Telephone No: (717) 783-6472
FAX No: (717) 787-9138

V.38 CONTRACT-030.1 Americans with Disabilities Act (Oct 2006)

- a. Pursuant to federal regulations promulgated under the authority of The Americans With Disabilities Act, 28 C.F.R. Section 35.101 et seq., the Contractor understands and agrees that it shall not cause any individual with a disability to be excluded from participation in this Contract or from activities provided for under this Contract on the basis of the disability. As a condition of accepting this contract, the Contractor agrees to comply with the "General Prohibitions Against Discrimination," 28 C.F.R. Section 35.130, and all other regulations promulgated under Title II of The Americans With Disabilities Act which are applicable to all benefits, services, programs, and activities provided by the Commonwealth of Pennsylvania through contracts with outside contractors.
- b. The Contractor shall be responsible for and agrees to indemnify and hold harmless the Commonwealth of Pennsylvania from all losses, damages, expenses, claims, demands, suits, and actions brought by any party against the Commonwealth of Pennsylvania as a result of the Contractor's failure to comply with the provisions of Subparagraph a. above.

V.39 CONTRACT-031.1 Hazardous Substances (April 2017)

The Contractor shall provide information to the Commonwealth about the identity and hazards of hazardous substances supplied or used by the Contractor in the performance of the Contract. The Contractor must comply with Act 159 of October 5, 1984, known as the "Worker and Community Right to Know Act" (the "Act") and the regulations promulgated pursuant thereto at 34 Pa. Code Section 301.1 - 323.6.

a. Labeling. The Contractor shall ensure that each individual product (as well as the carton, container or package in which the product is shipped) of any of the following substances (as defined by the Act and the regulations) supplied by the Contractor is clearly labeled, tagged or marked with the information listed in Subparagraphs (1) through (4):

1) Hazardous substances:

- a) The chemical name or common name,
- b) A hazard warning, and
- c) The name, address, and telephone number of the manufacturer.

2) Hazardous mixtures:

- a) The common name, but if none exists, then the trade name,
- b) The chemical or common name of special hazardous substances comprising .01% or more of the mixture,
- c) The chemical or common name of hazardous substances consisting 1.0% or more of the mixture,
- d) A hazard warning, and
- e) The name, address, and telephone number of the manufacturer.

3) Single chemicals:

- a) The chemical name or the common name,
- b) A hazard warning, if appropriate, and
- c) The name, address, and telephone number of the manufacturer.

4) Chemical Mixtures:

- a) The common name, but if none exists, then the trade name,
- b) A hazard warning, if appropriate,
- c) The name, address, and telephone number of the manufacturer, and

d) The chemical name or common name of either the top five substances by volume or those substances consisting of 5.0% or more of the mixture.

A common name or trade name may be used only if the use of the name more easily or readily identifies the true nature of the hazardous substance, hazardous mixture, single chemical, or mixture involved.

Container labels shall provide a warning as to the specific nature of the hazard arising from the substance in the container.

The hazard warning shall be given in conformity with one of the nationally recognized and accepted systems of providing warnings, and hazard warnings shall be consistent with one or more of the recognized systems throughout

the workplace. Examples are:

- NFPA 704, Identification of the Fire Hazards of Materials.
- National Paint and Coatings Association: Hazardous Materials Identification System.
- American Society for Testing and Materials, Safety Alert Pictorial Chart.
- American National Standard Institute, Inc., for the Precautionary Labeling of Hazardous Industrial Chemicals.

Labels must be legible and prominently affixed to and displayed on the product and the carton, container, or package so that employees can easily identify the substance or mixture present therein.

b. Material Safety Data Sheet. The contractor shall provide Material Safety Data Sheets (MSDS) with the information required by the Act and the regulations for each hazardous substance or hazardous mixture. The Commonwealth must be provided an appropriate MSDS with the initial shipment and with the first shipment after an MSDS is updated or product changed. For any other chemical, the contractor shall provide an appropriate MSDS, if the manufacturer, importer, or supplier produces or possesses the MSDS. The contractor shall also notify the Commonwealth when a substance or mixture is subject to the provisions of the Act. Material Safety Data Sheets may be attached to the carton, container, or package mailed to the Commonwealth at the time of shipment.

V.40 CONTRACT-032.1 Covenant Against Contingent Fees (Oct 2006)

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the Commonwealth shall have the right to terminate the Contract without liability or in its discretion to deduct from the Contract price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

V.41 CONTRACT-033.1 Applicable Law (Oct 2006)

This Contract shall be governed by and interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania (without regard to any conflict of laws provisions) and the decisions of the Pennsylvania courts. The Contractor consents to the jurisdiction of any court of the Commonwealth of Pennsylvania and any federal courts in Pennsylvania, waiving any claim or defense that such forum is not convenient or proper. The Contractor agrees that any such court shall have in personam jurisdiction over it, and consents to service of process in any manner authorized by Pennsylvania law.

V.42 CONTRACT-034.1a Integration – RFP (Dec 12 2006)

This Contract, including the Request for Proposals, Contractor's Proposal, Contractor's Best and Final Offer, if any, all referenced documents, and any Purchase Order constitutes the entire agreement between the parties. No agent, representative, employee or officer of either the Commonwealth or the Contractor has authority to make, or has made, any statement, agreement or representation, oral or written, in connection with the Contract, which in any way can be deemed to modify, add to or detract from, or otherwise change or alter its terms and conditions. No negotiations between the parties, nor any custom or usage, shall be permitted to modify or contradict any of the terms and conditions of the Contract. No modifications, alterations, changes, or waiver to the Contract or any of its terms shall be valid or binding unless accomplished by a written amendment signed by both parties.

V.43 CONTRACT-034.2a Order of Precedence - RFP (Dec 12 2006)

In the event there is a conflict among the documents comprising this Contract, the Commonwealth and the Contractor agree on the following order of precedence: the Contract; the RFP, the Best and Final Offer, if any; the Contractor's Proposal in Response to the RFP.

V.44 CONTRACT-034.3 Controlling Terms and Conditions (Aug 2011)

The terms and conditions of this Contract shall be the exclusive terms of agreement between the Contractor and the Commonwealth. All quotations requested and received from the Contractor are for obtaining firm pricing only. Other terms and conditions or additional terms and conditions included or referenced in the Contractor's quotations, invoices, business forms, or other documentation shall not become part of the parties' agreement and shall be disregarded by the parties, unenforceable by the Contractor and not binding on the Commonwealth.

V.45 CONTRACT-035.1a Changes (Oct 2006)

The Commonwealth reserves the right to make changes at any time during the term of the Contract or any renewals or extensions thereof: 1) to increase or decrease the quantities resulting from variations between any estimated quantities in the Contract and actual quantities; 2) to make changes to the services within the scope of the Contract; 3) to notify the Contractor that the Commonwealth is exercising any Contract renewal or extension option; or 4) to modify the time of performance that does not alter the scope of the Contract to extend the completion date beyond the Expiration Date of the Contract or any renewals or extensions thereof. Any such change shall be made by the Contracting Officer by notifying the Contractor in writing. The change shall be effective as of the date of the change, unless the notification of change specifies a later effective date. Such increases, decreases, changes, or modifications will not invalidate the Contract, nor, if performance security is being furnished in conjunction with the Contract, release the security obligation. The Contractor agrees to provide the service in accordance with the change order. Any dispute by the Contractor in regard to the performance required by any notification of change shall be handled through Contract Controversies Provision.

V.46 CONTRACT-037.1a Confidentiality (Oct 2013)

a) The Contractor agrees to protect the confidentiality of the Commonwealth's confidential information. The Commonwealth agrees to protect the confidentiality of Contractor's confidential information. In order for information to be deemed confidential, the party claiming confidentiality must designate the information as "confidential" in such a way as to give notice to the other party (notice may be communicated by describing the information, and the specifications around its use or disclosure, in the SOW). Neither party may assert that information owned by the other party is such party's confidential information. The parties agree that such confidential information shall not be copied, in whole or in part, or used or disclosed except when essential for authorized activities under this Contract and, in the case of disclosure, where the recipient of the confidential information has agreed to be bound by confidentiality requirements no less restrictive than those set forth herein. Each copy of such confidential information shall be marked by the party making the copy with any notices appearing in the original. Upon termination or cancellation of this Contract or any license granted hereunder, the receiving party will return to the disclosing party all copies of the confidential information in the receiving party's possession, other than one copy, which may be maintained for archival purposes only, and which will remain subject to this Contract's security, privacy, data retention/destruction and confidentiality provisions (all of which shall survive the expiration of this Contract). Both parties agree that a material breach of these requirements may, after failure to cure within the time frame specified in this Contract, and at the discretion of the non-breaching party, result in termination for default pursuant to the DEFAULT provision of this Contract, in addition to other remedies available to the non-breaching party.

(b) Insofar as information is not otherwise protected by law or regulation, the obligations stated in this Section do not apply to information:

- (1) already known to the recipient at the time of disclosure other than through the contractual relationship;
- (2) independently generated by the recipient and not derived by the information supplied by the disclosing party.

- (3) known or available to the public , except where such knowledge or availability is the result of unauthorized disclosure by the recipient of the proprietary information;
- (4) disclosed to the recipient without a similar restriction by a third party who has the right to make such disclosure; or
- (5) required to be disclosed by law , regulation, court order, or other legal process.

There shall be no restriction with respect to the use or disclosure of any ideas, concepts, know-how, or data processing techniques developed alone or jointly with the Commonwealth in connection with services provided to the Commonwealth under this Contract.

(c) The Contractor shall use the following process when submitting information to the Commonwealth it believes to be confidential and/or proprietary information or trade secrets:

- (1) Prepare an un-redacted version of the appropriate document, and
- (2) Prepare a redacted version of the document that redacts the information that is asserted to be confidential or proprietary information or a trade secret, and
- (3) Prepare a signed written statement that states:
 - (i) the attached document contains confidential or proprietary information or trade secrets;
 - (ii) the Contractor is submitting the document in both redacted and un-redacted format in accordance with 65 P.S. § 67.707(b); and
 - (iii) the Contractor is requesting that the document be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests.
- (4) Submit the two documents along with the signed written statement to the Commonwealth.

V.47 CONTRACT-041.1 Contract Requirements-Small Diverse Business and Small Business Participation (July 2016)

The provisions contained in the RFP concerning Contract Requirements - Small Diverse Business and Small Business Participation are incorporated by reference herein.

V.48 CONTRACT-043.1 Leasing Additional Terms and Conditions (Oct 2013)

To the extent that the Contractor offers the Commonwealth or any purchasing agency ("Lessee") the option to lease any items covered by the Contract, these Leasing Terms And Conditions shall, in addition to the other terms and conditions of the Contract, govern the Lease, except to the extent the Contractor assigns a Lease to an Initial Assignee, in which case the Initial Assignee shall be bound to the obligations of the Contractor only as specified in these Leasing Terms and Conditions. If a Lessee desires to lease contract items, the Lessee shall indicate its leasing election on the PO issued to the Contractor ("Lease PO"). By issuing a Lease PO, the Lessee explicitly agrees to these Leasing Terms and Conditions. Any items covered by a Lease shall be called "Leased Property" in these Leasing Terms and Conditions. To the extent that there is a conflict between the other terms and conditions of the Contract and these Leasing Terms and Conditions, these Leasing Terms and Conditions shall prevail to the extent that the Lessee has elected a leasing option.

A. Term of Lease

The Contractor may provide any Leased Property under the Contract for any term up to 60 months, including a Fair Market Value Option for Lease/Purchases. The Lessee shall identify the term selected, as well as its election of either a Lease or Lease/Purchase option, on the Lease PO. The Lease term shall commence on the date the Lessee accepts the Leased Property by executing the Acceptance Certificate, and the term shall continue for the length specified on the Lease PO. The form of the Acceptance Certificate can be found on the Forms page of the Department of General Services' webpage (www.dgs.state.pa.us).

If the Contractor delivers the Leased Property in more than one delivery, unless otherwise specified in the Specifications for this procurement, the Lessee will provide separate acceptance certificates for each delivery of the items, and the Lessee will make periodic payments for the Leased Property corresponding to the amount of the Leased Property delivered and accepted 30 days prior to the payment due date.

B. Payments

1. Full Term Intention. The Lessee shall pay the applicable monthly or annual rent payment for the Leased Property for the full Lease term, unless the Lessee terminates the Lease, either for Contractor default as set forth in the Default provision of the Contract or for non-appropriation of funds as specified in this section.

2. Non-Appropriation. The Lessee's obligation is payable only and solely from funds allotted for the purpose of the Lease. If sufficient funds are not appropriated for continuation of performance under any Lease for any fiscal year subsequent to the one in which the Lessee issued the Lease PO, the Lessee may return the Leased Property to the Contractor/Initial Assignee (as applicable), and thereafter the Contractor/Initial Assignee shall release the Lessee of all further obligations under the Lease, provided:

- a. The Lessee delivers unencumbered title to the Leased Property to the Contractor or Initial Assignee (if applicable);
- b. The Lessee returns the Leased Property to the Contractor/Initial Assignee in good condition, reasonable wear and tear excepted; and
- c. The Lessee gives 30 days written notice of the failure of appropriations to the Contractor/Initial Assignee, along with a certification that the Leased Property is not being replaced by similar items from another vendor. In the event the Lessee returns the Leased Property for failure of appropriations, the Lessee shall pay all amounts then due under the Lease through the end of the fiscal year for which sufficient funds were appropriated for the Lease.

C. Title

1. Title to the Leased Property shall not pass to the Lessee but shall remain in the Contractor or Initial Assignee, whichever applies; except in the case of a Lease/Purchase, the title shall pass to the Lessee upon payment of the final installment or other concluding payment option.

- a. Upon payment of the final installment or other concluding payment option, neither the Contractor nor its assignee shall have any further interest in the Leased Property.
- b. The Leased Property shall remain personal property and shall not become a fixture or affixed to real property without consent of the Contractor/assignee.
- c. At the request of the Contractor or Initial Assignee, the Lessee will join the Contractor/assignee in executing one or more UCC-1 financing statements.
- d. The Lessee will keep the Leased Property free and clear of all encumbrances except the Contractor's/assignee's security interest.

D. Use And Location Of, and Alteration to Leased Property

The Lessee shall keep the Leased Property within the confines of the Commonwealth of Pennsylvania and shall inform the Contractor/Initial Assignee upon request of the location of the Leased Property. The Lessee, at its own cost and expense, shall maintain the Leased Property in good operating condition and will not use or deal with the Leased Property in any manner which is inconsistent with the terms of the Contract or any applicable laws and regulations. The Lessee agrees not to misuse, abuse, or waste the Leased Property and the Lessee will not allow the Leased Property to deteriorate, except for ordinary wear and tear resulting from their intended use. No alterations, changes, or modifications to the Leased Property shall be made without the approval of the Contractor/Initial Assignee.

E. Risk of Loss

The Contractor shall assume and bear the risk of loss or damage to, or theft of, the Leased Property and all component parts while the Leased Property or parts are in the Lessee's possession, unless the Lessee could have prevented such loss, damage, or theft by exercising reasonable care or diligence in the use, protection, or care of the Leased Property or parts. No loss or damage to the Leased Property or parts shall impair any Contractor or Lessee obligation under the Lease, except as expressly provided in these Leasing Terms and Conditions. If the damage could not have been prevented by the Lessee's exercise of reasonable care or diligence, and the Contractor determines the Leased Property or parts can be economically repaired, the Contractor shall repair or cause to be repaired all damages to the Leased Property or their parts. In the event that the any of the Leased Property or their parts are stolen or destroyed, or if in the Contractor's opinion they are rendered irreparable, unusable, or damaged, the affected Leased Property shall be considered a total loss and the Lease shall terminate as to that Leased Property, and the Lessee's obligation to pay rent for the affected Leased Property shall be deemed to have ceased as of the date of the loss.

F. Warranties

1. The Lessee shall have the benefit of any and all manufacturer or supplier warranties for the Leased Property during the Lease term.

2. The Contractor/Initial Assignee and any subsequent assignee warrants that neither the Contractor/Initial Assignee or subsequent assignee, nor anyone acting or claiming through these parties by assignment or otherwise, will interfere with the Lessee's quiet enjoyment of the Leased Property so long as no event of default as defined in Subsection J of this Section shall have occurred and be continuing.

G. Liability

1. The Lessee assumes all risks and liabilities for injury to or death of any person or damage to any property, arising out of the Lessee's possession, use, operation, condition, or storage of any Leased Property, whether such injury or death be of agents or employees of the Lessee or of third parties, and whether such property damage be to the Lessee's property or the property of others; provided, however, that the damage or injury results from the action or inaction of the Lessee, its agents or employees, and provided that judgment has been obtained against the Lessee, its agents or employees. This provision shall not be construed to limit the governmental immunity of any Lessee.

2. The Lessee shall, during the Lease term, either self-insure or purchase insurance to cover the risks it has assumed under Paragraph 1 of this Subsection, including but not limited to risks of public liability and property damage.

H. Assignment

1. The Lessee shall not assign any Lease PO or other interest in the Leased Property without the prior written consent of the Contractor or its assignee. The Contractor may assign, and/or grant security interests in whole or in part in, the Lease PO and Leased Property to an Initial Assignee, who in turn may further assign and/or grant a security interest in a Lease to a subsequent assignee without the Lessee's consent. Any other Contractor assignment shall require the Lessee's prior written consent. Upon written notice to the Lessee, the Contractor may assign payments under any Lease to a third party.

2. The Contractor may assign, without Lessee consent, any Lease PO to a third party ("Initial Assignee") who will fund the purchase of the Leased Property. The Initial Assignee may take title to, and assume the right to receive all rental payments for, the Leased Property. The Contractor shall notify the Lessee of any Lease PO assignment in its acknowledgment of the Lease PO to the Lessee, providing the Lessee with a copy of the assignment agreement between the Contractor and the Initial Assignee.

3. Notwithstanding any provisions to the contrary in the Contract, in the event of an assignment to an Initial Assignee, the Initial Assignee shall be bound only to the Contractor's obligations specified in these Leasing Terms and Conditions. An Initial Assignee shall not be responsible for any of the Contractor's additional representations, warranties, covenants, or obligations under the Contract Documents. By issuing a Lease PO, the Lessee waives any

claims it may have under the Lease against the Initial Assignee for any loss, damage, or expense caused by, defect in, or use or maintenance of any Leased Property. The Lessee acknowledges that the Initial Assignee is not the supplier of the Leased Property and is not responsible for their selection or installation. After the ordering Lessee executes, and the Initial Assignee receives, an Acceptance Certificate, if any portion of the Leased Property is unsatisfactory for any reason, the ordering Lessee shall, nevertheless, continue to make payments under the applicable Lease terms and shall make any claim against the Contractor or the manufacturer, not against the Initial Assignee or any subsequent assignee of the Initial Assignee.

4. After a Lessee executes and the Initial Assignee receives an Acceptance Certificate:

a. The Lessee shall, regardless of whether any portion of the Leased Property is unsatisfactory for any reason, nevertheless, continue to make payments under the applicable Lease and shall make any claim relating to the Leased Property against the Contractor or the manufacturer, not against the Initial Assignee or any subsequent assignee; and

b. The rights of the Initial Assignee and any subsequent assignee to receive rental payments are absolute and unconditional and shall not be affected by any defense or right of set-off.

5. Warranty Disclaimer

IN THE EVENT THE CONTRACTOR ASSIGNS A LEASE TO AN INITIAL ASSIGNEE, SUCH INITIAL ASSIGNEE AND ANY SUBSEQUENT ASSIGNEE MAKE NO WARRANTY (OTHER THAN A WARRANTY OF QUIET ENJOYMENT OF THE LEASED PROPERTY), EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. AS TO THE INITIAL ASSIGNEE AND ANY SUBSEQUENT ASSIGNEE, THE LESSEE TAKES THE LEASED PROPERTY "AS IS". IN NO EVENT SHALL THE INITIAL ASSIGNEE OR ANY SUBSEQUENT ASSIGNEE HAVE ANY LIABILITY FOR, NOR SHALL THE LESSEE HAVE ANY REMEDY AGAINST, THE INITIAL ASSIGNEE OR ANY SUBSEQUENT ASSIGNEE FOR CONSEQUENTIAL DAMAGES, LOSS OF SAVINGS, OR LOSS OF USE.

I. Financing and Prepayment

1. If the Contractor is not the supplier of the Leased Property, the Contractor will pay the charges for the Leased Property directly to the supplier. In the event the Contractor assigns the Lease to an Initial Assignee, the Initial Assignee will pay the charges directly to the Contractor or the supplier, as applicable. If the Contractor has assigned rental payments under the Lease to an Initial Assignee, the Lessee's obligation to make rental payments for the Leased Property for which the Lessee has executed and delivered acceptance certificates shall not be affected by any discontinuance, return, or destruction of any license or licensed program materials, or by any Lessee dissatisfaction with any Leased Property.

2. The Lessee may at any time terminate the financing for any Leased Property by prepaying its remaining rental payments. The Lessee shall provide notice of the intended prepayment date, which shall be at least one month after the date of the notice. Depending on market conditions at the time, the Contractor/Initial Assignee may reduce the balance of the remaining rental payments to reflect the requested prepayment and shall advise the Lessee of the balance to be paid.

3. If the Lessee purchases Contract items related to Leased Property prior to the expiration of the Lease term, or if the Lease is terminated for any reason except non-appropriation as described in Subsection B of this Subsection, and if the Leased Property has been delivered and the Lessee has executed and delivered to the Contractor an acceptance certificate, the Lessee shall prepay such Leased Property.

J. Remedies for Default

1. If the Lessee does not make a required payment within 30 days after its due date and such nonpayment continues for 15 days after receipt of written notice from the Contractor/Initial Assignee that the Lessee is delinquent in payment, if the Lessee breaches any other provision under these Leasing Terms and Conditions and such breach continues for 15 days after receipt of written notice of the breach from the Contractor/Initial Assignee, or if the Lessee files any petition or proceeding (or has a petition or proceeding filed against it) under any bankruptcy,

insolvency, or similar law, the Contractor/Initial Assignee may pursue and enforce the following remedies, individually or collectively:

a. Terminate the applicable Lease.

b. Take possession of any or all Leased Property in the Lessee's possession, without any court order or other process of law. For such purpose, upon written notice of its intention to do so, the Contractor or its assignee may enter upon the premises where the Leased Property may be and remove and repossess the Leased Property, from the premises without being liable to the Lessee in any action or legal proceedings. The Contractor/assignee may, at its option, sell the repossessed Leased Property at public or private sale for cash or credit. The Lessee shall be liable for the Contractor's/assignee's expenses of retaking possession, including without limitation the removal of the Leased Property and placing the Leased Property in good operating condition (if not in good operating condition at the time of removal) in accordance with the manufacturer's specifications. Repossessed Leased Property shall include only those items that were leased or lease/purchased under the Lease.

c. Recover from the Lessee all rental payments then due, plus the net present value of the amount of the remaining rental payments. The present value of such remaining rental payments shall be calculated using a discount rate equal to the average of the weekly two- and three-year Treasury Constant Maturities published by the Federal Reserve Board for the last calendar week of the month preceding the contractor's/assignee's termination of the applicable Lease. The Treasury Constant Maturities are published in Statistical Release .15 and may be accessed via the Federal Reserve Board's Internet website.

2. In the event of Contractor default under the Default provision of the Contract, the Lessee may pursue one or more of the following remedies:

a. If the rental payments under the Lease have been assigned to an Initial Assignee, the Lessee shall continue to make payments for that Leased Property which has been delivered and for which the Lessee has provided acceptance certificates to the Contractor/Initial Assignee.

b. The Lessee may cancel, without liability for payment, its order for any Leased Property which has not been delivered and for which it has not issued acceptance certificates. In this instance, the amount of the rental payments will be recalculated to take into consideration and pay for the actual amount of Leased Property which was delivered and accepted. If no Leased Property has been delivered and accepted, the Lessee may terminate the Lease without liability for any payment.

c. If payments have not been assigned, the Lessee may set off or counterclaim any and all damages incurred by the Lessee as a result of the Contractor's default against its obligation to make rental payments.

K. Purchase Option

If the Lessee is not in default, it shall have the right at the expiration of the Lease term to buy the Leased Property "as is with no additional warranty" by tendering the purchase option amount the parties have established. For any Lease with a Fair Market Value Option, the fair market value of the equipment shall be established by the Contractor/Initial Assignee and shall not exceed the then-current purchase price of the Leased Property as established in the Contract. Upon the Lessee's exercise of a purchase option and payment of the required amount to the Contractor/Initial Assignee, all right, title, and interest in the Leased Property shall pass to the Lessee.

L. Extension

If the Lessee does not elect to purchase the Leased Property at the expiration of a Lease term, and the Lessee is not in default under the Lease, the Lessee may elect to extend the Lease by written notification to the Contractor/Initial Assignee. The Lessee will make any elective extension under the same Leasing Terms and Conditions, including any rent payable (not less than fair market rental value), and will continue until the earlier of termination by either party upon one month's prior written notice, or five years from the date of installation.

M. Return of Leased Property

At the expiration or termination of a Lease for any Leased Property, or upon Contractor/Initial Assignee demand

pursuant to Subsection J. of this Section, the Lessee shall promptly return the Leased Property, freight prepaid, to any location in the continental United States specified by the Contractor/Initial Assignee. The Lessee shall pay the required rent for the Leased Property until they have been shipped to the Contractor.

1. Since DGS has, as a matter of policy, determined that all hard drives contain information that is confidential or sensitive, the Contractor shall, at its discretion, either remove and destroy any hard drive from the Leased Property or clean the hard drive to Office of Administration/U.S. Department of Defense standards, and the Contractor shall provide written certification to the Lessee that the hard drive has been destroyed or cleaned to Office of Administration/U.S. Department of Defense standards.

2. Except in the event of a total loss of any or all Leased Property as described in Subsection E. of this Section, and except for any costs associated with the removal, destruction, and cleaning of any hard drives, the Lessee shall pay any costs the Contractor/Initial Assignee incurs to restore the Leased Property to good operating condition in accordance with the Contract specifications. All parts the Contractor/Initial Assignee may remove and replace shall become the Contractor's/Initial Assignee's property.

3. The Contractor's/Initial Assignee's costs associated with the cleaning of any hard drive to Office of Administration/U.S. Department of Defense standards and the removal and destruction of any hard drive(s) shall be included in the rental amount. The Lessee shall not be required to pay additional charges for the Contractor's/Initial Assignee's cleaning of a hard drive to Office of Administration/U.S. Department of Defense standards nor for the Contractor's/Initial Assignee's removal and destruction of any hard drive(s) upon the return of a Leased item.

N. Compliance with Internal Revenue Code

1. Tax Exemption Financing. If it intends to provide tax exempt financing, the Contractor/Initial Assignee must file, in timely fashion, any reports the Internal Revenue Service may require with respect to the order under the Internal Revenue Code (IRC). The Lessee shall cooperate with the Contractor/Initial Assignee in the preparation and execution of these documents. The Lessee shall also keep a copy of each notification of assignment with the Lessee's counterpart of the order and shall not, during the Lease term, permit the Leased Property to be directly or indirectly used for a private business use within the meaning of Section 141 of the IRC.

2. Governmental Status. Eligible Lessees include State entities or political subdivisions of a State for the purpose of Section 103(a) of the IRC as well as tax exempt non-profit corporations and entities under 501(c)(4) of the IRC. Any misrepresentation of a Lessee's status under the IRC shall constitute an event of default by the Lessee. If the Internal Revenue Service rules that the Lessee does not so qualify under either Section 103(a) or 501(c)(4) of the IRC, or if the Lessee fails to cooperate with the Contractor/Initial Assignee in the preparation and execution of any reports required under Section 124 or 149 of the IRC (including 8038G and 8038GC forms), the Lessee will, upon demand, pay the Contractor/Initial Assignee a sum the Contractor/Initial Assignee determines sufficient to return the Contractor/Initial Assignee to the economic status it would otherwise have received.

O. Governing Law

All Leases made under these Leasing Terms and Conditions shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, except that the parties agree that Article 2A of the Uniform Commercial Code shall not apply or govern transactions under these Leasing Terms and Conditions.

P. Notices

Service of all notices under these Leasing Terms and Conditions shall be sufficient if delivered to the Lessee at the address set forth in the applicable Lease PO, or to the Contractor/Initial Assignee at the address set forth in its acknowledgment of the Lease PO, including any attached document. Notices by mail shall be effective when deposited in the U.S. mail, properly addressed, with sufficient paid postage. Notices delivered by hand or by overnight courier shall be effective when actually received.

V.49 CONTRACT-046.1 Manufacturer's Price Reduction (Oct 2006)

If, prior to the delivery of the awarded item(s) by the Contractor, a price reduction is announced by the original equipment manufacturer, a comparative price reduction will be given to the Commonwealth by the Contractor.

V.50 CONTRACT-051.1 Notice (Dec 2006)

Any written notice to any party under this Contract shall be deemed sufficient if delivered personally, or by facsimile, telecopy, electronic or digital transmission (provided such delivery is confirmed), or by a recognized overnight courier service (e.g., DHL, Federal Express, etc.) with confirmed receipt, or by certified or registered United States mail, postage prepaid, return receipt requested, and sent to following:

- a. If to the Contractor: the Contractor's address as recorded in the Commonwealth's Supplier Registration system.
- b. If to the Commonwealth: the address of the Issuing Office as set forth on the Contract.

V.51 CONTRACT-052.1 Right to Know Law (Feb 2010)

a. The Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, ("RTKL") applies to this Contract. For the purpose of these provisions, the term "the Commonwealth" shall refer to the contracting Commonwealth agency.

b. If the Commonwealth needs the Contractor's assistance in any matter arising out of the RTKL related to this Contract, it shall notify the Contractor using the legal contact information provided in this Contract. The Contractor, at any time, may designate a different contact for such purpose upon reasonable prior written notice to the Commonwealth.

c. Upon written notification from the Commonwealth that it requires the Contractor's assistance in responding to a request under the RTKL for information related to this Contract that may be in the Contractor's possession, constituting, or alleged to constitute, a public record in accordance with the RTKL ("Requested Information"), the Contractor shall:

1. Provide the Commonwealth, within ten (10) calendar days after receipt of written notification, access to, and copies of, any document or information in the Contractor's possession arising out of this Contract that the Commonwealth reasonably believes is Requested Information and may be a public record under the RTKL; and
2. Provide such other assistance as the Commonwealth may reasonably request, in order to comply with the RTKL with respect to this Contract.

d. If the Contractor considers the Requested Information to include a request for a Trade Secret or Confidential Proprietary Information, as those terms are defined by the RTKL, or other information that the Contractor considers exempt from production under the RTKL, the Contractor must notify the Commonwealth and provide, within seven (7) calendar days of receiving the written notification, a written statement signed by a representative of the Contractor explaining why the requested material is exempt from public disclosure under the RTKL.

e. The Commonwealth will rely upon the written statement from the Contractor in denying a RTKL request for the Requested Information unless the Commonwealth determines that the Requested Information is clearly not protected from disclosure under the RTKL. Should the Commonwealth determine that the Requested Information is clearly not exempt from disclosure, the Contractor shall provide the Requested Information within five (5) business days of receipt of written notification of the Commonwealth's determination.

f. If the Contractor fails to provide the Requested Information within the time period required by these provisions, the Contractor shall indemnify and hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of the Contractor's failure, including any statutory damages assessed against the Commonwealth.

g. The Commonwealth will reimburse the Contractor for any costs associated with complying with these provisions only to the extent allowed under the fee schedule established by the Office of Open Records or as otherwise provided by the RTKL if the fee schedule is inapplicable.

h. The Contractor may file a legal challenge to any Commonwealth decision to release a record to the public with the Office of Open Records, or in the Pennsylvania Courts, however, the Contractor shall indemnify the

Commonwealth for any legal expenses incurred by the Commonwealth as a result of such a challenge and shall hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of the Contractor's failure, including any statutory damages assessed against the Commonwealth, regardless of the outcome of such legal challenge. As between the parties, the Contractor agrees to waive all rights or remedies that may be available to it as a result of the Commonwealth's disclosure of Requested Information pursuant to the RTKL.

i. The Contractor's duties relating to the RTKL are continuing duties that survive the expiration of this Contract and shall continue as long as the Contractor has Requested Information in its possession.

INSTRUCTIONS

1.) All sheets must be filled out completely. Fill out all yellow highlighted cells on each worksheet.

2.) Formulas are imbedded in the Worksheets. Offeror's must verify that all calculations, subtotal costs and grand total costs are accurate.

3.) MFD Devices: Enter cost into the yellow highlighted cells for the three (3) device categories. A device must be entered for each category segment.

4.) Summary: All information is linked and will calculate automatically.

5.) Device Relocation: Enter the cost in the yellow highlighted cells to indicate the cost to relocate a device. Devices relocated 25 miles or less will be at no cost once per lease period.

6.) Please contact the Issuing Officer with any questions or concerns.

7.) Payment for services under this contract are fixed cost per unit. The volumes listed are for evaluation purposes only and will not be binding on the Commonwealth.

OFFEROR NAME	CONTACT PERSON	
Canon U.S.A., Inc.	Ed Friel	
OFFEROR ADDRESS	EMAIL ADDRESS	
1 Canon park, Melville NY 11747	isgbidadmin@cusa.canon.com	
	PHONE NUMBER	FAX NUMBER
	631-330-4144	631-330-5459
	VENDOR NUMBER	FEDERAL ID OR SSN
	102592	

Vendor Name	Canon U.S.A., Inc.
Vendor ID Number	102592
Vendor TIN	

Legal Size B&W							
Manufacturer	Canon U.S.A., Inc.	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Segment 6
Manufacturer Model Number		IRA 4525 II	IRA 4525 II	IRA 4535 II	IRA 4545 II	IRA 6555i II	IRA 6565i II
Monthly Lease Cost		\$ 121.72	\$ 121.72	\$ 142.99	\$ 183.09	\$ 273.37	\$ 336.03
Monthly Lease Cost with Optional Items							
Additional Optional Items	Black and White Faxing	\$ 11.30	\$ 11.30	\$ 11.30	\$ 11.30	\$ 11.30	\$ 11.30
	Internet Fax Expansion Kit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Minimum Collating and Stapling Speed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	3-hole Punch	\$ 9.54	\$ 9.54	\$ 9.54	\$ 9.54	\$ 9.54	\$ 9.54
	Saddle Stitch	\$ 56.22	\$ 56.22	\$ 56.22	\$ 56.22	\$ 65.26	\$ 65.26
	Card Stock	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Additional trays or drawers for paper sources	\$ 14.56	\$ 14.56	\$ 14.56	\$ 14.56	\$ -	\$ -
	High Capacity Tray or Drawer	\$ 28.36	\$ 28.36	\$ 28.36	\$ 28.36	\$ 33.13	\$ 33.13
	Exit Tray	\$ -	\$ -	\$ -	\$ -	\$ 2.84	\$ 2.84
	Memory Expansion Kit	\$ 17.13	\$ 17.13	\$ 17.13	\$ 17.13	\$ 17.13	\$ 17.13
	Mac Client OS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Linux Client OS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Digital output in .docx format	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Digital output in .rtf format	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Postscript or Postscript/PCL all in one driver page description languages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Badge Reader Secure Printing	\$ 5.27	\$ 5.27	\$ 5.27	\$ 5.27	\$ 3.51	\$ 3.51	
Estimated Quantity		190	17	31	54	112	25
Estimated Total Monthly Cost		\$23,126.80	\$ 2,069.24	\$ 4,432.72	\$ 9,886.93	\$30,617.78	\$ 8,400.75

Ledger Sized B&W							
Manufacturer	Canon U.S.A., Inc.	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Segment 6
Manufacturer Model Number		IRA 4525 II	IRA 4525 II	IRA 4535 II	IRA 4545 II	IRA 6555i II	IRA 6565i II
Monthly Lease Cost		\$ 121.72	\$ 121.72	\$ 142.99	\$ 183.09	\$ 273.37	\$ 336.03
Monthly Lease Cost with Optional Items							
Additional Optional Items	Black and White Faxing	\$ 11.30	\$ 11.30	\$ 11.30	\$ 11.30	\$ 11.30	\$ 11.30
	Internet Fax Expansion Kit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Additional Optional Items	Minimum Collating and Stapling Speed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	3-hole Punch	\$ 9.54	\$ 9.54	\$ 9.54	\$ 9.54	\$ 9.54	\$ 9.54
	Saddle Stitch	\$ 56.22	\$ 56.22	\$ 56.22	\$ 56.22	\$ 65.26	\$ 65.26
	Card Stock	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Additional trays or drawers for paper sources	\$ 14.56	\$ 14.56	\$ 14.56	\$ 14.56	\$ -	\$ -
	High Capacity Tray or Drawer	\$ 28.36	\$ 28.36	\$ 28.36	\$ 28.36	\$ 33.13	\$ 33.13
	Exit Tray	\$ -	\$ -	\$ -	\$ -	\$ 2.84	\$ 2.84
	Memory Expansion Kit	\$ 17.13	\$ 17.13	\$ 17.13	\$ 17.13	\$ 17.13	\$ 17.13
	Mac Client OS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Linux Client OS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Digital output in .docx format	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Digital output in .rtf format	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Postscript or Postscript/PCL all in one driver page description languages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Badge Reader Secure Printing	\$ 5.27	\$ 5.27	\$ 5.27	\$ 5.27	\$ 3.51	\$ 3.51
Estimated Quantity		256	542	1322	492	289	344
Estimated Total Monthly Cost		\$31,160.32	\$65,972.24	#####	\$90,080.92	\$79,004.80	#####

Color				
Manufacturer	Canon U.S.A., Inc.	Segment 1	Segment 2	Segment 3
Manufacturer Model Number		IRA3530i II	IRAC5540i II	IRAC5535i II
Monthly Lease Cost		\$ 201.46	\$ 305.64	\$ 282.56
Monthly Lease Cost with Optional Items				
Additional Optional Items	Black and White Faxing	\$ 11.30	\$ 11.30	\$ 11.30
	Internet Fax Expansion Kit	\$ -	\$ -	\$ -
	Standard 11 x 17 inch Media	\$ -	\$ -	\$ -
	3-hole Punch	\$ 9.54	\$ 9.54	\$ 9.54
	Saddle Stitch	\$ 56.48	\$ 56.48	\$ 56.48
	Card Stock	\$ -	\$ -	\$ -
	Additional trays or drawers for paper sources	\$ 14.56	\$ 14.56	\$ 14.56
	High Capacity Tray or Drawer	\$ -	\$ 28.36	\$ 28.36
	Exit Tray	\$ -	\$ -	\$ -
	Memory Expansion Kit	\$ -	\$ 17.13	\$ 17.13
	Mac Client OS	\$ -	\$ -	\$ -
Linux Client OS	\$ -	\$ -	\$ -	
Digital output in .docx format	\$ -	\$ -	\$ -	

	Digital output in .rtf format	\$ -	\$ -	\$ -
	Postscript or Postscript/PCL all in one driver page description languages	\$ -	\$ -	\$ -
	Badge Reader Secure Printing	\$ 5.27	\$ 5.27	\$ 5.27
	Estimated Quantity	69	85	158
	Estimated Total Monthly Cost	\$13,900.98	\$25,979.01	\$44,644.17

Vendor Name	Canon U.S.A., Inc.
vendor ID Number	102592
Vendor TIN	

Relocation Services	
Distance	Cost
0 to 25 Miles	\$800.00
>25 to 50 Miles	\$1,000.00
>50 to 100 Miles	\$1,300.00
>100 Miles	\$1,600.00

Vendor Name	Canon U.S.A., Inc.
vendor ID Number	102592
Vendor TIN	

Cost Summary

Total Cost Base Years	
Total Annual Cost MFD Devices (All Segments) Base Year 1 & 2	\$ 17,613,716.39

4/26/2018

Rick Salcedo
Pres./CEO
Keyston Digital Imaging
200 Racoosin Dr., Suite 101/103
Aston, PA 19014
rsalcedo@kdi-inc.com
610-604-0300

Offeror: Canon U.S.A., Inc.
RFP: 6100044411

Dear: Rick Salcedo President CEO

This letter serves as confirmation of the intent of this offeror to utilize **KEYSTONE DIGITAL IMAGING INC.**
on the above-referenced RFP issued by **Department of General Services**

If Offeror is the successful vendor, the referenced SDB/SB shall perform the following work, goods or services during the initial term of the prime contract and during any extensions, options or renewal periods of the prime contract exercised by the Commonwealth, as more specifically set forth below:
the initial term and any extensions

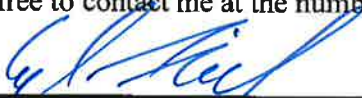
Identify the specific work, goods or services the SDB/SB will perform below:
sales/service of MFD's

These services represent **RICK SALCEDO** of the total cost in the Offeror's cost submittal for the initial term of the contract. Dependent on final negotiated contract pricing and actual contract usage or volume, it is expected that above-referenced SDB/SB will receive an estimated _____ during the initial contract term.

The above-referenced SDB/SB represents that it meets the small or small diverse business requirements set forth in the RFP and all required documentation has been provided to the Offeror for its SDB/SB submission.

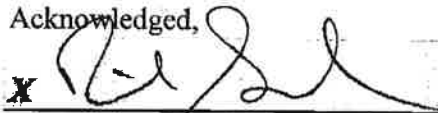
We look forward to the opportunity to serve **Department of General Services** on this project. If you have any questions concerning our small business or small diverse business commitment, please feel free to contact me at the number below.

Sincerely,



Ed Friel
Sr Specialist, Gov't Bids & Contracts
Canon U.S.A., Inc.

Acknowledged,



Rick Salcedo President CEO
Pres./CEO
Keyston Digital Imaging

SMALL DIVERSE BUSINESS AND SMALL BUSINESS PARTICIPATION SUBMITTAL

A. General Information. The Issuing Office encourages participation by Small Diverse Businesses (SDB) and Small Businesses (SB) as prime contractors and encourages all prime contractors to make significant commitments to use SDBs and SBs as subcontractors and suppliers.

A SB must meet each of the following requirements:

- △ The business must be for-profit, United States business;
- △ The business must be independently owned;
- △ The business may not be dominant in its field of operation;
- △ The business may not employ more than 100 full-time or full-time equivalent employees;
- △ The business, by type, may not exceed the following three-year average gross sales:
 - o Procurement Goods and Services: \$20 million
 - o Construction: \$20 million
 - o Building Design Services: \$7 million
 - o Information Technology Goods and Services: \$25 million

For credit in the RFP scoring process, a SB must complete the Department of General Services (DGS)/Bureau of Diversity, Inclusion and Small Business Opportunities (BDISBO) self-certification process. Additional information on this process can be found here:

[Small Business Self-Certification.](#)

A SDB is a DGS-verified minority-owned small business, woman-owned small business, veteran-owned small business, service-disabled veteran-owned small business, LGBT-owned small business, Disability-owned small business, or other small businesses as approved by DGS, that are owned and controlled by a majority of persons, not limited to members of minority groups, who have been deprived of the opportunity to develop and maintain a competitive position in the economy because of social disadvantages.

For credit in the RFP scoring process, a SDB must complete the DGS verification process. Additional information on this process can be found here:

[Small Diverse Business Verification.](#)

An Offeror that qualifies as a SDB or SB and submits a proposal as a prime contractor is not prohibited from being included as a subcontractor in separate proposals submitted by other Offerors. A SDB or SB may be included as a subcontractor with as many prime contractors as it chooses in separate proposals.

The Department's directory of self-certified SBs and DGS/BDISBO-verified SDBs can be accessed here:

[Find Small and Small Diverse Businesses.](#)

B. SDB and SB Participation Evaluation. BDISBO has established the minimum evaluation weight for the SDB and SB Participation criterion for this RFP as 20% of the total points.

- 1) The SDB and SB point allocation is based entirely on the percentage of the contract cost committed to SDB and SB participation. If the proposer is a SDB, 100% of the contract cost is allocated to SDB participation. If the proposer is a SB, 100% of the contract cost is allocated to SB participation.
- 2) A total combined SDB/SB commitment less than one percent (1%) of the total contract cost is considered de minimis and will receive no SDB or SB points.
- 3) Based on a maximum total of 200 available points for the SDB/SB Participation Submittal, the scoring mechanism is as follows:

$$\text{SDB and SB Raw Score} = 200 (\text{SDB}\% + (1/3 * \text{SB}\%))$$

- 4) The SDB and SB Raw Score is capped at 200.

The Offeror with the highest raw score will receive 200 points. Each Offeror's raw score will be pro-rated against the Highest Offeror's raw score by applying the formula set forth here:

[RFP Scoring Formula.](#)

- 5) The Offeror's prior performance in meeting its contractual obligations, SDBs and SBs will be considered by BDISBO during the scoring process. To the extent the Offeror has failed to meet prior contractual commitments, BDISBO may recommend to the Issuing Office that the Offeror be determined non-responsible for the the limited purpose of eligibility to receive SDB and SB points.

Questions regarding the SDB and SB Programs, including questions about the self-certification and verification processes can be directed to:

Department of General Services
Bureau of Diversity, Inclusion and Small Business Opportunities (BDISBO)
Room 601, North Office Building
Harrisburg, PA 17125
Phone: (717) 783-3119
Fax: (717) 787-7052
[Email: RA-BDISBOVerification@pa.gov](mailto:RA-BDISBOVerification@pa.gov)
[Website: www.dgs.pa.gov](http://www.dgs.pa.gov)

C. SDB/SB Participation Submittal. All Offerors are required to submit the attached SDB/SB Participation Submittal Form in its entirety and related Letter(s) of Intent. **To receive points for SDB or SB participation commitments, the SDB or SB must be listed in the Department's directory of self-certified SBs and DGS/BDISBO-verified SDBs as of the proposal due date and time. BDISBO reserves the right to adjust overall SDB or SB commitments to correctly align with the SDB or SB status of a prime contractor or subcontractor as of the solicitation due date and time, and also to reflect the correct sum of individual subcontracting commitments listed within the Letters of Intent.**

If there are multiple Letters of Intent, please combine them into one document and upload them with your response. The Letter(s) of Intent must be signed by both the Offeror and the SDB or SB for each of the identified SDB or SB subcontractors. Please use the attached Letter of Intent template and include all highlighted information.

Each SDB or SB commitment credited by BDISBO along with the overall percentage of SDB and SB commitments will become contractual obligations of the selected Offeror.

Offerors will not receive credit for any commitments for which information as above is not included in the SDB/SB Participation Submittal. Offerors will not receive credit for stating that they will find a SDB or SB after the contract is awarded.

Equal employment opportunity and contract compliance statements referring to company equal employment opportunity policies or past contract compliance practices do not constitute proof of SDB and/or SB Status or entitle an Offeror to receive credit for SDB or SB participation.

D. Contract Requirements.

All contracts containing SDB and SB Participation must contain the following contract provisions to be maintained through the initial contract term and any subsequent options or renewals:

1. Each SDB and SB commitment which was credited by BDISBO and the total percentage of such SDB and SB commitments made at the time of proposal submittal, BAFO, or contract negotiations, as applicable, become contractual obligations of the selected Offeror upon execution of its contract with the Commonwealth.
2. All SDB and SB subcontractors credited by BDISBO must perform at least 50% of the work subcontracted to them.
3. The individual percentage commitments made to SDBs and SBs cannot be altered without written approval from BDISBO.
4. SDB and SB commitments must be maintained in the event the contract is assigned to another prime contractor.
5. The selected Offeror and each SDB and SB for which a commitment was credited by BDISBO must submit a final, definitive subcontract agreement signed by the selected Offeror and the SDB and/or SB to BDISBO within 30 days of the final execution date of the Commonwealth contract. A Model Subcontract Agreement which may be used to satisfy this requirement is provided as an attachment – **Model Form of Small Diverse and Small Business Subcontract Agreement**. The subcontract must contain:
 - a) The specific work, supplies or services the SDB and/or SB will perform; location for work performed; how the work, supplies or services relate to the project; and the specific timeframe during the initial term and any extensions, options and renewals of the prime contract when the work, supplies or services will be provided or performed.

- b) The fixed percentage commitment and associated estimated dollar value that each SDB and/or SB will receive based on the final negotiated cost for the initial term of the prime contract.
 - c) Payment terms indicating that the SDB and/or SB will be paid for work satisfactorily completed within 14 days of the selected Offeror's receipt of payment from the Commonwealth for such work.
 - d) Commercially reasonable terms for the applicable business/industry that are no less favorable than the terms of the selected Offeror's contract with the Commonwealth and that do not place disproportionate risk on the SDB and/or SB relative to the nature and level of the SDB's and/or SB's participation in the project.
6. If the selected Offeror and a SDB or SB credited by BDISBO cannot agree upon a definitive subcontract within 30 days of the final execution date of the Commonwealth contract, the selected Offeror must notify BDISBO.
7. The Selected Offeror shall complete the Prime Contractor's Quarterly Utilization Report and submit it to the contracting officer of the Issuing Office and BDISBO within ten (10) business days at the end of each quarter of the contract term and any subsequent options or renewals. This information will be used to track and confirm the actual dollar amount paid to SDB and SB subcontractors and suppliers and will serve as a record of fulfillment of the contractual commitment. If there was no activity during the quarter, the form must be completed by stating "No activity in this quarter." A late fee of \$100.00 per day may be assessed against the Selected Offeror if the Utilization Report is not submitted in accordance with the schedule above.
8. The Selected Offeror shall notify the Contracting Officer of the Issuing Office and BDISBO when circumstances arise that may negatively impact the selected Offeror's ability to comply with SDB and/or SB commitments and to provide a corrective action plan. Disputes will be decided by the Issuing Office and DGS.
9. If the Selected Offeror fails to satisfy its SDB and/or SB commitment(s), it may be subject to a range of sanctions BDISBO deems appropriate. Such sanctions include, but are not limited to, one or more of the following: a determination that the selected Offeror is not responsible under the Contractor Responsibility Program; withholding of payments; suspension or termination of the contract together with consequential damages; revocation of the selected Offeror's SDB and/or SB status; and/or suspension or debarment from future contracting opportunities with the Commonwealth.

**SMALL DIVERSE BUSINESS (SDB) AND SMALL BUSINESS (SB)
PARTICIPATION SUBMITTAL**

Project Description:	<i>Digital MFD's and other related services</i>
RFP #:	<i>6100044411</i>
Proposal Due Date:	<i>5/3/2018</i>
Commonwealth Agency Name:	<i>Department of General Services</i>

OFFEROR (Prime Contractor) INFORMATION

Offeror Company's Name:	<i>Canon U.S.A., Inc.</i>		
Offeror Contact Name:	<i>Ed Friel</i>	Email:	<i>isgbidadmin@cusa.canon.com</i>
Title:	<i>Sr Specialist, Gov't Bids & Contracts</i>	Phone:	<i>631-3304144</i>

Is your firm a DGS-Verified Small Diverse Business?	<input type="button" value="NO"/> ▼	Verif Exp:	<input type="text"/>
Is your firm a DGS-Self-Certified Small Business?	<input type="button" value="NO"/> ▼	Cert Exp:	<input type="text"/>

To confirm your company's SDB/SB status and expiration, please click or use the following link:
<http://www.dgs.pa.gov/Businesses/Small Diverse Business Program/Small-Diverse-Business-Verification/Pages/Finding-Small-Diverse-Businesses.aspx#.WVPvzp3D->

SUBCONTRACTING INFORMATION

Percentage Commitment for SDB and SB Subcontracting Participation

Commitment percentages will automatically calculate in the SDB/SB fields below after you have completed the SDB and SB Subcontractor Listing on the "Listing" tab.

After examination of the contract documents, which are made a part hereof as if fully set forth herein, the Offeror commits to the following percentages of the total contract cost for Small Diverse Business and Small Business subcontracting participation.

Small Diverse Business Subcontracting percentage commitment:

10.000%

Small Business Subcontracting percentage commitment:

0.000%

**SMALL DIVERSE BUSINESS (SDB) AND SMALL BUSINESS (SB)
PARTICIPATION SUBMITTAL**

Listing SDB and SB Subcontractors

The Offeror must list in the chart below the SDBs and SBs that will be used to meet the percentage commitments provided above, along with the requested information about each SDB and SB Subcontractor. Include as many pages as necessary. Offerors must also include a Letter of Intent (LOI) for each SDB/SB listed. **To receive points for SDB or SB participation commitments, the SDB or SB must be listed in the Department's directory of self-certified SBs and DGS/BDISBO-verified SDBs as of the proposal due date.** The directory of self-certified SBs and DGS/BDISBO-verified SDBs can be accessed at the following link:

<http://www.dgs.pa.gov/Businesses/Small Diverse Business Program/Small-Diverse-Business-Verification/Pages/Finding-Small-Diverse-Businesses.aspx#.WVPvzp3D->

SDB/SB name, percent commitment to SDB/SB, and estimated \$ value of commitment will automatically populate in the LOI tabs.

Offeror Company's Name: Canon U.S.A., Inc.

SDB/SB Subcontractor Name	SDB or SB	Primary Contact Name	Description of Services or Supplies to be Provided	% of Total Contract Cost Committed	Estimated \$ Value of Commitment for Initial Contract Term	Will SDB/SB be used for Options/Renewals? (YES/NO)
KEYSTONE DIGITAL IMAGING INC.	SDB <input type="checkbox"/>	RICK SALCEDO	Sales/service	10.000%	\$25,000.00	YES <input type="checkbox"/>
	<input type="checkbox"/>					<input type="checkbox"/>
	<input type="checkbox"/>					<input type="checkbox"/>
	<input type="checkbox"/>					<input type="checkbox"/>
	<input type="checkbox"/>					<input type="checkbox"/>
	<input type="checkbox"/>					<input type="checkbox"/>
	<input type="checkbox"/>					<input type="checkbox"/>
	<input type="checkbox"/>					<input type="checkbox"/>

Total SDB % Commitment: 10.000%
Total SB % Commitment: 0.000%

see attached signed PDF labeled "SDBSB Participation Submittal_JAGGAER 012218_signed"

4/26/2018

[SDB/SB Contact Name]

[Title]

Keyston Digital Imaging

[Address]

[City, State, Zip]

[Email]

[Phone #]

Offeror: Canon U.S.A., Inc.

RFP: 6100044411

Dear: [SDB/SB Contact Name]

This letter serves as confirmation of the intent of this offeror to utilize **KEYSTONE DIGITAL IMAGING INC.** on the above-referenced RFP issued by **Department of General Services**

If Offeror is the successful vendor, the referenced SDB/SB shall perform the following work, goods or services during the initial term of the prime contract and during any extensions, options or renewal periods of the prime contract exercised by the Commonwealth, as more specifically set forth below:
the initial term and any extensions

Identify the specific work, goods or services the SDB/SB will perform below:
sales/service of MFD's

These services represent **10.000%** of the total cost in the Offeror's cost submittal for the initial term of the contract. Dependent on final negotiated contract pricing and actual contract usage or volume, it is expected that above-referenced SDB/SB will receive an estimated **\$25,000** during the initial contract term.

The above-referenced SDB/SB represents that it meets the small or small diverse business requirements set forth in the RFP and all required documentation has been provided to the Offeror for its SDB/SB submission.

We look forward to the opportunity to serve **Department of General Services** on this project. If you have any questions concerning our small business or small diverse business commitment, please feel free to contact me at the number below.

Sincerely,

X

Ed Friel
Sr Specialist, Gov't Bids & Contracts
Canon U.S.A., Inc.

Acknowledged,

X

[SDB/SB Contact Name]
[Title]
Keyston Digital Imaging

MM/DD/YYYY

[SDB/SB Contact Name]
[Title]
[SDB/SB Company Name]
[Address]
[City, State, Zip]
[Email]
[Phone #]

Offeror: Canon U.S.A., Inc.
RFP: 6100044411

Dear: [SDB/SB Contact Name]

This letter serves as confirmation of the intent of this offeror to utilize [redacted] on the above-referenced RFP issued by **Department of General Services**

If Offeror is the successful vendor, the referenced SDB/SB shall perform the following work, goods or services during the initial term of the prime contract and during any extensions, options or renewal periods of the prime contract exercised by the Commonwealth, as more specifically set forth below:

[Identify the specific time periods during the initial contract term and any extensions, options and renewals when the work, goods or services will be provided or performed]

Identify the specific work, goods or services the SDB/SB will perform below:

[Identify the specific work, goods or services the SDB/SB will perform]

These services represent [redacted] of the total cost in the Offeror's cost submittal for the initial term of the contract. Dependent on final negotiated contract pricing and actual contract usage or volume, it is expected that above-referenced SDB/SB will receive an estimated [redacted] during the initial contract term.

The above-referenced SDB/SB represents that it meets the small or small diverse business requirements set forth in the RFP and all required documentation has been provided to the Offeror for its SDB/SB submission.

We look forward to the opportunity to serve **Department of General Services** on this project. If you have any questions concerning our small business or small diverse business commitment, please feel free to contact me at the number below.

Sincerely,

X

Ed Friel
Sr Specialist, Gov't Bids & Contracts
Canon U.S.A., Inc.
631-3304144

Acknowledged,

X

[SDB/SB Contact Name]
[Title]
[SDB/SB Company Name]

MM/DD/YYYY

[SDB/SB Contact Name]
[Title]
[SDB/SB Company Name]
[Address]
[City, State, Zip]
[Email]
[Phone #]

Offeror: Canon U.S.A., Inc.
RFP: 6100044411

Dear: [SDB/SB Contact Name]

This letter serves as confirmation of the intent of this offeror to utilize [redacted] on the above-referenced RFP issued by **Department of General Services**

If Offeror is the successful vendor, the referenced SDB/SB shall perform the following work, goods or services during the initial term of the prime contract and during any extensions, options or renewal periods of the prime contract exercised by the Commonwealth, as more specifically set forth below:

[Identify the specific time periods during the initial contract term and any extensions, options and renewals when the work, goods or services will be provided or performed]

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[Identify the specific work, goods or services the SDB/SB will perform]

These services represent [redacted] of the total cost in the Offeror's cost submittal for the initial term of the contract. Dependent on final negotiated contract pricing and actual contract usage or volume, it is expected that above-referenced SDB/SB will receive an estimated [redacted] during the initial contract term.

The above-referenced SDB/SB represents that it meets the small or small diverse business requirements set forth in the RFP and all required documentation has been provided to the Offeror for its SDB/SB submission.

We look forward to the opportunity to serve **Department of General Services** on this project. If you have any questions concerning our small business or small diverse business commitment, please feel free to contact me at the number below.

Sincerely,

X

Ed Friel
Sr Specialist, Gov't Bids & Contracts
Canon U.S.A., Inc.
631-3304144

Acknowledged,

X

[SDB/SB Contact Name]
[Title]
[SDB/SB Company Name]

MM/DD/YYYY

[SDB/SB Contact Name]
[Title]
[SDB/SB Company Name]
[Address]
[City, State, Zip]
[Email]
[Phone #]

Offeror: Canon U.S.A., Inc.
RFP: 6100044411

Dear: [SDB/SB Contact Name]

This letter serves as confirmation of the intent of this offeror to utilize [redacted] on the above-referenced RFP issued by **Department of General Services**

If Offeror is the successful vendor, the referenced SDB/SB shall perform the following work, goods or services during the initial term of the prime contract and during any extensions, options or renewal periods of the prime contract exercised by the Commonwealth, as more specifically set forth below:

[Identify the specific time periods during the initial contract term and any extensions, options and renewals when the work, goods or services will be provided or performed]

Identify the specific work, goods or services the SDB/SB will perform below:

[Identify the specific work, goods or services the SDB/SB will perform]

These services represent [redacted] of the total cost in the Offeror's cost submittal for the initial term of the contract. Dependent on final negotiated contract pricing and actual contract usage or volume, it is expected that above-referenced SDB/SB will receive an estimated [redacted] during the initial contract term.

The above-referenced SDB/SB represents that it meets the small or small diverse business requirements set forth in the RFP and all required documentation has been provided to the Offeror for its SDB/SB submission.

We look forward to the opportunity to serve **Department of General Services** on this project. If you have any questions concerning our small business or small diverse business commitment, please feel free to contact me at the number below.

Sincerely,

X

Ed Friel
Sr Specialist, Gov't Bids & Contracts
Canon U.S.A., Inc.
631-3304144

Acknowledged,

X

[SDB/SB Contact Name]
[Title]
[SDB/SB Company Name]

MM/DD/YYYY

[SDB/SB Contact Name]
[Title]
[SDB/SB Company Name]
[Address]
[City, State, Zip]
[Email]
[Phone #]

Offeror: Canon U.S.A., Inc.
RFP: 6100044411

Dear: [SDB/SB Contact Name]

This letter serves as confirmation of the intent of this offeror to utilize [redacted] on the above-referenced RFP issued by **Department of General Services**

If Offeror is the successful vendor, the referenced SDB/SB shall perform the following work, goods or services during the initial term of the prime contract and during any extensions, options or renewal periods of the prime contract exercised by the Commonwealth, as more specifically set forth below:

[Identify the specific time periods during the initial contract term and any extensions, options and renewals when the work, goods or services will be provided or performed]

Identify the specific work, goods or services the SDB/SB will perform below:

[Identify the specific work, goods or services the SDB/SB will perform]

These services represent [redacted] of the total cost in the Offeror's cost submittal for the initial term of the contract. Dependent on final negotiated contract pricing and actual contract usage or volume, it is expected that above-referenced SDB/SB will receive an estimated [redacted] during the initial contract term.

The above-referenced SDB/SB represents that it meets the small or small diverse business requirements set forth in the RFP and all required documentation has been provided to the Offeror for its SDB/SB submission.

We look forward to the opportunity to serve **Department of General Services** on this project. If you have any questions concerning our small business or small diverse business commitment, please feel free to contact me at the number below.

Sincerely,

X

Ed Friel
Sr Specialist, Gov't Bids & Contracts
Canon U.S.A., Inc.
631-3304144

Acknowledged,

X

[SDB/SB Contact Name]
[Title]
[SDB/SB Company Name]

MM/DD/YYYY

[SDB/SB Contact Name]
[Title]
[SDB/SB Company Name]
[Address]
[City, State, Zip]
[Email]
[Phone #]

Offeror: Canon U.S.A., Inc.
RFP: 6100044411

Dear: [SDB/SB Contact Name]

This letter serves as confirmation of the intent of this offeror to utilize [redacted] on the above-referenced RFP issued by **Department of General Services**

If Offeror is the successful vendor, the referenced SDB/SB shall perform the following work, goods or services during the initial term of the prime contract and during any extensions, options or renewal periods of the prime contract exercised by the Commonwealth, as more specifically set forth below:

[Identify the specific time periods during the initial contract term and any extensions, options and renewals when the work, goods or services will be provided or performed]

Identify the specific work, goods or services the SDB/SB will perform below:

[Identify the specific work, goods or services the SDB/SB will perform]

These services represent [redacted] of the total cost in the Offeror's cost submittal for the initial term of the contract. Dependent on final negotiated contract pricing and actual contract usage or volume, it is expected that above-referenced SDB/SB will receive an estimated [redacted] during the initial contract term.

The above-referenced SDB/SB represents that it meets the small or small diverse business requirements set forth in the RFP and all required documentation has been provided to the Offeror for its SDB/SB submission.

We look forward to the opportunity to serve **Department of General Services** on this project. If you have any questions concerning our small business or small diverse business commitment, please feel free to contact me at the number below.

Sincerely,

X

Ed Friel
Sr Specialist, Gov't Bids & Contracts
Canon U.S.A., Inc.
631-3304144

Acknowledged,

X

[SDB/SB Contact Name]
[Title]
[SDB/SB Company Name]

MM/DD/YYYY

[SDB/SB Contact Name]
[Title]
[SDB/SB Company Name]
[Address]
[City, State, Zip]
[Email]
[Phone #]

Offeror: Canon U.S.A., Inc.
RFP: 6100044411

Dear: [SDB/SB Contact Name]

This letter serves as confirmation of the intent of this offeror to utilize [redacted] on the above-referenced RFP issued by **Department of General Services**

If Offeror is the successful vendor, the referenced SDB/SB shall perform the following work, goods or services during the initial term of the prime contract and during any extensions, options or renewal periods of the prime contract exercised by the Commonwealth, as more specifically set forth below:

[Identify the specific time periods during the initial contract term and any extensions, options and renewals when the work, goods or services will be provided or performed]

Identify the specific work, goods or services the SDB/SB will perform below:

[Identify the specific work, goods or services the SDB/SB will perform]

These services represent [redacted] of the total cost in the Offeror's cost submittal for the initial term of the contract. Dependent on final negotiated contract pricing and actual contract usage or volume, it is expected that above-referenced SDB/SB will receive an estimated [redacted] during the initial contract term.

The above-referenced SDB/SB represents that it meets the small or small diverse business requirements set forth in the RFP and all required documentation has been provided to the Offeror for its SDB/SB submission.

We look forward to the opportunity to serve **Department of General Services** on this project. If you have any questions concerning our small business or small diverse business commitment, please feel free to contact me at the number below.

Sincerely,

X

Ed Friel
Sr Specialist, Gov't Bids & Contracts
Canon U.S.A., Inc.
631-3304144

Acknowledged,

X

[SDB/SB Contact Name]
[Title]
[SDB/SB Company Name]

MM/DD/YYYY

[SDB/SB Contact Name]
[Title]
[SDB/SB Company Name]
[Address]
[City, State, Zip]
[Email]
[Phone #]

Offeror: Canon U.S.A., Inc.
RFP: 6100044411

Dear: [SDB/SB Contact Name]

This letter serves as confirmation of the intent of this offeror to utilize [redacted] on the above-referenced RFP issued by **Department of General Services**

If Offeror is the successful vendor, the referenced SDB/SB shall perform the following work, goods or services during the initial term of the prime contract and during any extensions, options or renewal periods of the prime contract exercised by the Commonwealth, as more specifically set forth below:

[Identify the specific time periods during the initial contract term and any extensions, options and renewals when the work, goods or services will be provided or performed]

Identify the specific work, goods or services the SDB/SB will perform below:

[Identify the specific work, goods or services the SDB/SB will perform]

These services represent [redacted] of the total cost in the Offeror's cost submittal for the initial term of the contract. Dependent on final negotiated contract pricing and actual contract usage or volume, it is expected that above-referenced SDB/SB will receive an estimated [redacted] during the initial contract term.

The above-referenced SDB/SB represents that it meets the small or small diverse business requirements set forth in the RFP and all required documentation has been provided to the Offeror for its SDB/SB submission.

We look forward to the opportunity to serve **Department of General Services** on this project. If you have any questions concerning our small business or small diverse business commitment, please feel free to contact me at the number below.

Sincerely,

X

Ed Friel
Sr Specialist, Gov't Bids & Contracts
Canon U.S.A., Inc.
631-3304144

Acknowledged,

X

[SDB/SB Contact Name]
[Title]
[SDB/SB Company Name]

Event Summary - Digital Multifunctional Devices

Type	Request for Proposal	Number	6100044411
Stage Title	-	Organization	CommonwealthPA
Currency	US Dollar	Event Status	Under Evaluation
Work Group	IT	Exported on	5/18/2018
Exported by	Amy McFadden	Estimated Value	-
Payment Terms	-		

Bid and Evaluation

Respond by Proxy	Disallow	Use Panel Questionnaire	Yes
Sealed Bid	Yes	Auto Score	No
		Cost Analysis	No
Alternate Items	No	Confidential Pricing	No

Visibility and Communication

Visible to Public Yes


Enter a short description for this public event

To procure Digital MFD's and other related services.

Commodity Codes

Commodity Code	Description
43210000	Computer Equipment and Accessories

Event Dates

Time Zone	EDT
Released	-
Open	4/5/2018 1:00 PM
Close	5/3/2018 11:00 AM
Sealed Until	5/3/2018 11:00 AM
	 Show Sealed Bid Open Date to Supplier
Q&A Close	4/16/2018 3:00 PM

Description

1. **Purpose.** This request for proposals (RFP) provides information to enable potential Offerors to prepare and submit proposals for the Commonwealth of Pennsylvania's consideration.

2. **Issuing Office.** The Department of General Services (“Issuing Office”) has issued this RFP on behalf of the Commonwealth. The sole point of contact in the Commonwealth for this RFP shall be the Contact listed above, who is the Issuing Officer for this RFP. Please refer all inquiries to the Issuing Officer. Any violation of this condition may be cause for the Issuing Office to reject the offending Offeror's proposal. Offerors must agree not to distribute any part of their proposals beyond the Issuing Office. An Offeror who shares information contained in its proposal with other Commonwealth personnel and/or competing Offeror may be disqualified.

3. **Project Description.** The purpose of this RFP is to procure Digital Multifunctional Devices and other related services. This will be a multiple award contract and will cover the requirements of the Commonwealth and COSTARS.

4. **Type of Contract.** If the Issuing Office enters into a contract as a result of this RFP, it will be a Firm Fixed Price contract and will contain the **Contract Terms and Conditions** attached to this RFP in the **Buyer Attachments** section.

5. **Rejection of Proposals.** The Issuing Office reserves the right, in its sole and complete discretion, to reject any proposal received as a result of this RFP.

6. **Incurring Costs.** The Issuing Office is not liable for any costs the Offeror incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of the contract.

7. **Questions & Answers.** Questions must be submitted using the Q&A Board within this event. Questions must be submitted as individual questions. Questions must be submitted by the posted deadline. All questions and responses are considered an addendum to and part of this RFP. The Issuing Office shall not be bound by any verbal information, nor shall it be bound by any written information that is not either contained within the RFP or formally issued by the Issuing Office. The Issuing Office does not consider questions to be a protest of the specifications or the solicitation.

8. **Addenda to the RFP.** Any revisions to this RFP will be made electronically within this site.

9. **Response Date.** To be considered for selection, electronic proposals must be submitted on or before the time and date specified. The Issuing Office will reject any late proposals.

10. **Proposal Submission:** To be considered, Offerors must submit a complete response to this RFP by the due date and time, from an official authorized to bind the Offeror to its provisions. Clicking the submit button within this site constitutes an electronic signature. A proposal being timely submitted and electronically signed by the Offeror are the two (2) mandatory responsiveness requirements and are non-waivable. The Issuing Office reserves the right, in its sole discretion, to (1) waive any other technical or immaterial nonconformities in an Offeror’s proposal, (2) allow the Offeror to cure the nonconformity, or (3) consider the nonconformity in the scoring of the Offeror’s proposal. The proposal must remain valid for **120 days** or until a contract is fully executed, whichever is later. If the Issuing Office selects the Offeror’s proposal for award, the contents of the selected Offeror’s proposal will become, except to the extent the contents are changed through Best and Final Offers or negotiations, contractual obligations.

11. **Proposal Format:** To be considered, the proposal must respond to all proposal requirements. Each proposal consists of three submittal components: Technical, Cost, and Small Diverse Business and Small Business Participation. Offerors should provide any other information thought to be relevant, but not

applicable to the enumerated categories, as attachments. The Issuing Office reserves the right to request additional information which, in the Issuing Office's opinion, is necessary to assure that the Offeror's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFP. The Issuing Office may make investigations as deemed necessary to determine the ability of the Offeror to perform the Project, and the Offeror shall furnish to the Issuing Office all requested information and data.

12. Alternate Proposals. The Issuing Office has identified the basic approach to meeting its requirements, allowing Offerors to be creative and propose their best solution to meeting these requirements. The Issuing Office will not accept alternate proposals.

13. Discussions for Clarification. Offerors may be required to make an oral or written clarification of their proposals to the Issuing Office to ensure thorough mutual understanding and responsiveness to the solicitation requirements. The Issuing Office will initiate requests for clarification. Clarifications may occur at any stage of the evaluation and selection process prior to contract execution.

14. Prime Contractor Responsibilities. The contract will require the selected Offeror to assume responsibility for all services offered in its proposal whether it produces them itself or by subcontract. Further, the Issuing Office will consider the selected Offeror to be the sole point of contact with regard to all contractual matters.

15. Proposal Contents.

A. Confidential Information. The Commonwealth is not requesting confidential proprietary information or trade secrets to be included as part of Offerors' submissions. Accordingly, except as provided herein, Offerors should not label proposal submissions as confidential or proprietary or trade secret protected. Any Offeror who determines that it must divulge such information as part of its proposal must submit the signed written statement described in subsection c. below. After contract award, the selected Offeror must additionally provide a redacted version of its proposal, which removes only the confidential proprietary information and trade secrets, for required public disclosure purposes.

B. Commonwealth Use. All material submitted with the proposal shall be considered the property of the Commonwealth of Pennsylvania. The Commonwealth has the right to use any or all ideas not protected by intellectual property rights that are presented in any proposal regardless of whether the proposal becomes part of a contract. Notwithstanding any Offeror copyright designations contained in proposals, the Commonwealth shall have the right to make copies and distribute proposals internally and to comply with public record or other disclosure **requirements** under the provisions of any Commonwealth or United States statute or regulation, or rule or order of any court of competent jurisdiction.

C. Public Disclosure. After the award of a contract pursuant to this RFP, all proposal submissions are subject to disclosure in response to a request for public records made under the Pennsylvania Right-to-Know-Law, 65 P.S. § 67.101, et seq. If a proposal submission contains confidential proprietary information or trade secrets, a signed written statement to this effect must be provided with the submission in accordance with 65 P.S. § 67.707(b) for the information to be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests. Refer to the **Additional Required Documentation** section for a **Trade Secret Confidential Proprietary Information Notice Form** that may be utilized as the signed written statement, if applicable. If financial capability information is submitted, such financial capability information is exempt from public records disclosure under 65 P.S. § 67.708(b)(26).

16. Best and Final Offers (BAFO). The Issuing Office reserves the right to conduct discussions with Offerors for the purpose of obtaining "best and final offers" in one or more of the following ways, in any

combination and order: schedule oral presentations, request revised proposals, conduct an online auction, and enter into pre-selection negotiations.

The following Offerors will **not** be invited by the Issuing Office to submit a Best and Final Offer: those Offerors which the Issuing Office has determined to be not responsible or whose proposals the Issuing Office has determined to be not responsive; those Offerors which the Issuing Office has determined in accordance with the **Offeror Responsibility** subsection from the submitted and gathered financial and other information, do not possess the financial capability, experience or qualifications to assure good faith performance of the contract; and those Offerors whose score for their technical submittal of the proposal is less than **75 %** of the total amount of technical points allotted to the technical criterion.

The Issuing Office may further limit participation in the best and final offers process to those remaining responsible Offerors which the Issuing Office has determined to be within the top competitive range of responsive proposals. The Evaluation Criteria shall also be used to evaluate the Best and Final offers. Price reductions offered through any online auction shall have no effect upon the Offeror's Technical Submittal. Any reduction to commitments to Small Diverse Businesses and Small Businesses must be proportional to the reduction in the total price offered through any BAFO process or contract negotiations unless approved by the Bureau of Diversity Inclusion and Small Business Opportunities (BDISBO).

17. News Releases. Offerors shall not issue news releases, Internet postings, advertisements or any other public communications pertaining to this Project without prior written approval of the Issuing Office, and then only in coordination with the Issuing Office.

18. Term of Contract. The term of the contract will commence on the Effective Date and will end two (2) years with three (3) optional one (1) year renewals. The Issuing Office will fix the Effective Date after the contract has been fully executed by the selected Offeror and by the Commonwealth and all approvals required by Commonwealth contracting procedures have been obtained. The selected Offeror shall not start the performance of any work prior to the Effective Date of the contract, and the Commonwealth shall not be liable to pay the selected Offeror for any service or work performed or expenses incurred before the Effective Date of the contract.

19. Notification of Selection for Contract Negotiations. The Issuing Office will notify all Offerors in writing of the Offeror selected for contract negotiations after the Issuing Office has determined, taking into consideration all of the evaluation factors, the proposal that is the most advantageous to the Issuing Office.

Prior to execution of the contract resulting from the RFP, the selected Offeror must be registered in the Commonwealth of Pennsylvania's Vendor Master file. In order to register, Offerors must visit the Pa Supplier Portal at <https://www.pasupplierportal.state.pa.us/> or call the Customer Support Center at 877-435-7363 or 717-346-2676.

20. Notification of Award. Offerors whose proposals are not selected will be notified when contract negotiations have been successfully completed, and the Issuing Office has received the final negotiated contract signed by the selected Offeror.

21. Debriefing Conferences. Upon notification of award, Offerors whose proposals were not selected will be given the opportunity to be debriefed. The Issuing Office will schedule the debriefing at a mutually agreeable time. The debriefing will not compare the Offeror with other Offerors, other than the position of the Offeror's proposal in relation to all other Offeror proposals. An Offeror's exercise of the opportunity to be debriefed does not constitute nor toll the time for filing a protest.

22. RFP Protest Procedure. The RFP Protest Procedure is on the DGS website at [click here](#). A protest by a party that has not or has not yet submitted a proposal must be filed no later than the proposal submission deadline. Offerors may file a protest within seven days after the protesting Offeror knew or should have known of the facts giving rise to the protest, but in no event may an Offeror file a protest later than seven days after the date the notice of award of the contract is posted on the DGS website. The date

of filing is the date of receipt of the protest. A protest must be filed in writing with the Issuing Office. To be timely, the protest must be received by 4:00 p.m. on the seventh day.

23. Attachments to the RFP. All attachments to the RFP, including those contained in the **Buyer Attachments** and **Additional Required Documentation** sections, are incorporated into and made part of the RFP.

24. Evaluation Criteria. The Issuing Office has selected a committee of qualified personnel to review and evaluate timely submitted proposals. Independent of the committee, BDISBO will evaluate the Small Diverse Business and Small Business Participation Submittal and provide the Issuing Office with a rating for this component of each proposal. The following criteria will be used in evaluating each proposal:

A. Technical: The Issuing Office has established the weight for the Technical criterion for this RFP as **25%** of the total points. Evaluation will be based upon the following: **Soundness of Approach and Offeror Qualifications** The final Technical scores are determined by giving the maximum number of technical points available to the proposal(s) with the highest raw technical score. The remaining proposals are rated by applying the Technical Scoring Formula set forth at the following webpage: [click here](#)

B. Cost: The Issuing Office has established the weight for the Cost criterion for this RFP as **55%** of the total points. The cost criterion is rated by giving the proposal with the lowest total cost the maximum number of Cost points available. The remaining proposals are rated by applying the Cost Formula set forth at the following webpage: [click here](#)

C. Small Diverse Business and Small Business Participation: BDISBO has established the minimum evaluation weight for the Small Diverse Business and Small Business Participation criterion for this RFP as **20%** of the total points. Refer to the **Small Diverse Business and Small Business Participation** document contained in the **RFP Question** section for more information and scoring methodology.

25. Offeror Responsibility. To be responsible, an Offeror must submit a responsive proposal and possess the capability to fully perform the contract requirements in all respects and the integrity and reliability to assure good faith performance of the contract. In order for an Offeror to be considered responsible for this RFP and therefore eligible for selection for best and final offers or selection for contract negotiations:

The total score for the technical submittal of the Offeror's proposal must be greater than or equal to **75%** of the available technical points and the Offeror must demonstrate the financial capability to assure good faith performance of the contract.

An Offeror who fails to demonstrate sufficient financial capability to assure good faith performance of the contract as specified herein may be considered by the Issuing Office, in its sole discretion, for Best and Final Offers or contract negotiation contingent upon such Offeror providing contract performance security for the first contract year cost proposed by the Offeror in a form acceptable to the Issuing Office. Based on the financial condition of the Offeror, the Issuing Office may require a certified or bank (cashier's) check, letter of credit, or performance bond conditioned upon the faithful performance of the contract by the Offeror. The required performance security must be issued or executed by a bank or surety company authorized to do business in the Commonwealth. The cost of the required performance security will be the sole responsibility of the Offeror and cannot increase the Offeror's cost proposal or the contract cost to the Commonwealth.

Further, the Issuing Office will award a contract only to an Offeror determined to be responsible in accordance with the most current version of [Commonwealth Management Directive 215.9, Contractor Responsibility Program](#).

26. Final Ranking and Award. After any best and final offer process is conducted, the Issuing Office will combine the evaluation committee's final technical scores, BDISBO's final Small Diverse Business and Small Business Participation Submittal scores, the final cost scores, and the domestic workforce utilization scores. The Issuing Office will rank responsible Offerors according to the total overall score assigned to each in descending order. The Issuing Office must select for contract negotiations the Offeror with the highest overall score. The Issuing Office has the discretion to reject all proposals or cancel the request for proposals at any time prior to the time a contract is fully executed when it is in the best interests of the Commonwealth. The reasons for the rejection or cancellation shall be made part of the contract file.

27. COSTARS Program. Information related to the COSTARS Program is incorporated in the **COSTARS Program Clause** contained in the **Buyer Attachments** section. If the Offeror elects to permit COSTARS members to participate in the contract resulting from this RFP, the Offeror should download, complete and upload the **COSTARS Election to Participate Form** contained in **Additional Required Documentation**. If the Offeror is asserting that it is a Department of General Services self-certified Small Business or verified Small Diverse Business, the Offeror must provide an active Department of General Services Small Business Certificate or Small Diverse Business Certificate, as applicable.

Stage Description

No description available.

1 ★ **Instructions To Supplier :**

Responsibility to Review.

Prerequisite Content:

Responsibility to Review RFP

The Offeror acknowledges and accepts full responsibility to ensure that it has reviewed the most current content of the RFP including any amendments to the RFP.

Certification

I certify that I have read and agree to the terms above.

Supplier Must Also Upload a File:

No

Buyer Attachments

Technical Submittal	Technical Submittal 04.16.18.docx	../Attachments/Technical Submittal 04.16.18.docx
MFD Cost Matrix	MFD Cost Matrix 04.27.18.xlsx	../Attachments/MFD Cost Matrix 04.27.18.xlsx
Terms and Conditions	Terms and Conditions 04.23.18.pdf	../Attachments/Terms and Conditions 04.23.18.pdf
Appendix A, Project References Template	Appendix A, Project References Template.doc	../Attachments/Appendix A, Project References Template.doc
Appendix B, MFD Requirements	Appendix B MFD Requirements 04.19.18.xlsx	../Attachments/Appendix B MFD Requirements 04.19.18.xlsx
Appendix C, MFD Service Level Agreements	Appendix C MFD Service Level Agreements 04.20.18.docx	../Attachments/Appendix C MFD Service Level Agreements 04.20.18.docx
Appendix D , Device Usage Report Sample	Appendix D , Device Usage Report Sample.xlsx	../Attachments/Appendix D , Device Usage Report Sample.xlsx
Appendix E, Software Requirements Agreement	Appendix E, Software Requirements Agreement.docx	../Attachments/Appendix E, Software Requirements Agreement.docx

RFP Questions

Group 1.1: Technical Questions

- 1.1.1 Please download, complete, and upload the Technical Submittal from Buyer Attachments.
File Upload
- 1.1.2 Please download, complete, and upload Appendix A, Project References Template from Buyer
File Upload
- 1.1.3 Please download, complete, and upload Appendix B, MFD Requirements from Buyer Attachments.
File Upload
- 1.1.4 Any additional attachments in support of the technical submittal can be uploaded here. If multiple files are needed combine into a single document or create a .zip file combining the files into a single .zip file.
File Upload
- 1.1.5 I have read and fully understand the performance standards in Appendix C, MFD Service Level
Yes/No
- 1.1.6 This RFP is subject to the Information Technology Policies (ITPs) issued by the Office of Administration, Office for Information Technology found at <http://www.oa.pa.gov/Policies/Pages/itp.aspx>. All proposals must be submitted on the basis that all ITPs are applicable to this procurement. It is the responsibility of the Offeror to read and be familiar with the ITPs. Notwithstanding the foregoing, if the Offeror believes that any ITP is not applicable to this procurement, it must list all such ITPs in its technical response, and explain why it believes the ITP is not applicable. The Issuing Office may, in its sole discretion, accept or reject any request that an ITP not be considered to be applicable. The Offeror's failure to list an ITP will result in its waiving its right to do so later, unless the Issuing Office, in its sole discretion, determines that
Text (Multi-Line)
- 1.1.7 Accessibility Needs. The Commonwealth's Executive Order 2016-03, 2016-03 - Establishing "Employment First" Policy and Increasing Competitive Integrated Employment for Pennsylvanians with a Disability, states that Commonwealth employees with disabilities may require accommodations of assistive technology in order to perform the functions of their jobs. The Commonwealth will further the objectives of providing appropriate accommodation and support through the contracts resulting from this procurement. Contractors must provide an accessibility plan and assistive technology for the products and services of this procurement, as applicable. If applicable, please upload provide an accessibility plan
File Upload

Group 1.2: Small Diverse Business and Small Business Participation

- 1.2.1 Please download, complete, and upload the attached SDB/SB Submittal Form, listing of SDB/SB subcontractors, and Letters of Intent (LOI). If this solicitation includes multiple lots, please include a separate Small Diverse Business and Small Business Participation Submittal for each lot for which you are submitting a proposal or quote. All fields must be completed prior to submitting.
File Upload
SDBSB Participation Submittal - ../Attachments/QuestionAttachments/SDBSB Participation Submittal_JAGGAER 012218.xlsx
- 1.2.2 Attached is a Model Form of Small Diverse and Small Business Subcontractor Agreement.
File Upload
Model Form of SDSDB Subcontractor Agreement - ../Attachments/QuestionAttachments/Model Form of SDSDB Subcontractor Agreement.docx
- 1.2.3 I have read and fully understand the Small and Small Diverse Business qualifications attached in question
Yes/No

Group 1.3: Cost

- 1.3.1 Please use the MFD Cost Matrix located in the Buyer Attachments to submit your cost proposal for this procurement. Do not include any assumptions in your submittal. If you do, your proposal may be
File Upload

Additional Required Documentation

Group 2.1: Standard Forms

- 2.1.1** Please download, sign and attach the Domestic Workforce Utilization Certification Form.
File Upload
Domestic Workforce Utilization Certification Form - ../Attachments/QuestionAttachments/Domestic Workforce Utilization Certification Form.doc
- 2.1.2** Please download and complete the attached Reciprocal Limitations Act form.
File Upload
Reciprocal Limitations Act - ../Attachments/QuestionAttachments/GSPUR-89
- 2.1.3** Please download, sign, and attach the Iran Free Procurement Certification and Disclosure Form.
File Upload
Iran Free Procurement Certification Form - ../Attachments/QuestionAttachments/Iran Free Procurement Certification Form.pdf
- 2.1.4** Please download, complete, and attach the Trade Secret/Confidential Proprietary Information Notice.
File Upload
Trade Secret/Confidential Proprietary Information Notice -
../Attachments/QuestionAttachments/TradeSecret_ConfidentialPropertyInfoNotice (002).pdf
- 2.1.5** Any Offeror who determines that it must divulge trade secrets or confidential proprietary information as part of its proposal must submit a redacted version of its proposal, which removes only the confidential proprietary information and trade secrets, for required public disclosure purposes.
File Upload
- 2.1.6** Complete and sign the attached Lobbying Certification and Disclosure form (only applicable when federal funds are being used in the amount of \$100,000 or more).
File Upload
Lobbying Certification and Disclosure Form - ../Attachments/QuestionAttachments/BOP-1307 LOBBYING CERTIFICATION FORM.doc
- 2.1.7** Offeror shall indicate acceptance of participation in the COSTARS Program by checking yes. Further explanation of the program can be found in the attached file.

Yes/No
COSTARS Participation Clause - ../Attachments/QuestionAttachments/COSTARS Program Clause for Statewide Contract.doc
- 2.1.8** The Commonwealth has determined that this contract will be made available to external procurement activities. Further information can be found below in the attached file.
File Upload
External Procurement Activities - ../Attachments/QuestionAttachments/Participating Addendum with an External Procurement Activity.docx

Group 2.2: Terms and Conditions

- 2.2.1** By submitting a proposal, the Offeror does so on the basis of the attached contract terms and conditions contained in Buyer Attachments.
Yes/No

Group 2.3: Offeror's Representation

- 2.3.1** By submitting a proposal, each Offeror understands, represents, and acknowledges the attached representations and authorizations.
Yes/No
Offerors Representations and Authorizations - ../Attachments/QuestionAttachments/Offerors Representations and Authorizations.docx

2.3.2 By submitting a proposal, you represent that: (1) you are making a formal submittal in response to a procurement issued by the Commonwealth pursuant to the Procurement Code (62 Pa.C.S. Section 101 et seq.); (2) you are authorized to submit the information on behalf of the person or entity identified; (3) this electronic submittal is deemed signed by you and you are authorized to bind the person or entity identified to the terms of the solicitation and this submittal; and (4) all of the information submitted is true and correct to the best of your knowledge, information, and belief. Any false statements made by you in this submittal are subject to the penalties of 18 Pa.C.S. §4904 (relating to unsworn falsification to

Yes/No

Q&A Board

Subject = Performance Standards [REDACTED]

Public Thread

Q: Question 1.1.5 asks Vendors to state whether they have read and fully understand the "attached Performance Standards." Does "attached Performance Standards" refer to Appendix C, MFD Service Level Agreements? If not, please provide the referenced Performance Standards for Vendor review.

Question added by: [REDACTED]

4/16/2018 2:53 PM EDT

A: Performance Standards are the Service Level Agreements. See Appendix C, MFD Service Level Agreements.

Answered by: [REDACTED]

4/20/2018 2:57 PM EDT

Subject = Reciprocal Limitations Act Requirements [REDACTED]

Public Thread

Q: Does Vendor enter each proposed model in the State of Manufacture chart in Section III of this form?

Question added by: [REDACTED]

4/16/2018 2:52 PM EDT

A: Multiple models from a single manufacturer can be entered in the same line of the State of Manufacturer chart so long as those models are manufactured at the same location.

Answered by: [REDACTED]

4/20/2018 2:59 PM EDT

Subject = Confidential Information [REDACTED]

Public Thread

Q: If applicable, is a redacted version due at the time of proposal submission or only after award?

Question added by: [REDACTED]

4/16/2018 2:51 PM EDT

A: On page 9 of the Terms and Conditions it states C.2. Prepare a redacted version of the document that redacts the information that is asserted to be confidential or proprietary information or a trade secret.

Answered by: [REDACTED]

4/20/2018 3:00 PM EDT

Subject = RFP Questions [REDACTED]

Public Thread

Q: Does the vendor have the ability to recommend a device based on monthly volume, or not sell a device if it's not the right device for the amount of volume being printed?

Question added by: [REDACTED]

4/16/2018 2:50 PM EDT

A: Vendor has the right to request information that assists in right-sizing a device.

Answered by: [REDACTED]

4/20/2018 3:00 PM EDT

Subject = Acceptance [REDACTED]

Public Thread

Q: Section V.14, Acceptance states that the Commonwealth has a reasonable opportunity to inspect the item(s). The term reasonable could be open for interpretation from customer to customer and therefore Vendor respectfully requests the lease acceptance as the reasonable time period. V.14 CONTRACT-010.1a Acceptance (Oct 2006) No item(s) received by the Commonwealth shall be deemed accepted until the Commonwealth has had a reasonable opportunity to inspect the item(s). Any item(s) which is discovered to be defective or fails to conform to the specifications may be rejected upon initial inspection or at any later time if the defects contained in the item(s) or the noncompliance with the specifications were not reasonably ascertainable upon the initial inspection. It shall thereupon become the duty of the Contractor to remove rejected item(s) from the premises without expense to the Commonwealth within fifteen (15) days after notification. Rejected item(s) left longer than fifteen (15) days will be regarded as abandoned, and the Commonwealth shall have the right to dispose of them as its own property and shall retain that portion of the proceeds of any sale which represents the Commonwealth's costs and expenses in regard to the storage and sale of the item(s). Upon notice of rejection, the Contractor shall immediately replace all such rejected item(s) with others conforming to the specifications and which are not defective. If the Contractor fails, neglects or refuses to do so, the Commonwealth shall then have the right to procure a corresponding quantity of such item(s), and deduct from any monies due or that may thereafter become due to the Contractor, the difference between the price stated in the Contract and the cost thereof to the Commonwealth.

Question added by: [REDACTED]

4/16/2018 2:33 PM EDT

A: The language will remain as stated.

Answered by: [REDACTED]

4/18/2018 3:36 PM EDT

Subject = Historical Data [REDACTED]

Public Thread

Q: Does the Commonwealth have any historical volumes for the current machines?

Question added by: [REDACTED]

4/16/2018 2:28 PM EDT

A: This information is not currently available.

Answered by: [REDACTED]

4/20/2018 3:01 PM EDT

Subject = Timeline [REDACTED]

Public Thread

Q: Will DGS grant a two-week extension to the due date for proposal responses?

Question added by: [REDACTED]

4/16/2018 2:26 PM EDT

A: No

Answered by: [REDACTED]

4/23/2018 1:02 PM EDT

Subject = RFP Questions Group 1.1: Technical Questions [REDACTED]

Public Thread

Q: Item 1.1.5 mentions a "Performance Standards" attachment, but I don't see it included. Please clarify and provide the attachment.

Question added by: [REDACTED]

4/16/2018 1:47 PM EDT

A: Performance Standards are the Service Level Agreements. See Appendix C, MFD Service Level Agreements.

Answered by: [REDACTED]

4/23/2018 10:09 AM EDT

Subject = Terms and Conditions.pdf [REDACTED]

Public Thread

Q: V.48 CONTRACT-043.1 Leasing Additional Terms and Conditions (Oct 2013) A. Term of Lease "Contractor may provide any Leased Property under the Contract for any term up to 60 months." Will Leased Property be awarded on a non-coterminous basis? In other words, can the Leased Property be billed for past the end date of the Master Agreement if the Agency requests 60-month lease term mid-way through the Contract term? How will lease scheduled be documented?

Question added by: [REDACTED]

4/16/2018 1:46 PM EDT

A: See Paragraph V.48 (A).

Answered by: [REDACTED]

4/20/2018 3:02 PM EDT

Subject = Terms and Conditions.pdf [REDACTED]

Public Thread

Q: V.7 CONTRACT-005.1a Purchase Orders (July 2015)
"All Purchase Orders received by the Contractor up to and including the expiration date of the Contract are acceptable and must be performed in accordance with the Contract." Will there be an opportunity for bilateral acceptance of Purchase Orders? For example, if a Purchase Order cannot be met due to logistical or supply chain issues, will the Contractor have the opportunity to accepted or decline?

Question added by: [REDACTED]

4/16/2018 1:46 PM EDT

A: Contractors will have the option to not submit quotes in response to requests from agencies.

Answered by: [REDACTED]

4/20/2018 3:03 PM EDT

Subject = Terms and Conditions.pdf [REDACTED]

Public Thread

Q: V.31 CONTRACT-023.1a Termination Provisions (Oct 2013) a. Termination for Convenience "The Contractor shall be paid for work satisfactorily completed prior to the effective date of the termination, but in no event shall the Contractor be entitled to recover loss of profits." In the event of Termination for Convenience, service unrendered will not be collected; however, will the Contractor be entitled to recover its cost of hardware and deinstallation?

Question added by: [REDACTED]

4/16/2018 1:46 PM EDT

A: No.

Answered by: [REDACTED]

4/18/2018 3:38 PM EDT

Subject = Terms and Conditions.pdf [REDACTED]

Public Thread

Q: V.22 CONTRACT-015.2 Billing Requirements (February 2012) May subcontractors bill and collect payments to Commonwealth agencies independently of prime contractor?

Question added by: [REDACTED]

4/16/2018 1:45 PM EDT

A: No.

Answered by: [REDACTED]

4/18/2018 3:39 PM EDT

Subject = Cancellation [REDACTED]

Public Thread

Q: Please clarify that if the commonwealth cancels the contract for convenience that it will only affect the ability to place new orders but those orders already in place under leases will remain in place until they have met their full lease term?

Question added by: [REDACTED]

4/16/2018 11:48 AM EDT

A: Correct, in the event the contract is terminated for convenience, the purchase orders for devices under lease will remain in effect until the lease term expires.

Answered by: [REDACTED]

4/20/2018 3:04 PM EDT

Subject = V.31 Contract Termination- Provisions [REDACTED]

Public Thread

Q: V.31- Contract Termination Provisions of the Terms and Conditions states that, " The Commonwealth shall have the right to terminate the contract or a Purchase Order (PO) for its convenience if the Commonwealth determines termination to be in its best interest." Termination for an individual order without specific cause or notice is a significant financial risk for the vendor. Please clarify that the termination of an individual PO is only acceptable for termination for cause or lack or appropriation not termination for convenience? If not please allow the vendor to apply a termination fee for individual purchase orders terminated without notice or cause?

Question added by: [REDACTED]

4/16/2018 11:47 AM EDT

A: No. Paragraph V.31 applies to the termination of the contract itself. Paragraph V.48 applies only to purchase orders issued against the contract for the lease of equipment.

Answered by: [REDACTED]

4/19/2018 7:06 AM EDT

Subject = Pricing [REDACTED]

Public Thread

Q: Are vendors able to charge for minimum volume and overages? Or is the Commonwealth looking for a flat rate program?

Question added by: [REDACTED]

4/16/2018 11:37 AM EDT

A: No, the Vendors are not able to charge for minimum volume or overages, it will be a flat rate cost.

Answered by: [REDACTED]

4/20/2018 3:04 PM EDT

Subject = Card Type [REDACTED]

Public Thread

Q: 8. What type of cards will be read by the badge readers?

Question added by: [REDACTED]

4/16/2018 11:17 AM EDT

A: HID is the most commonly used badge type.

Answered by: [REDACTED]

4/23/2018 1:04 PM EDT

Subject = Badge Readers [REDACTED]

Public Thread

Q: 7. Are badge readers required in the lease pricing or as accessory pricing?

Question added by: [REDACTED]

4/16/2018 11:16 AM EDT

A: The cost matrix has been updated to confirm this is an optional accessory. Appendix B has been updated.

Answered by: [REDACTED]

4/23/2018 10:07 AM EDT

Subject = Approval Requirements [REDACTED]

Public Thread

Q: 6. Will the Commonwealth agree to exclude the use of equipment delivery/removal carriers from its approval requirements?

Question added by: [REDACTED]

4/16/2018 11:15 AM EDT

A: The Commonwealth must approve all subcontractors in accordance with the requirements of Section IV.D The Commonwealth will not remove the approval requirements.

Answered by: [REDACTED]

4/23/2018 10:12 AM EDT

Subject = Default Remedy [REDACTED]

Public Thread

Q: 5. Will the Commonwealth agree to provide a Contractor with at least thirty days from notice in which to cure a default causal prior to exercising any default remedy?

Question added by: [REDACTED]

4/16/2018 11:14 AM EDT

A: The Terms and Conditions shall remain as stated.

Answered by: [REDACTED]

4/23/2018 1:01 PM EDT

Subject = Item 13 [REDACTED]

Public Thread

Q: 4. Item 13 of the Technical Specification states that all hardware maintenance must be completed outside of business hours. Is that correctly stated and, if so, please clarify.

Question added by: [REDACTED]

4/16/2018 11:13 AM EDT

A: All maintenance must be completed during normal business hours. The technical submittal has been updated.

Answered by: [REDACTED]

4/20/2018 3:06 PM EDT

Subject = Cancellation [REDACTED]

Public Thread

Q: 3. Will the Commonwealth agree to provide at least 30 day notice of end of lease or cancelled lease removal?

Question added by: [REDACTED]

4/16/2018 11:12 AM EDT

A: Yes, if possible. The technical submittal has been updated.

Answered by: [REDACTED]

4/23/2018 10:06 AM EDT

Subject = SLA [REDACTED]

Public Thread

Q: 2. Does the uptime and fix time SLA credit amount increase by 5% each period until it resets, or does it max at 10%?

Question added by: [REDACTED]

4/16/2018 11:11 AM EDT

A: The amount increases by 2% each period with a maximum credit of 10%. Appendix C has been updated.

Answered by: [REDACTED]

4/20/2018 3:22 PM EDT

Subject = Term [REDACTED]

Public Thread

Q: 1. What is the specific number of months that all respondents should use in determining the pricing for the pricing matrix? 24, 36, 48 or 60?

Question added by: [REDACTED]

4/16/2018 11:09 AM EDT

A: In accordance with Section I, Project Description, of the Technical Submittal, the monthly lease price submitted shall reflect the cost of a 48 month lease.

Answered by: [REDACTED]

4/20/2018 3:24 PM EDT

Subject = Pricing [REDACTED]	Public Thread
<p>Q: If a customer needs to install an accessory after the machine has already been installed, is the vendor allowed to prorate the accessory price based on the number of months left on the rental? For example, if they have 30 months left on a 36 month term, can the vendor quote a 30-month price for that. accessory?</p> <p>A: Yes, so long as that additional item is prorated.</p>	<p>Question added by: [REDACTED] 4/16/2018 11:00 AM EDT</p> <p>Answered by: [REDACTED] 4/20/2018 3:08 PM EDT</p>
Subject = Terms and Conditions [REDACTED]	Public Thread
<p>Q: The terms and conditions attachment starts on page 23. Are pages 1-22 applicable to this contract? If yes, please provide.</p> <p>A: The pages of the Terms and Conditions will be renumbered.</p>	<p>Question added by: [REDACTED] 4/16/2018 10:46 AM EDT</p> <p>Answered by: [REDACTED] 4/23/2018 10:05 AM EDT</p>
Subject = MFD Cost Matrix [REDACTED]	Public Thread
<p>Q: With the focus on additional services, is there an opportunity to add optional line items into the cost submittal template?</p> <p>A: Changes to the cost matrix are not permitted.</p>	<p>Question added by: [REDACTED] 4/16/2018 10:45 AM EDT</p> <p>Answered by: [REDACTED] 4/20/2018 3:09 PM EDT</p>
Subject = Technical Submittal, Page 4, D.3. [REDACTED]	Public Thread
<p>Q: Can a vendor use / reference current in place software license agreements with the Commonwealth?</p> <p>A: Yes, provided the Commonwealth approves the sale of the software product through the awarded contracts and Attachment 1 of the software license lists the software in question.</p>	<p>Question added by: [REDACTED] 4/16/2018 10:44 AM EDT</p> <p>Answered by: [REDACTED] 4/20/2018 3:09 PM EDT</p>
Subject = Appendix B MFD Requirements [REDACTED]	Public Thread
<p>Q: Is the vendor responsible for installing the card authentication software?</p> <p>A: Yes, unless otherwise agreed upon with the agency and identified in the statement of work.</p>	<p>Question added by: [REDACTED] 4/16/2018 10:42 AM EDT</p> <p>Answered by: [REDACTED] 4/20/2018 3:10 PM EDT</p>
Subject = Appendix B MFD Requirements [REDACTED]	Public Thread
<p>Q: Is there a purchase option for current MFD's in field to acquire secure release - card authentication for devices currently under a lease agreement?</p> <p>A: : The Commonwealth will address this situation on a case by case basis and select the best option available.</p>	<p>Question added by: [REDACTED] 4/16/2018 10:42 AM EDT</p> <p>Answered by: [REDACTED] 4/20/2018 3:11 PM EDT</p>
Subject = Terms and Conditions [REDACTED]	Public Thread
<p>Q: Does V.48 take precedence over V.31?</p> <p>A: No. Paragraph V.31 applies to the termination of the contract itself. Paragraph V.48 applies only to purchase orders issued against the contract for the lease of equipment.</p>	<p>Question added by: [REDACTED] 4/16/2018 10:41 AM EDT</p> <p>Answered by: [REDACTED] 4/18/2018 3:42 PM EDT</p>
Subject = MFD Cost Matrix [REDACTED]	Public Thread
<p>Q: Is there an initial term for the lease? Is there a 12 month extension at the end of the term?</p> <p>A: In accordance with Section I, Project Description, of the Technical Submittal, the monthly lease price submitted shall reflect the cost of a 48 month lease. There is a maximum 12 month extension at the end of the lease.</p>	<p>Question added by: [REDACTED] 4/16/2018 10:41 AM EDT</p> <p>Answered by: [REDACTED] 4/20/2018 3:11 PM EDT</p>
Subject = Technical Submittal, Page 7, 16. Substitution [REDACTED]	Public Thread

Q: Would the Commonwealth consider allowing substitutions based on the requirements of the Lot/Segment rather than requiring a substitution of equal or greater value than the MFD originally proposed? Example: Specifications require 25ppm. Vendor proposes 28ppm but when this model is discontinued, it is replaced with a 27ppm. This 27ppm meets all requirements of the Lot/Segment. Would this be acceptable?

Question added by: [REDACTED]

4/16/2018 10:40 AM EDT

A: Yes, so long as all requirements in Lot/Segment are met.

Answered by: [REDACTED]

4/20/2018 3:12 PM EDT

Subject = Technical Submittal, Page 7, 14. Removal & Disposa [REDACTED]

Public Thread

Q: Will the Commonwealth provide a 30 day notification to vendors for removal of equipment?

Question added by: [REDACTED]

4/16/2018 10:39 AM EDT

A: Yes, when possible. The technical submittal has been updated.

Answered by: [REDACTED]

4/23/2018 10:04 AM EDT

Subject = Technical Submittal, Page 1, Project Description [REDACTED]

Public Thread

Q: Will the Commonwealth of PA permit an OEM to have BOTH OEM salespeople and their dealer salespeople providing sales functions and quotations to agencies?

Question added by: [REDACTED]

4/16/2018 10:37 AM EDT

A: Yes, both OEM's and their dealer sales people will be able to provide quotes to the Agencies.

Answered by: [REDACTED]

4/20/2018 3:14 PM EDT

Subject = Technical Submittal, Page 1, Project Description [REDACTED]

Public Thread

Q: Can an OEM have its dealers provide sales, service and invoice functions?

Question added by: [REDACTED]

4/16/2018 10:36 AM EDT

A: The OEM's dealers are able to provide sales and support. The invoicing will come directly from the OEM's.

Answered by: [REDACTED]

4/20/2018 3:15 PM EDT

Subject = Technical Submittal, Page 1, Project Description [REDACTED]

Public Thread

Q: The estimated quantity listed in the MFD Cost Matrix is 3,986, this section approximately 6,000 devices installed across the state, please provide a breakdown of the difference by lot and segment?

Question added by: [REDACTED]

4/16/2018 10:35 AM EDT

A: The quantities listed in the cost matrix are for evaluation purposes only.

Answered by: [REDACTED]

4/20/2018 3:15 PM EDT

Subject = Description in Jaegger #3 Project Description [REDACTED]

Public Thread

Q: Will awards be made to only OEM vendors and will all responsive and responsible OEM bidders that meet the requirements receive an award? If not all, how many OEM vendors will receive an award?

Question added by: [REDACTED]

4/16/2018 10:34 AM EDT

A: Section I of the Technical Submittal states that only Original Equipment Manufacturers may submit proposals in response to this RFP . As set forth in Section 3 of the Description, this will be a multiple award contract. All responsive and responsible OEM vendors will be awarded.

Answered by: [REDACTED]

4/20/2018 3:16 PM EDT

Subject = SDBSB File # 9 [REDACTED]

Public Thread

Q: "This item states "...a range of sanctions, included, but not limited to...". It goes on to also state "... withholding of payments; suspension or termination of the contract together with consequential damages..." These statements are very strict yet simultaneously broad. We do not believe the commonwealth would accept such broad terms if a Vendor tried to introduce the same language to the State. All potential sanctions that could be imposed should be fully disclosed so vendors know what they are agreeing to. Additionally, in other states the financial penalty is specifically stated, and is the difference between what the stated % goal is and what was actually achieved (if the goal is 3% and vendor only hits 1.5%, the penalty is 1.5%). How can the Commonwealth justify the penalty being anything more than that? Consequential damages is far too broad and risky to accept blindly."

Question added by: [REDACTED] 4/13/2018 4:11 PM EDT

A: DGS will not consider any changes to the listing of potential sanctions for an offeror's failure to meet the SDB or SB participation commitments it submits as part of its proposal

Answered by: [REDACTED] 4/18/2018 11:49 AM EDT

Subject = VI. B. Solution Support [REDACTED]

Public Thread

Q: VI. B. Solution support states that weekend support upon request must be provided from the selected contractor. We would like to request exception to providing non charged after hours support.

Question added by: [REDACTED] 4/13/2018 3:45 PM EDT

A: No exceptions will be granted for this requirement. Whether weekend support will be required will be addressed at the time of the lease.

Answered by: [REDACTED] 4/20/2018 3:17 PM EDT

Subject = Terms and Conditions- V. 22 Billing Requirements [REDACTED]

Public Thread

Q: • Please clarify the following statement-"Each invoice shall be itemized with adequate detail and match the line item on the Purchase Order." Is this indicating that our prices must match the Purchase order? Or does this mean that our invoice has to come out in the exact same item sequence as the purchase order—line item 001 Copier YYYY \$ xxxx, Line Item 002, Document Feed \$xxxx etc. If you mean the latter, I do not believe that most vendors can comply. Our invoice can match the pricing on the purchase order obviously, but may be in a different order.

Question added by: [REDACTED] 4/12/2018 4:27 PM EDT

A: The prices in the invoice must match the purchase order

Answered by: [REDACTED] 4/20/2018 3:17 PM EDT

Subject = Technical Submittal VI. D-13. b) [REDACTED]

Public Thread

Q: The technical submittal states that the offeror must receive commonwealth approval prior to implementing any software updates in the training, testing or production environments. The firmware updates on our machines are automatic, would these type of standard updates be allowed?

Question added by: [REDACTED] 4/12/2018 8:40 AM EDT

A: No firmware updates would not require this approval, but the selected Offeror is responsible for resolving any issues the automatic update may cause.

Answered by: [REDACTED] 4/20/2018 3:18 PM EDT

Subject = Technical Submittal VIII. B. [REDACTED]

Public Thread

Q: Section VIII part B. of the technical submittal discusses the contractor's IT service management roles. Will IT services be a component of the MFD bid?

Question added by: [REDACTED] 4/12/2018 8:39 AM EDT

A: Only from the standpoint of supporting the devices and required reporting for the devices awarded within this contract.

Answered by: [REDACTED] 4/20/2018 3:19 PM EDT

Subject = Assignment of Payments [REDACTED]	Public Thread
Q: May a prime contractor assign payments to go to a separate leasing company?	Question added by: [REDACTED] 4/11/2018 9:53 PM EDT
A: Please refer to Subparagraph H of V.48 CONTRACT-043.1 Leasing Additional Terms and Conditions (Oct 2013) of the Terms and Conditions.	Answered by: [REDACTED] 4/23/2018 10:01 AM EDT
Subject = Eligibility to respond [REDACTED]	Public Thread
Q: May resellers bid as a prime contractor or may only OEMs? If yes, is a letter required from an OEM specifically allowing a reseller to respond?	Question added by: [REDACTED] 4/11/2018 9:33 PM EDT
A: Section I of the Technical Submittal states that only Original Equipment Manufacturers may submit proposals in response to this RFP	Answered by: [REDACTED] 4/20/2018 3:20 PM EDT
Subject = Technical Submittal VI. Requirements- Solution [REDACTED]	Public Thread
Q: Section VI. in the technical requirements states that, "Support shall be provided on weekends as requested". We kindly request that the requirement to provide such services during non business hours be omitted from the contract.	Question added by: [REDACTED] 4/11/2018 5:00 PM EDT
A: y: There are times when Agencies are working non-business hours and will need support, therefore the Commonwealth will not omit this requirement from the procurement.	Answered by: [REDACTED] 4/20/2018 2:55 PM EDT
Subject = Technical Submittal [REDACTED]	Public Thread
Q: Please clarify the standard operating hours of business for the state of PA. Then please confirm the specific times and days contractor technicians are allowed to operate on machines in PA. A few conflicting statements that we have listed below are found in the Technical submittal document. "During normal business hours of the Commonwealth, 8:00am to 5:00pm M-F, excluding holidays, the offeror shall have service techs and the support infrastructure available to provide repairs" VI. D. # 13.MFD Maintenance. "All standard system or hardware maintenance shall be completed outside of business hours defined as 7:00 A.M. to 5:00 P.M. Eastern Time, Monday through Friday."	Question added by: [REDACTED] 4/11/2018 4:59 PM EDT
A: Standard operating hours are 8:00 AM to 5:00 PM Monday through Friday. The technical submittal will be updated.	Answered by: [REDACTED] 4/20/2018 2:25 PM EDT
Subject = Apx B Row 11 [REDACTED]	Public Thread
Q: Please advise whether the requirement for password protected printing for confidential documents would be satisfied by the requirement in Row 103 for Secure Printing.	Question added by: [REDACTED] 4/11/2018 4:58 PM EDT
A: No, the Password protected printing for confidential documents requirement is a separate, mandatory requirement from the optional Badge Readers to support secure printing requirement as stated in Appendix B, Row 103.	Answered by: [REDACTED] 4/20/2018 3:27 PM EDT
Subject = Apx B Row 103 [REDACTED]	Public Thread
Q: Please advise what type of badges are issued employees of the Commonwealth, e.g. HIP Prox I, Prox II, MiFARE, iClass, Magstripe, etc. Are multiple badge formats utilized?	Question added by: [REDACTED] 4/11/2018 4:57 PM EDT
A: HID is the most commonly used badge type.	Answered by: [REDACTED] 4/23/2018 1:00 PM EDT
Subject = Apx B. Row 103 [REDACTED]	Public Thread

Q: Please clarify functionality of the Badge Reader for Secure Printing requirement as related to the LDAP Authentication requirement in row 57 for segments as follows: Does the Commonwealth require Badge Integration with the users' LDAP profile? Would the Commonwealth prefer a direct integration of Badges to LDAP via a currently unpopulated attribute, such as the "pager" field in each user's profile, or via tracking and print management software integrated to the LDAP server?

Question added by: [REDACTED]

4/11/2018 4:57 PM EDT

A: Badge Reader and associated functionality of the MFD should allow configuration to be open for either option as described.

Answered by: [REDACTED]

4/20/2018 2:24 PM EDT

Subject = Apx. B. Row 103 [REDACTED]

Public Thread

Q: Please clarify functionality of the Badge Reader for Secure Printing requirement as follows: Would this require the ability for all users to retrieve a submitted print job to any networked MFP, i.e. Pull printing or "Follow Me" printing, or is holding the print job on the MFP Hard Disk Drive to which the user sends the print job acceptable?

Question added by: [REDACTED]

4/11/2018 4:53 PM EDT

A: Badge Reader requirement is to provide the hardware reader itself for a planned future "Follow Me" print implementation not associated with this contract

Answered by: [REDACTED]

4/20/2018 2:22 PM EDT

Subject = Apx. B. Row 17 [REDACTED]

Public Thread

Q: Please clarify what is meant by Internet Fax Expansion Kit. Would this functionality include Scan from one MFP to print immediately on another MFP on the Commonwealth's network?

Question added by: [REDACTED]

4/11/2018 4:53 PM EDT

A: Internet Fax Expansion Kit functionality is to be able to send a fax over RJ45/internet instead of over a RJ11/Phone based connection

Answered by: [REDACTED]

4/20/2018 2:21 PM EDT

Subject = Terms and Conditions V.48 CONTRACT-043.1 Leasing [REDACTED]

Public Thread

Q: Can we submit a bid for multiple lease terms (36-months, 48-month, 60 months? If so, the price sheets will need to be amendment to allow for pricing to be submitted for each.

Question added by: [REDACTED]

4/11/2018 4:52 PM EDT

A: In accordance with Section I, Project Description, of the Technical Submittal, the monthly lease price submitted shall reflect the cost of a 48 month lease.

Answered by: [REDACTED]

4/20/2018 2:19 PM EDT

Subject = Terms and Conditions V.22 Contract- Billing [REDACTED]

Public Thread

Q: There should be an established lease term that will be the measure of comparison for all potential contractors (ie. 24, 48, 60 months). The bid says "up to 60-months" which means each vendor could potentially bid a differnt lease term as long as it doesnt exceed 60-months. How will the state evaluate it, and how will that be handled for the award if everyone has different lease terms available?

Question added by: [REDACTED]

4/11/2018 4:51 PM EDT

A: In accordance with Section I, Project Description, of the Technical Submittal, the monthly lease price submitted shall reflect the cost of a 48 month lease.

Answered by: [REDACTED]

4/20/2018 2:16 PM EDT

Subject = Apx. E Software Requirements [REDACTED]

Public Thread

Q: Are we allowed to bid our entire line of software options as an attachment?

Question added by: [REDACTED]

4/11/2018 4:48 PM EDT

A: Section VI.3.D of the Technical Submittal prohibits selected Offerors from providing MFDs requiring commercially available software for their use until a software license in the form set forth in Appendix E, Software Requirements Agreement, is executed between the software provider and the Commonwealth. Offeror is only permitted to propose on the options requested.

Answered by: [REDACTED]

4/20/2018 3:31 PM EDT

Subject = Terms and Conditions V.22 Contract- Billing

[REDACTED]

Public Thread

Q: Can an authorized dealer accept orders and invoice customers under this contract?

Question added by: [REDACTED]

4/11/2018 4:46 PM EDT

A: Section V.22 CONTRACT-015.2 Billing Requirements (February 2012) states that the Contractors are to establish billing accounts with the Agencies and invoice the Agencies directly. Authorized Dealers will not be able to invoice the Agencies or accept orders.

Answered by: [REDACTED]

4/20/2018 2:11 PM EDT

Technical Submittal

- I. Project Description.** The Commonwealth of Pennsylvania (Commonwealth) intends to award through this RFP, multiple contracts for leased multi-functional devices (MFDs) and other related services. Only Original Equipment Manufacturers (OEMs) may submit proposals for this RFP. This multiple award contract will meet the requirements detailed in **Section VI** of this RFP. The selected Offerors shall have the opportunity, through the submission of quotes, to provide MFDs and related services to Commonwealth agencies and locations across the Commonwealth. The Commonwealth currently has approximately 6,000 devices installed across the state. The term for each lease will be for 48 months with fair market value purchase option upon the end of the lease term. Each lease may be extended for a period not to exceed twelve (12) months.
- II. Objectives.** Through the multiple award contract, the selected Offerors will provide equipment to using agencies at competitive prices that will meet or exceed the agencies requirement.
- III. Statement of the Project.** State in succinct terms your understanding of the project presented or the service required by this RFP.

Offeror Response

IV. Qualifications.

- A. Company Overview.** The Offeror shall provide an overview of the company.

Offeror Response

- B. Prior Experience.** Include experience in the leasing and management of MFD equipment including, but not limited to, the implementation, service, maintenance, and training. Experience shown should be work done by individuals who will be assigned to this project as well as that of your company. Studies or projects referred to must be identified and the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.

Offeror Response

1. The Offeror must include a least three (3) client/project references with its proposal. The references must be for installations completed within the past three (3) years. Complete **Appendix A, Project References Template** for each reference provided. Projects referred to must be identified and the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.

Offeror Response

2. The Offeror must show what work was completed by subcontractors for each of the projects referenced.

Offeror Response

3. The Offeror shall provide the following:

- a. Details of any industry-recognized quality standard to which it is compliant, as well as any industry certifications or awards, received.

Offeror Response

- b. Details on any industry standard (such as ITIL) the Offeror implemented to govern its service delivery.

Offeror Response

- c. Include any certification levels earned by the Offeror or key personnel.

Offeror Response

- d. Within the past three years, has the firm or venture been a party to any lawsuits or arbitration proceedings with regard to any contracts?

Offeror Response

- e. How long has Offeror (s) provided this solution?

Offeror Response

- C. **Personnel.** The selected Offeror shall identify a central point of contact for the management of the MFDs. Offeror shall identify the number of executive and professional personnel, analysts, auditors, researchers, programmers, consultants, etc., who will be engaged in the work. The Offeror must provide an organization chart clearly identifying the proposed personnel, the role, and the links between managers and staff. Show where these personnel will be physically located during the time they are engaged in the Project. For key personnel include the employee's name and, through a resume or similar document, the Project personnel's education, and experience. Indicate the responsibilities each individual will have in this Project and how long each has been with your company. The selected Offeror shall provide a central point of contact to address account issues.

Offeror Response

- D. **Subcontractors.** Provide a subcontracting plan for all subcontractors, including small diverse business and small business subcontractors, who will be assigned to the Project. The selected Offeror is prohibited from subcontracting or outsourcing any part of this Project without the express written approval from the Commonwealth. Upon award of the contract resulting from this RFP, subcontractors included in the proposal submission are deemed approved. For each position included in your subcontracting plan provide:

1. name of subcontractor;
2. address of subcontractor;
3. number of years worked with the subcontractor;
4. number of employees by job category to work on this project;
5. description of services to be performed;
6. what percentage of time the staff will be dedicated to this project;
7. geographical location of staff; and
8. resumes (if appropriate and available).

Offeror Response

V. Financial Capability. Describe your company's financial stability and economic capability to perform the contract requirements. The Commonwealth reserves the right to request additional information to evaluate an Offeror's financial capability.

Offeror Response

VI. Requirements. The proposed solution shall meet or exceed the following requirements. Offeror shall describe in its response how it will meet the outlined requirements.

A. Request Management. The selected Offeror shall perform request management including, but not limited to, order tracking, intake of requests, prioritization, escalation, resolution, and closeout. Offeror shall describe its approach to request management.

Offeror Response

B. Solution Support.

1. Hours of Support. The selected Offeror shall provide support for the Commonwealth Monday through Friday 8:00 A.M. to 5:00 P.M. Eastern Time and weekends as requested. Support shall include, but not be limited to, assistance and ongoing support regarding problems/issues, guidance in the operation of the devices, and identification and correction of possible data or system errors.

Offeror Response

2. Types of Support. Offerors shall describe all types of solution support available (i.e. telephone, web chat, email). At a minimum email and phone support shall be provided.

Offeror Response

3. Incident Management. The Offeror shall provide and manage a process to track, monitor and resolve reported problems/issues. Offeror shall describe its methodology to classify problems as to criticality and impact, including resolution procedures and escalation process for each classification of problems/issues.

Offeror Response

C. Emergency Preparedness. To support continuity of operations during an emergency, including a pandemic, the Commonwealth needs a strategy for maintaining operations for an extended period of time. One part of this strategy is to ensure that essential contracts that provide critical business services to the Commonwealth have planned for such an emergency and put contingencies in place to provide needed goods and services.

1. Describe how you anticipate such a crisis will impact your operations.

2. Describe your emergency response continuity of operations plan. Please attach a copy of your plan, or at a minimum, summarize how your plan addresses the following aspects of pandemic preparedness:

a) Employee training (describe your organization's training plan, and how frequently your plan will be shared with employees)

- b) Identified essential business functions and key employees (within your organization) necessary to carry them out
- c) Contingency plans for:
 - i. How your organization will handle staffing issues when a portion of key employees are incapacitated due to illness.
 - ii. How employees in your organization will carry out the essential functions if contagion control measures prevent them from coming to the primary workplace.
- d) How your organization will communicate with staff and suppliers when primary communications systems are overloaded or otherwise fail, including key contacts, chain of communications (including suppliers), etc.
- e) How and when your emergency plan will be tested, and if the plan will be tested by a third-party.

Offeror Response

D. MFD Management.

1. Offeror must propose a model for each segment in listed in **Appendix B, MFD Requirements.**
Offeror Response
2. The selected Offeror shall cooperate and work with the Commonwealth staff and its contractors to meet the requirements of the contract resulting from this RFP.
Offeror Response
3. The selected Offeror shall not provide MFDs that require commercially available software for its use through the contract resulting from this RFP unless the Commonwealth has entered into a software license agreement with the software licensor. **Appendix E, Software Requirements Agreement.**
Offeror Response
4. The selected Offeror shall provide operating instruction and manuals for all MFDs.
Offeror Response
5. All MFDs shall be UL approved. Any special voltage needed beyond the standard 110v must be indicated. The Commonwealth will furnish suitable electrical current to operate the MFD.
Offeror Response
6. The selected Offeror shall identify the end of life date and buyer's laboratory overall rating for each proposed model of MFD.
Offeror Response
7. Upon request, the selected Offeror shall provide "right-sizing" assessment services to the Commonwealth to aid in the identification of cost effective equipment. This service will be provided at no additional cost.
Offeror Response

8. The selected Offeror shall be responsible for the replenishment of all consumable supplies required to operate the MFDs, with the exception of paper, at no additional cost to the Commonwealth. Consumables shall include, but are not limited to, fusers, developer, toner, and staples.

Offeror Response

9. The selected Offeror shall deliver consumables within five (5) days of request by the Commonwealth.

Offeror Response

10. The MFD's shall meet or exceed the following security requirements;

- a) All MFDs shall accept print jobs only from known users and must be able to preclude communications from anonymous or unknown users, or any other unauthorized or unknown communication source.

Offeror Response

- b) The selected Offeror shall have the ability to test, distribute, and apply print server and MFD patches, and other critical and/or non-critical security updates.

Offeror Response

- c) All MFD open ports, including, but not limited to, LPD, LPR, SMB, IPP, FTP, TFTP, mail, and terminal, must have the ability to be disabled or locked down with a hardened password of a minimum of twelve (12) characters or more. Password used for locking down open ports shall be at least twelve (12) characters long and include letters, numbers, and symbols.

Offeror Response

- d) MFD SNMP and SNMP2 must have the ability to be changed to read only, and have the ability either to be disabled or include a hardened string.

Offeror Response

- e) All network access, including but not limited to web server/administration, MS file share, FTP/SFTP, or WebDAV web service access, must have the ability either to be permanently disabled or protected by a hardened password of twelve (12) characters or more containing letters, numbers, and symbols.

Offeror Response

- f) All scanning must be done via a secure, encrypted transaction, require a secure domain user logon, and require Microsoft Active Directory authentication or LDAP authentication. Microsoft transaction is preferred, and the device must have the ability to enable or disable FTP.

Offeror Response

- g) All PDF documents must have permissions controlled with 128-bit encryption.

Offeror Response

h) All information temporarily stored on the device must be encrypted. Once a job has processed, all information must be purged from the internal device storage.

Offeror Response

i) The hard drives in the leased equipment will be retained by the Commonwealth leasing agency.

Offeror Response

j) All information temporarily stored using internal storage must be accessed only through Microsoft Active Directory or LDAP authentication.

Offeror Response

k) Access to temporarily stored information, using internal storage, must be restricted to the creator of a file or the system/MFD administrator only.

Offeror Response

l) All fax transactions must be kept in a separate buffer from all print and/or scanning functions of the Device. Fax transactions must not remain in the buffer after the fax transaction has been completed. No information may reside in permanent storage.

Offeror Response

11. MFD Invoicing. The selected Offeror shall accept SAP generated invoices for reoccurring lease payments.

Offeror Response

12. MFD Training Requirements. Offeror shall describe it's training plan, approach, and material available. The selected Offeror shall provide on-site training to users upon installation of a new MFD. The selected Offeror shall provide additional training as requested by the Commonwealth, on a mutually agreed upon date, for the term of the lease. All training services performed during normal business hours shall be provided by the Offeror, at no additional cost to the Commonwealth.

The selected Offeror shall provide users with hands-on training and materials including a detailed walk-through of all machine features. In addition, if the MFD is connected to the network, the Contractor must demonstrate remote printing capabilities.

Offeror Response

13. MFD Maintenance. All standard system or hardware maintenance shall be completed during business hours defined as 8:00 A.M. to 5:00 P.M. Eastern Time, Monday through Friday. The Commonwealth requires the selected Offeror to provide the following in the way of maintenance coverage for the proposed solution:

a) Ongoing software updates for the proposed solution, as they become available and are thoroughly tested; such updates may include but are not limited to bug fixes, patches and other improvements.

- b) The selected Offeror must receive Commonwealth approval prior to implementing any software updates in the training, testing or production environments.
- c) Software updates that modify features and functions shall include an update to online help, training tutorial, reference guides and user manuals upon completion or at a date agreed to by the Commonwealth.

Offeror Response

- 14. Removal and Disposal.** The selected Offeror shall provide 60-day notice of upcoming lease expiration to the Commonwealth designee. Upon notification of the requirement for machine removal due to expiring or cancelled lease, the Offeror shall remove the machine on the pickup date as directed by the Commonwealth. When possible, the Commonwealth will provide 30-day notice for removal. The Commonwealth is not responsible for any payments after the lease expiration/cancellation date if the machine has not been removed by the Offeror.

Note: The information provided above supersedes any contradictory information provided within V.48 (M)Terms and Conditions.

Offeror Response

- 15. Relocation.** The selected Offeror is responsible to assure prompt relocation of all MFDs procured under its contract. The selected Offeror shall perform moves of less than twenty-five (25) miles at no cost one time during the MFD lease period. Relocation of an MFD more than once, or beyond a twenty-five (25) mile distance will be billed at the cost identified in the attached **MFD Cost Matrix**. The Offeror is responsible for the preparation of the MFD. Damages resulting from the transfer of a machine during relocation are not the responsibility of the Commonwealth. The Commonwealth reserves the right to request the Offeror to transfer its MFDs, after notification, to any facility or location other than the original place of installation.

Offeror Response

- 16. Substitution.** If during the term of the contract new MFDs become available, the Offeror may, with the written approval of the Commonwealth, substitute a new model if it offers features, technologies, or standards that are equal to or greater than the original model. The cost of any new MFD must be less than or equal to the model it is replacing. At no time will there be more than one approved model in each segment per contractor.

Offeror Response

- 17. Repetitive Service.** The selected Offeror shall provide the following information in its monthly reports. See **Section VIII.D** for additional information.

- 1. The selected Offeror shall report monthly all MFDs with repetitive service requests totaling three (3) or more in a rolling thirty-day period.

2. The selected Offeror shall report monthly on all MFDs with repetitive service requests totaling five (5) or more in a rolling sixty-day period. The selected Offeror, after consultation with the Commonwealth and the agency, shall replace the MFD at no charge with a new machine with comparable features and capabilities. A new lease term will not commence, but rather the Commonwealth will only be responsible for the remaining payments in the unexpired term of the original MFD.
3. If the cause of the service request(s) are due to operator misuse or abuse by the Commonwealth, the request will not count against the Offeror for this requirement.

Offeror Response

- 18. MFD Customer Satisfaction.** The selected Offeror shall initiate customer satisfaction surveys which must indicate performance. The Commonwealth will determine the format and delivery mode of the survey.

Offeror Response

- 19. Optional Services/Features.** Offeror shall describe any additional services or features that are available at no additional cost to the Commonwealth.

Offeror Response

- 20. Service Level Agreements (SLAs).** The selected Offeror shall meet or exceed the SLAs described in **Appendix C, MFD Service Level Agreements.**

Offeror Response

- 21. Price List Changes/Product Changes.** The selected Offeror may update their price list or product changes every quarter or biannually, beginning with the contract awarded date to reflect new products, and manufacturer's price changes, deletion of discontinued products, etc.

Offeror Response

- VII. Tasks.** Describe in narrative form your technical plan for accomplishing the work using the task descriptions as your reference point. Modifications of the task descriptions are permitted; however, reasons for changes should be fully explained. Indicate the number of person hours allocated to each task. Include a Program Evaluation and Review Technique (PERT) or similar type display, time related, showing each event. If more than one approach is apparent, comment on why you chose this approach.

Offeror Response

- A. Delivery of MFDs.** Offeror shall describe their delivery services. The selected Offeror shall provide delivery of equipment within ten (10) days following the receipt an order or on a date agreed to by the Commonwealth. Order shall be F.O.B. Destination with all freight charges paid by the Offeror. Each delivered piece of equipment shall include a packing slip, model number, serial number, and purchase order number. Partial shipments are acceptable only if authorized by

the Commonwealth. The selected Offeror shall ensure all incorrect shipments and/or invoices are corrected within ten (10) business days. The status of the delivery order shall be communicated to the Commonwealth within five (5) business days.

Offeror Response

- B. Installation of MFDs.** The selected Offeror is responsible for the installation of all MFDs and shall certify readiness for operation in writing. Readiness for operation includes all features and functions **requested** by the Commonwealth using agency are fully operational and requested staff training has been completed.

Prior to delivery, the selected Offeror shall survey and review the installation location to insure the agency's desired location for the MFD meets the manufacturer's established installation criteria. Should the proposed installation location not meet established installation criteria, the Offeror and the requesting agency shall attempt to locate an alternate mutually agreeable location for the machine.

At the time of installation of an MFD, the Offeror shall provide consumable supplies sufficient to produce the maximum number of copies for one month.

The selected Offeror shall affix a label or decal to the MFD at the time of installation, showing the name, address, and telephone number of the dealer responsible for service of the machine.

Cabling of network machines is not the responsibility of the Offeror.

Offeror Response

- C. MFD Maintenance and Repair Service.** The selected Offeror shall coordinate with the Commonwealth using agency to confirm and agree to the for the pickup date and delivery of equipment to off-site repair facilities, estimating turnaround time for repairs, asset tagging, management and tracking of equipment.

The selected Offeror shall conduct break/fix maintenance and all regularly scheduled maintenance for all equipment during the term of the lease. This maintenance schedule shall comply with the OEM's specified guidelines. The Offeror shall provide a central point of contact to address maintenance and repair service issues.

During normal business hours of the Commonwealth, 8:00am to 5:00pm, Monday through Friday, excluding state holidays, the Offeror shall have service technicians and the support infrastructure available to provide repairs that meet the service level agreement specified in **Section VI.D.20**.

The selected Offeror shall troubleshoot technical difficulties during the term of the lease. The selected Offeror shall provide online technical support and a toll-free contact number.

The selected Offeror may provide repair service and support any time outside of normal business hours, upon agreement with the Commonwealth using agency, at no additional cost.

Offeror Response

- VIII. Reports and Project Control.** The selected Offeror shall create, maintain, and execute the following plans, reports, and supporting documentation in a format agreed to by the Commonwealth. Offerors shall submit its project management methodology and/or draft plans

which it proposes to use for this project. The selected Offeror must submit final plan(s) within [specified] days of receiving the notice to proceed. All plans are subject to Commonwealth approval.

A. Project Management Plan. The project management shall include, but not limited to, the following:

1. Project Plan. The project plan must describe the scope of work for the project and how the scope will be managed. The project plan shall act as a confirmation of project scope, phasing, implementation objectives, and be detailed enough to ensure the product is delivered on time, within projected estimates, and meets all requirements as specified in the RFP. The project plan must include, but is not limited to:

- Project Scope Statement
- Scope Management Process
- Major Milestones /Deliverables
- Work Breakdown Structure (WBS)
- Timeline

2. Requirements Management Plan. The requirements management plan must describe the process and approach to manage and address requirements throughout the life of the project. The requirements management plan shall include:

- Requirements Management Process
- Roles and Responsibilities
- Requirements Traceability Matrix (RTM)

3. Risk Management Plan. The risk management plan must describe the approach used to manage risk throughout the life of the project, how contingency plans are implemented, and how project reserves are allocated to handle the risks. The plan will include the methods for identifying risks, tracking risks, documenting response strategies, and communicating risk information. The risk management plan shall include:

- Risk Management Process
- Roles and Responsibilities
- Rules/Procedures
- Risk Impact Analysis Approach
- Tools

4. Issue Management Plan. The issue management plan must describe the approach for capturing and managing issues throughout the life of the project to ensure the project is moving forward and avoids unnecessary delays. The issues management plan shall include:

- Issues Management Approach
- Roles and Responsibilities

- Tools

5. Change Control Management Plan. The change control management plan must describe the approach to effectively manage changes throughout the life of a project. The plan will include the process to track change requests from submittal to final disposition (submission, coordination, review, evaluation, categorization), the method used to communicate change requests and their status (approved, deferred, or rejected), the escalation process if changes cannot be resolved by the review team, and the process for project re-baselining. The change control management plan shall include:

- Change Management Process
- Roles and Responsibilities
- Rules/Procedures
- Change Impact Analysis Approach
- Tools

6. Communications Management Plan. The communication management plan must describe the communications process that will be used throughout the life of the project. The process must include the tools and techniques that will provide timely and appropriate generation, collection, distribution, storage, retrieval and disposition of project information. The communications management plan shall include:

- Communications Management Process
- Roles and Responsibilities
- Reporting Tools and Techniques
- Meeting Types and Frequency

7. Quality Management Plan. The quality management plan must describe the approach used to address Quality Assurance (QA) and Quality Control (QC) throughout the life of the project. The quality management plan should identify the quality processes and practices including the periodic reviews, audits and the testing strategy for key deliverables. The plan should also include the criteria by which quality is measured, the tolerances required of product and project deliverables, how compliance is measured, and the process for addressing those instances whenever quality measures are out of tolerance or compliance. The quality management plan will include:

- Quality Management Process
- Roles and Responsibilities
- Tools
- Quality Standards

8. Time Management Plan. The time management plan must describe the process for controlling the proposed schedule and how the achievement of tasks and milestones will be identified and reported. The plan must also detail the process to identify,

resolve, and report resolution of problems such as schedule slippage. The time management plan will include:

- Time Management Process
- Role and Responsibilities
- Tools and Techniques
- Work Plan

Where appropriate, a PERT or GANTT chart display should be used to show project, task, and time relationship.

Offeror Response

- B. IT Service Management.** Offeror(s) shall describe its service management methodology its uses to deliver service to its customers. Identify any industry best practices or standards its service management methodology is based. IT Service management shall include strategic approach directed by policies and incorporated in processes and supporting procedures that are performed to plan, deliver, operate, control, and improve IT services offered to customers. Offeror shall describe tools used for service management to include any integration of automated tools. Offeror shall include as part of its proposal any service management plan(s) which will be utilized to deliver, operate, control, and improve the services as described in this RFP.

Offeror Response

- C. Quarterly Reports.** The selected Offeror shall submit to the Commonwealth contract administrator a quarterly report, within ten (10) business days following the end of the reporting period, detailing the purchasing, or leasing volume by the Commonwealth and its using agencies. The report shall include all COSTARS political subdivisions and university purchases as well as any “piggyback” purchase by other state (non-PA) entities. A consistent reporting mechanism is required to be used by the selected Offeror and shall include, at a minimum, the following:

- Summary report of purchases by the using agency, including item description, item number, serial number, receipt date of the purchase order, the delivery date of the equipment, subtotals by segment and agency, and the total for the Commonwealth.
- Performance report indicating average delivery time for equipment, percentage of orders that were shipped incorrectly, failure rates (‘dead on arrival’), and percentage of deliver orders resulting in a backordered items.
- Customer satisfaction report detailing the performrance of the selected Offeror in the areas of quality assurance, accuracy of equipment shipped/receved, professionalism, flexibility, competence, timeliness of delivery, and response to questions.

Offeror Response

- D. Monthly Reports.** The selected Offeror shall provide the following monthly reports, within ten (10) business days following the end of the reporting period:

- a. Service Level Reporting using the SLA metrics for up-time, on-time, and fix-time for each using agency.
- b. Response time and fix-time, by using agency, including incident address, model number, serial number, problem summary, call date and time, response date and time, fix date and time, and resolution summary.
- c. Repeat request, by using agency, including the serial number for any MFDs having three (3) or more service requests on a rolling thirty-day period as described in **Section VI.C.17**.
- d. Repeat request, by using agency, including the serial number for any MFDs having five (5) or more service requests on a rolling sixty-day period as described in **Section VI.C.17**.

Offeror Response

E. Device Usage Reports. The selected Offeror shall provide a device usage report at the request of the Commonwealth or using agency once per quarter per agency, within ten (10) business days following the request or end of the reporting period. The report shall, include at a minimum, the volume printed by device serial number, segment, and using agency. See **Appendix D, Device Usage Reports Sample** for additional information.

Offeror Response

F. Problem Identification Report. An “as required” report, identifying problem areas. The report should describe the problem and its impact on the overall project and on each affected task. It should list possible courses of action with advantages and disadvantages of each, and include Offeror recommendations with supporting rationale.

Offeror Response

I. Objections and Additions to Standard Contract Terms and Conditions. The Offeror will identify which, if any, of the service levels in **Appendix, C MFD Service Level Agreements**, that it would like to negotiate. The Offeror’s failure to make a submission under this paragraph will result in its waiving its right to do so later, but the Issuing Office may consider late objections and requests for additions if to do so, in the Issuing Office’s sole discretion, would be in the best interest of the Commonwealth. The Issuing Office may, in its sole discretion, accept or reject any requested changes to the service level agreements. The Offeror shall not request changes to the other provisions of the RFP, nor shall the Offeror request to completely substitute its own terms and conditions for this RFP. All terms and conditions must appear in one integrated contract. The Issuing Office will not accept references to the Offeror’s, or any other, online guides or online terms and conditions contained in any proposal.

Regardless of any objections set out in its proposal, the Offeror must submit its proposal, including the cost proposal, on the basis of the terms and conditions set out in the terms and conditions or the service level agreements. The Issuing Office will reject any proposal that is conditioned on the negotiation of the terms and conditions set out in the terms and conditions contained in the Buyer Attachment section or to other provisions of the RFP.

Offeror Response

INSTRUCTIONS

- 1.) All sheets must be filled out completely. Fill out all yellow highlighted cells on each worksheet.
- 2.) Formulas are imbedded in the Worksheets. Offeror's must verify that all calculations, subtotal costs and grand total costs are accurate.
- 3.) MFD Devices: Enter cost into the yellow highlighted cells for the three (3) device categories. A device must be entered for each category segment.
- 4.) Summary: All information is linked and will calculate automatically.
- 5.) Device Relocation: Enter the cost in the yellow highlighted cells to indicate the cost to relocate a device. Devices relocated 25 miles or less will be at no cost once per lease period.
- 6.) Please contact the Issuing Officer with any questions or concerns.
- 7.) Payment for services under this contract are fixed cost per unit. The volumes listed are for evaluation purposes only and will not be binding on the Commonwealth.

OFFEROR NAME	CONTACT PERSON	
OFFEROR ADDRESS	EMAIL ADDRESS	
	PHONE NUMBER	FAX NUMBER
	VENDOR NUMBER	FEDERAL ID OR SSN

Vendor Name	0
Vendor ID Number	0
Vendor TIN	0

Legal Size B&W							
Manufacturer		Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Segment 6
Manufacturer Model Number							
Monthly Lease Cost		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly Lease Cost with Optional Items							
Additional Optional Items	Black and White Faxing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Internet Fax Expansion Kit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Minimum Collating and Stapling Speed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	3-hole Punch	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Saddle Stitch	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Card Stock	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Additional trays or drawers for paper sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	High Capacity Tray or Drawer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Exit Tray	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Memory Expansion Kit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Mac Client OS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Linux Client OS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Digital output in .docx format	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Digital output in .rtf format	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Postscript or Postscript/PCL all in one driver page description languages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Badge Reader Secure Printing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Estimated Quantity		190	17	31	54	112	25
Estimated Total Monthly Cost		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Ledger Sized B&W							
Manufacturer		Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Segment 6
Manufacturer Model Number							
Monthly Lease Cost		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly Lease Cost with Optional Items							
	Black and White Faxing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Internet Fax Expansion Kit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Additional Optional Items	Minimum Collating and Stapling Speed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	3-hole Punch	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Saddle Stitch	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Card Stock	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Additional trays or drawers for paper sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	High Capacity Tray or Drawer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Exit Tray	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Memory Expansion Kit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Mac Client OS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Linux Client OS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Digital output in .docx format	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Digital output in .rtf format	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Postscript or Postscript/PCL all in one driver page description languages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Badge Reader Secure Printing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Estimated Quantity		256	542	1322	492	289	344
Estimated Total Monthly Cost		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Color				
Manufacturer		Segment 1	Segment 2	Segment 3
Manufacturer Model Number				
Monthly Lease Cost		\$ -	\$ -	\$ -
Monthly Lease Cost with Optional Items				
Additional Optional Items	Black and White Faxing	\$ -	\$ -	\$ -
	Internet Fax Expansion Kit	\$ -	\$ -	\$ -
	Standard 11 x 17 inch Media	\$ -	\$ -	\$ -
	3-hole Punch	\$ -	\$ -	\$ -
	Saddle Stitch	\$ -	\$ -	\$ -
	Card Stock	\$ -	\$ -	\$ -
	Additional trays or drawers for paper sources	\$ -	\$ -	\$ -
	High Capacity Tray or Drawer	\$ -	\$ -	\$ -
	Exit Tray	\$ -	\$ -	\$ -
	Memory Expansion Kit	\$ -	\$ -	\$ -
	Mac Client OS	\$ -	\$ -	\$ -
	Linux Client OS	\$ -	\$ -	\$ -
	Digital output in .docx format	\$ -	\$ -	\$ -
	Digital output in .rtf format	\$ -	\$ -	\$ -

	Postscript or Postscript/PCL all in one driver page description languages	\$ -	\$ -	\$ -
	Badge Reader Secure Printing	\$ -	\$ -	\$ -
	Estimated Quantity	69	85	158
	Estimated Total Monthly Cost	\$ -	\$ -	\$ -

Vendor Name	0
vendor ID Number	0
Vendor TIN	0

Relocation Services	
Distance	Cost
0 to 25 Miles	\$0.00
>25 to 50 Miles	\$0.00
>50 to 100 Miles	\$0.00
>100 Miles	\$0.00

Vendor Name	0
vendor ID Number	0
Vendor TIN	0

Cost Summary

Total Cost Base Years	
Total Annual Cost MFD Devices (All Segments) Base Year 1 & 2	\$ -

PART V - CONTRACT TERMS and CONDITIONS

V.1 CONTRACT-001.1a Contract Terms and Conditions (Nov 30 2006)

The Contract with the selected offeror (who shall become the "Contractor") shall include the following terms and conditions:

V.2 CONTRACT-002.1d Term of Contract – Contract (May 2012)

The initial term of the Contract shall be 02 year(s) and 00 month(s).

The term of the Contract shall commence on the Effective Date (as defined below) and shall end on the Expiration Date identified in the Contract, subject to the other provisions of the Contract.

The Effective Date shall be: a) the Effective Date printed on the Contract after the Contract has been fully executed by the Contractor and the Commonwealth (signed and approved as required by Commonwealth contracting procedures) or b) the "Valid from" date printed on the Contract, whichever is later.

V.3 CONTRACT-002.2a Renewal of Contract Term (Nov 30 2006)

The Contract may be renewed for a maximum of 3 additional 1 year term(s), so long as Commonwealth provides written notice to Contractor of its intention to extend the Contract by letter prior to the expiration of the term of the agreement, or any extension thereof. The Commonwealth may exercise the renewal as individual year or multiple year term(s). Any renewal will be under the same terms, covenants and conditions. No further document is required to be executed to renew the term of the contract.

V.4 CONTRACT-002.3 Extension of Contract Term (Nov 30 2006)

The Commonwealth reserves the right, upon notice to the Contractor, to extend any single term of the Contract for up to three (3) months upon the same terms and conditions.

V.5 CONTRACT-003.1b Signatures – Contract (July 2015)

The Contract shall not be a legally binding contract until the fully-executed Contract has been sent to the Contractor. No Commonwealth employee has the authority to verbally direct the commencement of any work or delivery of any supply under this Contract prior to the Effective Date. The Contractor hereby waives any claim or cause of action for any service or work performed prior to the Effective Date.

The Contract may be signed in counterparts. The Contractor shall sign the Contract and return it to the Commonwealth. After the Contract is signed by the Contractor and returned to the Commonwealth, it will be processed for Commonwealth signatures and approvals. When the Contract has been signed and approved by the Commonwealth as required by Commonwealth contracting procedures, the Commonwealth shall create a Contract output form which shall: 1) clearly indicate "Fully executed" at the top of the form; 2) include a printed Effective Date and 3) include the printed name of the Purchasing Agent indicating that the document has been electronically signed and approved by the Commonwealth. Until the Contractor receives the Contract output form with this information on the Contract output form, there is no legally binding contract between the parties.

The fully-executed Contract may be sent to the Contractor electronically or through facsimile equipment. The

electronic transmission of the Contract shall require acknowledgement of receipt of the transmission by the Contractor. Receipt of the electronic or facsimile transmission of the Contract shall constitute receipt of the fully-executed Contract.

The Commonwealth and the Contractor specifically agree as follows:

- a. No handwritten signature shall be required in order for the Contract to be legally enforceable.
- b. The parties agree that no writing shall be required in order to make the Contract legally binding, notwithstanding contrary requirements in any law. The parties hereby agree not to contest the validity or enforceability of a genuine Contract or acknowledgement issued electronically under the provisions of a statute of frauds or any other applicable law relating to whether certain agreements be in writing and signed by the party bound thereby. Any genuine Contract or acknowledgement issued electronically, if introduced as evidence on paper in any judicial, arbitration, mediation, or administrative proceedings, will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither party shall contest the admissibility of copies of a genuine Contract or acknowledgements under either the business records exception to the hearsay rule or the best evidence rule on the basis that the Contract or acknowledgement were not in writing or signed by the parties. A Contract or acknowledgement shall be deemed to be genuine for all purposes if it is transmitted to the location designated for such documents.
- c. Each party will immediately take steps to verify any document that appears to be obviously garbled in transmission or improperly formatted to include re-transmission of any such document if necessary.

V.6 CONTRACT-004.1a Definitions (Oct 2013)

As used in this Contract, these words shall have the following meanings:

- a. Agency: The department, board, commission or other agency of the Commonwealth of Pennsylvania listed as the Purchasing Agency. If a COSTARS entity or external procurement activity has issued an order against this contract, that entity shall also be identified as "Agency".
- b. Contracting Officer: The person authorized to administer this Contract for the Commonwealth and to make written determinations with respect to the Contract.
- c. Days: Unless specifically indicated otherwise, days mean calendar days.
- d. Developed Works or Developed Materials: All documents, sketches, drawings, designs, works, papers, files, reports, computer programs, computer documentation, data, records, software, samples or any other tangible material without limitation authored or prepared by Contractor as the work product covered in the scope of work for the Project.
- e. Documentation: All materials required to support and convey information about the services required by this Contract. It includes, but is not necessarily restricted to, written reports and analyses, diagrams, maps, logical and physical designs, system designs, computer programs, flow charts, disks, and/or other machine-readable storage media.
- f. Services: All Contractor activity necessary to satisfy the Contract.

V.7 CONTRACT-005.1a Purchase Orders (July 2015)

Commonwealth agencies may issue Purchase Orders against the Contract. These orders constitute the Contractor's authority to make delivery. All Purchase Orders received by the Contractor up to and including the expiration date of the Contract are acceptable and must be performed in accordance with the Contract. Each Purchase Order will be deemed to incorporate the terms and conditions set forth in the Contract.

Purchase Orders may be electronically signed by the Agency. The electronically-printed name of the purchaser represents the signature of that individual who has the authority, on behalf of the Commonwealth, to authorize the Contractor to proceed.

Purchase Orders may be issued electronically or through facsimile equipment. The electronic transmission of a purchase order shall require acknowledgement of receipt of the transmission by the Contractor. Receipt of the electronic or facsimile transmission of the Purchase Order shall constitute receipt of an order. Orders received by the Contractor after 4:00 p.m. will be considered received the following business day.

a. No handwritten signature shall be required in order for the Contract or Purchase Order to be legally enforceable.

b. The parties agree that no writing shall be required in order to make the Purchase Order legally binding. The parties hereby agree not to contest the validity or enforceability of a Purchase Order or acknowledgement issued electronically under the provisions of a statute of frauds or any other applicable law relating to whether certain agreements be in writing and signed by the party bound thereby. Any Purchase Order or acknowledgement issued electronically, if introduced as evidence on paper in any judicial, arbitration, mediation, or administrative proceedings, will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither party shall contest the admissibility of copies of Purchase Orders or acknowledgements under either the business records exception to the hearsay rule or the best evidence rule on the basis that the Purchase Order or acknowledgement were not in writing or signed by the parties. A Purchase Order or acknowledgment shall be deemed to be genuine for all purposes if it is transmitted to the location designated for such documents.

c. Each party will immediately take steps to verify any document that appears to be obviously garbled in transmission or improperly formatted to include re-transmission of any such document if necessary.

Purchase Orders under ten thousand dollars (\$10,000) in total amount may also be made in person or by telephone using a Commonwealth Purchasing Card. When an order is placed by telephone, the Commonwealth agency shall provide the agency name, employee name, credit card number, and expiration date of the card. Contractors agree to accept payment through the use of the Commonwealth Purchasing Card.

V.8 CONTRACT-006.1 Independent Prime Contractor (Oct 2006)

In performing its obligations under the Contract, the Contractor will act as an independent contractor and not as an employee or agent of the Commonwealth. The Contractor will be responsible for all services in this Contract whether or not Contractor provides them directly. Further, the Contractor is the sole point of contact with regard to all contractual matters, including payment of any and all charges resulting from the Contract.

V.9 CONTRACT-007.01a Supplies Delivery (Nov 30 2006)

All item(s) shall be delivered F.O.B. Destination. The Contractor agrees to bear the risk of loss, injury, or destruction of the item(s) ordered prior to receipt of the items by the Commonwealth. Such loss, injury, or destruction shall not release the Contractor from any contractual obligations. Except as otherwise provided in this contract, all item(s) must be delivered within the time period specified. Time is of the essence and, in addition to any other remedies, the Contract is subject to termination for failure to deliver as specified. Unless otherwise stated in this Contract, delivery must be made within thirty (30) days after the Effective Date.

V.10 CONTRACT-007.02 Estimated Quantities (Nov 30 2006)

It shall be understood and agreed that any quantities listed in the Contract are estimated only and may be increased or decreased in accordance with the actual requirements of the Commonwealth and that the Commonwealth in accepting any bid or portion thereof, contracts only and agrees to purchase only the materials and services in such quantities as represent the actual requirements of the Commonwealth. The Commonwealth reserves the right to purchase materials and services covered under the Contract through a separate competitive procurement procedure, whenever Commonwealth deems it to be in its best interest.

V.11 CONTRACT-008.1a Warranty (Oct 2006)

The Contractor warrants that all items furnished and all services performed by the Contractor, its agents and subcontractors shall be free and clear of any defects in workmanship or materials. Unless otherwise stated in the Contract, all items are warranted for a period of one year following delivery by the Contractor and acceptance by the Commonwealth. The Contractor shall repair, replace or otherwise correct any problem with the delivered item. When an item is replaced, it shall be replaced with an item of equivalent or superior quality without any additional cost to the Commonwealth.

V.12 CONTRACT-009.1c Patent, Copyright, and Trademark Indemnity (Oct 2013)

The Contractor warrants that it is the sole owner or author of, or has entered into a suitable legal agreement concerning either: a) the design of any product or process provided or used in the performance of the Contract which is covered by a patent, copyright, or trademark registration or other right duly authorized by state or federal law or b) any copyrighted matter in any report, document or other material provided to the Commonwealth under the contract.

The Contractor shall defend any suit or proceeding brought against the Commonwealth on account of any alleged patent, copyright or trademark infringement in the United States of any of the products provided or used in the performance of the Contract.

This is upon condition that the Commonwealth shall provide prompt notification in writing of such suit or proceeding; full right, authorization and opportunity to conduct the defense thereof; and full information and all reasonable cooperation for the defense of same.

As principles of governmental or public law are involved, the Commonwealth may participate in or choose to conduct, in its sole discretion, the defense of any such action.

If information and assistance are furnished by the Commonwealth at the Contractor's written request, it shall be at the Contractor's expense, but the responsibility for such expense shall be only that within the Contractor's written authorization.

The Contractor shall indemnify and hold the Commonwealth harmless from all damages, costs, and expenses, including attorney's fees that the Contractor or the Commonwealth may pay or incur by reason of any infringement or violation of the rights occurring to any holder of copyright, trademark, or patent interests and rights in any products provided or used in the performance of the Contract.

If any of the products provided by the Contractor in such suit or proceeding are held to constitute infringement and the use is enjoined, the Contractor shall, at its own expense and at its option, either procure the right to continue use of such infringement products, replace them with non-infringement equal performance products or modify them so that they are no longer infringing.

If the Contractor is unable to do any of the preceding, the Contractor agrees to remove all the equipment or software which are obtained contemporaneously with the infringing product, or, at the option of the Commonwealth, only those items of equipment or software which are held to be infringing, and to pay the Commonwealth: 1) any amounts paid by the Commonwealth towards the purchase of the product, less straight line depreciation; 2) any license fee paid by the Commonwealth for the use of any software, less an amount for the period of usage; and 3) the pro rata portion of any maintenance fee representing the time remaining in any period of maintenance paid for. The obligations of the Contractor under this paragraph continue without time limit. No costs or expenses shall be incurred for the account of the Contractor without its written consent.

V.13 CONTRACT-009.1d Ownership Rights (Oct 2006)

The Commonwealth shall have unrestricted authority to reproduce, distribute, and use any submitted report, data, or material, and any software or modifications and any associated documentation that is designed or developed and delivered to the Commonwealth as part of the performance of the Contract.

V.14 CONTRACT-010.1a Acceptance (Oct 2006)

No item(s) received by the Commonwealth shall be deemed accepted until the Commonwealth has had a reasonable opportunity to inspect the item(s). Any item(s) which is discovered to be defective or fails to conform to the specifications may be rejected upon initial inspection or at any later time if the defects contained in the item(s) or the noncompliance with the specifications were not reasonably ascertainable upon the initial inspection. It shall thereupon become the duty of the Contractor to remove rejected item(s) from the premises without expense to the Commonwealth within fifteen (15) days after notification. Rejected item(s) left longer than fifteen (15) days will be regarded as abandoned, and the Commonwealth shall have the right to dispose of them as its own property and shall retain that portion of the proceeds of any sale which represents the Commonwealth's costs and expenses in regard to the storage and sale of the item(s). Upon notice of rejection, the Contractor shall immediately replace all such rejected item(s) with others conforming to the specifications and which are not defective. If the Contractor fails, neglects or refuses to do so, the Commonwealth shall then have the right to procure a corresponding quantity of such item(s), and deduct from any monies due or that may thereafter become due to the Contractor, the difference between the price stated in the Contract and the cost thereof to the Commonwealth.

V.15 CONTRACT-010.2 Product Conformance (March 2012)

The Commonwealth reserves the right to require any and all Contractors to:

1. Provide certified data from laboratory testing performed by the Contractor, or performed by an independent laboratory, as specified by the Commonwealth.
2. Supply published manufacturer product documentation.
3. Permit a Commonwealth representative to witness testing at the Contractor's location or at an independent laboratory.
4. Complete a survey/questionnaire relating to the bid requirements and specifications.
5. Provide customer references.
6. Provide a product demonstration at a location near Harrisburg or the using agency location.

V.16 CONTRACT-010.3 Rejected Material Not Considered Abandoned (Oct 2013)

The Commonwealth shall have the right to not regard any rejected material as abandoned and to demand that the Contractor remove the rejected material from the premises within thirty (30) days of notification. The Contractor shall be responsible for removal of the rejected material as well as proper clean-up. If the Contractor fails or refuses to remove the rejected material as demanded by the Commonwealth, the Commonwealth may seek payment from, or set-off from any payments due to the Contractor under this or any other Contract with the Commonwealth, the costs of removal and clean-up. This is in addition to all other rights to recover costs incurred by the Commonwealth.

V.17 CONTRACT-011.1a Compliance With Law (Oct 2006)

The Contractor shall comply with all applicable federal and state laws and regulations and local ordinances in the performance of the Contract.

V.18 CONTRACT-013.1 Environmental Provisions (Oct 2006)

In the performance of the Contract, the Contractor shall minimize pollution and shall strictly comply with all applicable environmental laws and regulations, including, but not limited to: the Clean Streams Law Act of June

22, 1937 (P.L. 1987, No. 394), as amended 35 P.S. Section 691.601 et seq.; the Pennsylvania Solid Waste Management Act, Act of July 7, 1980 (P.L. 380, No. 97), as amended, 35 P.S. Section 6018.101 et seq.; and the Dam Safety and Encroachment Act, Act of November 26, 1978 (P.L. 1375, No. 325), as amended, 32 P.S. Section 693.1.

V.19 CONTRACT-014.1 Post-Consumer Recycled Content (June 2016)

Except as specifically waived by the Department of General Services in writing, any products which are provided to the Commonwealth as a part of the performance of the Contract must meet the minimum percentage levels for total recycled content as specified by the Environmental Protection Agency in its Comprehensive Procurement Guidelines, which can be found at <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.

V.20 CONTRACT-014.3 Recycled Content Enforcement (Feb 2009)

The Contractor may be required, after delivery of the Contract item(s), to provide the Commonwealth with documentary evidence that the item(s) was in fact produced with the required minimum percentage of post-consumer and recovered material content.

V.21 CONTRACT-015.1 Compensation (Oct 2006)

The Contractor shall be required to furnish the awarded item(s) at the price(s) quoted in the Purchase Order. All item(s) shall be delivered within the time period(s) specified in the Purchase Order. The Contractor shall be compensated only for item(s) that are delivered and accepted by the Commonwealth.

V.22 CONTRACT-015.2 Billing Requirements (February 2012)

Unless the Contractor has been authorized by the Commonwealth for Evaluated Receipt Settlement or Vendor Self-Invoicing, the Contractor shall include in all of its invoices the following minimum information:

- Vendor name and "Remit to" address, including SAP Vendor number;
- Bank routing information, if ACH;
- SAP Purchase Order number;
- Delivery Address, including name of Commonwealth agency;
- Description of the supplies/services delivered in accordance with SAP Purchase Order (include purchase order line number if possible);
- Quantity provided;
- Unit price;
- Price extension;
- Total price; and
- Delivery date of supplies or services.

If an invoice does not contain the minimum information set forth in this paragraph, the Commonwealth may return the invoice as improper. If the Commonwealth returns an invoice as improper, the time for processing a payment will be suspended until the Commonwealth receives a correct invoice. The Contractor may not receive payment until the Commonwealth has received a correct invoice.

Contractors are required to establish separate billing accounts with each using agency and invoice them directly. Each invoice shall be itemized with adequate detail and match the line item on the Purchase Order. In no instance shall any payment be made for services to the Contractor that are not in accordance with the prices on the Purchase Order, the Contract, updated price lists or any discounts negotiated by the purchasing agency.

V.23 CONTRACT-016.1 Payment (Oct 2006)

- a. The Commonwealth shall put forth reasonable efforts to make payment by the required payment date. The required payment date is: (a) the date on which payment is due under the terms of the Contract; (b) thirty (30)

days after a proper invoice actually is received at the "Bill To" address if a date on which payment is due is not specified in the Contract (a "proper" invoice is not received until the Commonwealth accepts the service as satisfactorily performed); or (c) the payment date specified on the invoice if later than the dates established by (a) and (b) above. Payment may be delayed if the payment amount on an invoice is not based upon the price(s) as stated in the Contract. If any payment is not made within fifteen (15) days after the required payment date, the Commonwealth may pay interest as determined by the Secretary of Budget in accordance with Act No. 266 of 1982 and regulations promulgated pursuant thereto. Payment should not be construed by the Contractor as acceptance of the service performed by the Contractor. The Commonwealth reserves the right to conduct further testing and inspection after payment, but within a reasonable time after performance, and to reject the service if such post payment testing or inspection discloses a defect or a failure to meet specifications. The Contractor agrees that the Commonwealth may set off the amount of any state tax liability or other obligation of the Contractor or its subsidiaries to the Commonwealth against any payments due the Contractor under any contract with the Commonwealth.

- b. The Commonwealth shall have the option of using the Commonwealth purchasing card to make purchases under the Contract or Purchase Order. The Commonwealth's purchasing card is similar to a credit card in that there will be a small fee which the Contractor will be required to pay and the Contractor will receive payment directly from the card issuer rather than the Commonwealth. Any and all fees related to this type of payment are the responsibility of the Contractor. In no case will the Commonwealth allow increases in prices to offset credit card fees paid by the Contractor or any other charges incurred by the Contractor, unless specifically stated in the terms of the Contract or Purchase Order.

V.24 CONTRACT-016.2 ACH Payments (Aug 2007)

- a. The Commonwealth will make contract payments through the Automated Clearing House (ACH). Within 10 days of award of the contract or purchase order, the contractor must submit or must have already submitted their ACH information within their user profile in the Commonwealth's procurement system (SRM).
- b. The contractor must submit a unique invoice number with each invoice submitted. The unique invoice number will be listed on the Commonwealth of Pennsylvania's ACH remittance advice to enable the contractor to properly apply the state agency's payment to the invoice submitted.
- c. It is the responsibility of the contractor to ensure that the ACH information contained in SRM is accurate and complete. Failure to maintain accurate and complete information may result in delays in payments.

V.25 CONTRACT-017.1 Taxes (Dec 5 2006)

The Commonwealth is exempt from all excise taxes imposed by the Internal Revenue Service and has accordingly registered with the Internal Revenue Service to make tax free purchases under Registration No. 23-23740001-K. With the exception of purchases of the following items, no exemption certificates are required and none will be issued: undyed diesel fuel, tires, trucks, gas guzzler emergency vehicles, and sports fishing equipment. The Commonwealth is also exempt from Pennsylvania state sales tax, local sales tax, public transportation assistance taxes and fees and vehicle rental tax. The Department of Revenue regulations provide that exemption certificates are not required for sales made to governmental entities and none will be issued. Nothing in this paragraph is meant to exempt a construction contractor from the payment of any of these taxes or fees which are required to be paid with respect to the purchase, use, rental, or lease of tangible personal property or taxable services used or transferred in connection with the performance of a construction contract.

V.26 CONTRACT-018.1 Assignment of Antitrust Claims (Oct 2006)

The Contractor and the Commonwealth recognize that in actual economic practice, overcharges by the Contractor's suppliers resulting from violations of state or federal antitrust laws are in fact borne by the Commonwealth. As part of the consideration for the award of the Contract, and intending to be legally bound, the Contractor assigns to the Commonwealth all right, title and interest in and to any claims the Contractor now has, or may acquire, under state or federal antitrust laws relating to the products and services which are the subject of this Contract.

V.27 CONTRACT-019.1 Hold Harmless Provision (Nov 30 2006)

- a. The Contractor shall hold the Commonwealth harmless from and indemnify the Commonwealth against any and all third party claims, demands and actions based upon or arising out of any activities performed by the

Contractor and its employees and agents under this Contract, provided the Commonwealth gives Contractor prompt notice of any such claim of which it learns. Pursuant to the Commonwealth Attorneys Act (71 P.S. Section 732-101, et seq.), the Office of Attorney General (OAG) has the sole authority to represent the Commonwealth in actions brought against the Commonwealth. The OAG may, however, in its sole discretion and under such terms as it deems appropriate, delegate its right of defense. If OAG delegates the defense to the Contractor, the Commonwealth will cooperate with all reasonable requests of Contractor made in the defense of such suits.

- b. Notwithstanding the above, neither party shall enter into any settlement without the other party's written consent, which shall not be unreasonably withheld. The Commonwealth may, in its sole discretion, allow the Contractor to control the defense and any related settlement negotiations.

V.28 CONTRACT-020.1 Audit Provisions (Oct 2006)

The Commonwealth shall have the right, at reasonable times and at a site designated by the Commonwealth, to audit the books, documents and records of the Contractor to the extent that the books, documents and records relate to costs or pricing data for the Contract. The Contractor agrees to maintain records which will support the prices charged and costs incurred for the Contract. The Contract shall preserve books, documents and records that relate to costs or pricing data for the Contract for a period of three (3) years from the date of final payment. The Contractor shall give full and free access to all records to the Commonwealth and/or their authorized representatives.

V.29 CONTRACT-021.1 Default (Oct 2013)

a. The Commonwealth may, subject to the Force Majeure provisions of this Contract, and in addition to its other rights under the Contract, declare the Contractor in default by written notice thereof to the Contractor, and terminate (as provided in the Termination Provisions of this Contract) the whole or any part of this Contract or any Purchase Order for any of the following reasons:

- 1) Failure to begin work within the time specified in the Contract or Purchase Order or as otherwise specified;
- 2) Failure to perform the work with sufficient labor, equipment, or material to ensure the completion of the specified work in accordance with the Contract or Purchase Order terms;
- 3) Unsatisfactory performance of the work;
- 4) Failure to deliver the awarded item(s) within the time specified in the Contract or Purchase Order or as otherwise specified;
- 5) Improper delivery;
- 6) Failure to provide an item(s) which is in conformance with the specifications referenced in the Contract or Purchase Order;
- 7) Delivery of a defective item;
- 8) Failure or refusal to remove material, or remove and replace any work rejected as defective or unsatisfactory;
- 9) Discontinuance of work without approval;
- 10) Failure to resume work, which has been discontinued, within a reasonable time after notice to do so;
- 11) Insolvency or bankruptcy;
- 12) Assignment made for the benefit of creditors;
- 13) Failure or refusal within 10 days after written notice by the Contracting Officer, to make payment or show cause why payment should not be made, of any amounts due for materials furnished, labor supplied or performed, for

equipment rentals, or for utility services rendered;

14) Failure to protect, to repair, or to make good any damage or injury to property;

15) Breach of any provision of the Contract;

16) Failure to comply with representations made in the Contractor's bid/proposal; or

17) Failure to comply with applicable industry standards, customs, and practice.

b. In the event that the Commonwealth terminates this Contract or any Purchase Order in whole or in part as provided in Subparagraph a. above, the Commonwealth may procure, upon such terms and in such manner as it determines, items similar or identical to those so terminated, and the Contractor shall be liable to the Commonwealth for any reasonable excess costs for such similar or identical items included within the terminated part of the Contract or Purchase Order.

c. If the Contract or a Purchase Order is terminated as provided in Subparagraph a. above, the Commonwealth, in addition to any other rights provided in this paragraph, may require the Contractor to transfer title and deliver immediately to the Commonwealth in the manner and to the extent directed by the Contracting Officer, such partially completed items, including, where applicable, reports, working papers and other documentation, as the Contractor has specifically produced or specifically acquired for the performance of such part of the Contract or Purchase Order as has been terminated. Except as provided below, payment for completed work accepted by the Commonwealth shall be at the Contract price. Except as provided below, payment for partially completed items including, where applicable, reports and working papers, delivered to and accepted by the Commonwealth shall be in an amount agreed upon by the Contractor and Contracting Officer. The Commonwealth may withhold from amounts otherwise due the Contractor for such completed or partially completed works, such sum as the Contracting Officer determines to be necessary to protect the Commonwealth against loss.

d. The rights and remedies of the Commonwealth provided in this paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

e. The Commonwealth's failure to exercise any rights or remedies provided in this paragraph shall not be construed to be a waiver by the Commonwealth of its rights and remedies in regard to the event of default or any succeeding event of default.

f. Following exhaustion of the Contractor's administrative remedies as set forth in the Contract Controversies Provision of the Contract, the Contractor's exclusive remedy shall be to seek damages in the Board of Claims.

V.30 CONTRACT-022.1 Force Majeure (Oct 2006)

Neither party will incur any liability to the other if its performance of any obligation under this Contract is prevented or delayed by causes beyond its control and without the fault or negligence of either party. Causes beyond a party's control may include, but aren't limited to, acts of God or war, changes in controlling law, regulations, orders or the requirements of any governmental entity, severe weather conditions, civil disorders, natural disasters, fire, epidemics and quarantines, general strikes throughout the trade, and freight embargoes.

The Contractor shall notify the Commonwealth orally within five (5) days and in writing within ten (10) days of the date on which the Contractor becomes aware, or should have reasonably become aware, that such cause would prevent or delay its performance. Such notification shall (i) describe fully such cause(s) and its effect on performance, (ii) state whether performance under the contract is prevented or delayed and (iii) if performance is delayed, state a reasonable estimate of the duration of the delay. The Contractor shall have the burden of proving that such cause(s) delayed or prevented its performance despite its diligent efforts to perform and shall produce such supporting documentation as the Commonwealth may reasonably request. After receipt of such notification, the Commonwealth may elect to cancel the Contract, cancel the Purchase Order, or to extend the time for performance as reasonably necessary to compensate for the Contractor's delay.

In the event of a declared emergency by competent governmental authorities, the Commonwealth by notice to the Contractor, may suspend all or a portion of the Contract or Purchase Order.

V.31 CONTRACT-023.1a Termination Provisions (Oct 2013)

The Commonwealth has the right to terminate this Contract or any Purchase Order for any of the following reasons. Termination shall be effective upon written notice to the Contractor.

a. **TERMINATION FOR CONVENIENCE:** The Commonwealth shall have the right to terminate the Contract or a Purchase Order for its convenience if the Commonwealth determines termination to be in its best interest. The Contractor shall be paid for work satisfactorily completed prior to the effective date of the termination, but in no event shall the Contractor be entitled to recover loss of profits.

b. **NON-APPROPRIATION:** The Commonwealth's obligation to make payments during any Commonwealth fiscal year succeeding the current fiscal year shall be subject to availability and appropriation of funds. When funds (state and/or federal) are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year period, the Commonwealth shall have the right to terminate the Contract or a Purchase Order. The Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the supplies or services delivered under the Contract. Such reimbursement shall not include loss of profit, loss of use of money, or administrative or overhead costs. The reimbursement amount may be paid from any appropriations available for that purpose.

c. **TERMINATION FOR CAUSE:** The Commonwealth shall have the right to terminate the Contract or a Purchase Order for Contractor default under the Default Clause upon written notice to the Contractor. The Commonwealth shall also have the right, upon written notice to the Contractor, to terminate the Contract or a Purchase Order for other cause as specified in the Contract or by law. If it is later determined that the Commonwealth erred in terminating the Contract or a Purchase Order for cause, then, at the Commonwealth's discretion, the Contract or Purchase Order shall be deemed to have been terminated for convenience under the Subparagraph a.

V.32 CONTRACT-024.1 Contract Controversies (Oct 2011)

a. In the event of a controversy or claim arising from the Contract, the Contractor must, within six months after the cause of action accrues, file a written claim with the contracting officer for a determination. The claim shall state all grounds upon which the Contractor asserts a controversy exists. If the Contractor fails to file a claim or files an untimely claim, the Contractor is deemed to have waived its right to assert a claim in any forum. At the time the claim is filed, or within sixty (60) days thereafter, either party may request mediation through the Commonwealth Office of General Counsel Dispute Resolution Program.

b. If the Contractor or the contracting officer requests mediation and the other party agrees, the contracting officer shall promptly make arrangements for mediation. Mediation shall be scheduled so as to not delay the issuance of the final determination beyond the required 120 days after receipt of the claim if mediation is unsuccessful. If mediation is not agreed to or if resolution is not reached through mediation, the contracting officer shall review timely-filed claims and issue a final determination, in writing, regarding the claim. The final determination shall be issued within 120 days of the receipt of the claim, unless extended by consent of the contracting officer and the Contractor. The contracting officer shall send his/her written determination to the Contractor. If the contracting officer fails to issue a final determination within the 120 days (unless extended by consent of the parties), the claim shall be deemed denied. The contracting officer's determination shall be the final order of the purchasing agency.

c. Within fifteen (15) days of the mailing date of the determination denying a claim or within 135 days of filing a claim if, no extension is agreed to by the parties, whichever occurs first, the Contractor may file a statement of claim with the Commonwealth Board of Claims. Pending a final judicial resolution of a controversy or claim, the Contractor shall proceed diligently with the performance of the Contract in a manner consistent with the determination of the contracting officer and the Commonwealth shall compensate the Contractor pursuant to the

terms of the Contract.

V.33 CONTRACT-025.1 Assignability and Subcontracting (Oct 2013)

- a. Subject to the terms and conditions of this paragraph, this Contract shall be binding upon the parties and their respective successors and assigns.
- b. The Contractor shall not subcontract with any person or entity to perform all or any part of the work to be performed under this Contract without the prior written consent of the Contracting Officer, which consent may be withheld at the sole and absolute discretion of the Contracting Officer.
- c. The Contractor may not assign, in whole or in part, this Contract or its rights, duties, obligations, or responsibilities hereunder without the prior written consent of the Contracting Officer, which consent may be withheld at the sole and absolute discretion of the Contracting Officer.
- d. Notwithstanding the foregoing, the Contractor may, without the consent of the Contracting Officer, assign its rights to payment to be received under the Contract, provided that the Contractor provides written notice of such assignment to the Contracting Officer together with a written acknowledgement from the assignee that any such payments are subject to all of the terms and conditions of this Contract.
- e. For the purposes of this Contract, the term "assign" shall include, but shall not be limited to, the sale, gift, assignment, pledge, or other transfer of any ownership interest in the Contractor provided, however, that the term shall not apply to the sale or other transfer of stock of a publicly traded company.
- f. Any assignment consented to by the Contracting Officer shall be evidenced by a written assignment agreement executed by the Contractor and its assignee in which the assignee agrees to be legally bound by all of the terms and conditions of the Contract and to assume the duties, obligations, and responsibilities being assigned.
- g. A change of name by the Contractor, following which the Contractor's federal identification number remains unchanged, shall not be considered to be an assignment hereunder. The Contractor shall give the Contracting Officer written notice of any such change of name.

V.34 CONTRACT-026.1 Other Contractors (Oct 2006)

The Commonwealth may undertake or award other contracts for additional or related work, and the Contractor shall fully cooperate with other contractors and Commonwealth employees, and coordinate its work with such additional work as may be required. The Contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or by Commonwealth employees. This paragraph shall be included in the Contracts of all contractors with which this Contractor will be required to cooperate. The Commonwealth shall equitably enforce this paragraph as to all contractors to prevent the imposition of unreasonable burdens on any contractor.

V.35 CONTRACT-027.1 Nondiscrimination/Sexual Harassment Clause (August 2017)

The Contractor agrees:

1. In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the contract or any subcontract, the Contractor, each subcontractor, or any person acting on behalf of the Contractor or subcontractor shall not discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the *Pennsylvania Human Relations Act* (PHRA) and applicable federal laws, against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.
2. Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the PHRA

and applicable federal laws, against or intimidate any employee involved in the manufacture of supplies, the performance of work, or any other activity required under the contract.

3. The Contractor and each subcontractor shall establish and maintain a written nondiscrimination and sexual harassment policy and shall inform their employees in writing of the policy. The policy must contain a provision that sexual harassment will not be tolerated and employees who practice it will be disciplined. Posting this Nondiscrimination/Sexual Harassment Clause conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the contracted services are performed shall satisfy this requirement for employees with an established work site.

4. The Contractor and each subcontractor shall not discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of PHRA and applicable federal laws, against any subcontractor or supplier who is qualified to perform the work to which the contract relates.

5. The Contractor and each subcontractor represents that it is presently in compliance with and will maintain compliance with all applicable federal, state, and local laws, regulations and policies relating to nondiscrimination and sexual harassment. The Contractor and each subcontractor further represents that it has filed a Standard Form 100 Employer Information Report ("EEO-1") with the U.S. Equal Employment Opportunity Commission ("EEOC") and shall file an annual EEO-1 report with the EEOC as required for employers' subject to *Title VII* of the *Civil Rights Act of 1964*, as amended, that have 100 or more employees and employers that have federal government contracts or first-tier subcontracts and have 50 or more employees. The Contractor and each subcontractor shall, upon request and within the time periods requested by the Commonwealth, furnish all necessary employment documents and records, including EEO-1 reports, and permit access to their books, records, and accounts by the contracting agency and the Bureau of Diversity, Inclusion and Small Business Opportunities for purpose of ascertaining compliance with provisions of this Nondiscrimination/Sexual Harassment Clause.

6. The Contractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that those provisions applicable to subcontractors will be binding upon each subcontractor.

7. The Contractor's and each subcontractor's obligations pursuant to these provisions are ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor and each subcontractor shall have an obligation to inform the Commonwealth if, at any time during the term of the contract, it becomes aware of any actions or occurrences that would result in violation of these provisions.

8. The Commonwealth may cancel or terminate the contract and all money due or to become due under the contract may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the agency may proceed with debarment or suspension and may place the Contractor in the Contractor Responsibility File.

V.36 CONTRACT-028.1 Contractor Integrity Provisions (Jan 2015)

It is essential that those who seek to contract with the Commonwealth of Pennsylvania ("Commonwealth") observe high standards of honesty and integrity. They must conduct themselves in a manner that fosters public confidence in the integrity of the Commonwealth contracting and procurement process.

1. DEFINITIONS. For purposes of these Contractor Integrity Provisions, the following terms shall have the meanings found in this Section:

a. "Affiliate" means two or more entities where (a) a parent entity owns more than fifty percent of the voting stock of each of the entities; or (b) a common shareholder or group of shareholders owns more than fifty percent of the voting stock of each of the entities; or (c) the entities have a common proprietor or general partner.

b. "Consent" means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of the execution of this contract.

c. "Contractor" means the individual or entity, that has entered into this contract with the Commonwealth.

d. "Contractor Related Parties" means any affiliates of the Contractor and the Contractor's executive officers, Pennsylvania officers and directors, or owners of 5 percent or more interest in the Contractor.

e. "Financial Interest" means either:

(1) Ownership of more than a five percent interest in any business; or

(2) Holding a position as an officer, director, trustee, partner, employee, or holding any position of management.

f. "Gratuity" means tendering, giving, or providing anything of more than nominal monetary value including, but not limited to, cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind. The exceptions set forth in the *Governor's Code of Conduct, Executive Order 1980-18, the 4 Pa. Code §7.153(b)*, shall apply.

g. "Non-bid Basis" means a contract awarded or executed by the Commonwealth with Contractor without seeking bids or proposals from any other potential bidder or offeror.

2. In furtherance of this policy, Contractor agrees to the following:

a. Contractor shall maintain the highest standards of honesty and integrity during the performance of this contract and shall take no action in violation of state or federal laws or regulations or any other applicable laws or regulations, or other requirements applicable to Contractor or that govern contracting or procurement with the Commonwealth.

b. Contractor shall establish and implement a written business integrity policy, which includes, at a minimum, the requirements of these provisions as they relate to the Contractor activity with the Commonwealth and Commonwealth employees and which is made known to all Contractor employees. Posting these Contractor Integrity Provisions conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the contract services are performed shall satisfy this requirement.

c. Contractor, its affiliates, agents, employees and anyone in privity with Contractor shall not accept, agree to give, offer, confer or agree to confer or promise to confer, directly or indirectly, any gratuity or pecuniary benefit to any person, or to influence or attempt to influence any person in violation of any federal or state law, regulation, executive order of the Governor of Pennsylvania, statement of policy, management directive or any other published standard of the Commonwealth in connection with performance of work under this contract, except as provided in this contract.

d. Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor or material under this contract, unless the financial interest is disclosed to the Commonwealth in writing and the Commonwealth consents to Contractor's financial interest prior to Commonwealth execution of the contract. Contractor shall disclose the financial interest to the Commonwealth at the time of bid or proposal submission, or if no bids or proposals are solicited, no later than the Contractor's submission of the contract signed by Contractor.

e. Contractor certifies to the best of its knowledge and belief that within the last five (5) years Contractor or Contractor Related Parties have not:

(1) been indicted or convicted of a crime involving moral turpitude or business honesty or integrity in any jurisdiction;

(2) been suspended, debarred or otherwise disqualified from entering into any contract with any governmental agency;

(3) had any business license or professional license suspended or revoked;

(4) had any sanction or finding of fact imposed as a result of a judicial or administrative proceeding related to fraud, extortion, bribery, bid rigging, embezzlement, misrepresentation or anti-trust; and

(5) been, and is not currently, the subject of a criminal investigation by any federal, state or local prosecuting or investigative agency and/or civil anti-trust investigation by any federal, state or local prosecuting or investigative agency.

If Contractor cannot so certify to the above, then it must submit along with its bid, proposal or contract a written explanation of why such certification cannot be made and the Commonwealth will determine whether a contract may be entered into with the Contractor. The Contractor's obligation pursuant to this certification is ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to immediately notify the Commonwealth in writing if at any time during the term of the contract it becomes aware of any event which would cause the Contractor's certification or explanation to change. Contractor acknowledges that the Commonwealth may, in its sole discretion, terminate the contract for cause if it learns that any of the certifications made herein are currently false due to intervening factual circumstances or were false or should have been known to be false when entering into the contract.

f. Contractor shall comply with the requirements of the *Lobbying Disclosure Act (65 Pa.C.S. §13A01 et seq.)* regardless of the method of award. If this contract was awarded on a Non-bid Basis, Contractor must also comply with the requirements of the *Section 1641 of the Pennsylvania Election Code (25 P.S. §3260a)*.

g. When contractor has reason to believe that any breach of ethical standards as set forth in law, the Governor's Code of Conduct, or these Contractor Integrity Provisions has occurred or may occur, including but not limited to contact by a Commonwealth officer or employee which, if acted upon, would violate such ethical standards, Contractor shall immediately notify the Commonwealth contracting officer or the Office of the State Inspector General in writing.

h. Contractor, by submission of its bid or proposal and/or execution of this contract and by the submission of any bills, invoices or requests for payment pursuant to the contract, certifies and represents that it has not violated any of these Contractor Integrity Provisions in connection with the submission of the bid or proposal, during any contract negotiations or during the term of the contract, to include any extensions thereof. Contractor shall immediately notify the Commonwealth in writing of any actions or occurrences that would result in a violation of these Contractor Integrity Provisions. Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of the State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth that results in the suspension or debarment of the Contractor. Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.

i. Contractor shall cooperate with the Office of the State Inspector General in its investigation of any alleged Commonwealth agency or employee breach of ethical standards and any alleged Contractor non-compliance with these Contractor Integrity Provisions. Contractor agrees to make identified Contractor employees available for interviews at reasonable times and places. Contractor, upon the inquiry or request of an Inspector General, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Office of the State Inspector General to Contractor's integrity and compliance with these provisions. Such information may include, but shall not be limited to, Contractor's business or financial records, documents or files of any type or form that refer to or concern this contract. Contractor shall incorporate this paragraph in any agreement, contract or subcontract it enters into in the course of the performance of this contract/agreement solely for the purpose of obtaining subcontractor compliance with this provision. The incorporation of this provision in a subcontract shall not create privity of contract between the Commonwealth and any such subcontractor, and no third party beneficiaries shall be created thereby.

j. For violation of any of these Contractor Integrity Provisions, the Commonwealth may terminate this and any other contract with Contractor, claim liquidated damages in an amount equal to the value of anything received in breach of these Provisions, claim damages for all additional costs and expenses incurred in obtaining another contractor to complete performance under this contract, and debar and suspend Contractor from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or non-use of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation or otherwise.

V.37 CONTRACT-029.1 Contractor Responsibility Provisions (Nov 2010)

For the purpose of these provisions, the term contractor is defined as any person, including, but not limited to, a bidder, offeror, loan recipient, grantee or lessor, who has furnished or performed or seeks to furnish or perform,

goods, supplies, services, leased space, construction or other activity, under a contract, grant, lease, purchase order or reimbursement agreement with the Commonwealth of Pennsylvania (Commonwealth). The term contractor includes a permittee, licensee, or any agency, political subdivision, instrumentality, public authority, or other public entity in the Commonwealth.

1. The Contractor certifies, in writing, for itself and its subcontractors required to be disclosed or approved by the Commonwealth, that as of the date of its execution of this Bid/Contract, that neither the Contractor, nor any such subcontractors, are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if the Contractor cannot so certify, then it agrees to submit, along with its Bid/Contract, a written explanation of why such certification cannot be made.
2. The Contractor also certifies, in writing, that as of the date of its execution of this Bid/Contract it has no tax liabilities or other Commonwealth obligations, or has filed a timely administrative or judicial appeal if such liabilities or obligations exist, or is subject to a duly approved deferred payment plan if such liabilities exist.
3. The Contractor's obligations pursuant to these provisions are ongoing from and after the effective date of the Contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to inform the Commonwealth if, at any time during the term of the Contract, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if it or, to the best knowledge of the Contractor, any of its subcontractors are suspended or debarred by the Commonwealth, the federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment.
4. The failure of the Contractor to notify the Commonwealth of its suspension or debarment by the Commonwealth, any other state, or the federal government shall constitute an event of default of the Contract with the Commonwealth.
5. The Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth that results in the suspension or debarment of the contractor. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.
6. The Contractor may obtain a current list of suspended and debarred Commonwealth contractors by either searching the Internet at <http://www.dgs.state.pa.us/> or contacting the:

Department of General Services
Office of Chief Counsel
603 North Office Building
Harrisburg, PA 17125
Telephone No: (717) 783-6472
FAX No: (717) 787-9138

V.38 CONTRACT-030.1 Americans with Disabilities Act (Oct 2006)

- a. Pursuant to federal regulations promulgated under the authority of The Americans With Disabilities Act, 28 C.F.R. Section 35.101 et seq., the Contractor understands and agrees that it shall not cause any individual with a disability to be excluded from participation in this Contract or from activities provided for under this Contract on the basis of the disability. As a condition of accepting this contract, the Contractor agrees to comply with the "General Prohibitions Against Discrimination," 28 C.F.R. Section 35.130, and all other regulations promulgated under Title II of The Americans With Disabilities Act which are applicable to all benefits, services, programs, and activities provided by the Commonwealth of Pennsylvania through contracts with outside contractors.
- b. The Contractor shall be responsible for and agrees to indemnify and hold harmless the Commonwealth of Pennsylvania from all losses, damages, expenses, claims, demands, suits, and actions brought by any party against the Commonwealth of Pennsylvania as a result of the Contractor's failure to comply with the provisions of Subparagraph a. above.

V.39 CONTRACT-031.1 Hazardous Substances (April 2017)

The Contractor shall provide information to the Commonwealth about the identity and hazards of hazardous substances supplied or used by the Contractor in the performance of the Contract. The Contractor must comply with Act 159 of October 5, 1984, known as the "Worker and Community Right to Know Act" (the "Act") and the regulations promulgated pursuant thereto at 34 Pa. Code Section 301.1 - 323.6.

a. Labeling. The Contractor shall ensure that each individual product (as well as the carton, container or package in which the product is shipped) of any of the following substances (as defined by the Act and the regulations) supplied by the Contractor is clearly labeled, tagged or marked with the information listed in Subparagraphs (1) through (4):

1) Hazardous substances:

- a) The chemical name or common name,
- b) A hazard warning, and
- c) The name, address, and telephone number of the manufacturer.

2) Hazardous mixtures:

- a) The common name, but if none exists, then the trade name,
- b) The chemical or common name of special hazardous substances comprising .01% or more of the mixture,
- c) The chemical or common name of hazardous substances consisting 1.0% or more of the mixture,
- d) A hazard warning, and
- e) The name, address, and telephone number of the manufacturer.

3) Single chemicals:

- a) The chemical name or the common name,
- b) A hazard warning, if appropriate, and
- c) The name, address, and telephone number of the manufacturer.

4) Chemical Mixtures:

- a) The common name, but if none exists, then the trade name,
- b) A hazard warning, if appropriate,
- c) The name, address, and telephone number of the manufacturer, and

d) The chemical name or common name of either the top five substances by volume or those substances consisting of 5.0% or more of the mixture.

A common name or trade name may be used only if the use of the name more easily or readily identifies the true nature of the hazardous substance, hazardous mixture, single chemical, or mixture involved.

Container labels shall provide a warning as to the specific nature of the hazard arising from the substance in the container.

The hazard warning shall be given in conformity with one of the nationally recognized and accepted systems of providing warnings, and hazard warnings shall be consistent with one or more of the recognized systems throughout

the workplace. Examples are:

- NFPA 704, Identification of the Fire Hazards of Materials.
- National Paint and Coatings Association: Hazardous Materials Identification System.
- American Society for Testing and Materials, Safety Alert Pictorial Chart.
- American National Standard Institute, Inc., for the Precautionary Labeling of Hazardous Industrial Chemicals.

Labels must be legible and prominently affixed to and displayed on the product and the carton, container, or package so that employees can easily identify the substance or mixture present therein.

b. Material Safety Data Sheet. The contractor shall provide Material Safety Data Sheets (MSDS) with the information required by the Act and the regulations for each hazardous substance or hazardous mixture. The Commonwealth must be provided an appropriate MSDS with the initial shipment and with the first shipment after an MSDS is updated or product changed. For any other chemical, the contractor shall provide an appropriate MSDS, if the manufacturer, importer, or supplier produces or possesses the MSDS. The contractor shall also notify the Commonwealth when a substance or mixture is subject to the provisions of the Act. Material Safety Data Sheets may be attached to the carton, container, or package mailed to the Commonwealth at the time of shipment.

V.40 CONTRACT-032.1 Covenant Against Contingent Fees (Oct 2006)

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the Commonwealth shall have the right to terminate the Contract without liability or in its discretion to deduct from the Contract price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

V.41 CONTRACT-033.1 Applicable Law (Oct 2006)

This Contract shall be governed by and interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania (without regard to any conflict of laws provisions) and the decisions of the Pennsylvania courts. The Contractor consents to the jurisdiction of any court of the Commonwealth of Pennsylvania and any federal courts in Pennsylvania, waiving any claim or defense that such forum is not convenient or proper. The Contractor agrees that any such court shall have in personam jurisdiction over it, and consents to service of process in any manner authorized by Pennsylvania law.

V.42 CONTRACT-034.1a Integration – RFP (Dec 12 2006)

This Contract, including the Request for Proposals, Contractor's Proposal, Contractor's Best and Final Offer, if any, all referenced documents, and any Purchase Order constitutes the entire agreement between the parties. No agent, representative, employee or officer of either the Commonwealth or the Contractor has authority to make, or has made, any statement, agreement or representation, oral or written, in connection with the Contract, which in any way can be deemed to modify, add to or detract from, or otherwise change or alter its terms and conditions. No negotiations between the parties, nor any custom or usage, shall be permitted to modify or contradict any of the terms and conditions of the Contract. No modifications, alterations, changes, or waiver to the Contract or any of its terms shall be valid or binding unless accomplished by a written amendment signed by both parties.

V.43 CONTRACT-034.2a Order of Precedence - RFP (Dec 12 2006)

In the event there is a conflict among the documents comprising this Contract, the Commonwealth and the Contractor agree on the following order of precedence: the Contract; the RFP, the Best and Final Offer, if any; the Contractor's Proposal in Response to the RFP.

V.44 CONTRACT-034.3 Controlling Terms and Conditions (Aug 2011)

The terms and conditions of this Contract shall be the exclusive terms of agreement between the Contractor and the Commonwealth. All quotations requested and received from the Contractor are for obtaining firm pricing only. Other terms and conditions or additional terms and conditions included or referenced in the Contractor's quotations, invoices, business forms, or other documentation shall not become part of the parties' agreement and shall be disregarded by the parties, unenforceable by the Contractor and not binding on the Commonwealth.

V.45 CONTRACT-035.1a Changes (Oct 2006)

The Commonwealth reserves the right to make changes at any time during the term of the Contract or any renewals or extensions thereof: 1) to increase or decrease the quantities resulting from variations between any estimated quantities in the Contract and actual quantities; 2) to make changes to the services within the scope of the Contract; 3) to notify the Contractor that the Commonwealth is exercising any Contract renewal or extension option; or 4) to modify the time of performance that does not alter the scope of the Contract to extend the completion date beyond the Expiration Date of the Contract or any renewals or extensions thereof. Any such change shall be made by the Contracting Officer by notifying the Contractor in writing. The change shall be effective as of the date of the change, unless the notification of change specifies a later effective date. Such increases, decreases, changes, or modifications will not invalidate the Contract, nor, if performance security is being furnished in conjunction with the Contract, release the security obligation. The Contractor agrees to provide the service in accordance with the change order. Any dispute by the Contractor in regard to the performance required by any notification of change shall be handled through Contract Controversies Provision.

V.46 CONTRACT-037.1a Confidentiality (Oct 2013)

a) The Contractor agrees to protect the confidentiality of the Commonwealth's confidential information. The Commonwealth agrees to protect the confidentiality of Contractor's confidential information. In order for information to be deemed confidential, the party claiming confidentiality must designate the information as "confidential" in such a way as to give notice to the other party (notice may be communicated by describing the information, and the specifications around its use or disclosure, in the SOW). Neither party may assert that information owned by the other party is such party's confidential information. The parties agree that such confidential information shall not be copied, in whole or in part, or used or disclosed except when essential for authorized activities under this Contract and, in the case of disclosure, where the recipient of the confidential information has agreed to be bound by confidentiality requirements no less restrictive than those set forth herein. Each copy of such confidential information shall be marked by the party making the copy with any notices appearing in the original. Upon termination or cancellation of this Contract or any license granted hereunder, the receiving party will return to the disclosing party all copies of the confidential information in the receiving party's possession, other than one copy, which may be maintained for archival purposes only, and which will remain subject to this Contract's security, privacy, data retention/destruction and confidentiality provisions (all of which shall survive the expiration of this Contract). Both parties agree that a material breach of these requirements may, after failure to cure within the time frame specified in this Contract, and at the discretion of the non-breaching party, result in termination for default pursuant to the DEFAULT provision of this Contract, in addition to other remedies available to the non-breaching party.

(b) Insofar as information is not otherwise protected by law or regulation, the obligations stated in this Section do not apply to information:

- (1) already known to the recipient at the time of disclosure other than through the contractual relationship;
- (2) independently generated by the recipient and not derived by the information supplied by the disclosing party.

- (3) known or available to the public , except where such knowledge or availability is the result of unauthorized disclosure by the recipient of the proprietary information;
- (4) disclosed to the recipient without a similar restriction by a third party who has the right to make such disclosure; or
- (5) required to be disclosed by law , regulation, court order, or other legal process.

There shall be no restriction with respect to the use or disclosure of any ideas, concepts, know-how, or data processing techniques developed alone or jointly with the Commonwealth in connection with services provided to the Commonwealth under this Contract.

(c) The Contractor shall use the following process when submitting information to the Commonwealth it believes to be confidential and/or proprietary information or trade secrets:

- (1) Prepare an un-redacted version of the appropriate document, and
- (2) Prepare a redacted version of the document that redacts the information that is asserted to be confidential or proprietary information or a trade secret, and
- (3) Prepare a signed written statement that states:
 - (i) the attached document contains confidential or proprietary information or trade secrets;
 - (ii) the Contractor is submitting the document in both redacted and un-redacted format in accordance with 65 P.S. § 67.707(b); and
 - (iii) the Contractor is requesting that the document be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests.
- (4) Submit the two documents along with the signed written statement to the Commonwealth.

V.47 CONTRACT-041.1 Contract Requirements-Small Diverse Business and Small Business Participation (July 2016)

The provisions contained in the RFP concerning Contract Requirements - Small Diverse Business and Small Business Participation are incorporated by reference herein.

V.48 CONTRACT-043.1 Leasing Additional Terms and Conditions (Oct 2013)

To the extent that the Contractor offers the Commonwealth or any purchasing agency ("Lessee") the option to lease any items covered by the Contract, these Leasing Terms And Conditions shall, in addition to the other terms and conditions of the Contract, govern the Lease, except to the extent the Contractor assigns a Lease to an Initial Assignee, in which case the Initial Assignee shall be bound to the obligations of the Contractor only as specified in these Leasing Terms and Conditions. If a Lessee desires to lease contract items, the Lessee shall indicate its leasing election on the PO issued to the Contractor ("Lease PO"). By issuing a Lease PO, the Lessee explicitly agrees to these Leasing Terms and Conditions. Any items covered by a Lease shall be called "Leased Property" in these Leasing Terms and Conditions. To the extent that there is a conflict between the other terms and conditions of the Contract and these Leasing Terms and Conditions, these Leasing Terms and Conditions shall prevail to the extent that the Lessee has elected a leasing option.

A. Term of Lease

The Contractor may provide any Leased Property under the Contract for any term up to 60 months, including a Fair Market Value Option for Lease/Purchases. The Lessee shall identify the term selected, as well as its election of either a Lease or Lease/Purchase option, on the Lease PO. The Lease term shall commence on the date the Lessee accepts the Leased Property by executing the Acceptance Certificate, and the term shall continue for the length specified on the Lease PO. The form of the Acceptance Certificate can be found on the Forms page of the Department of General Services' webpage (www.dgs.state.pa.us).

If the Contractor delivers the Leased Property in more than one delivery, unless otherwise specified in the Specifications for this procurement, the Lessee will provide separate acceptance certificates for each delivery of the items, and the Lessee will make periodic payments for the Leased Property corresponding to the amount of the Leased Property delivered and accepted 30 days prior to the payment due date.

B. Payments

1. Full Term Intention. The Lessee shall pay the applicable monthly or annual rent payment for the Leased Property for the full Lease term, unless the Lessee terminates the Lease, either for Contractor default as set forth in the Default provision of the Contract or for non-appropriation of funds as specified in this section.

2. Non-Appropriation. The Lessee's obligation is payable only and solely from funds allotted for the purpose of the Lease. If sufficient funds are not appropriated for continuation of performance under any Lease for any fiscal year subsequent to the one in which the Lessee issued the Lease PO, the Lessee may return the Leased Property to the Contractor/Initial Assignee (as applicable), and thereafter the Contractor/Initial Assignee shall release the Lessee of all further obligations under the Lease, provided:

- a. The Lessee delivers unencumbered title to the Leased Property to the Contractor or Initial Assignee (if applicable);
- b. The Lessee returns the Leased Property to the Contractor/Initial Assignee in good condition, reasonable wear and tear excepted; and
- c. The Lessee gives 30 days written notice of the failure of appropriations to the Contractor/Initial Assignee, along with a certification that the Leased Property is not being replaced by similar items from another vendor. In the event the Lessee returns the Leased Property for failure of appropriations, the Lessee shall pay all amounts then due under the Lease through the end of the fiscal year for which sufficient funds were appropriated for the Lease.

C. Title

1. Title to the Leased Property shall not pass to the Lessee but shall remain in the Contractor or Initial Assignee, whichever applies; except in the case of a Lease/Purchase, the title shall pass to the Lessee upon payment of the final installment or other concluding payment option.

- a. Upon payment of the final installment or other concluding payment option, neither the Contractor nor its assignee shall have any further interest in the Leased Property.
- b. The Leased Property shall remain personal property and shall not become a fixture or affixed to real property without consent of the Contractor/assignee.
- c. At the request of the Contractor or Initial Assignee, the Lessee will join the Contractor/assignee in executing one or more UCC-1 financing statements.
- d. The Lessee will keep the Leased Property free and clear of all encumbrances except the Contractor's/assignee's security interest.

D. Use And Location Of, and Alteration to Leased Property

The Lessee shall keep the Leased Property within the confines of the Commonwealth of Pennsylvania and shall inform the Contractor/Initial Assignee upon request of the location of the Leased Property. The Lessee, at its own cost and expense, shall maintain the Leased Property in good operating condition and will not use or deal with the Leased Property in any manner which is inconsistent with the terms of the Contract or any applicable laws and regulations. The Lessee agrees not to misuse, abuse, or waste the Leased Property and the Lessee will not allow the Leased Property to deteriorate, except for ordinary wear and tear resulting from their intended use. No alterations, changes, or modifications to the Leased Property shall be made without the approval of the Contractor/Initial Assignee.

E. Risk of Loss

The Contractor shall assume and bear the risk of loss or damage to, or theft of, the Leased Property and all component parts while the Leased Property or parts are in the Lessee's possession, unless the Lessee could have prevented such loss, damage, or theft by exercising reasonable care or diligence in the use, protection, or care of the Leased Property or parts. No loss or damage to the Leased Property or parts shall impair any Contractor or Lessee obligation under the Lease, except as expressly provided in these Leasing Terms and Conditions. If the damage could not have been prevented by the Lessee's exercise of reasonable care or diligence, and the Contractor determines the Leased Property or parts can be economically repaired, the Contractor shall repair or cause to be repaired all damages to the Leased Property or their parts. In the event that the any of the Leased Property or their parts are stolen or destroyed, or if in the Contractor's opinion they are rendered irreparable, unusable, or damaged, the affected Leased Property shall be considered a total loss and the Lease shall terminate as to that Leased Property, and the Lessee's obligation to pay rent for the affected Leased Property shall be deemed to have ceased as of the date of the loss.

F. Warranties

1. The Lessee shall have the benefit of any and all manufacturer or supplier warranties for the Leased Property during the Lease term.

2. The Contractor/Initial Assignee and any subsequent assignee warrants that neither the Contractor/Initial Assignee or subsequent assignee, nor anyone acting or claiming through these parties by assignment or otherwise, will interfere with the Lessee's quiet enjoyment of the Leased Property so long as no event of default as defined in Subsection J of this Section shall have occurred and be continuing.

G. Liability

1. The Lessee assumes all risks and liabilities for injury to or death of any person or damage to any property, arising out of the Lessee's possession, use, operation, condition, or storage of any Leased Property, whether such injury or death be of agents or employees of the Lessee or of third parties, and whether such property damage be to the Lessee's property or the property of others; provided, however, that the damage or injury results from the action or inaction of the Lessee, its agents or employees, and provided that judgment has been obtained against the Lessee, its agents or employees. This provision shall not be construed to limit the governmental immunity of any Lessee.

2. The Lessee shall, during the Lease term, either self-insure or purchase insurance to cover the risks it has assumed under Paragraph 1 of this Subsection, including but not limited to risks of public liability and property damage.

H. Assignment

1. The Lessee shall not assign any Lease PO or other interest in the Leased Property without the prior written consent of the Contractor or its assignee. The Contractor may assign, and/or grant security interests in whole or in part in, the Lease PO and Leased Property to an Initial Assignee, who in turn may further assign and/or grant a security interest in a Lease to a subsequent assignee without the Lessee's consent. Any other Contractor assignment shall require the Lessee's prior written consent. Upon written notice to the Lessee, the Contractor may assign payments under any Lease to a third party.

2. The Contractor may assign, without Lessee consent, any Lease PO to a third party ("Initial Assignee") who will fund the purchase of the Leased Property. The Initial Assignee may take title to, and assume the right to receive all rental payments for, the Leased Property. The Contractor shall notify the Lessee of any Lease PO assignment in its acknowledgment of the Lease PO to the Lessee, providing the Lessee with a copy of the assignment agreement between the Contractor and the Initial Assignee.

3. Notwithstanding any provisions to the contrary in the Contract, in the event of an assignment to an Initial Assignee, the Initial Assignee shall be bound only to the Contractor's obligations specified in these Leasing Terms and Conditions. An Initial Assignee shall not be responsible for any of the Contractor's additional representations, warranties, covenants, or obligations under the Contract Documents. By issuing a Lease PO, the Lessee waives any

claims it may have under the Lease against the Initial Assignee for any loss, damage, or expense caused by, defect in, or use or maintenance of any Leased Property. The Lessee acknowledges that the Initial Assignee is not the supplier of the Leased Property and is not responsible for their selection or installation. After the ordering Lessee executes, and the Initial Assignee receives, an Acceptance Certificate, if any portion of the Leased Property is unsatisfactory for any reason, the ordering Lessee shall, nevertheless, continue to make payments under the applicable Lease terms and shall make any claim against the Contractor or the manufacturer, not against the Initial Assignee or any subsequent assignee of the Initial Assignee.

4. After a Lessee executes and the Initial Assignee receives an Acceptance Certificate:

a. The Lessee shall, regardless of whether any portion of the Leased Property is unsatisfactory for any reason, nevertheless, continue to make payments under the applicable Lease and shall make any claim relating to the Leased Property against the Contractor or the manufacturer, not against the Initial Assignee or any subsequent assignee; and

b. The rights of the Initial Assignee and any subsequent assignee to receive rental payments are absolute and unconditional and shall not be affected by any defense or right of set-off.

5. Warranty Disclaimer

IN THE EVENT THE CONTRACTOR ASSIGNS A LEASE TO AN INITIAL ASSIGNEE, SUCH INITIAL ASSIGNEE AND ANY SUBSEQUENT ASSIGNEE MAKE NO WARRANTY (OTHER THAN A WARRANTY OF QUIET ENJOYMENT OF THE LEASED PROPERTY), EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. AS TO THE INITIAL ASSIGNEE AND ANY SUBSEQUENT ASSIGNEE, THE LESSEE TAKES THE LEASED PROPERTY "AS IS". IN NO EVENT SHALL THE INITIAL ASSIGNEE OR ANY SUBSEQUENT ASSIGNEE HAVE ANY LIABILITY FOR, NOR SHALL THE LESSEE HAVE ANY REMEDY AGAINST, THE INITIAL ASSIGNEE OR ANY SUBSEQUENT ASSIGNEE FOR CONSEQUENTIAL DAMAGES, LOSS OF SAVINGS, OR LOSS OF USE.

I. Financing and Prepayment

1. If the Contractor is not the supplier of the Leased Property, the Contractor will pay the charges for the Leased Property directly to the supplier. In the event the Contractor assigns the Lease to an Initial Assignee, the Initial Assignee will pay the charges directly to the Contractor or the supplier, as applicable. If the Contractor has assigned rental payments under the Lease to an Initial Assignee, the Lessee's obligation to make rental payments for the Leased Property for which the Lessee has executed and delivered acceptance certificates shall not be affected by any discontinuance, return, or destruction of any license or licensed program materials, or by any Lessee dissatisfaction with any Leased Property.

2. The Lessee may at any time terminate the financing for any Leased Property by prepaying its remaining rental payments. The Lessee shall provide notice of the intended prepayment date, which shall be at least one month after the date of the notice. Depending on market conditions at the time, the Contractor/Initial Assignee may reduce the balance of the remaining rental payments to reflect the requested prepayment and shall advise the Lessee of the balance to be paid.

3. If the Lessee purchases Contract items related to Leased Property prior to the expiration of the Lease term, or if the Lease is terminated for any reason except non-appropriation as described in Subsection B of this Subsection, and if the Leased Property has been delivered and the Lessee has executed and delivered to the Contractor an acceptance certificate, the Lessee shall prepay such Leased Property.

J. Remedies for Default

1. If the Lessee does not make a required payment within 30 days after its due date and such nonpayment continues for 15 days after receipt of written notice from the Contractor/Initial Assignee that the Lessee is delinquent in payment, if the Lessee breaches any other provision under these Leasing Terms and Conditions and such breach continues for 15 days after receipt of written notice of the breach from the Contractor/Initial Assignee, or if the Lessee files any petition or proceeding (or has a petition or proceeding filed against it) under any bankruptcy,

insolvency, or similar law, the Contractor/Initial Assignee may pursue and enforce the following remedies, individually or collectively:

a. Terminate the applicable Lease.

b. Take possession of any or all Leased Property in the Lessee's possession, without any court order or other process of law. For such purpose, upon written notice of its intention to do so, the Contractor or its assignee may enter upon the premises where the Leased Property may be and remove and repossess the Leased Property, from the premises without being liable to the Lessee in any action or legal proceedings. The Contractor/assignee may, at its option, sell the repossessed Leased Property at public or private sale for cash or credit. The Lessee shall be liable for the Contractor's/assignee's expenses of retaking possession, including without limitation the removal of the Leased Property and placing the Leased Property in good operating condition (if not in good operating condition at the time of removal) in accordance with the manufacturer's specifications. Repossessed Leased Property shall include only those items that were leased or lease/purchased under the Lease.

c. Recover from the Lessee all rental payments then due, plus the net present value of the amount of the remaining rental payments. The present value of such remaining rental payments shall be calculated using a discount rate equal to the average of the weekly two- and three-year Treasury Constant Maturities published by the Federal Reserve Board for the last calendar week of the month preceding the contractor's/assignee's termination of the applicable Lease. The Treasury Constant Maturities are published in Statistical Release .15 and may be accessed via the Federal Reserve Board's Internet website.

2. In the event of Contractor default under the Default provision of the Contract, the Lessee may pursue one or more of the following remedies:

a. If the rental payments under the Lease have been assigned to an Initial Assignee, the Lessee shall continue to make payments for that Leased Property which has been delivered and for which the Lessee has provided acceptance certificates to the Contractor/Initial Assignee.

b. The Lessee may cancel, without liability for payment, its order for any Leased Property which has not been delivered and for which it has not issued acceptance certificates. In this instance, the amount of the rental payments will be recalculated to take into consideration and pay for the actual amount of Leased Property which was delivered and accepted. If no Leased Property has been delivered and accepted, the Lessee may terminate the Lease without liability for any payment.

c. If payments have not been assigned, the Lessee may set off or counterclaim any and all damages incurred by the Lessee as a result of the Contractor's default against its obligation to make rental payments.

K. Purchase Option

If the Lessee is not in default, it shall have the right at the expiration of the Lease term to buy the Leased Property "as is with no additional warranty" by tendering the purchase option amount the parties have established. For any Lease with a Fair Market Value Option, the fair market value of the equipment shall be established by the Contractor/Initial Assignee and shall not exceed the then-current purchase price of the Leased Property as established in the Contract. Upon the Lessee's exercise of a purchase option and payment of the required amount to the Contractor/Initial Assignee, all right, title, and interest in the Leased Property shall pass to the Lessee.

L. Extension

If the Lessee does not elect to purchase the Leased Property at the expiration of a Lease term, and the Lessee is not in default under the Lease, the Lessee may elect to extend the Lease by written notification to the Contractor/Initial Assignee. The Lessee will make any elective extension under the same Leasing Terms and Conditions, including any rent payable (not less than fair market rental value), and will continue until the earlier of termination by either party upon one month's prior written notice, or five years from the date of installation.

M. Return of Leased Property

At the expiration or termination of a Lease for any Leased Property, or upon Contractor/Initial Assignee demand

pursuant to Subsection J. of this Section, the Lessee shall promptly return the Leased Property, freight prepaid, to any location in the continental United States specified by the Contractor/Initial Assignee. The Lessee shall pay the required rent for the Leased Property until they have been shipped to the Contractor.

1. Since DGS has, as a matter of policy, determined that all hard drives contain information that is confidential or sensitive, the Contractor shall, at its discretion, either remove and destroy any hard drive from the Leased Property or clean the hard drive to Office of Administration/U.S. Department of Defense standards, and the Contractor shall provide written certification to the Lessee that the hard drive has been destroyed or cleaned to Office of Administration/U.S. Department of Defense standards.

2. Except in the event of a total loss of any or all Leased Property as described in Subsection E. of this Section, and except for any costs associated with the removal, destruction, and cleaning of any hard drives, the Lessee shall pay any costs the Contractor/Initial Assignee incurs to restore the Leased Property to good operating condition in accordance with the Contract specifications. All parts the Contractor/Initial Assignee may remove and replace shall become the Contractor's/Initial Assignee's property.

3. The Contractor's/Initial Assignee's costs associated with the cleaning of any hard drive to Office of Administration/U.S. Department of Defense standards and the removal and destruction of any hard drive(s) shall be included in the rental amount. The Lessee shall not be required to pay additional charges for the Contractor's/Initial Assignee's cleaning of a hard drive to Office of Administration/U.S. Department of Defense standards nor for the Contractor's/Initial Assignee's removal and destruction of any hard drive(s) upon the return of a Leased item.

N. Compliance with Internal Revenue Code

1. Tax Exemption Financing. If it intends to provide tax exempt financing, the Contractor/Initial Assignee must file, in timely fashion, any reports the Internal Revenue Service may require with respect to the order under the Internal Revenue Code (IRC). The Lessee shall cooperate with the Contractor/Initial Assignee in the preparation and execution of these documents. The Lessee shall also keep a copy of each notification of assignment with the Lessee's counterpart of the order and shall not, during the Lease term, permit the Leased Property to be directly or indirectly used for a private business use within the meaning of Section 141 of the IRC.

2. Governmental Status. Eligible Lessees include State entities or political subdivisions of a State for the purpose of Section 103(a) of the IRC as well as tax exempt non-profit corporations and entities under 501(c)(4) of the IRC. Any misrepresentation of a Lessee's status under the IRC shall constitute an event of default by the Lessee. If the Internal Revenue Service rules that the Lessee does not so qualify under either Section 103(a) or 501(c)(4) of the IRC, or if the Lessee fails to cooperate with the Contractor/Initial Assignee in the preparation and execution of any reports required under Section 124 or 149 of the IRC (including 8038G and 8038GC forms), the Lessee will, upon demand, pay the Contractor/Initial Assignee a sum the Contractor/Initial Assignee determines sufficient to return the Contractor/Initial Assignee to the economic status it would otherwise have received.

O. Governing Law

All Leases made under these Leasing Terms and Conditions shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, except that the parties agree that Article 2A of the Uniform Commercial Code shall not apply or govern transactions under these Leasing Terms and Conditions.

P. Notices

Service of all notices under these Leasing Terms and Conditions shall be sufficient if delivered to the Lessee at the address set forth in the applicable Lease PO, or to the Contractor/Initial Assignee at the address set forth in its acknowledgment of the Lease PO, including any attached document. Notices by mail shall be effective when deposited in the U.S. mail, properly addressed, with sufficient paid postage. Notices delivered by hand or by overnight courier shall be effective when actually received.

V.49 CONTRACT-046.1 Manufacturer's Price Reduction (Oct 2006)

If, prior to the delivery of the awarded item(s) by the Contractor, a price reduction is announced by the original equipment manufacturer, a comparative price reduction will be given to the Commonwealth by the Contractor.

V.50 CONTRACT-051.1 Notice (Dec 2006)

Any written notice to any party under this Contract shall be deemed sufficient if delivered personally, or by facsimile, telecopy, electronic or digital transmission (provided such delivery is confirmed), or by a recognized overnight courier service (e.g., DHL, Federal Express, etc.) with confirmed receipt, or by certified or registered United States mail, postage prepaid, return receipt requested, and sent to following:

- a. If to the Contractor: the Contractor's address as recorded in the Commonwealth's Supplier Registration system.
- b. If to the Commonwealth: the address of the Issuing Office as set forth on the Contract.

V.51 CONTRACT-052.1 Right to Know Law (Feb 2010)

a. The Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, ("RTKL") applies to this Contract. For the purpose of these provisions, the term "the Commonwealth" shall refer to the contracting Commonwealth agency.

b. If the Commonwealth needs the Contractor's assistance in any matter arising out of the RTKL related to this Contract, it shall notify the Contractor using the legal contact information provided in this Contract. The Contractor, at any time, may designate a different contact for such purpose upon reasonable prior written notice to the Commonwealth.

c. Upon written notification from the Commonwealth that it requires the Contractor's assistance in responding to a request under the RTKL for information related to this Contract that may be in the Contractor's possession, constituting, or alleged to constitute, a public record in accordance with the RTKL ("Requested Information"), the Contractor shall:

1. Provide the Commonwealth, within ten (10) calendar days after receipt of written notification, access to, and copies of, any document or information in the Contractor's possession arising out of this Contract that the Commonwealth reasonably believes is Requested Information and may be a public record under the RTKL; and
2. Provide such other assistance as the Commonwealth may reasonably request, in order to comply with the RTKL with respect to this Contract.

d. If the Contractor considers the Requested Information to include a request for a Trade Secret or Confidential Proprietary Information, as those terms are defined by the RTKL, or other information that the Contractor considers exempt from production under the RTKL, the Contractor must notify the Commonwealth and provide, within seven (7) calendar days of receiving the written notification, a written statement signed by a representative of the Contractor explaining why the requested material is exempt from public disclosure under the RTKL.

e. The Commonwealth will rely upon the written statement from the Contractor in denying a RTKL request for the Requested Information unless the Commonwealth determines that the Requested Information is clearly not protected from disclosure under the RTKL. Should the Commonwealth determine that the Requested Information is clearly not exempt from disclosure, the Contractor shall provide the Requested Information within five (5) business days of receipt of written notification of the Commonwealth's determination.

f. If the Contractor fails to provide the Requested Information within the time period required by these provisions, the Contractor shall indemnify and hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of the Contractor's failure, including any statutory damages assessed against the Commonwealth.

g. The Commonwealth will reimburse the Contractor for any costs associated with complying with these provisions only to the extent allowed under the fee schedule established by the Office of Open Records or as otherwise provided by the RTKL if the fee schedule is inapplicable.

h. The Contractor may file a legal challenge to any Commonwealth decision to release a record to the public with the Office of Open Records, or in the Pennsylvania Courts, however, the Contractor shall indemnify the

Commonwealth for any legal expenses incurred by the Commonwealth as a result of such a challenge and shall hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of the Contractor's failure, including any statutory damages assessed against the Commonwealth, regardless of the outcome of such legal challenge. As between the parties, the Contractor agrees to waive all rights or remedies that may be available to it as a result of the Commonwealth's disclosure of Requested Information pursuant to the RTKL.

i. The Contractor's duties relating to the RTKL are continuing duties that survive the expiration of this Contract and shall continue as long as the Contractor has Requested Information in its possession.

APPENDIX A

PROJECT REFERENCES

Name of Client & Project Title	Client – Project Title	
Contract Value	[VALUE]	
Nature and Scope of Project:	Describe the project in sufficient detail to explain it is similar to the Commonwealth's project. How does this project compare in size, scope, complexity and/or duration? What is it specifically about this project that makes it a good representative project of the vendor's work? <i>(Reference Section II-4 Prior Experience)</i>	
Project Duration:	Start Date Year: [YEAR]	End Date Year: [YEAR or on-going]
Nature of the Client:	Description of client and organizational unit that project was managed by.	
Nature of Client Audience:	Description of project users and/or client/customer audience.	
Number of Users:	[Number]	
# & Composition of Vendor Employees & Consultants Assigned:	Vendor Project Manager/Key Consultant on Project Team: Describe start-up, peak and ongoing level of vendor efforts	
Client Contact Information:	<p>Provide the name, title, address and telephone number of at least two references or contact persons that the Commonwealth can contact to inquire about the vendor's performance, and indicate the role these individuals had in relation to the assignment or project. The references/contact persons should be individuals who were key stakeholders or project leaders and who can validate the vendor's role and responsibilities and who can comment on the quality of the vendor's performance. 2 contacts required.</p> <p>Reference Contacts:</p> <p>Name: _____ Title: _____</p> <p>Department: _____</p> <p>Full Address: _____</p> <p>Telephone: _____ E-mail: _____</p> <p>Relation/Role to Project: _____</p> <p>Name: _____ Title: _____</p> <p>Department: _____</p> <p>Full Address: _____</p> <p>Telephone: _____ E-mail: _____</p> <p>Relation/Role to Project: _____</p>	

INSTRUCTIONS

- 1 Fill in all yellow cells as follows:
Included - for included in base price
Optional - for options available at additional cost
Numerical Value - the specified models capability for numerical requirements
- 2 White cells are not mandatory requirements. However, if any of these capabilities are included in the base price, that can be noted as Included .
- 3 All yellow cells must be filled in for the bid to be accepted.



APPENDIX C, MFD SERVICE LEVEL AGREEMENTS

Performance Metric	Performance Measure	Performance Target	Definition	Calculation	Frequency of Review	Service Credit
MFD Uptime	MFD Agency Device Availability	96%	All machines provided to an agency, as an aggregate, must have an up-time of 96% or greater on a rolling three (3) month average. The SLA is applicable to each agency.	Total downtime of all agency machines. $\left(\frac{\text{\# of downtime minutes}}{\text{total number of minutes in the normal operating hours}} \right) * 100 - 100 = \text{Percent Uptime of all agency machines}$	Quarterly	2% credit to the next monthly agency bill.
Fix Time	MFD Agency Device Fix Time	95%	The selected Offeror shall restore service to machines within eight (8) business hours. This SLA is applicable to each agency. The selected Offeror shall replace the faulty MFD with a loaner MFD of equivalent capability until the repairs have been made when the fix-time will exceed eight (8) business hours.	The measure from the time the Commonwealth contacts the selected Offeror, by a mutually agreed upon method, to the time the machine is returned to full and complete working order or substituted with an equivalent machine.	Monthly	2% credit to the next monthly agency bill
Reports	Submission of Reports on Time	100%	Submission of required Monthly Reports within ten (10) business days following the end of the reporting period. Submission of required Quarterly Report within ten (10) business days following the end of the reporting period. Device Usage Report completed within ten (10) business days of the Commonwealth or using agency request, or within ten (10) business days following the end of the reporting period.	End of Reporting Periods + ten (10) business days. End of Reporting Periods + ten (10) business days. End of Reporting Periods or Date of Request + ten (10) business days.	Monthly Quarterly Quarterly	None None None

APPENDIX C, MFD SERVICE LEVEL AGREEMENTS

Up Time and Fix Time:

Up-time is calculated by dividing the machine down-time each month by the total normal business hours each month for the respective agency.

- All machines provided to an agency, as an aggregate, must have an Up-time of at least 96% on a rolling three (3) month average. This SLA will apply to each individual agency.

Fix-time is measured from the time the Commonwealth calls/submits a trouble ticket to the contractor to the time the machine is returned to full and complete working order.

- The Contractor must resolve at least 95% of the trouble tickets submitted by an agency each month in a Fix-time of no more than eight (8) normal business hours. This SLA will apply to each individual agency.
- Should the Fix-time exceed eight (8) normal business hours, the Contractor must notify the Commonwealth and replace the faulty MFD with a loaner MFD of equivalent capability until the repairs have been made and the agency's MFD is back to full and complete working order. Repair or replacement must be made within sixteen (16) normal business hours after the trouble ticket has been placed by the Commonwealth.

Failure to meet either SLA for one month will result in a 2% credit on the next monthly bill to the agency. Failure to meet an SLA in subsequent months will increase the credit by an additional 2% for each additional reporting period, up to a maximum of credit of 10%. If the Contractor meets both SLAs for two (2) consecutive months, the credit for the next failure will reset to 2%.

DEVICE USAGE REPORT- SAMPLE									
		Black and White				Color			
		Letter or Legal Pages		Ledger Pages		Letter or Legal Pages		Ledger Pages	
Serial Number	Single-sided	Duplex	Single-sided	Duplex	Single-sided	Duplex	Single-sided	Duplex	
Agency 1									
Lot 1									
Segment 1									
1111	3000	4000							
1112	8000	0							
1113	5000	1000							
1114	1000	6000							
Segment 2									
Segment 3									
Segment 4									
1115	30000	0							
1116	0	40000							
Segment 5									
1117	40000	40000							
Segment 6									
1118	90000	0							
Lot 2									
Segment 1									
Segment 2									
2222	10000	2000	2000	0					
2223	3000	5000	1000	1000					
2224	10000	2000	100	0					
Segment 3									
2225	15000	5000	500	150					
2226	5000	15000	1000	0					
Segment 4									
Segment 5									
Segment 6									
Lot 3									
Segment 1									
Segment 2									
3331	15000	1000			1000	500			
3332	1000	5000			5000	5000			
Segment 3									
3333	5000	1000	200	400	500	500	500	100	

Manufacturer Usage Summary						
Agency		Number of Printers	Black and White		Color	
			Letter or Legal Subtotal	Ledger Subtotal	Letter or Legal Subtotal	Ledger Subtotal
Lot 1						
Segment 1		4	39000			
Segment 2						
Segment 3						
Segment 4		2	110000			
Segment 5		1	120000			
Segment 6		1	90000			
Lot 2						
Segment 1						
Segment 2		3	41000	7200		
Segment 3		2	60000	1800		
Segment 4						
Segment 5						
Segment 6						
Lot 3						
Segment 1						
Segment 2		2	28000		17000	
Segment 3		1	7000	1000	1500	700
Total			495000	10000	18500	700

PA Supplier ID Number: _____

**SOFTWARE/SERVICES LICENSE REQUIREMENTS AGREEMENT
BETWEEN
THE COMMONWEALTH OF PENNSYLVANIA,
ACTING BY AND THROUGH THE [INSERT NAME OF AGENCY]
AND
[INSERT FULL NAME OF LICENSOR]**

This Software/Services License Requirements Agreement (“Agreement”) by and between [insert full name of Licensor] (“Licensor”) and the Commonwealth of Pennsylvania, acting by and through the [insert name of Agency] (“Commonwealth”) is effective the date the Agreement has been fully executed by the Licensor and by the Commonwealth and all approvals required by Commonwealth contracting procedures have been obtained.

1. **Order of Precedence.** The terms and conditions of this Agreement supplement, and to the extent a conflict exists, supersede and take precedence over the terms and conditions of the attached [insert exhibits that are to be made part of this Agreement]. The parties agree that the terms of this Agreement supersede and take precedence over the terms included in any quote, purchase order, terms of any shrink-wrap agreement included with the Licensed Products, terms of any click through agreement included with the Licensed Products or any other terms purported to apply to the Licensed Products. The products specified in Attachment 1, along with support and services for said products, shall be referred to as “Licensed Products.”
2. **Enterprise Language:**
 - (a) The parties agree that more than one agency of the Commonwealth (“Commonwealth Agency”) may license products subject to this Agreement, provided that the procurement of any Licensed Products by any Commonwealth Agency must be made pursuant to one or more executed purchase orders or purchase documents submitted by each Commonwealth Agency seeking to use the Licensed Products.
 - (b) The parties agree that, if the licensee is a “Commonwealth Agency” as defined by Section 103 of the [Commonwealth Procurement Code, 62 Pa. C. S. § 103](#), the terms and conditions of this Agreement apply to the procurement of any Licensed Products made by the Commonwealth, and that the terms and conditions of this Agreement become part of the purchase order or other procurement document without further need for execution.
3. **List of Licensed Products.**

- (a) Attached hereto and made a part of this Agreement by reference is Attachment 1, which lists the Licensed Products that may be licensed under this Agreement. With the consent of the Commonwealth, the list of Licensed Products on Attachment 1 may be updated by the Licensor providing the Commonwealth with a revised Attachment 1 that adds the new product to the list. The Commonwealth, in its sole discretion, may consent either via written communication directly to the Licensor or, if applicable, providing the Commonwealth's reseller with a copy of Licensor's notification to update Attachment 1.
- (b) No amendment will be required to add a new Licensed Product to the list. If, however, the Licensor desires to add a new Licensed Product to the list that requires additional licensing terms or other requirements, either an amendment to this Agreement or a new agreement will be required.
- 4. Choice of Law/Venue.** This Agreement shall be interpreted in accordance with and governed by the laws of the Commonwealth of Pennsylvania, without giving effect to its conflicts of law provisions. The courts of the Commonwealth of Pennsylvania and the federal courts of the Middle District of Pennsylvania shall have exclusive jurisdiction over disputes under this Contract and the resolution thereof.
- 5. Indemnification/Immunity.** The Commonwealth does not have the authority to and shall not indemnify any entity. The Commonwealth agrees to pay for any loss, liability or expense, which arises out of or relates to the Commonwealth's acts or omissions with respect to its obligations hereunder, where a final determination of liability on the part of the Commonwealth is established by a court of law or where settlement has been agreed to by the Commonwealth. This provision shall not be construed to limit the Commonwealth's rights, claims or defenses that arise as a matter of law or pursuant to any other provision of this Agreement. No provision in this Agreement shall be construed to limit the sovereign immunity of the Commonwealth.
- 6. Patent, Copyright, Trademark and Trade Secret Protection.**
- (a) The Licensor shall, at its expense, defend, indemnify and hold the Commonwealth harmless from any suit or proceeding which may be brought by a third party against the Commonwealth, its departments, officers or employees for the alleged infringement of any United States patents, copyrights, trademarks or trade dress, or for a misappropriation of a United States trade secret arising out of performance of this Agreement ("Claim"), including all Licensed Products provided by the Licensor. For the purposes of this Agreement, "indemnify and hold harmless" shall mean the Licensor's specific, exclusive, and limited obligation to (a) pay any judgments, fines and penalties finally awarded by a court of competent jurisdiction, governmental/administrative body or any settlements reached pursuant to a Claim and (b) reimburse the Commonwealth for its reasonable administrative costs or expenses, including without limitation reasonable attorney's fees, it necessarily incurs in handling the Claim. The Commonwealth agrees to give the Licensor prompt notice of any such claim of which it learns. Pursuant to the [Commonwealth](#)

Attorneys Act, Act of October 15, 1980, P.L. 950, No. 164, as amended, 71 P. S. §§ 732-101—732-506, the Office of Attorney General (“OAG”) has the sole authority to represent the Commonwealth in actions brought against the Commonwealth. The OAG, however, in its sole discretion, and under the terms the OAG deems appropriate, may delegate its right of defense of a Claim. If the OAG delegates the defense to the Licensor, the Commonwealth will cooperate with all reasonable requests of Licensor made in the defense of and/or settlement of a Claim. The Licensor shall not, without the Commonwealth’s consent, enter into any settlement agreement which (a) states or implies that the Commonwealth has engaged in any wrongful or improper activity other than the innocent use of the material which is the subject of the Claim, (b) requires the Commonwealth to perform or cease to perform any act or relinquish any right, other than to cease use of the material which is the subject of the Claim, or (c) requires the Commonwealth to make a payment which the Licensor is not obligated by this Agreement to pay on behalf of the Commonwealth. In all events, the Commonwealth shall have the right to participate in the defense of any such suit or proceeding through counsel of its own choosing. It is expressly agreed by the Licensor that, in the event it requests that the Commonwealth provide support to the Licensor in defending any such Claim, the Licensor shall reimburse the Commonwealth for all necessary expenses (including attorneys’ fees, if such are made necessary by the Licensor’s request) incurred by the Commonwealth for such support. If the OAG does not delegate to the Licensor the authority to control the defense and settlement of a Claim, the Licensor’s obligation under this section ceases. The Licensor, at its own expense, shall provide whatever cooperation the OAG requests in the defense of the suit.

- (b) The Licensor agrees to exercise reasonable due diligence to prevent claims of infringement on the rights of third parties. The Licensor certifies that, in all respects applicable to this Agreement, it has exercised and will continue to exercise due diligence to ensure that all Licensed Products provided under this Agreement do not infringe on the patents, copyrights, trademarks, trade dress, trade secrets or other proprietary interests of any kind which may be held by third parties.
- (c) If the defense of a Claim and the authority to control any potential settlements thereof is delegated to the Licensor, the Licensor shall pay all damages and costs finally awarded therein against the Commonwealth or agreed to by the Licensor in any settlement. If information and assistance are furnished by the Commonwealth at the Licensor’s written request, it shall be at the Licensor’s expense, but the responsibility for such expense shall be only that within the Licensor’s written authorization.
- (d) If, in the Licensor’s opinion, any Licensed Product furnished hereunder is likely to or do become subject to a claim of infringement of a United States patent, copyright, trade dress or trademark, or for a misappropriation of trade secret, then without diminishing the Licensor’s obligation to satisfy any final award, the Licensor may, at its option and expense:

- (i) substitute functional equivalents for the alleged infringing Licensed Product, or
 - (ii) obtain the rights for the Commonwealth to continue the use of such Licensed Product.
- (e) If any of the Licensed Products provided by the Licensor are in such suit or proceeding held to constitute infringement and the use thereof is enjoined, the Licensor shall, at its own expense and at its option, either:
 - (i) procure the right to continue use of such infringing Licensed Products;
 - (ii) replace them with non-infringing items; or
 - (iii) modify them so that they are no longer infringing.
- (f) If the use of any Licensed Product is enjoined and the Licensor is unable to do any of the preceding set forth in subsection (e) above, the Licensor, upon return of the Licensed Product, agrees to refund to the Commonwealth:
 - (i) the license fee paid for the infringing Licensed Product, less the amount for the period of usage of the Licensed Product; and
 - (ii) the pro-rated portion of any maintenance fees representing the time remaining in any period of services for which payment was made.
- (g) The obligations of the Licensor under this section survive the termination of this Agreement.
- (h) Notwithstanding the above, the Licensor shall have no obligation under this section for:
 - (i) modification of any Licensed Products provided by the Commonwealth or a third party acting under the direction of the Commonwealth;
 - (ii) any material provided by the Commonwealth to the Licensor and incorporated into, or used to prepare any Licensed Products
 - (iii) use of any Licensed Product after Licensor recommends discontinuation because of possible or actual infringement and has provided one of the remedies under subsection (e) or subsection (f) above;
 - (iv) use of any Licensed Product in other than the specified operating environment;

- (v) the combination, operation, or use of the Licensed Products with other products, services, or deliverables not provided by the Licensor as a system or the combination, operation, or use of the Licensed Products, service, or deliverable, with any products, data, or apparatus that the Licensor did not provide;
 - (vi) infringement of a non-Licensed Product alone;
 - (vii) the Commonwealth's use of any Licensed Product beyond the scope contemplated by the Agreement; or
 - (viii) the Commonwealth's failure to use corrections or enhancements made available to the Commonwealth by the Licensor at no charge.
- (i) The obligation to indemnify the Commonwealth, under the terms of this section, shall be the Licensor's sole and exclusive obligation for the infringement or misappropriation of intellectual property.

7. Virus, Malicious, Mischievous or Destructive Programming.

- (a) The Licensor warrants that the Licensed Products as delivered by the Licensor does not contain any viruses, worms, Trojan Horses, or other malicious or destructive code to allow unauthorized intrusion upon, disabling of, or erasure of the Licensed Products (each a "Virus"). However, the Licensed Products may contain a key limiting use to the scope and quantity of the license(s) granted, and license keys issued by Licensor for temporary use are time-sensitive.
- (b) The Licensor shall be liable for any damages incurred by the Commonwealth including, but not limited to, the expenditure of Commonwealth funds to eliminate or remove a computer virus or malicious, mischievous or destructive programming that results from the Licensor's failure to take proactive measures to keep virus or malicious, mischievous or destructive programming from originating from the Licensor or any of its employees, subcontractors or consultants through appropriate firewalls and maintenance of anti-virus software and security updates (such as operating systems security patches, etc.).
- (c) In the event of destruction or modification of any Licensed Products, the Licensor shall eliminate the virus, malicious, mischievous or destructive programming, restore the Commonwealth's software, and be liable to the Commonwealth for any resulting damages.

8. Limitation of Liability.

- (a) The Licensor's liability to the Commonwealth under this Agreement shall be limited the total dollar amount of purchase orders issued for Licensed Products and services covered by this Agreement during the during the twelve (12)-month period

prior to the event giving rise to the damage claim. This limitation does not apply to damages:

- (i) for bodily injury;
 - (ii) for death;
 - (iii) for intentional injury;
 - (iv) to real property or tangible personal property for which the Licensor is legally liable;
 - (v) Under **Section 6**, Patent, Copyright, Trade Secret and Trademark Protection;
 - (vi) for damages related to a breach of the security of a system maintained or managed by the Licensor, including the costs for notification, mitigation and credit monitoring services required due to such breach; or
 - (vii) under **Section 7**, Virus, Malicious, Mischievous or Destructive Programming.
- (b) In no event will the Licensor be liable for consequential, indirect, or incidental damages unless otherwise specified in the Agreement.

9. Payment.

The Commonwealth will make purchase and make payment through a reseller contract or another procurement document, which shall control with regard to payment amounts and provisions.

10. Termination.

- (a) The Licensor may not terminate for non-payment of an order issued through a reseller contract or another procurement document that controls payment.
- (b) The Commonwealth may terminate this Agreement without cause by giving the Licensor **30 calendar days'** prior written notice ("Notice of Termination") whenever the Commonwealth shall determine that such termination is in the best interest of the Commonwealth ("Termination for Convenience").

11. Background Checks.

- (a) Upon prior written request by the Commonwealth, the Licensor must, at its expense, arrange for a background check for each of its employees, as well as for the employees of its subcontractors, who will have access to the Commonwealth's

IT facilities, either through on site or remote access. Background checks are to be conducted via the Request for Criminal Record Check form and procedure found at <http://www.psp.pa.gov/Pages/Request-a-Criminal-History-Record.aspx>. The background check must be conducted prior to initial access by an IT employee and annually thereafter.

- (b) Before the Commonwealth will permit an employee access to the Commonwealth's facilities, the Licensor must provide written confirmation to the office designated by the applicable Commonwealth Agency that the background check has been conducted. If, at any time, it is discovered that an employee has a criminal record that includes a felony or misdemeanor involving terrorist threats, violence, use of a lethal weapon, or breach of trust/fiduciary responsibility; or which raises concerns about building, system, or personal security, or is otherwise job-related, the Licensor shall not assign that employee to any Commonwealth facilities, shall remove any access privileges already given to the employee, and shall not permit that employee remote access to Commonwealth facilities or systems, unless the Commonwealth Agency consents, in writing, prior to the access being provided. The Commonwealth Agency may withhold its consent at its sole discretion. Failure of the Licensor to comply with the terms of this subsection may result in the default of the Licensor under its Agreement with the Commonwealth.
- (c) The Commonwealth specifically reserves the right to conduct background checks over and above that described herein.
- (d) Access to certain Capitol Complex buildings and other state office buildings is controlled by means of card readers and secured visitors' entrances. Commonwealth contracted personnel who have regular and routine business in Commonwealth worksites may be issued a photo identification or access badge subject to the requirements of the applicable Commonwealth Agency and the Department of General Services set forth in Enclosure 3 of [Commonwealth Management Directive 625.10 Amended](#), *Card Reader and Emergency Response Access to Certain Capitol Complex Buildings and Other State Office Buildings*. The requirements, policy and procedures include a processing fee payable by the Licensor for contracted personnel photo identification or access badges.

12. Confidentiality.

- (a) Definition. "Confidential Information:"
 - (i) For the Commonwealth: All data and other information of or in the possession of the Commonwealth or any Commonwealth Agency or any private individual, organization or public agency, in each case to the extent such information and documentation is not permitted to be disclosed to third parties under local, Commonwealth or federal laws and regulations or pursuant to any policy adopted by the Commonwealth or pursuant to the terms of any third-party agreement to which Commonwealth is a party.

- (ii) For the Licensor: All information identified in writing by the Licensor as confidential or proprietary to Licensor or its subcontractors.

- (b) Confidential Information. All Confidential Information of or relating to a party shall be held in confidence by the other party to the same extent and in at least the same manner as such party protects its own confidential or proprietary information. Neither party shall disclose, publish, release, transfer or otherwise make available any Confidential Information of the other party in any form to, or for the use or benefit of, any person or entity without the other party's consent. Subject to the other provisions of this Agreement, each party shall, however, be permitted to disclose relevant aspects of the other party's Confidential Information to its officers, agents, subcontractors and personnel and to the officers, agents, subcontractors and personnel of its corporate affiliates or subsidiaries to the extent that such disclosure is reasonably necessary for the performance of its duties and obligations under this Agreement; provided, however, that such party shall take all reasonable measures to ensure that Confidential Information of the other party is not disclosed or duplicated in contravention of the provisions of this Agreement by such officers, agents, subcontractors and personnel and that such party shall be responsible for any unauthorized disclosure of the Confidential Information of the other party by such officers, agents, subcontractors or personnel; and further provided, that if the disclosure is by the Commonwealth to another contractor or sub-contractor, such disclosure is subject to a suitable non-disclosure agreement imposing equally or more stringent requirements for data privacy and security. Except to the extent provided otherwise by any applicable law, the obligations of this subsection (b) shall not apply with respect to information which:
 - (i) is developed by the other party without violating the disclosing party's proprietary rights,
 - (ii) is or becomes publicly known (other than through unauthorized disclosure),
 - (iii) is disclosed by the owner of such information to a Third Party free of any obligation of confidentiality,
 - (iv) is already known by such party without an obligation of confidentiality other than pursuant to this Agreement or any confidentiality contract entered into before the Effective Date of the Agreement between the Commonwealth and the Licensor, or
 - (v) is rightfully received by the disclosing party free of any obligation of confidentiality.

- (c) Obligations. Each party shall:

- (i) Notify the other party promptly of any known unauthorized possession, use or knowledge of the other party's Confidential Information by any person or entity.
 - (ii) Promptly furnish to the other party full details known by such party relating to the unauthorized possession, use or knowledge thereof and shall use reasonable efforts to assist the other party in investigating or preventing the recurrence of any unauthorized possession, use or knowledge of the other party's Confidential Information.
 - (iii) Use reasonable efforts to cooperate with the other party in any litigation and investigation against third parties deemed necessary by the other party to protect its proprietary rights.
 - (iv) Promptly use all reasonable efforts to prevent a recurrence of any such unauthorized possession, use or knowledge of the other party's Confidential Information.
- (d) Cost of compliance; required disclosure. Each party shall bear the cost it incurs as a result of compliance with this section. The obligations in this section shall not restrict any disclosure by either party pursuant to any applicable law or pursuant to the order of any court or other legal process or government agency of competent jurisdiction (provided that the disclosing party shall give prompt notice to the non-disclosing party of such disclosure or order in a timeframe to allow the non-disclosing party to resist the disclosure or order).
- (e) Submitting Confidential Information to the Commonwealth. The Licensor shall use the following process when submitting information to the Commonwealth it believes to be confidential and/or proprietary information or trade secrets:
- (i) Prepare an un-redacted version of the appropriate document;
 - (ii) Prepare a redacted version of the document that redacts the information that is asserted to be confidential or proprietary information or a trade secret;
 - (iii) Prepare a signed written statement that states:
 - (1) the attached document contains confidential or proprietary information or trade secrets;
 - (2) the Licensor is submitting the document in both redacted and un-redacted format in accordance with Section 707(b) of the *Right-to-Know Law*, 65 P.S. § 67.707(b); and

- (3) the Licensor is requesting that the document be considered exempt under Section 708(b)(11) of the *Right-to-Know Law*, 65 P.S. § 67.708(b)(11) from public records requests; and
- (iv) Submit the **two (2)** documents with the signed written statement to the Commonwealth.
- (f) Confidential Information at termination. Upon expiration or termination of this Agreement, or a purchase order or other procurement document for Licensed Products governed by the terms of this Agreement, and at any other time at the written request of a party, the other party must promptly return to such party all of such party's Confidential Information and Data (and all copies of this information) that is in the other party's possession or control, in whatever form. With regard to the Commonwealth's Confidential Information and/or Data, the Licensor shall comply with the requirements of subsection (e).
- (g) Not confidential. Additionally, neither the Agreement nor any pricing information related to the Agreement, nor purchase orders issued pursuant to the Agreement, will be deemed confidential.

13. Sensitive Information

- (a) The Licensor shall not publish or otherwise disclose, except to the Commonwealth or the Licensor's subcontractors, any information or data obtained hereunder from private individuals, organizations, or public agencies, in a way that allows the information or data furnished by or about any particular person or establishment to be identified.
- (b) The parties shall not use or disclose any information about a recipient receiving services from, or otherwise enrolled in, a Commonwealth program affected by or benefiting from services under this Agreement for any purpose not connected with the parties' Agreement responsibilities.
- (c) The Licensor will comply with all obligations applicable to it under all applicable data protection legislation in relation to all personal data that is processed by it in the course of performing its obligations under this Agreement including by:
 - (i) Maintaining a valid and up to date registrations and certifications; and
 - (ii) Complying with all data protection legislation applicable to cross border data flows of personal data and required security measures for personal data.

- 14. Publicity/Advertisement.** The Licensor must obtain written Commonwealth approval prior to mentioning the Commonwealth or a Commonwealth Agency in an advertisement, endorsement, or any other type of publicity. This includes the use of any trademark or logo.

15. Portability. The parties agree that a Commonwealth Agency may move a Licensed Product from machine to machine, whether physical or virtual, and to other locations, where those machines and locations are internal to the Commonwealth or to a Commonwealth contractor, as long as such relocation and the use being made of the Licensed Product comports with the license grant and restrictions. Notwithstanding the foregoing, a Commonwealth Agency may move the machine or appliance provided by the Licensor upon which the Licensed Product is installed.

16. Taxes-Federal, State and Local.

- (a) The Commonwealth is exempt from all excise taxes imposed by the Internal Revenue Service and has accordingly registered with the Internal Revenue Service to make tax-free purchases under registration No. 23-23740001-K. With the exception of purchases of the following items, no exemption certificates are required and none will be issued: undyed diesel fuel, tires, trucks, gas-guzzler emergency vehicles, and sports fishing equipment. The Commonwealth is also exempt from Pennsylvania sales tax, local sales tax, public transportation assistance taxes, and fees and vehicle rental tax. The Department of Revenue regulations provide that exemption certificates are not required for sales made to governmental entities and none will be issued. Nothing in this section is meant to exempt a construction contractor from the payment of any of these taxes or fees which are required to be paid with respect to the purchase, use, rental or lease of tangible personal property or taxable services used or transferred in connection with the performance of a construction contract.
- (b) The only interest the Commonwealth is authorized to pay is in accordance with Act of December 13, 1982, P.L. 1155, No. 266, as amended, 72 P. S. § 1507, (relating to Interest Penalties on Commonwealth Accounts) and accompanying regulations 4 Pa. Code §§ 2.31—2.40 (relating to Interest Penalties for Late Payments).

17. Commonwealth Audit Responsibilities.

- (a) The Commonwealth will maintain, and promptly provide to the Licensor upon its request, accurate records regarding use of the Licensed Product by or for the Commonwealth. If the Commonwealth becomes aware of any unauthorized use of all or any part of the Licensed Product, the Commonwealth will notify the Licensor promptly, providing reasonable details. The limit of the Commonwealth's responsibility for use of the Licensed Products by more individuals than are permitted by the licensing terms applicable to the Licensed Products shall be to purchase additional licenses and Maintenance and Support (if applicable) for such Licensed Products through a reseller contract or procurement document.
- (b) The Commonwealth will perform a self-audit upon the request of the Licensor, which request may not occur more often than annually, and report any change in user count (hereinafter "True up number"). The Commonwealth shall notify the

Licensors of the True up number no later than **45 calendar days** after the request that the Commonwealth perform a self-audit. If the user count has increased, the Commonwealth will make an additional purchase of the Licensed Products through a reseller contract or another procurement document, which is equivalent to the additional users. This section sets out the sole license audit right under this Agreement.

18. **Right-to-Know Law.** The Pennsylvania *Right-to-Know Law*, Act of February 14, 2008, P.L. 6, No. 3, 65 P.S. §§ 67.101—3104 (“RTKL”), applies to this Agreement.
19. **Third-Party Software.** If a Licensed Product utilizes or includes third party software and other copyrighted material and is subject, therefore, to additional licensing terms, acknowledgements or disclaimers compliance with this Agreement constitutes compliance with those third-party terms. The parties agree that the Commonwealth, by acknowledging third-party software, does not agree to any terms and conditions of the third-party software agreements that are inconsistent with or supplemental to this Agreement.
20. **Attorneys’ Fees.** The Commonwealth will not pay attorneys’ fees incurred by or paid by the Licensor.
21. **Controversies.**
 - (a) Pursuant to Section 1712.1 of the *Commonwealth Procurement Code*, 62 Pa. C.S. § 1712.1, in the event of a claim arising from the Agreement or a purchase order, the Licensor, within **six (6) months** after the claim accrues, must file a written claim with the contracting officer for a determination. The claim shall state all grounds upon which the Licensor asserts a controversy exists. If the Licensor fails to file a claim or files an untimely claim, the Licensor is deemed to have waived its right to assert a claim in any forum. At the time the claim is filed, or within **60 days** thereafter, either party may request mediation through the Commonwealth Office of General Counsel Dispute Resolution Program, <http://www.ogc.pa.gov/Services%20to%20Agencies/Mediation%20Procedures/Pages/default.aspx>.
 - (b) If the Licensor or the contracting officer requests mediation and the other party agrees, the contracting officer shall promptly make arrangements for mediation. Mediation shall be scheduled so as to not delay the issuance of the final determination beyond the required **120 days** after receipt of the claim if mediation is unsuccessful. If mediation is not agreed to or if resolution is not reached through mediation, the contracting officer shall review timely-filed claims and issue a final determination, in writing, regarding the claim. The final determination shall be issued within **120 days** of the receipt of the claim, unless extended by consent of the contracting officer and the Licensor. The contracting officer shall send a written determination to the Licensor. If the contracting officer fails to issue a final determination within the **120 days** (unless extended by consent of the parties), the

claim shall be deemed denied. The contracting officer's determination shall be the final order of the purchasing agency.

- (c) Within **15 days** of the mailing date of the determination denying a claim or within **135 days** of filing a claim if, no extension is agreed to by the parties, whichever occurs first, the Licensor may file a statement of claim with the Commonwealth Board of Claims. Pending a final judicial resolution of a controversy or claim, the Licensor shall proceed diligently with the performance of the Agreement or purchase order in a manner consistent with the determination of the contracting officer and the Commonwealth shall compensate the Licensor pursuant to the terms of the Agreement, purchase order or other procurement document.
- 22. Signatures.** The fully executed Agreement may not contain ink signatures by the Commonwealth. In that event, the Licensor understands and agrees that the receipt of an electronically-printed Agreement with the printed name of the Commonwealth purchasing agent constitutes a valid, binding contract with the Commonwealth. The printed name of the purchasing agent represents the signature of that individual who is authorized to bind the Commonwealth to the obligations contained in the Agreement. The printed name also indicates that all approvals required by Commonwealth contracting procedures have been obtained.
- 23. Travel.** The Licensor shall not be allowed or paid travel or per diem expenses except as specifically set forth in the Agreement or Statement of Work. If not otherwise specified in the Agreement or Statement of Work, travel and related expenses shall be reimbursed in accordance with [Management Directive 230.10 Amended](#), [Commonwealth Travel Policy](#), and [Manual 230.1](#), [Commonwealth Travel Procedures Manual](#).
- 24. Entire Agreement.** This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof, and supersedes and integrates all prior discussions, agreements and understandings pertaining thereto. No modification of this Agreement will be effective unless in writing and signed by both Parties. Other terms and conditions or additional terms and conditions included or referenced in the Licensor's quotations, invoices, business forms, or other documentation shall not become part of the parties' agreement and shall be disregarded by the parties, unenforceable by the Licensor and not binding on the Commonwealth. No modification of this Agreement will be effective unless in writing and signed by both Parties.
- 25. Notice.** Any written notice to any party under this Agreement shall be deemed sufficient if delivered personally, or by facsimile, telecopy, electronic or digital transmission (provided such delivery is confirmed), or by a recognized overnight courier service (e.g., DHL, Federal Express, etc.), with confirmed receipt, or by certified or registered United States mail, postage prepaid, return receipt requested, sent to the address such party may designate by notice given pursuant to this section.
- 26. Survival.** The termination or expiration of this Agreement will not affect any provisions of this Agreement which by their nature survive termination or expiration, including the

provisions that deal with the following subject matters: definitions, confidentiality, term and termination, effect of termination, intellectual property, license compliance, limitation of liability, indemnification and privacy.

27. **Waiver.** Failure to enforce any provision will not constitute a waiver.
28. **Severability.** If any provision is found unenforceable, it and any related provisions will be interpreted to best accomplish the unenforceable provision's essential purpose.
29. **Nonexclusive Remedy.** Except as expressly set forth in this Agreement, the exercise by either party of any of its remedies under this Agreement will be without prejudice to its other remedies under this Agreement or otherwise.
30. **Integration.** This Agreement, including all exhibits and referenced documents, and any Purchase Orders referencing this Agreement, constitutes the entire agreement between the parties. No agent, representative, employee or officer of the Commonwealth or of Licensor has authority to make any statement, agreement, or representation, oral or written, in connection with this Agreement, which in any way can be deemed to modify, add to, or detract from, or otherwise change or alter its terms and conditions. No negotiations between the parties, nor any custom or usage, shall be permitted to modify or contradict any of the terms and conditions of this Agreement. No modifications, alterations, changes, or waiver to this Agreement or any of its terms shall be valid or binding unless accomplished by a written amendment executed by the parties.

IN WITNESS WHEREOF, the Parties to this Agreement have executed it, through their respective duly authorized representatives.

Witness:

Licensor:

Signature Date

Signature Date

Printed Name

Printed Name

Title

Title

If a corporation, the Chairman, President, Vice-President, Senior Vice-President, Executive Vice-President, Assistant Vice-President, Chief Executive Officer or Chief Operating Officer must sign; if a sole proprietor, then the owner must sign; if a general or limited partnership, a general partner must sign; if a limited liability company, then a member must sign, unless it is a managed by a manager, then the manager must sign; otherwise a resolution indicating authority to bind the corporation must be attached to this Agreement.

COMMONWEALTH OF PENNSYLVANIA

See Section 22
Agency Head or Designee

APPROVED AS TO FORM AND LEGALITY:

See Section 22
Office of Chief Counsel

See Section 22
Office of General Counsel

See Section 22
Office of Attorney General

APPROVED:

See Section 22
Office of the Budget, Office of Comptroller Operations

ATTACHMENT 1

LIST OF LICENSED PRODUCTS

With the consent of the Commonwealth, additional Licensed Products may be added to this attachment by the Licensor providing Commonwealth with a new copy of this Attachment 1.

Licensed Product:

The Licensed Product includes (list all titles covered by this agreement):

Event Summary - Digital Multifunctional Devices

Type	Request for Proposal	Number	6100044411
Stage Title	-	Organization	CommonwealthPA
Currency	US Dollar	Exported on	5/3/2018
Exported by	Amy McFadden	Payment Terms	-
Sealed Bid	Yes	Intend to Bid	Yes
Bid Total	0.00 USD		

Event Dates

Time Zone	EDT
Released	-
Open	4/5/2018 1:00 PM
Close	5/3/2018 11:00 AM
Sealed Bid	5/3/2018 11:00 AM
Question Submission Close	4/16/2018 3:00 PM

Event Users

Contacts

Amy McFadden

ammcfadden@pa.gov

Phone +7 173463826

Description

1. **Purpose.** This request for proposals (RFP) provides information to enable potential Offerors to prepare and submit proposals for the Commonwealth of Pennsylvania's consideration.

2. **Issuing Office.** The Department of General Services (“Issuing Office”) has issued this RFP on behalf of the Commonwealth. The sole point of contact in the Commonwealth for this RFP shall be the Contact listed above, who is the Issuing Officer for this RFP. Please refer all inquiries to the Issuing Officer. Any violation of this condition may be cause for the Issuing Office to reject the offending Offeror's proposal. Offerors must agree not to distribute any part of their proposals beyond the Issuing Office. An Offeror who shares information contained in its proposal with other Commonwealth personnel and/or competing Offeror may be disqualified.

3. **Project Description.** The purpose of this RFP is to procure Digital Multifunctional Devices and other related services. This will be a multiple award contract and will cover the requirements of the Commonwealth and COSTARS.

4. **Type of Contract.** If the Issuing Office enters into a contract as a result of this RFP, it will be a Firm Fixed Price contract and will contain the **Contract Terms and Conditions** attached to this RFP in the **Buyer Attachments** section.

5. **Rejection of Proposals.** The Issuing Office reserves the right, in its sole and complete discretion, to reject any proposal received as a result of this RFP.

6. **Incurring Costs.** The Issuing Office is not liable for any costs the Offeror incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of the contract.

7. **Questions & Answers.** Questions must be submitted using the Q&A Board within this event. Questions must be submitted as individual questions. Questions must be submitted by the posted deadline. All questions and responses are considered an addendum to and part of this RFP. The Issuing Office shall not be bound by any verbal information, nor shall it be bound by any written information that is not either contained within the RFP or formally issued by the Issuing Office. The Issuing Office does not consider questions to be a protest of the specifications or the solicitation.

8. **Addenda to the RFP.** Any revisions to this RFP will be made electronically within this site.

9. **Response Date.** To be considered for selection, electronic proposals must be submitted on or before the time and date specified. The Issuing Office will reject any late proposals.

10. **Proposal Submission:** To be considered, Offerors must submit a complete response to this RFP by the due date and time, from an official authorized to bind the Offeror to its provisions. Clicking the submit button within this site constitutes an electronic signature. A proposal being timely submitted and electronically signed by the Offeror are the two (2) mandatory responsiveness requirements and are non-waivable. The Issuing Office reserves the right, in its sole discretion, to (1) waive any other technical or immaterial nonconformities in an Offeror’s proposal, (2) allow the Offeror to cure the nonconformity, or (3) consider the nonconformity in the scoring of the Offeror’s proposal. The proposal must remain valid for **120 days** or until a contract is fully executed, whichever is later. If the Issuing Office selects the Offeror’s proposal for award, the contents of the selected Offeror’s proposal will become, except to the extent the contents are changed through Best and Final Offers or negotiations, contractual obligations.

11. **Proposal Format:** To be considered, the proposal must respond to all proposal requirements. Each proposal consists of three submittal components: Technical, Cost, and Small Diverse Business and Small Business Participation. Offerors should provide any other information thought to be relevant, but not

applicable to the enumerated categories, as attachments. The Issuing Office reserves the right to request additional information which, in the Issuing Office's opinion, is necessary to assure that the Offeror's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFP. The Issuing Office may make investigations as deemed necessary to determine the ability of the Offeror to perform the Project, and the Offeror shall furnish to the Issuing Office all requested information and data.

12. Alternate Proposals. The Issuing Office has identified the basic approach to meeting its requirements, allowing Offerors to be creative and propose their best solution to meeting these requirements. The Issuing Office will not accept alternate proposals.

13. Discussions for Clarification. Offerors may be required to make an oral or written clarification of their proposals to the Issuing Office to ensure thorough mutual understanding and responsiveness to the solicitation requirements. The Issuing Office will initiate requests for clarification. Clarifications may occur at any stage of the evaluation and selection process prior to contract execution.

14. Prime Contractor Responsibilities. The contract will require the selected Offeror to assume responsibility for all services offered in its proposal whether it produces them itself or by subcontract. Further, the Issuing Office will consider the selected Offeror to be the sole point of contact with regard to all contractual matters.

15. Proposal Contents.

A. Confidential Information. The Commonwealth is not requesting confidential proprietary information or trade secrets to be included as part of Offerors' submissions. Accordingly, except as provided herein, Offerors should not label proposal submissions as confidential or proprietary or trade secret protected. Any Offeror who determines that it must divulge such information as part of its proposal must submit the signed written statement described in subsection c. below. After contract award, the selected Offeror must additionally provide a redacted version of its proposal, which removes only the confidential proprietary information and trade secrets, for required public disclosure purposes.

B. Commonwealth Use. All material submitted with the proposal shall be considered the property of the Commonwealth of Pennsylvania. The Commonwealth has the right to use any or all ideas not protected by intellectual property rights that are presented in any proposal regardless of whether the proposal becomes part of a contract. Notwithstanding any Offeror copyright designations contained in proposals, the Commonwealth shall have the right to make copies and distribute proposals internally and to comply with public record or other disclosure **requirements** under the provisions of any Commonwealth or United States statute or regulation, or rule or order of any court of competent jurisdiction.

C. Public Disclosure. After the award of a contract pursuant to this RFP, all proposal submissions are subject to disclosure in response to a request for public records made under the Pennsylvania Right-to-Know-Law, 65 P.S. § 67.101, et seq. If a proposal submission contains confidential proprietary information or trade secrets, a signed written statement to this effect must be provided with the submission in accordance with 65 P.S. § 67.707(b) for the information to be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests. Refer to the **Additional Required Documentation** section for a **Trade Secret Confidential Proprietary Information Notice Form** that may be utilized as the signed written statement, if applicable. If financial capability information is submitted, such financial capability information is exempt from public records disclosure under 65 P.S. § 67.708(b)(26).

16. Best and Final Offers (BAFO). The Issuing Office reserves the right to conduct discussions with Offerors for the purpose of obtaining "best and final offers" in one or more of the following ways, in any

combination and order: schedule oral presentations, request revised proposals, conduct an online auction, and enter into pre-selection negotiations.

The following Offerors will **not** be invited by the Issuing Office to submit a Best and Final Offer: those Offerors which the Issuing Office has determined to be not responsible or whose proposals the Issuing Office has determined to be not responsive; those Offerors which the Issuing Office has determined in accordance with the **Offeror Responsibility** subsection from the submitted and gathered financial and other information, do not possess the financial capability, experience or qualifications to assure good faith performance of the contract; and those Offerors whose score for their technical submittal of the proposal is less than **75 %** of the total amount of technical points allotted to the technical criterion.

The Issuing Office may further limit participation in the best and final offers process to those remaining responsible Offerors which the Issuing Office has determined to be within the top competitive range of responsive proposals. The Evaluation Criteria shall also be used to evaluate the Best and Final offers. Price reductions offered through any online auction shall have no effect upon the Offeror's Technical Submittal. Any reduction to commitments to Small Diverse Businesses and Small Businesses must be proportional to the reduction in the total price offered through any BAFO process or contract negotiations unless approved by the Bureau of Diversity Inclusion and Small Business Opportunities (BDISBO).

17. News Releases. Offerors shall not issue news releases, Internet postings, advertisements or any other public communications pertaining to this Project without prior written approval of the Issuing Office, and then only in coordination with the Issuing Office.

18. Term of Contract. The term of the contract will commence on the Effective Date and will end two (2) years with three (3) optional one (1) year renewals. The Issuing Office will fix the Effective Date after the contract has been fully executed by the selected Offeror and by the Commonwealth and all approvals required by Commonwealth contracting procedures have been obtained. The selected Offeror shall not start the performance of any work prior to the Effective Date of the contract, and the Commonwealth shall not be liable to pay the selected Offeror for any service or work performed or expenses incurred before the Effective Date of the contract.

19. Notification of Selection for Contract Negotiations. The Issuing Office will notify all Offerors in writing of the Offeror selected for contract negotiations after the Issuing Office has determined, taking into consideration all of the evaluation factors, the proposal that is the most advantageous to the Issuing Office.

Prior to execution of the contract resulting from the RFP, the selected Offeror must be registered in the Commonwealth of Pennsylvania's Vendor Master file. In order to register, Offerors must visit the Pa Supplier Portal at <https://www.pasupplierportal.state.pa.us/> or call the Customer Support Center at 877-435-7363 or 717-346-2676.

20. Notification of Award. Offerors whose proposals are not selected will be notified when contract negotiations have been successfully completed, and the Issuing Office has received the final negotiated contract signed by the selected Offeror.

21. Debriefing Conferences. Upon notification of award, Offerors whose proposals were not selected will be given the opportunity to be debriefed. The Issuing Office will schedule the debriefing at a mutually agreeable time. The debriefing will not compare the Offeror with other Offerors, other than the position of the Offeror's proposal in relation to all other Offeror proposals. An Offeror's exercise of the opportunity to be debriefed does not constitute nor toll the time for filing a protest.

22. RFP Protest Procedure. The RFP Protest Procedure is on the DGS website at [click here](#). A protest by a party that has not or has not yet submitted a proposal must be filed no later than the proposal submission deadline. Offerors may file a protest within seven days after the protesting Offeror knew or should have known of the facts giving rise to the protest, but in no event may an Offeror file a protest later than seven days after the date the notice of award of the contract is posted on the DGS website. The date

of filing is the date of receipt of the protest. A protest must be filed in writing with the Issuing Office. To be timely, the protest must be received by 4:00 p.m. on the seventh day.

23. Attachments to the RFP. All attachments to the RFP, including those contained in the **Buyer Attachments** and **Additional Required Documentation** sections, are incorporated into and made part of the RFP.

24. Evaluation Criteria. The Issuing Office has selected a committee of qualified personnel to review and evaluate timely submitted proposals. Independent of the committee, BDISBO will evaluate the Small Diverse Business and Small Business Participation Submittal and provide the Issuing Office with a rating for this component of each proposal. The following criteria will be used in evaluating each proposal:

A. Technical: The Issuing Office has established the weight for the Technical criterion for this RFP as **25%** of the total points. Evaluation will be based upon the following: **Soundness of Approach and Offeror Qualifications** The final Technical scores are determined by giving the maximum number of technical points available to the proposal(s) with the highest raw technical score. The remaining proposals are rated by applying the Technical Scoring Formula set forth at the following webpage: [click here](#)

B. Cost: The Issuing Office has established the weight for the Cost criterion for this RFP as **55%** of the total points. The cost criterion is rated by giving the proposal with the lowest total cost the maximum number of Cost points available. The remaining proposals are rated by applying the Cost Formula set forth at the following webpage: [click here](#)

C. Small Diverse Business and Small Business Participation: BDISBO has established the minimum evaluation weight for the Small Diverse Business and Small Business Participation criterion for this RFP as **20%** of the total points. Refer to the **Small Diverse Business and Small Business Participation** document contained in the **RFP Question** section for more information and scoring methodology.

25. Offeror Responsibility. To be responsible, an Offeror must submit a responsive proposal and possess the capability to fully perform the contract requirements in all respects and the integrity and reliability to assure good faith performance of the contract. In order for an Offeror to be considered responsible for this RFP and therefore eligible for selection for best and final offers or selection for contract negotiations:

The total score for the technical submittal of the Offeror's proposal must be greater than or equal to **75%** of the available technical points and the Offeror must demonstrate the financial capability to assure good faith performance of the contract.

An Offeror who fails to demonstrate sufficient financial capability to assure good faith performance of the contract as specified herein may be considered by the Issuing Office, in its sole discretion, for Best and Final Offers or contract negotiation contingent upon such Offeror providing contract performance security for the first contract year cost proposed by the Offeror in a form acceptable to the Issuing Office. Based on the financial condition of the Offeror, the Issuing Office may require a certified or bank (cashier's) check, letter of credit, or performance bond conditioned upon the faithful performance of the contract by the Offeror. The required performance security must be issued or executed by a bank or surety company authorized to do business in the Commonwealth. The cost of the required performance security will be the sole responsibility of the Offeror and cannot increase the Offeror's cost proposal or the contract cost to the Commonwealth.

Further, the Issuing Office will award a contract only to an Offeror determined to be responsible in accordance with the most current version of [Commonwealth Management Directive 215.9, Contractor Responsibility Program](#).

26. Final Ranking and Award. After any best and final offer process is conducted, the Issuing Office will combine the evaluation committee's final technical scores, BDISBO's final Small Diverse Business and Small Business Participation Submittal scores, the final cost scores, and the domestic workforce utilization scores. The Issuing Office will rank responsible Offerors according to the total overall score assigned to each in descending order. The Issuing Office must select for contract negotiations the Offeror with the highest overall score. The Issuing Office has the discretion to reject all proposals or cancel the request for proposals at any time prior to the time a contract is fully executed when it is in the best interests of the Commonwealth. The reasons for the rejection or cancellation shall be made part of the contract file.

27. COSTARS Program. Information related to the COSTARS Program is incorporated in the **COSTARS Program Clause** contained in the **Buyer Attachments** section. If the Offeror elects to permit COSTARS members to participate in the contract resulting from this RFP, the Offeror should download, complete and upload the **COSTARS Election to Participate Form** contained in **Additional Required Documentation**. If the Offeror is asserting that it is a Department of General Services self-certified Small Business or verified Small Diverse Business, the Offeror must provide an active Department of General Services Small Business Certificate or Small Diverse Business Certificate, as applicable.

Stage Description

No description available.

1 ★ **Instructions To Supplier :**

Responsibility to Review.

Prerequisite Content:

Responsibility to Review RFP

The Offeror acknowledges and accepts full responsibility to ensure that it has reviewed the most current content of the RFP including any amendments to the RFP.

Certification

I certify that I have read and agree to the terms above.



Supplier Must Also Upload a File:

No

Buyer Attachments

Technical Submittal	Technical Submittal 04.16.18.docx	../Attachments/Technical Submittal 04.16.18.docx
MFD Cost Matrix	MFD Cost Matrix 04.27.18.xlsx	../Attachments/MFD Cost Matrix 04.27.18.xlsx
Terms and Conditions	Terms and Conditions 04.23.18.pdf	../Attachments/Terms and Conditions 04.23.18.pdf
Appendix A, Project References Template	Appendix A Project References Template.doc	../Attachments/Appendix A Project References Template.doc
Appendix B, MFD Requirements	Appendix B MFD Requirements 04.19.18.xlsx	../Attachments/Appendix B MFD Requirements 04.19.18.xlsx
Appendix C, MFD Service Level Agreements	Appendix C MFD Service Level Agreements 04.20.18.docx	../Attachments/Appendix C MFD Service Level Agreements 04.20.18.docx
Appendix D , Device Usage Report Sample	Appendix D Device Usage Report Sample.xlsx	../Attachments/Appendix D Device Usage Report Sample.xlsx
Appendix E, Software Requirements Agreement	Appendix E Software Requirements Agreement.docx	../Attachments/Appendix E Software Requirements Agreement.docx

RFP Questions

Group 1.1: Technical Questions

- 1.1.1 Please download, complete, and upload the Technical Submittal from Buyer Attachments.
File Upload

Technical Submittal 04.16.18_Final.docx - ./SupplierAttachments/QuestionAttachments/Technical Submittal 04.16.18_Final.docx
- 1.1.2 Please download, complete, and upload Appendix A, Project References Template from Buyer
File Upload

570575-636750131Appendix A Project References Template_final.doc - ./SupplierAttachments/QuestionAttachments/570575-636750131Appendix A Project References Template_final.doc
- 1.1.3 Please download, complete, and upload Appendix B, MFD Requirements from Buyer Attachments.
File Upload

Appendix B MFD Requirements 04.19.18_final.xlsx - ./SupplierAttachments/QuestionAttachments/Appendix B MFD Requirements 04.19.18_final.xlsx
- 1.1.4 Any additional attachments in support of the technical submittal can be uploaded here. If multiple files are needed combine into a single document or create a .zip file combining the files into a single .zip file.
File Upload

additional files.zip - ./SupplierAttachments/QuestionAttachments/additional files.zip
- 1.1.5 I have read and fully understand the performance standards in Appendix C, MFD Service Level
Yes/No

Yes
- 1.1.6 This RFP is subject to the Information Technology Policies (ITPs) issued by the Office of Administration, Office for Information Technology found at <http://www.oa.pa.gov/Policies/Pages/itp.aspx>. All proposals must be submitted on the basis that all ITPs are applicable to this procurement. It is the responsibility of the Offeror to read and be familiar with the ITPs. Notwithstanding the foregoing, if the Offeror believes that any ITP is not applicable to this procurement, it must list all such ITPs in its technical response, and explain why it believes the ITP is not applicable. The Issuing Office may, in its sole discretion, accept or reject any request that an ITP not be considered to be applicable. The Offeror's failure to list an ITP will result in its waiving its right to do so later, unless the Issuing Office, in its sole discretion, determines that
Text (Multi-Line)

N/A
- 1.1.7 Accessibility Needs. The Commonwealth's Executive Order 2016-03, 2016-03 - Establishing "Employment First" Policy and Increasing Competitive Integrated Employment for Pennsylvanians with a Disability, states that Commonwealth employees with disabilities may require accommodations of assistive technology in order to perform the functions of their jobs. The Commonwealth will further the objectives of providing appropriate accommodation and support through the contracts resulting from this procurement. Contractors must provide an accessibility plan and assistive technology for the products and services of this procurement, as applicable. If applicable, please upload provide an accessibility plan
File Upload

copier_Accessibility_Flyer.pdf - ./SupplierAttachments/QuestionAttachments/copier_Accessibility_Flyer.pdf

Group 1.2: Small Diverse Business and Small Business Participation

- 1.2.1 Please download, complete, and upload the attached SDB/SB Submittal Form, listing of SDB/SB subcontractors, and Letters of Intent (LOI). If this solicitation includes multiple lots, please include a separate Small Diverse Business and Small Business Participation Submittal for each lot for which you are submitting a proposal or quote. All fields must be completed prior to submitting.
File Upload

SDBSB Participation Submittal_JAGGAER 012218.zip - ./SupplierAttachments/QuestionAttachments/SDBSB Participation Submittal_JAGGAER 012218.zip

SDBSB Participation Submittal - ../Attachments/QuestionAttachments/SDBSB Participation Submittal_JAGGAER 012218.xlsx

- 1.2.2 Attached is a Model Form of Small Diverse and Small Business Subcontractor Agreement.
File Upload

Model Form of SDSDB Subcontractor Agreement.docx -
../SupplierAttachments/QuestionAttachments/Model Form of SDSDB Subcontractor Agreement.docx

Model Form of SDSDB Subcontractor Agreement - ../Attachments/QuestionAttachments/Model Form of SDSDB Subcontractor Agreement.docx

- 1.2.3 I have read and fully understand the Small and Small Diverse Business qualifications attached in
Yes/No

Yes

Group 1.3: Cost

- 1.3.1 Please use the MFD Cost Matrix located in the Buyer Attachments to submit your cost proposal for this procurement. Do not include any assumptions in your submittal. If you do, your proposal may be
File Upload

Canon USA MFD Cost Matrix 04.27.18_final.xlsx - ../SupplierAttachments/QuestionAttachments/Canon USA MFD Cost Matrix 04.27.18_final.xlsx

Additional Required Documentation

Group 2.1: Standard Forms

- 2.1.1 Please download, sign and attach the Domestic Workforce Utilization Certification Form.
File Upload

Domestic Workforce Utilization Certification Form_signed by CUSA.pdf -
../SupplierAttachments/QuestionAttachments/Domestic Workforce Utilization Certification Form_signed by CUSA.pdf

Domestic Workforce Utilization Certification Form - ../Attachments/QuestionAttachments/Domestic Workforce Utilization Certification Form.doc

- 2.1.2 Please download and complete the attached Reciprocal Limitations Act form.
File Upload

GSPUR-89 Reciprocal_Limitations_Act_Requirements (1)_final.doc -
../SupplierAttachments/QuestionAttachments/GSPUR-89 Reciprocal_Limitations_Act_Requirements (1)_final.doc

Reciprocal Limitations Act - ../Attachments/QuestionAttachments/GSPUR-89

- 2.1.3 Please download, sign, and attach the Iran Free Procurement Certification and Disclosure Form.
File Upload

Iran Free Procurement Certification Form_signed by CUSA.pdf -
../SupplierAttachments/QuestionAttachments/Iran Free Procurement Certification Form_signed by CUSA.pdf

Iran Free Procurement Certification Form - ../Attachments/QuestionAttachments/Iran Free Procurement Certification Form.pdf

- 2.1.4 Please download, complete, and attach the Trade Secret/Confidential Proprietary Information Notice.
File Upload

TradeSecret_ConfidentialPropertyInfoNotice (002)_Final.pdf -
../SupplierAttachments/QuestionAttachments/TradeSecret_ConfidentialPropertyInfoNotice (002)_Final.pdf

Trade Secret/Confidential Proprietary Information Notice -
../Attachments/QuestionAttachments/TradeSecret_ConfidentialPropertyInfoNotice (002).pdf

- 2.1.5 Any Offeror who determines that it must divulge trade secrets or confidential proprietary information as part of its proposal must submit a redacted version of its proposal, which removes only the confidential proprietary information and trade secrets, for required public disclosure purposes.

File Upload

TradeSecret_ConfidentialPropertyInfoNotice (002)_Final(1).pdf -
./SupplierAttachments/QuestionAttachments/TradeSecret_ConfidentialPropertyInfoNotice
(002)_Final(1).pdf

2.1.6 Complete and sign the attached Lobbying Certification and Disclosure form (only applicable when federal funds are being used in the amount of \$100,000 or more).

File Upload

BOP-1307 LOBBYING CERTIFICATION FORM_signed by CUSA.pdf -
./SupplierAttachments/QuestionAttachments/BOP-1307 LOBBYING CERTIFICATION FORM_signed by
CUSA.pdf

Lobbying Certification and Disclosure Form - ../Attachments/QuestionAttachments/BOP-1307
LOBBYING CERTIFICATION FORM.doc

2.1.7 Offeror shall indicate acceptance of participation in the COSTARS Program by checking yes. Further explanation of the program can be found in the attached file.

Yes/No

Yes

COSTARS Participation Clause - ../Attachments/QuestionAttachments/COSTARS Program Clause for
Statewide Contract.doc

2.1.8 The Commonwealth has determined that this contract will be made available to external procurement activities. Further information can be found below in the attached file.

File Upload

Participating Addendum with an External Procurement Activity.docx -
./SupplierAttachments/QuestionAttachments/Participating Addendum with an External Procurement
Activity.docx

External Procurement Activities - ../Attachments/QuestionAttachments/Participating Addendum with an
External Procurement Activity.docx

Group 2.2: Terms and Conditions

2.2.1 By submitting a proposal, the Offeror does so on the basis of the attached contract terms and conditions contained in Buyer Attachments.

Yes/No

Yes

Group 2.3: Offeror's Representation

2.3.1 By submitting a proposal, each Offeror understands, represents, and acknowledges the attached representations and authorizations.

Yes/No

Yes

Offerors Representations and Authorizations - ../Attachments/QuestionAttachments/Offerors
Representations and Authorizations.docx

2.3.2 By submitting a proposal, you represent that: (1) you are making a formal submittal in response to a procurement issued by the Commonwealth pursuant to the Procurement Code (62 Pa.C.S. Section 101 et seq.); (2) you are authorized to submit the information on behalf of the person or entity identified; (3) this electronic submittal is deemed signed by you and you are authorized to bind the person or entity identified to the terms of the solicitation and this submittal; and (4) all of the information submitted is true and correct to the best of your knowledge, information, and belief. Any false statements made by you in this submittal are subject to the penalties of 18 Pa.C.S. §4904 (relating to unsworn falsification to

Yes/No

Yes

Q&A Board

Subject = Performance Standards

Public Thread

Q: Question 1.1.5 asks Vendors to state whether they have read and fully understand the "attached Performance Standards." Does "attached Performance Standards" refer to Appendix C, MFD Service Level Agreements? If not, please provide the referenced Performance Standards for Vendor review.

Question added by: Michelle Gladmon

4/16/2018 2:53 PM

A: Performance Standards are the Service Level Agreements. See Appendix C, MFD Service Level Agreements.

Answered by: Amy McFadden

4/20/2018 2:57 PM

Subject = Reciprocal Limitations Act Requirements

Public Thread

Q: Does Vendor enter each proposed model in the State of Manufacture chart in Section III of this form?

Question added by: Michelle Gladmon

4/16/2018 2:52 PM

A: Multiple models from a single manufacturer can be entered in the same line of the State of Manufacturer chart so long as those models are manufactured at the same location.

Answered by: Amy McFadden

4/20/2018 2:59 PM

Subject = Confidential Information

Public Thread

Q: If applicable, is a redacted version due at the time of proposal submission or only after award?

Question added by: Michelle Gladmon

4/16/2018 2:51 PM

A: On page 9 of the Terms and Conditions it states C.2. Prepare a redacted version of the document that redacts the information that is asserted to be confidential or proprietary information or a trade secret.

Answered by: Amy McFadden

4/20/2018 3:00 PM

Subject = RFP Questions

Public Thread

Q: Does the vendor have the ability to recommend a device based on monthly volume, or not sell a device if it's not the right device for the amount of volume being printed?

Question added by: Donna Pratt

4/16/2018 2:50 PM

A: Vendor has the right to request information that assists in right-sizing a device.

Answered by: Amy McFadden

4/20/2018 3:00 PM

Subject = Acceptance

Public Thread

Q: Section V.14, Acceptance states that the Commonwealth has a reasonable opportunity to inspect the item(s). The term reasonable could be open for interpretation from customer to customer and therefore Vendor respectfully requests the lease acceptance as the reasonable time period. V.14 CONTRACT-010.1a Acceptance (Oct 2006) No item(s) received by the Commonwealth shall be deemed accepted until the Commonwealth has had a reasonable opportunity to inspect the item(s). Any item(s) which is discovered to be defective or fails to conform to the specifications may be rejected upon initial inspection or at any later time if the defects contained in the item(s) or the noncompliance with the specifications were not reasonably ascertainable upon the initial inspection. It shall thereupon become the duty of the Contractor to remove rejected item(s) from the premises without expense to the Commonwealth within fifteen (15) days after notification. Rejected item(s) left longer than fifteen (15) days will be regarded as abandoned, and the Commonwealth shall have the right to dispose of them as its own property and shall retain that portion of the proceeds of any sale which represents the Commonwealth's costs and expenses in regard to the storage and sale of the item(s). Upon notice of rejection, the Contractor shall immediately replace all such rejected item(s) with others conforming to the specifications and which are not defective. If the Contractor fails, neglects or refuses to do so, the Commonwealth shall then have the right to procure a corresponding quantity of such item(s), and deduct from any monies due or that may thereafter become due to the Contractor, the difference between the price stated in the Contract and the cost thereof to the Commonwealth.

Question added by: Michelle Gladmon

4/16/2018 2:33 PM

A: The language will remain as stated.

Answered by: Amy McFadden

4/18/2018 3:36 PM

Subject = Historical Data

Public Thread

Q: Does the Commonwealth have any historical volumes for the current machines?

Question added by: Michelle Gladmon

4/16/2018 2:28 PM

A: This information is not currently available.

Answered by: Amy McFadden

4/20/2018 3:01 PM

Subject = Timeline

Public Thread

Q: Will DGS grant a two-week extension to the due date for proposal responses?

Question added by: Michelle Gladmon

4/16/2018 2:26 PM

A: No

Answered by: Amy McFadden

4/23/2018 1:02 PM

Subject = RFP Questions Group 1.1: Technical Questions

Public Thread

Q: Item 1.1.5 mentions a "Performance Standards" attachment, but I don't see it included. Please clarify and provide the attachment.

Question added by: Donna Pratt

4/16/2018 1:47 PM

A: Performance Standards are the Service Level Agreements. See Appendix C, MFD Service Level Agreements.

Answered by: Amy McFadden

4/23/2018 10:09 AM

Subject = Terms and Conditions.pdf

Public Thread

Q: V.48 CONTRACT-043.1 Leasing Additional Terms and Conditions (Oct 2013) A. Term of Lease "Contractor may provide any Leased Property under the Contract for any term up to 60 months." Will Leased Property be awarded on a non-coterminous basis? In other words, can the Leased Property be billed for past the end date of the Master Agreement if the Agency requests 60-month lease term mid-way through the Contract term? How will lease scheduled be documented?

Question added by: Donna Pratt

4/16/2018 1:46 PM

A: See Paragraph V.48 (A).

Answered by: Amy McFadden

4/20/2018 3:02 PM

Subject = Terms and Conditions.pdf

Public Thread

Q: V.7 CONTRACT-005.1a Purchase Orders (July 2015)
"All Purchase Orders received by the Contractor up to and including the expiration date of the Contract are acceptable and must be performed in accordance with the Contract." Will there be an opportunity for bilateral acceptance of Purchase Orders? For example, if a Purchase Order cannot be met due to logistical or supply chain issues, will the Contractor have the opportunity to accepted or decline?

Question added by: Donna Pratt

4/16/2018 1:46 PM

A: Contractors will have the option to not submit quotes in response to requests from agencies.

Answered by: Amy McFadden

4/20/2018 3:03 PM

Subject = Terms and Conditions.pdf

Public Thread

Q: V.31 CONTRACT-023.1a Termination Provisions (Oct 2013) a. Termination for Convenience "The Contractor shall be paid for work satisfactorily completed prior to the effective date of the termination, but in no event shall the Contractor be entitled to recover loss of profits." In the event of Termination for Convenience, service unrendered will not be collected; however, will the Contractor be entitled to recover its cost of hardware and deinstallation?

Question added by: Donna Pratt

4/16/2018 1:46 PM

A: No.

Answered by: Amy McFadden

4/18/2018 3:38 PM

Subject = Terms and Conditions.pdf

Public Thread

Q: V.22 CONTRACT-015.2 Billing Requirements (February 2012) May subcontractors bill and collect payments to Commonwealth agencies independently of prime contractor?

Question added by: Donna Pratt

4/16/2018 1:45 PM

A: No.

Answered by: Amy McFadden

4/18/2018 3:39 PM

Subject = Cancellation

Public Thread

Q: Please clarify that if the commonwealth cancels the contract for convenience that it will only affect the ability to place new orders but those orders already in place under leases will remain in place until they have met their full lease term?

Question added by: Kristen McKenna

4/16/2018 11:48 AM

A: Correct, in the event the contract is terminated for convenience, the purchase orders for devices under lease will remain in effect until the lease term expires.

Answered by: Amy McFadden

4/20/2018 3:04 PM

Subject = V.31 Contract Termination- Provisions

Public Thread

Q: V.31- Contract Termination Provisions of the Terms and Conditions states that, " The Commonwealth shall have the right to terminate the contract or a Purchase Order (PO) for its convenience if the Commonwealth determines termination to be in its best interest." Termination for an individual order without specific cause or notice is a significant financial risk for the vendor. Please clarify that the termination of an individual PO is only acceptable for termination for cause or lack or appropriation not termination for convenience? If not please allow the vendor to apply a termination fee for individual purchase orders terminated without notice or cause?

Question added by: Kristen McKenna

4/16/2018 11:47 AM

A: No. Paragraph V.31 applies to the termination of the contract itself. Paragraph V.48 applies only to purchase orders issued against the contract for the lease of equipment.

Answered by: Amy McFadden

4/19/2018 7:06 AM

Subject = Pricing

Public Thread

Q: Are vendors able to charge for minimum volume and overages? Or is the Commonwealth looking for a flat rate program?

Question added by: Kristen McKenna

4/16/2018 11:37 AM

A: No, the Vendors are not able to charge for minimum volume or overages, it will be a flat rate cost.

Answered by: Amy McFadden

4/20/2018 3:04 PM

Subject = Card Type		Public Thread
Q: 8. What type of cards will be read by the badge readers?	Question added by: Thomas Merlie	4/16/2018 11:17 AM
A: HID is the most commonly used badge type.	Answered by: Amy McFadden	4/23/2018 1:04 PM
Subject = Badge Readers		Public Thread
Q: 7. Are badge readers required in the lease pricing or as accessory pricing?	Question added by: Thomas Merlie	4/16/2018 11:16 AM
A: The cost matrix has been updated to confirm this is an optional accessory. Appendix B has been updated.	Answered by: Amy McFadden	4/23/2018 10:07 AM
Subject = Approval Requirements		Public Thread
Q: 6. Will the Commonwealth agree to exclude the use of equipment delivery/removal carriers from its approval requirements?	Question added by: Thomas Merlie	4/16/2018 11:15 AM
A: The Commonwealth must approve all subcontractors in accordance with the requirements of Section IV.D The Commonwealth will not remove the approval requirements.	Answered by: Amy McFadden	4/23/2018 10:12 AM
Subject = Default Remedy		Public Thread
Q: 5. Will the Commonwealth agree to provide a Contractor with at least thirty days from notice in which to cure a default causal prior to exercising any default remedy?	Question added by: Thomas Merlie	4/16/2018 11:14 AM
A: The Terms and Conditions shall remain as stated.	Answered by: Amy McFadden	4/23/2018 1:01 PM
Subject = Item 13		Public Thread
Q: 4. Item 13 of the Technical Specification states that all hardware maintenance must be completed outside of business hours. Is that correctly stated and, if so, please clarify.	Question added by: Thomas Merlie	4/16/2018 11:13 AM
A: All maintenance must be completed during normal business hours. The technical submittal has been updated.	Answered by: Amy McFadden	4/20/2018 3:06 PM
Subject = Cancellation		Public Thread
Q: 3. Will the Commonwealth agree to provide at least 30 day notice of end of lease or cancelled lease removal?	Question added by: Thomas Merlie	4/16/2018 11:12 AM
A: Yes, if possible. The technical submittal has been updated.	Answered by: Amy McFadden	4/23/2018 10:06 AM
Subject = SLA		Public Thread
Q: 2. Does the uptime and fix time SLA credit amount increase by 5% each period until it resets, or does it max at 10%?	Question added by: Thomas Merlie	4/16/2018 11:11 AM
A: The amount increases by 2% each period with a maximum credit of 10%. Appendix C has been updated.	Answered by: Amy McFadden	4/20/2018 3:22 PM
Subject = Term		Public Thread
Q: 1. What is the specific number of months that all respondents should use in determining the pricing for the pricing matrix? 24, 36, 48 or 60?	Question added by: Thomas Merlie	4/16/2018 11:09 AM
A: In accordance with Section I, Project Description, of the Technical Submittal, the monthly lease price submitted shall reflect the cost of a 48 month lease.	Answered by: Amy McFadden	4/20/2018 3:24 PM
Subject = Pricing		Public Thread

<p>Q: If a customer needs to install an accessory after the machine has already been installed, is the vendor allowed to prorate the accessory price based on the number of months left on the rental? For example, if they have 30 months left on a 36 month term, can the vendor quote a 30-month price for that. accessory?</p> <p>A: Yes, so long as that additional item is prorated.</p>	<p>Question added by: Kristen McKenna</p> <p>Answered by: Amy McFadden</p>	<p>4/16/2018 11:00 AM</p> <p>4/20/2018 3:08 PM</p>
Subject = Terms and Conditions		Public Thread
<p>Q: The terms and conditions attachment starts on page 23. Are pages 1-22 applicable to this contract? If yes, please provide.</p> <p>A: The pages of the Terms and Conditions will be renumbered.</p>	<p>Question added by: Lori Toth</p> <p>Answered by: Amy McFadden</p>	<p>4/16/2018 10:46 AM</p> <p>4/23/2018 10:05 AM</p>
Subject = MFD Cost Matrix		Public Thread
<p>Q: With the focus on additional services, is there an opportunity to add optional line items into the cost submittal template?</p> <p>A: Changes to the cost matrix are not permitted.</p>	<p>Question added by: Lori Toth</p> <p>Answered by: Amy McFadden</p>	<p>4/16/2018 10:45 AM</p> <p>4/20/2018 3:09 PM</p>
Subject = Technical Submittal, Page 4, D.3.		Public Thread
<p>Q: Can a vendor use / reference current in place software license agreements with the Commonwealth?</p> <p>A: Yes, provided the Commonwealth approves the sale of the software product through the awarded contracts and Attachment 1 of the software license lists the software in question.</p>	<p>Question added by: Lori Toth</p> <p>Answered by: Amy McFadden</p>	<p>4/16/2018 10:44 AM</p> <p>4/20/2018 3:09 PM</p>
Subject = Appendix B MFD Requirements		Public Thread
<p>Q: Is the vendor responsible for installing the card authentication software?</p> <p>A: Yes, unless otherwise agreed upon with the agency and identified in the statement of work.</p>	<p>Question added by: Lori Toth</p> <p>Answered by: Amy McFadden</p>	<p>4/16/2018 10:42 AM</p> <p>4/20/2018 3:10 PM</p>
Subject = Appendix B MFD Requirements		Public Thread
<p>Q: Is there a purchase option for current MFD's in field to acquire secure release - card authentication for devices currently under a lease agreement?</p> <p>A: : The Commonwealth will address this situation on a case by case basis and select the best option available.</p>	<p>Question added by: Lori Toth</p> <p>Answered by: Amy McFadden</p>	<p>4/16/2018 10:42 AM</p> <p>4/20/2018 3:11 PM</p>
Subject = Terms and Conditions		Public Thread
<p>Q: Does V.48 take precedence over V.31?</p> <p>A: No. Paragraph V.31 applies to the termination of the contract itself. Paragraph V.48 applies only to purchase orders issued against the contract for the lease of equipment.</p>	<p>Question added by: Lori Toth</p> <p>Answered by: Amy McFadden</p>	<p>4/16/2018 10:41 AM</p> <p>4/18/2018 3:42 PM</p>
Subject = MFD Cost Matrix		Public Thread
<p>Q: Is there an initial term for the lease? Is there a 12 month extension at the end of the term?</p> <p>A: In accordance with Section I, Project Description, of the Technical Submittal, the monthly lease price submitted shall reflect the cost of a 48 month lease. There is a maximum 12 month extension at the end of the lease.</p>	<p>Question added by: Lori Toth</p> <p>Answered by: Amy McFadden</p>	<p>4/16/2018 10:41 AM</p> <p>4/20/2018 3:11 PM</p>
Subject = Technical Submittal, Page 7, 16. Substitution		Public Thread

Q: Would the Commonwealth consider allowing substitutions based on the requirements of the Lot/Segment rather than requiring a substitution of equal or greater value than the MFD originally proposed? Example: Specifications require 25ppm. Vendor proposes 28ppm but when this model is discontinued, it is replaced with a 27ppm. This 27ppm meets all requirements of the Lot/Segment. Would this be acceptable?

Question added by: Lori Toth

4/16/2018 10:40 AM

A: Yes, so long as all requirements in Lot/Segment are met.

Answered by: Amy McFadden

4/20/2018 3:12 PM

Subject = Technical Submittal, Page 7, 14. Removal & Disposa

Public Thread

Q: Will the Commonwealth provide a 30 day notification to vendors for removal of equipment?

Question added by: Lori Toth

4/16/2018 10:39 AM

A: Yes, when possible. The technical submittal has been updated.

Answered by: Amy McFadden

4/23/2018 10:04 AM

Subject = Technical Submittal, Page 1, Project Description

Public Thread

Q: Will the Commonwealth of PA permit an OEM to have BOTH OEM salespeople and their dealer salespeople providing sales functions and quotations to agencies?

Question added by: Lori Toth

4/16/2018 10:37 AM

A: Yes, both OEM's and their dealer sales people will be able to provide quotes to the Agencies.

Answered by: Amy McFadden

4/20/2018 3:14 PM

Subject = Technical Submittal, Page 1, Project Description

Public Thread

Q: Can an OEM have its dealers provide sales, service and invoice functions?

Question added by: Lori Toth

4/16/2018 10:36 AM

A: The OEM's dealers are able to provide sales and support. The invoicing will come directly from the OEM's.

Answered by: Amy McFadden

4/20/2018 3:15 PM

Subject = Technical Submittal, Page 1, Project Description

Public Thread

Q: The estimated quantity listed in the MFD Cost Matrix is 3,986, this section approximately 6,000 devices installed across the state, please provide a breakdown of the difference by lot and segment?

Question added by: Lori Toth

4/16/2018 10:35 AM

A: The quantities listed in the cost matrix are for evaluation purposes only.

Answered by: Amy McFadden

4/20/2018 3:15 PM

Subject = Description in Jaegger #3 Project Description

Public Thread

Q: Will awards be made to only OEM vendors and will all responsive and responsible OEM bidders that meet the requirements receive an award? If not all, how many OEM vendors will receive an award?

Question added by: Lori Toth

4/16/2018 10:34 AM

A: Section I of the Technical Submittal states that only Original Equipment Manufacturers may submit proposals in response to this RFP . As set forth in Section 3 of the Description, this will be a multiple award contract. All responsive and responsible OEM vendors will be awarded.

Answered by: Amy McFadden

4/20/2018 3:16 PM

Subject = SDBSB File # 9

Public Thread

Q: "This item states "...a range of sanctions, included, but not limited to...". It goes on to also state "... withholding of payments; suspension or termination of the contract together with consequential damages..." These statements are very strict yet simultaneously broad. We do not believe the commonwealth would accept such broad terms if a Vendor tried to introduce the same language to the State. All potential sanctions that could be imposed should be fully disclosed so vendors know what they are agreeing to. Additionally, in other states the financial penalty is specifically stated, and is the difference between what the stated % goal is and what was actually achieved (if the goal is 3% and vendor only hits 1.5%, the penalty is 1.5%). How can the Commonwealth justify the penalty being anything more than that? Consequential damages is far too broad and risky to accept blindly."

Question added by: Kristen McKenna

4/13/2018 4:11 PM

A: DGS will not consider any changes to the listing of potential sanctions for an offeror's failure to meet the SDB or SB participation commitments it submits as part of its proposal

Answered by: Amy McFadden

4/18/2018 11:49 AM

Subject = VI. B. Solution Support

Public Thread

Q: VI. B. Solution support states that weekend support upon request must be provided from the selected contractor. We would like to request exception to providing non charged after hours support.

Question added by: Kristen McKenna

4/13/2018 3:45 PM

A: No exceptions will be granted for this requirement. Whether weekend support will be required will be addressed at the time of the lease.

Answered by: Amy McFadden

4/20/2018 3:17 PM

Subject = Terms and Conditions- V. 22 Billing Requirements

Public Thread

Q: • Please clarify the following statement—"Each invoice shall be itemized with adequate detail and match the line item on the Purchase Order." Is this indicating that our prices must match the Purchase order? Or does this mean that our invoice has to come out in the exact same item sequence as the purchase order—line item 001 Copier YYYY \$ xxxx, Line Item 002, Document Feed \$xxxx etc. If you mean the latter, I do not believe that most vendors can comply. Our invoice can match the pricing on the purchase order obviously, but may be in a different order.

Question added by: Kristen McKenna

4/12/2018 4:27 PM

A: The prices in the invoice must match the purchase order

Answered by: Amy McFadden

4/20/2018 3:17 PM

Subject = Technical Submittal VI. D-13. b)

Public Thread

Q: The technical submittal states that the offeror must receive commonwealth approval prior to implementing any software updates in the training, testing or production environments. The firmware updates on our machines are automatic, would these type of standard updates be allowed?

Question added by: Kristen McKenna

4/12/2018 8:40 AM

A: No firmware updates would not require this approval, but the selected Offeror is responsible for resolving any issues the automatic update may cause.

Answered by: Amy McFadden

4/20/2018 3:18 PM

Subject = Technical Submittal VIII. B.

Public Thread

Q: Section VIII part B. of the technical submittal discusses the contractor's IT service management roles. Will IT services be a component of the MFD bid?

Question added by: Kristen McKenna

4/12/2018 8:39 AM

A: Only from the standpoint of supporting the devices and required reporting for the devices awarded within this contract.

Answered by: Amy McFadden

4/20/2018 3:19 PM

Subject = Assignment of Payments

Public Thread

Q: May a prime contractor assign payments to go to a separate leasing company?
A: Please refer to Subparagraph H of V.48 CONTRACT-043.1 Leasing Additional Terms and Conditions (Oct 2013) of the Terms and Conditions.

Question added by: Gerald Rutledge 4/11/2018 9:53 PM
Answered by: Amy McFadden 4/23/2018 10:01 AM

Subject = Eligibility to respond

Public Thread

Q: May resellers bid as a prime contractor or may only OEMs? If yes, is a letter required from an OEM specifically allowing a reseller to respond?
A: Section I of the Technical Submittal states that only Original Equipment Manufacturers may submit proposals in response to this RFP

Question added by: Gerald Rutledge 4/11/2018 9:33 PM
Answered by: Amy McFadden 4/20/2018 3:20 PM

Subject = Technical Submittal VI. Requirements- Solution

Public Thread

Q: Section VI. in the technical requirements states that, "Support shall be provided on weekends as requested". We kindly request that the requirement to provide such services during non business hours be omitted from the contract.
A: y: There are times when Agencies are working non-business hours and will need support, therefore the Commonwealth will not omit this requirement from the procurement.

Question added by: Kristen McKenna 4/11/2018 5:00 PM
Answered by: Amy McFadden 4/20/2018 2:55 PM

Subject = Technical Submittal

Public Thread

Q: Please clarify the standard operating hours of business for the state of PA. Then please confirm the specific times and days contractor technicians are allowed to operate on machines in PA. A few conflicting statements that we have listed below are found in the Technical submittal document. "During normal business hours of the Commonwealth, 8:00am to 5:00pm M-F, excluding holidays, the offeror shall have service techs and the support infrastructure available to provide repairs" VI. D. # 13.MFD Maintenance. "All standard system or hardware maintenance shall be completed outside of business hours defined as 7:00 A.M. to 5:00 P.M. Eastern Time, Monday through Friday."
A: Standard operating hours are 8:00 AM to 5:00 PM Monday through Friday. The technical submittal will be updated.

Question added by: Kristen McKenna 4/11/2018 4:59 PM
Answered by: Amy McFadden 4/20/2018 2:25 PM

Subject = Apx B Row 11

Public Thread

Q: Please advise whether the requirement for password protected printing for confidential documents would be satisfied by the requirement in Row 103 for Secure Printing.
A: No, the Password protected printing for confidential documents requirement is a separate, mandatory requirement from the optional Badge Readers to support secure printing requirement as stated in Appendix B, Row 103.

Question added by: Kristen McKenna 4/11/2018 4:58 PM
Answered by: Amy McFadden 4/20/2018 3:27 PM

Subject = Apx B Row 103

Public Thread

Q: Please advise what type of badges are issued employees of the Commonwealth, e.g. HIP Prox I, Prox II, MiFARE, iClass, Magstripe, etc. Are multiple badge formats utilized?
A: HID is the most commonly used badge type.

Question added by: Kristen McKenna 4/11/2018 4:57 PM
Answered by: Amy McFadden 4/23/2018 1:00 PM

Subject = Apx B. Row 103

Public Thread

Q: Please clarify functionality of the Badge Reader for Secure Printing requirement as related to the LDAP Authentication requirement in row 57 for segments as follows: Does the Commonwealth require Badge Integration with the users' LDAP profile? Would the Commonwealth prefer a direct integration of Badges to LDAP via a currently unpopulated attribute, such as the "pager" field in each user's profile, or via tracking and print management software integrated to the LDAP server?

Question added by: Kristen McKenna

4/11/2018 4:57 PM

A: Badge Reader and associated functionality of the MFD should allow configuration to be open for either option as described.

Answered by: Amy McFadden

4/20/2018 2:24 PM

Subject = Apx. B. Row 103

Public Thread

Q: Please clarify functionality of the Badge Reader for Secure Printing requirement as follows: Would this require the ability for all users to retrieve a submitted print job to any networked MFP, i.e. Pull printing or "Follow Me" printing, or is holding the print job on the MFP Hard Disk Drive to which the user sends the print job acceptable?

Question added by: Kristen McKenna

4/11/2018 4:53 PM

A: Badge Reader requirement is to provide the hardware reader itself for a planned future "Follow Me" print implementation not associated with this contract

Answered by: Amy McFadden

4/20/2018 2:22 PM

Subject = Apx. B. Row 17

Public Thread

Q: Please clarify what is meant by Internet Fax Expansion Kit. Would this functionality include Scan from one MFP to print immediately on another MFP on the Commonwealth's network?

Question added by: Kristen McKenna

4/11/2018 4:53 PM

A: Internet Fax Expansion Kit functionality is to be able to send a fax over RJ45/internet instead of over a RJ11/Phone based connection

Answered by: Amy McFadden

4/20/2018 2:21 PM

Subject = Terms and Conditions V.48 CONTRACT-043.1 Leasing

Public Thread

Q: Can we submit a bid for multiple lease terms (36-months, 48-month, 60 months? If so, the price sheets will need to be amendment to allow for pricing to be submitted for each.

Question added by: Kristen McKenna

4/11/2018 4:52 PM

A: In accordance with Section I, Project Description, of the Technical Submittal, the monthly lease price submitted shall reflect the cost of a 48 month lease.

Answered by: Amy McFadden

4/20/2018 2:19 PM

Subject = Terms and Conditions V.22 Contract- Billing

Public Thread

Q: There should be an established lease term that will be the measure of comparison for all potential contractors (ie. 24, 48, 60 months). The bid says "up to 60-months" which means each vendor could potentially bid a differnt lease term as long as it doesnt exceed 60-months. How will the state evaluate it, and how will that be handled for the award if everyone has different lease terms available?

Question added by: Kristen McKenna

4/11/2018 4:51 PM

A: In accordance with Section I, Project Description, of the Technical Submittal, the monthly lease price submitted shall reflect the cost of a 48 month lease.

Answered by: Amy McFadden

4/20/2018 2:16 PM

Subject = Apx. E Software Requirements

Public Thread

Q: Are we allowed to bid our entire line of software options as an attachment?

Question added by: Kristen McKenna

4/11/2018 4:48 PM

A: Section VI.3.D of the Technical Submittal prohibits selected Offerors from providing MFDs requiring commercially available software for their use until a software license in the form set forth in Appendix E, Software Requirements Agreement, is executed between the software provider and the Commonwealth. Offeror is only permitted to propose on the options requested.

Answered by: Amy McFadden

4/20/2018 3:31 PM

Subject = Terms and Conditions V.22 Contract- Billing

Public Thread

Q: Can an authorized dealer accept orders and invoice customers under this contract?

Question added by: Kristen McKenna

4/11/2018 4:46 PM

A: Section V.22 CONTRACT-015.2 Billing Requirements (February 2012) states that the Contractors are to establish billing accounts with the Agencies and invoice the Agencies directly. Authorized Dealers will not be able to invoice the Agencies or accept orders.

Answered by: Amy McFadden

4/20/2018 2:11 PM

Technical Submittal

- I. Project Description.** The Commonwealth of Pennsylvania (Commonwealth) intends to award through this RFP, multiple contracts for leased multi-functional devices (MFDs) and other related services. Only Original Equipment Manufacturers (OEMs) may submit proposals for this RFP. This multiple award contract will meet the requirements detailed in **Section VI** of this RFP. The selected Offerors shall have the opportunity, through the submission of quotes, to provide MFDs and related to services to Commonwealth agencies and locations across the Commonwealth. The Commonwealth currently has approximately 6,000 devices installed across the state. The term for each lease will be for 48 months with fair market value purchase option upon the end of the lease term. Each lease may be extended for a period not to exceed twelve (12) months.
- II. Objectives.** Through the multiple award contract, the selected Offerors will provide equipment to using agencies at competitive prices that will meet or exceed the agencies requirement.
- III. Statement of the Project.** State in succinct terms your understanding of the project presented or the service required by this RFP.

Canon will provide the Commonwealth of Pennsylvania the opportunity to procure Digital Multifunctional Devices and other related services through the awarded contract. As the manufacturer, we are able to provide a full range of equipment and accessories including multi-function devices, networked and non-networked copiers and printers, black and white and color to meet the needs of the Commonwealth. We will also be utilizing Canon authorized dealers for all sales and servicing capabilities. Services include but are not limited to, assistance and ongoing support regarding problems/issues, guidance in the operation of the devices, and identification and correction of possible data or system errors All standard system or hardware maintenance. All services are included in the monthly cost offered to the Commonwealth.

Canon U.S.A., Inc. will use our financial company, Canon Financial to finance all of the Commonwealth of PA lease PO's specified within the RFP, all Fair Market Value leases will include warranty/service/consumables including fusers, developer, toner, and staples for a price that will encourage savings across the Commonwealth.

IV. Qualifications.

Company Overview. The Offeror shall provide an overview of the company. *Canon Inc., a publicly held corporation established in 1937, has promoted diversification and globalization in its leading manufacturing activities with the objective of contributing to society through technology. Canon has been active in the camera, optical products, imaging equipment, computer peripherals, Bubble Jet printing and supplies businesses. Canon advanced into overseas markets early in its history, establishing sales companies in the United States, Europe and other regions around the world. Through more than 294 consolidated subsidiaries and approximately 205,000 Canon employees in the global Canon Group, Canon delivers products required by the world's offices, industries, public organizations and consumers. December 29, 1965 marked a big milestone in the history of Canon, Canon U.S.A., Inc. was incorporated in the United States. Since this date Canon has been operating throughout the United States offering its full line of products.*

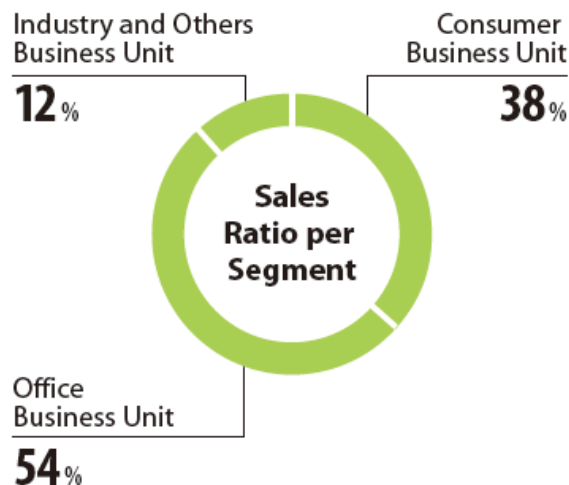
Canon U.S.A., Inc., is part of a global organization representing the very best in imaging technology. With an eye toward delivering next-generation products and solutions, we are constantly undertaking advanced research and new product development. This is most evident in Canon's commitment to consistently reinvest 10% of its \$36.1 billion global revenues to research and development. This allows Canon to maintain its technology leadership by working now on products projected for development 10 years in the future. Our engineer's and their associates have ranked in the top of patents issued by the US Patent office for multiple years. The global nature of our operations allows us to synergize fundamental research and product development, in addition to sales and marketing activities.

Canon's corporate philosophy is *Kyosei*. A concise definition of this word would be "Living and working together for the common good," but our definition is broader: "All people, regardless of race, religion or culture, harmoniously living and working together into the future." Unfortunately, the presence of imbalances in our world in such areas as trade, income levels and the environment hinders the achievement of *Kyosei*.

Addressing these imbalances is an ongoing mission, and Canon is doing its part by actively pursuing *Kyosei*. Truly global companies must foster good relations, not only with their customers and the communities in which they operate, but also with nations and the environment. They must also bear the responsibility for the impact of their activities on society. For this reason, Canon's goal is to contribute to global prosperity and the well-being of humankind, which will lead to continuing growth and bring the world closer to achieving *Kyosei*.

Market Leader:

Canon has managed to successfully produce technological advancements in all product categories in which it competes. This leadership position has made the company a pioneer of many technologies, features, and capabilities. Products developed from Canon R&D and patented technology include the laser beam print engine, Bubble Jet Printing systems, plain-paper copying devices, eye-control focus systems for cameras and camcorders, and optical image stabilization for video cameras, broadcast lenses, and binoculars. These advancements enable the company to maintain the market position and reputation of a leader. Canon has also led industry trends promoting the first Multifunctional Peripheral (MFP) and first Color Laser Copier (CLC).



* Sales ratios do not total 100% due to sales between segments of 4%.

- A. Prior Experience.** Include experience in the leasing and management of MFD equipment including, but not limited to, the implementation, service, maintenance, and training. Experience shown should be work done by individuals who will be assigned to this project as well as that of your company. Studies or projects referred to must be identified and the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.

Touched on above in the Company Overview section showing Canon as the market leader we are currently contract holders across all 50 States as well as the Federal Government. Canon currently holds the NASPO ValuePoint Contract which represents about 25 of our current contracts. Please see below specific references which includes MFD implementations, service, maintenance and training that fall in the scope of this RFP which are supported by personall referenced below.

1. The Offeror must include a least three (3) client/project references with its proposal. The references must be for installations completed within the past three (3) years. Complete **Appendix A, Project References Template** for each reference provided. Projects referred to must be identified and the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.
See attached Appendix A, Project References Template (3)
2. The Offeror must show what work was completed by subcontractors for each of the projects referenced.
See attached Appendix A, Project References Template (3)
3. The Offeror shall provide the following:
 - a. Details of any industry-recognized quality standard to which it is compliant, as well as any industry certifications or awards, received.

As a testament to Canon's leading market positions and innovative technology, following are numerous awards and acknowledgements Canon has received from various third parties:

- ▶ *Canon has been acknowledged by Interbrand as one of the 50 Best Global Brands and 50 Best Global Green Brands.*
- ▶ *Canon has also been placed on FORTUNE Magazine's 2017 World's Most Admired Companies List as fourth globally in the computers category and top three for innovation, financial soundness and long-term investment.*
- ▶ *Canon Inc., the parent company of Canon U.S.A., has been positioned by Gartner, Inc. in the Leaders quadrant of the Magic Quadrant for Managed Print Services, Worldwide1 report. The Gartner Magic Quadrant positions vendors based on their performance across two major categories: the Ability to Execute, in which Gartner evaluates each MPS provider on its "success in delivering results today, as well as its preparation to deliver results in the future," and Completeness of Vision, where Gartner evaluates a provider's "prospects for success by analyzing its view of the market, service operating model and strategic plans for growth and service improvements."*
- ▶ *Canon Virginia, Inc., a wholly owned subsidiary of Canon U.S.A., was the first equipment manufacturer (OEM) to achieve Responsible Recycling Practices for Electronics Recyclers (R2) certification at its manufacturing facility in Newport News, Va. The R2 Standard is a*

comprehensive set of best management practices governing the environmental, health, safety and security aspects of the electronics recycling industry.

- ▶ *Canon was also among the first manufacturers with qualifying products in the imaging equipment category of EPEAT®, the global registry for greener electronics and the first manufacturer to achieve EPEAT Gold rating, the highest level of registration. Governments, businesses and individual's worldwide use EPEAT to assist them in choosing devices that can help reduce their environmental impact. EPEAT rates products on a lifecycle basis and considers, among other things, their absence of toxic substances, their use of recycled and recyclable materials and their design for recycling, product longevity, energy efficiency, corporate performance and packaging.*
- ▶ *For the fifth consecutive year, Canon's customer support center has been awarded BenchmarkPortal's2 Center of Excellence certification, which places the call center in the top 10 percent as surveyed for efficiency and effectiveness.*
- ▶ *Furthermore, as a result of Canon's commitment to customer service and support excellence, Canon U.S.A. received the PCMag.com Readers' Choice Award for Service and Reliability in the digital camera and printer categories for the tenth consecutive year and camcorders for the past three years.*
- ▶ *Canon's line of Multifunction Printers (MFP), Large Format Printers and business software solutions proudly earned several awards from Buyers Laboratory LLC (BLI), the leading office-equipment testing lab and business consumer advocate. The Company received the BLI 2013 Solutions Line of the Year award for its extensive portfolio of document imaging software and was recognized in several individual product categories including, Outstanding Output Management Solution for its uniFLOW v5.1 software, Outstanding Achievement in Innovation for its Quick Printing Tool and Outstanding Achievement in Innovation for its Universal Login Manager.*
- ▶ *Canon U.S.A., Inc., is a leading provider of consumer, business-to-business, and industrial digital imaging solutions. With approximately \$36 billion in global revenue, its parent company, Canon Inc. (NYSE:CAJ), ranks third overall in U.S. patents registered*
- ▶ *Canon is one of Fortune Magazine's World's Most Admired Companies in 2017.*
- ▶ *Canon U.S.A. has received the PCMag.com Readers' Choice Award for Service and Reliability in the digital camera and printer categories for the tenth consecutive year, and for camcorders for the past three years.*
- ▶ *Canon U.S.A., Inc., is part of a global organization representing the very best in imaging technology. With an eye toward delivering next-generation products and solutions, we are constantly undertaking advanced research and new product development. This is most evident in Canon's commitment to consistently reinvest 10% of its \$36 billion global revenues to research and development. This allows Canon to maintain its technology leadership by working now on products projected for development 10 years in the future. Our engineer's and their associates have ranked in the top of patents issued by the US Patent office for multiple years. The global nature of our operations allows us to synergize fundamental research and product development, in addition to sales and marketing activities.*

† Based on weekly patent counts issued by United States Patent and Trademark Office.

All referenced product names, and other marks, are trademarks of their respective owners.

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1 Gartner, Inc. "Magic Quadrant for Managed Print Services, Worldwide," K. Weilerstein, S. McNee and E. Kim, 21 October 2013.

2 The "Center of Excellence" distinction is awarded by BenchmarkPortal in conjunction with the Center for Customer-Driven Quality, founded by Purdue University.

EMPS | Environmental Management & Product Safety

Navigation Menu

- Environmental Mgmt. System
- List of EMS Policies
- EMS Policy Updates
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- TSCA/LCSA
- Resource Center
- About EMPS

If you have any resources to add to the EMPS Resource Center, let us know at enviro@cusa.canon.com.

ISO Certificates

ISO 9000 and ISO 14000

ISO 9000 is a series of standards that address a company's quality management system(s). These standards ensure a company's commitment to meeting consumer quality requirements and compliance with all product regulations. ISO 9000 also represents a company's commitment towards continuous improvement in management performance in order to meet these standards.

Current ISO 9001 certificates are available on the Canon Europe website. Please visit http://www.canon-europe.com/About_Us/sustainability/business/iso_9001/ for copies of Canon's certificates.

ISO 14000 is a series of standards that address a company's environmental management system(s). These standards recognize a company's commitment to control the environmental impact of its products/services (minimizing any harmful effects) and to meet the requirements of current regulations and legislation. These standards also represent a company's commitment to continually improve its environmental policy and planning to ensure environmental excellence.


To view the current Canon Americas ISO 14001 certificate, [click here](#) for the title page, and [here](#) for the list of sites. Or, to view other ISO 14001 certificates held by Canon [click here](#).

Web Content

[Canon Canada Environment Webpage](#)

[Canon Inc. Environmental Frontrunner Products Webpage](#)

ISO 14001 Certificate*




See page 10 for Canon Americas certified sites.

*Requests to use the ISO logo must be sent to EMPS

Quick Links

- E-mail the EMPS Team
- Requests to use the ISO logo must be sent to EMPS
- Compliance Central
- View the Canon Americas Environmental Charter



- Access eRoom (for EMS Working Team members)

BPO Research Performance Radar

Which OEM Do Dealers Trust the Most?

**Canon Ranks No. 1
in OEM Trust**



BPO Research's Performance Radar helps dealers evaluate and understand how successfully the OEM brands they carry are positioned in the market, and against competitors.

The radar data comes from BPO Research's annual Dealer Perception Survey, measuring key performance metrics by OEM brand.



MARKET INTELLIGENCE FROM THE EXPERTS IN THE CHANNEL

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CANON U.S.A., INC. WINS THE AST 2017 PLATINUM "ASTORS" HOMELAND SECURITY AWARD

Canon U.S.A., Inc. was recently named by American Security Today (AST) as a winner of its 2017 Platinum "ASTORS" Homeland Security Award. The award recognizes Canon's imageRUNNER ADVANCE platform, uniFLOW, and imageWARE Secure Audit Manager Express for *"Best Access Control and Authentication Solution."*

Canon's imageRUNNER ADVANCE platform offers a range of security capabilities and options that can help facilitate the confidentiality, accessibility, and availability of information. Canon's uniFLOW solution can help save organizations time and money by providing controls over their compatible printer, multifunction printer, and scanner fleets. imageWARE Secure Audit Manager Express is a networked device security solution that delivers detailed oversight of an organization's document-related activities on compatible devices.



 ImageRUNNER
ADVANCE

imageWARE
Secure Audit Manager Express

 uniFLOW

CANON IS HONORED BY THE EPA

Canon U.S.A., Inc. is a proud recipient of the United States Environmental Protection Agency's 2018 ENERGY STAR® Partner of the Year—Sustained Excellence Award!



The 2018 Partner of the Year—Sustained Excellence Award is bestowed upon companies and other organizations demonstrating continued leadership in energy efficiency and commitment to the ENERGY STAR® program.

Canon has been recognized for the third consecutive year for its outstanding contribution to the reduction of greenhouse gas emissions by manufacturing energy-efficient products and educating consumers about energy efficiency.

ENERGY STAR® certified products help businesses save both money and energy while also doing their part to help reduce our nation's greenhouse gas emissions that contribute to climate change.

Canon's efforts, together with your own environmental and sustainability initiatives, can help leave a greener footprint on the earth for future generations.

Canon. The natural partner for business.



Awards-Brochure.pdf
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- b. Details on any industry standard (such as ITIL) the Offeror implemented to govern its service delivery.

Showing steadfast commitment to service and support, the Business Imaging Solutions Group (BISG) Technical Support Center of Canon U.S.A., Inc., a leader in digital imaging solutions, proudly receives the "Center of Excellence" certification from BenchmarkPortal for the ninth consecutive year. One of the most prestigious certifications in the customer service and support industry, the certification honors customer service call centers that rank in the top 10 percent of call centers surveyed.

"The certification of Canon U.S.A. is a direct result of its leadership's commitment to balancing cost-effective service solutions with best-in-class service performance," says Bruce Belfiore, CEO, and BenchmarkPortal. "It is an achievement of distinction."

To evaluate a call center, BenchmarkPortal researchers audit and validate companies against a balanced scorecard of metrics for efficiency and effectiveness. This balanced scorecard includes key performance indicators, customer satisfaction ratings, cost, and quality-related evaluations.

"As we approach nearly a decade of earned Center of Excellence Certifications, it paints a vivid picture of our continuous dedication to provide outstanding customer support and experience. We are once again honored to be recognized by BenchmarkPortal for our continuous efforts to provide exceptional customer support," says Leroy Farrell, vice president and general manager, Business Imaging Solutions Group, Engineering Services and Solutions, Canon U.S.A., Inc. "The recent launch of our new Customer Solutions Center speaks volumes about our continued commitment to providing state-of-the-art and innovative end-to-end solutions support for our channel partners and customers."

Customer Solutions Center fosters collaboration, with the technical support, engineering, and development teams all working together within one location to employ cutting-edge technologies that deliver outstanding service and support solutions to our channel partners , and in turn customers, across the enterprise, production, large format, image capture, and desktop imaging product lines.

- c.** Include any certification levels earned by the Offeror or key personnel.

*Net+
CDIA+
NIGP-GCC
Certified Document Imaging Architect certification
Network+ certification
NIGP*

- d.** Within the past three years, has the firm or venture been a party to any lawsuits or arbitration proceedings with regard to any contracts?
There are no such actions pending which hold any materially adverse effect on Canon U.S.A., Inc. business
- e.** How long has Offeror (s) provided this solution?
For over 30 years

B. Personnel. The selected Offeror shall identify a central point of contract for the management of the MFDs. Offeror shall identify the number of executive and professional personnel, analysts, auditors, researchers, programmers, consultants, etc., who will be engaged in the work. The Offeror must provide an organization chart clearly identifying the proposed personnel, the role, and the links between managers and staff. Show where these personnel will be physically located during the time they are engaged in the Project. For key personnel include the employee's name and, through a resume or similar document, the Project personnel's education, and experience. Indicate the responsibilities each individual will have in this Project and how long each has been with your company. The selected Offeror shall provide a central point of contact to address account issues.

The Commonwealth of Pennsylvania will have a single point of contact, the Account Executive will Bob Ackerson. He will marshal Canon's resources in support of the account. His responsibility will be the management of the enterprise wide relationship between the Commonwealth and Canon. The Account Executive will be supported by local support teams.

Canon has a very large team that will be supporting the Commonwealth if we are awarded. Canon has a dedicated team that supports all state contracts, the team is comprised of 4 dedicated Account Executives, 1 Sales Manager, 1 Director of Bid and Administration, 2 Sr. Government bid and contract specialist and extensive resources throughout the Canon Authorized Dealer Network.

Bob Ackerson, Canon's Government Account Executive, helps with the communication process, dissemination of information between Canon and Dealer, and is the Commonwealth's dedicated point of contact to manage the contract and communication with you. Bob is responsible for all product and sales/order/service issues under the resultant contract and interfaces with Canon's New York headquarters and coordinates the sales and service activities with Dealer.

Canon's Government Account Executive, is responsible for all product and sales/order/service issues under the resultant contract. They interface and coordinate the sales and service activities with Dealer. Any customer service questions may be directed to Canon's Government Account Executive on the resultant contract.

Frank Carol is the Government Account Executive Sr. Manager. He is responsible for overseeing all of the Government Account Executive activities and supports all sales efforts. He has been with Canon 24 years, 28 years of industry experience, 28 years selling to State institutions, Certifications include Net +, CDIA, NIGP, and GCC.

A Project Manager, the central point of contact for the Commonwealth will be engaged to act as the Commonwealth's primary point of contact for implementation planning and coordination. The Project Manager is responsible for managing the day-to-day operational aspects of the engagement, including:

- Identifying and securing required resources, and assigning individual responsibilities;*
- Creating a Communication Plan and proactively disseminating information to project stakeholders;*
- Managing stakeholder expectations;*
- Identifying, tracking, and managing project issues;*
- Coordinating and leading regularly scheduled project status meetings;*
- Defining and tracking project metrics to ensure project is completed on-time*
- Coordinating with the Commonwealth's I/T department to develop the equipment configuration, default settings, and rollout plan;*
- Reviewing and confirming equipment configurations;*
- Ensuring a thorough walk-through and service assessment have been completed prior to delivery;*
- Coordinating with the Commonwealth's Facilities department prior to and on the day of delivery to ensure all designated spaces are prepared for device placement;*
- Coordinating with internal Canon resources (i.e., warehouse, Service, Systems, etc.);*
- Physical acceptance of devices at the loading dock;*
- Recording all serial numbers of devices and accessories;*

- *Signing and retaining copies of Proof of Delivery documents;*
- *Coordinating with Service and Systems personnel to ensure timely preparation and installation of devices;*
- *Ensuring all devices and related accessories are accounted for and placed in their designated locations;*
- *Ensuring all devices are configured correctly and tested.*

See attached Resumes for the Account Executive and Sales manager

See attached Organization Chart for the support of the awarded contract

C. Subcontractors. Provide a subcontracting plan for all subcontractors, including small diverse business and small business subcontractors, who will be assigned to the Project. The selected Offeror is prohibited from subcontracting or outsourcing any part of this Project without the express written approval from the Commonwealth. Upon award of the contract resulting from this RFP, subcontractors included in the proposal submission are deemed approved. For each position included in your subcontracting plan provide:

1. name of subcontractor;
2. address of subcontractor;
3. number of years worked with the subcontractor;
4. number of employees by job category to work on this project;
5. description of services to be performed;
6. what percentage of time the staff will be dedicated to this project;
7. geographical location of staff; and
8. resumes (if appropriate and available).

Canon U.S.A., Inc. has a strong dealer network, which provides customers with a choice when it comes to selecting the dealer that best suits their needs. Our dealer channel allows us to expand our reach within the Commonwealth resulting in speedy response times and supporting our customers' needs more efficiently. Canon's highly skilled dealer network provides technical and sales expertise to customers, enabling them to implement the right solution for their application workflows. Further, by allowing orders to be secured by our dealers, it will allow small business to participate in the contract. Canon is committed to training our sales channels and, as a result Canon U.S.A., Inc. sales channels are of the most skilled in the industry. Additionally, in order to offer solutions customized to our customers unique requirements, we actively partner with third party organizations. These key business partnerships primarily consist of consumable supply and service fulfillment services.

Each dealer is required to sign a contract compliance to participate on the contract. This compliance document holds each dealer accountable for all pricing, terms and conditions. If dealer chooses not to sign the compliance they cannot participate on the contract. Each dealer is responsible for handling customer issues and if need be Canon's Account Executive will be involved in resolving any customer issues.

Dealer takes the following general steps to correct any customer reported instances of compromised service.

- *Meet with local staff responsible for service delivery*
- *Discuss the problem / Determine a solution that is appropriate and acceptable to the customer*
- *Formulate an action plan to avoid a recurrence*
- *Document the occurrence and resolution*
- *Include the core information in the next scheduled account performance review with Dealer staff and the Commonwealth's team members*

Our Canon authorized dealer network provides customers with a choice of selecting the sales and service provider that best suits their needs. Our network of authorized dealers allows us to expand our reach within the United States to ensure we deliver exceptional service regardless of diverse installation locations. This highly skilled network provides technical and sales expertise to customers, enabling them to implement the right solution for their application workflows. By allowing orders to be secured by our dealers, it will allow small businesses to participate in the contract thereby supporting small business participation throughout the United States. Further, by allowing orders to be secured by local dealers the revenue flows through the Participating State and in some cases, creates jobs by motivating dealers to employ dedicated people and resources to support the contract.

See Attached Subcontractor list

- V. Financial Capability.** Describe your company's financial stability and economic capability to perform the contract requirements. The Commonwealth reserves the right to request additional information to evaluate an Offeror's financial capability.

See attached Financial Capability Report

- VI. Requirements.** The proposed solution shall meet or exceed the following requirements. Offeror shall describe in its response how it will meet the outlined requirements.

- A. Request Management.** The selected Offeror shall perform request management including, but not limited to, order tracking, intake of requests, prioritization, escalation, resolution, and closeout. Offeror shall describe its approach to request management.

When an order is received by facsimile, email or website, it is automatically recorded in an imaging system that is backed-up every night to eliminate the chance that an order is lost. The order is then sent to our Administration Team that processes new placement orders. This team is required to process new orders within two (2) business days and provide details in an electronic screen attached to the order entry for any orders that are delayed for any reason. If there are special circumstances for delay, the order processor involves the Team Leader for resolution. As an additional measure for on-time delivery, Canon's order processing system generates an aging report on orders processed. A supervisor reviews the reports and delves into any orders that are delayed to help the order processor resolve any outstanding issues. Canon's order processors are evaluated by Canon on their accuracy, consistency and quantity of orders processed. Their pay increases are dependent upon the quality of their work and all of it is measurable by Canon's order system.

New placement orders, when fully processed, are designated for shipment from Canon's various warehouses. During the order entry phase, the system provides all warehouses (total of five (5) from which to choose) that have the ordered items and the processor selects the closest one to

the destination point. This method ensures that all items are available at the warehouse for shipment. The warehouse ships the ordered equipment within three (3) days and generates a record of shipment of each item back to Canon's Administration Team. Canon's warehouses utilize RFIC (radio frequency identification [chip]) technology to record data at all points of handling the equipment. The equipment will be shipped to Dealer. The shipping orders that are sent by the order processor to the warehouse are also faxed or emailed to Dealer to alert them of the upcoming shipment.

B. Solution Support.

1. Hours of Support. The selected Offeror shall provide support for the Commonwealth Monday through Friday 8:00 A.M. to 5:00 P.M. Eastern Time and weekends as requested. Support shall include, but not be limited to, assistance and ongoing support regarding problems/issues, guidance in the operation of the devices, and identification and correction of possible data or system errors.

Canon U.S.A., Inc. acknowledges and agrees

2. Types of Support. Offerors shall describe all types of solution support available (i.e. telephone, web chat, email). At a minimum email and phone support shall be provided.

With over 30 years in the document management industry, Canon U.S.A., Inc. is staffed with highly-skilled professionals who service and support the leading brand in the industry, Canon.

Canon's service and support division is literally the backbone of its success. Our Authorized Service Providers take great pride in their ability to provide comprehensive support and an integrated structure to provide customers with a broad range of technical service coverage that ensures ongoing satisfaction.

Canon's prides itself on the ongoing investment it continues to make in its Authorized Service Provider network. Our product training department is comprised of professionals who are solely dedicated to training end-users on their Canon investment. They are experienced in various unique business applications that use Canon technology and become a vital resource.

Our Service Program provides you with a single toll free number to call when service on your device is required. In those cases where service is required, our Centralized Support Center is available from 8:00 am to 8:00 pm, EST, to field service requests from your end-users or helpdesk personnel. Dispatch Center agents immediately dispatch the authorized service provider and work to ensure that prompt service is provided, typically within 4 business hours. By channeling calls through the Dispatch Center, the Canon can provide you with comprehensive service and machine performance/history reports. Canon also surveys customers who use this service to confirm that equipment is performing to their expectations and to ensure their satisfaction with Canon authorized service providers.

Also, our authorized dealers are full-service outsourcing partners. Authorized dealer's store parts and supplies necessary to meet the demands of the customers requiring quick response times. Having the largest certified service staff in the equipment location area will allow the Canon authorized dealer the flexibility to use multiple technicians during peak times.

3. Incident Management. The Offeror shall provide and manage a process to track, monitor and resolve reported problems/issues. Offeror shall describe its methodology to classify problems as to criticality and impact, including resolution procedures and escalation process for each classification of problems/issues.

All service incidents are reported by customer personnel through Canon's customized centralized support center. Calls for service problems are immediately dispatched to the local service provider. The local field technician responds via telephone to the individual that placed the call advising them of his/her ETA. On average, on-site service calls are responded to within four (4) business hours. Most service call issues can be fixed without requiring any further assistance.

For those occasions when it becomes necessary to escalate a recurrent problem, the local service personnel typically has a senior trouble shooter assist in remedying the problem in a timely manner. If the need still exists to involve further technical resources, Canon is merely a phone call away. Canon's technical support hot-line open daily during normal business hours provides local service with a direct person-to-person link to Canon for quick problem resolution. With a complete lab of all Canon products at their disposal, the Canon technical specialist will provide the manufacturer with the resources required to solve the problem. Should it become necessary, Canon will dispatch a field technical specialist to a particular customer site to assist the local service personnel.

A device incident history is kept for each device which provides both Canon and the customer with a detailed and documented history of each device.

Model	Serial #	Severity	Training Level	Group	Description	State	Detected	Duration	Output	Response Time
Canon IR-AD...	JHQ00911	Critical	Untrained	General	paper jam (main unit).	Resolved	11/26/2013 11:25:50 AM	00:15:23	Color	0.25
Canon IR-AD...	JHQ00911	Warning	Untrained	Input	paper is out (edger).	Resolved	11/26/2013 10:11:12 AM	00:10:03	Color	0.00
Canon IR-AD...	JHQ00911	Warning	Untrained	Input	paper is out (letter).	Resolved	11/11/2013 10:10:26 AM	00:10:12	Color	0.00
Canon IR-AD...	JHQ00911	Other	Other	Other	Remaining Magenta Toner has reached 1000 Pages	Resolved	11/8/2013 4:40:40 PM	00:40:38	Color	0.00
Canon IR-AD...	JHQ00911	Warning	Untrained	Marker Supplies	toner is out (magenta).	Resolved	11/8/2013 4:14:35 PM	00:25:44	Color	0.00
Canon IR-AD...	JHQ00911	Critical	Untrained	Marker Supplies	waste toner is full.	Resolved	11/8/2013 11:20:25 AM	00:49:52	Color	0.83
Canon IR-AD...	JHQ00911	Warning	Untrained	Marker Supplies	toner is out (black).	Resolved	11/4/2013 2:34:29 PM	02:04:00	Color	0.00
Canon IR-AD...	JHQ00911	Warning	Untrained	Marker Supplies	toner is out (magenta).	Resolved	11/3/2013 12:04:08 PM	5:00:06:09	Color	0.00
Canon IR-AD...	JHQ00911	Warning	Untrained	Input	paper is out (letter).	Resolved	11/3/2013 11:48:29 AM	5:01:11:48	Color	0.00
Canon IR-AD...	JHQ00911	Warning	Untrained	Marker Supplies	waste toner needs to be checked.	Resolved	11/3/2013 7:49:55 AM	5:03:30:30	Color	0.00
Canon IR-AD...	JHQ00911	Warning	Untrained	Marker Supplies	toner is low (magenta).	Resolved	11/3/2013 7:31:05 AM	5:03:37:50	Color	0.00
Canon IR-AD...	JHQ00911	Other	Other	Other	Remaining Yellow Toner has reached 1000 Pages	Resolved	11/1/2013 1:28:39 PM	02:40:17	Color	0.00
Canon IR-AD...	JHQ00911	Warning	Untrained	Marker Supplies	toner is out (yellow).	Resolved	11/1/2013 12:57:04 PM	02:21:04	Color	0.00
Canon IR-AD...	JHQ00911	Warning	Untrained	Marker Supplies	toner is out (yellow).	Resolved	10/31/2013 1:47:41 PM	1:01:30:27	Color	0.00
Canon IR-AD...	JHQ00911	Warning	Untrained	Marker Supplies	toner is low (magenta).	Resolved	10/31/2013 1:01:02 PM	1:02:27:06	Color	0.00
Canon IR-AD...	JHQ00911	Warning	Untrained	Marker Supplies	toner is low (black).	Resolved	10/30/2013 3:07:52 PM	2:00:20:16	Color	0.00
Canon IR-AD...	JHQ00911	Warning	Untrained	Marker Supplies	toner is low (magenta).	Resolved	10/30/2013 8:12:53 AM	8:23:25:59	Color	0.00
Canon IR-AD...	JHQ00911	Warning	Untrained	Marker Supplies	toner is low (black).	Resolved	10/30/2013 8:12:53 AM	5:07:25:36	Color	0.00

All service calls are handled in the same matter and therefore not categorized in specific way. The call is documented with pertinent information and sent to the servicing partner.

- C. Emergency Preparedness. To support continuity of operations during an emergency, including a pandemic, the Commonwealth needs a strategy for maintaining operations for an extended period of time. One part of this strategy is to ensure that essential contracts that provide critical business services to the Commonwealth have planned for such an emergency and put contingencies in place to provide needed goods and services.

1. Describe how you anticipate such a crisis will impact your operations.

As a massive corporation involved in several industries and with partners around the globe, Canon has extensive experience in preparing for the unexpected. Canon understands that there are a number of types of crises that can impact manufacturing capability, data storage/records retention, logistics and available resources including water, electricity and manpower. Canon has its own 'Disaster Recovery Plan' for these exact scenarios and has on numerous occasions utilized that plan with success.

2. Describe your emergency response continuity of operations plan. Please attach a copy of your plan, or at a minimum, summarize how your plan addresses the following aspects of pandemic preparedness:

Canon's Business Continuity Plan is confidential; however we've provided the requested information below to the best of our ability within those parameters.

- a) Employee training (describe your organization's training plan, and how frequently your plan will be shared with employees)

Canon's plan is shared with employees as needed. Employees involved in critical functions of Canon's continuity plan are well versed in its processes and procedures. This information is documented internally and cross training & backups are in place should a specific emergency occur while a key member is away or unavailable for any reason.

- b) Identified essential business functions and key employees (within your organization) necessary to carry them out

In our past experience, some of the essential business functions affected have been our manufacturing (Japan's Great East earthquake in 2011), our service network (September 11th attacks in NYC) and our headquarters resources and data network (Hurricane Sandy). Canon was able to respond to each of these incidents with a contingency plan to resume business operations and even provide humanitarian assistance as well.

In response to the 2011 earthquake in Japan, Canon utilized operation sites that were unaffected across the Canon Group to compensate for the damage done to several manufacturing sites. Canon was able to resume operations spanning development, production and sales shortly thereafter.

In 2001 after the September 11 attacks, Canon was able to utilize its five national warehouses to provide emergency equipment, supplies and manpower for other customers. Canon's extensive dealer network ensured that if any one dealer was unable to fulfill service, there would always be a backup.

In 2012, Hurricane Sandy greatly affected Canon workers and the Canon USA headquarters in Lake Success. While many employees were without power for weeks, the office was without power and the servers were unavailable for only a short time. Canon's data and servers were backed up to a separate location allowing employees to work remotely where possible and backup generators ensured employees could return shortly after.

- c) Contingency plans for:

- i. How your organization will handle staffing issues when a portion of key employees are incapacitated due to illness.

Canon is structured so that these functions are not provided solely from one location. Another Canon office (not located in a quarantine zone) would be available to provide support to customers in need. If service technicians are unavailable within a given region, Canon can mobilize additional personnel from other areas as needed

- ii. How employees in your organization will carry out the essential functions if contagion control measures prevent them from coming to the primary workplace.

Many Canon employees responsible for essential functions within our Organization have the capability to work remotely from their homes. In addition, should one location cease functioning, Canon is able to fulfill its requirements by utilizing other resources across our global network.

iii.

- d) How your organization will communicate with staff and suppliers when primary communications systems are overloaded or otherwise fail, including key contacts, chain of communications (including suppliers), etc.

Canon has implemented a companywide communication system for all of its employees which utilizes email / phone / text as well as backups for each should there be an issue with a Canon server or something that might restrict our standard forms of communication.

- e) How and when your emergency plan will be tested, and if the plan will be tested by a third-party.

Canon's emergency plan is tested twice a year and is done both internally and externally

D. MFD Management.

1. Offeror must propose a model for each segment in listed in **Appendix B, MFD Requirements.**

Canon U.S.A., Inc. acknowledges and agrees

2. The selected Offeror shall cooperate and work with the Commonwealth staff and its contractors to meet the requirements of the contract resulting from this RFP.

Canon U.S.A., Inc. acknowledges and agrees

3. The selected Offeror shall not provide MFDs that require commercially available software for its use through the contract resulting from this RFP unless the Commonwealth has entered into a software license agreement with the software licensor. **Appendix E, Software Requirements Agreement.**

Canon U.S.A., Inc. acknowledges and agrees

4. The selected Offeror shall provide operating instruction and manuals for all MFDs.

Canon U.S.A., Inc. acknowledges and agrees

5. All MFDs shall be UL approved. Any special voltage needed beyond the standard 110v must be indicated. The Commonwealth will furnish suitable electrical current to operate the MFD.

Canon U.S.A., Inc. acknowledges and agrees

6. The selected Offeror shall identify the end of life date and buyer's laboratory overall rating for each proposed model of MFD.

- imageRUNNER ADVANCE 4525i II – BLI does not do full scale testing on each individual model within the same series, however the 4525i was deemed similar to the 4535i which received the highest possible overall rating, Highly Recommended.*
- imageRUNNER ADVANCE 4535i II – Highly Recommended*
- imageRUNNER ADVANCE 4545i II - BLI does not do full scale testing on each individual model within the same series, however the 4545i was deemed similar to the 4551i which received the highest possible overall rating, Highly Recommended.*
- imageRUNNER ADVANCE 6555i II - BLI does not do full scale testing on each individual model within the same series, however the 6555i was deemed similar to the 6565i which received the highest possible overall rating, Highly Recommended.*

- *imageRUNNER ADVANCE 6565i II - Highly Recommended*
- *imageRUNNER ADVANCE C3530i II - Highly Recommended*
- *imageRUNNER ADVANCE C5540i II - BLI does not do full scale testing on each individual model within the same series, however the C5540i was deemed similar to the C5535i which received the highest possible overall rating, Highly Recommended.*
- *imageRUNNER ADVANCE C5535i II - Highly Recommended*

*** All ratings listed above are for the predecessor models as the 'Mark II' series was just recently released and has not been tested by BLI. The Mark II series includes identical hardware to the predecessor models and now offers several standard features which were previously optional.*

There is no set end of life date or discontinuation date for our proposed equipment however Canon will commit to providing parts and support for equipment proposed for 7 years past the date of discontinuation.

7. Upon request, the selected Offeror shall provide "right-sizing" assessment services to the Commonwealth to aid in the identification of cost effective equipment. This service will be provided at no additional cost.

Canon U.S.A., Inc. acknowledges and agrees

8. The selected Offeror shall be responsible for the replenishment of all consumable supplies required to operate the MFDs, with the exception of paper, at no additional cost to the Commonwealth. Consumables shall include, but are not limited to, fusers, developer, toner, and staples.

Canon U.S.A., Inc. acknowledges and agrees

9. The selected Offeror shall deliver consumables within five (5) days of request by the Commonwealth.

Canon U.S.A., Inc. acknowledges and agrees

10. The MFD's shall meet or exceed the following security requirements;

- a) All MFDs shall accept print jobs only from known users and must be able to preclude communications from anonymous or unknown users, or any other unauthorized or unknown communication source.

Yes, with IP Address Filtering or Mac Filtering feature.(Details below)

Another option would be to use "Authentication (uniFLOW or ULM)" and "Access Management System" to have stronger and flexible control over who has access to the device.

IP Address Filtering

The imageRUNNER ADVANCE Series support two types of IP Address Filtering as described below. Third Generation allows for the choice between Type1 and Type2 .Second Generation only allows for “IP Address Filtering Type 2(Receiving and Transmitting Packets)”

- **IP Address Filtering Type1 (Receiving Packets)**

IP Address Filtering Type 1 is a function to permit or reject reception of packets from the specified IP Addresses. Administrators can decide to enable IP Filtering for the RX Print and Setting/Browsing functions, and can specify filtering options (Permit/Reject).

Up to eight individual IP addresses or IP address ranges can be specified. The default value of all options for this feature is "Disable" (permit reception).

The target applications (protocols) and the number of addresses that may be specified are as follows:

Category	Handling	Number of IP addresses (ranges)	Target application
RX Print	Permit	IPv4: 8, IPv6: 8	LPD, RAW, SMB, FTP HTTP (IPP), PDF, SMTP, BMLinkS, WSD
	Reject	IPv4: 8, IPv6: 8	
Setting/Browsing	Permit	IPv4: 8, IPv6: 8	SNMP, HTTP (RUI), SLP
	Reject	IPv4: 8, IPv6: 8	

- **IP Address Filtering Type 2 (Receiving and Transmitting Packets)**

IP Address Filtering Type 2 is a function to permit or reject reception (RX) and transmission (TX) of packets to and from the specified IP Addresses. There is no distinction between "RX/Print" and "Setting/Browsing" as there is with IP Address Filtering Type 1.

A maximum of 16 addresses may be registered for RX packets and TX packets, respectively. Note that IPv4 addresses and IPv6 addresses are registered separately.

The previous distinction between "RX/Print" and "Setting/Browsing" no longer exists.

The setup required for filtering involves configuration of the default policy (either Reject or Permit), followed by registration of the IP addresses to be exempt.

If the default policy is to "Permit," then the IP addresses you want to reject must be registered. Conversely, if the default policy is to "Reject," then the IP addresses you want to permit must be registered. The default value for the default policy is to "Permit" for both reception and transmission.

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Setting/Browsing	Permit	IPv4: 8, IPv6: 8	SNMP, HTTP (RUI), SLP
	Reject	IPv4: 8, IPv6: 8	

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- b) The selected Offeror shall have the ability to test, distribute, and apply print server and MFD patches, and other critical and/or non-critical security updates.
Yes. With the third generation models, we have Unified Firmware Platform. With UFP on third generation devices, we can now add new features to add to the value of the device. About 2 times a year, we're introducing new functions, new usability features and security updates.
- c) All MFD open ports, including, but not limited to, LPD, LPR, SMB, IPP, FTP, TFTP, mail, and terminal, must have the ability to be disabled or locked down with a hardened password of a minimum of twelve (12) characters or more. Password used for locking down open ports shall be at least twelve (12) characters long and include letters, numbers, and symbols.

Enabling/Disabling Protocols/Applications: Through Canon's device setup and installation utilities, network administrators are provided with the ability to configure the specific device protocols and service ports that are accessible. As a result, unwanted device communication and system access via specific transport protocols can be effectively blocked. Canon imageRUNNER ADVANCE systems have the ability to disable unused TCP/IP ports to further secure the devices.

Disabling ports affects the available functions and applications on the device.
Configurable ports* include:

imageRUNNER ADVANCE Port Summary

Name	Port	Default	Description	Setting
TCP				
LPD	515	ON	LPD print	[Preferences]->[Network]->[TCP/IP Settings]->[LPD Print Settings]
RAW	9100	ON	RAW print	[Preferences]->[Network]->[TCP/IP Settings]->[RAW Print Settings]
HTTP	80	ON	World Wide Web HTTP	[Preferences]->[Network]->[TCP/IP Settings]->[Use HTTP]
				[Preferences]->[Network]->[TCP/IP Settings]->[Confirm Dept. ID PIN] [Preferences]->[Network]->[TCP/IP Settings]->[IPP Print Settings]->[Use SSL] [Set Destination]->[Make Remote Add. Book Open]->[Make Address Book Open] [Management Settings]->[Device Settings]->[Device Information Delivery Settings]->[Restrict Receiving for Each Function] [Function Settings]->[Send]->[E-Mail/FAX Settings]->[Communication Settings]->[Authent./Encryption]->[Allow SSL(SMTP Receive)]
HTTPS	443	OFF/ON	HTTP over TLS/SSL	
HTTP(MEAP)	8000	ON	World Wide Web HTTP for MEAP	[Preferences]->[Network]->[TCP/IP Settings]->[Use HTTP]
HTTPS(MEAP)	8443	OFF/ON	World Wide Web HTTP for MEAP	[System Settings]->[MEAP Settings]->[Use SSL]
				[Function Settings]->[Send]->[E-mail/Fax Settings]->[Communication Settings]->[SMTP RX] COPIER-OPTION-Network-SMTPRXPN COPIER-OPTION-Network-SMTPRXPN
SMTP	25	OFF	Simple Mail Transfer Protocol	
IPP	631	OFF	Internet Printing Protocol	[Preferences]->[Network]->[TCP/IP Settings]->[IPP Print Settings]
FTP	21	OFF	File Transfer Protocol	[Preferences]->[Network]->[TCP/IP Settings]->[FTP Print Settings]->[Use FTP Printing]
netbios-ssn	139	OFF	NETBIOS Session Service (SMB)	[Preferences]->[Network]->[SMB Server Settings]->[Use SMB Server]
CIFS	445	OFF	CIFS	[Preferences]->[Network]->[SMB Server Settings]->[Use SMB Server]
VNC	5900	OFF	Canon VNC port	[Management Setting]->[License/Other]->[Remote Operation Setting]
SSO-H	10000-10100	OFF	Single Sign-On Hybrid (Only when SSO-H Login Service is selected)	[SMS]System Management-Enhanced Sys. App
RemoteConsole	19001	OFF	JVM RemoteConsole (Debug for MEAP Application)	[MEAP Developer's Dialog]Remote Console Functions
Remote Fax	20317	OFF	Remote Fax	[Function Settings]->[Send]->[FAX Settings]->[Remote FAX Settings]->[Use Remote FAX]
WSDScan	60000	OFF	WSDScan	[Preferences]->[Network]->[TCP/IP Settings]->[WSD Settings]->[Use WSD Scan Func]
SIP	5060	OFF	IP FAX	[Preferences]->[Network]->[TCP/IP Settings]->[SIP Settings]
SIP REGIST (TLS)	5061	OFF	IP FAX	
t38	49152	OFF	IP FAX	[Preferences]->[Network]->[TCP/IP Settings]->[SIP Settings]
UDP				
SNMP	161	ON	SNMP	[Preferences]->[Network]->[SNMP Settings]->[Use SNMPv.1] [Preferences]->[Network]->[SNMP Settings]->[Use SNMPv.3]
SLP	427	OFF	Service Location Protocol	[Preferences]->[Network]->[TCP/IP Settings]->[Multicast Discovery Settings]->[Response]
WSD	3702	OFF	WSD WS-Discovery	[Preferences]->[Network]->[TCP/IP Settings]->[WSD Print Settings]->[Use WSD]
netbios-ns	137	OFF	NETBIOS Name Service (SMB)	[Preferences]->[Network]->[SMB Server Settings]->[Use SMB Server]
netbios-dgm	138	OFF	NETBIOS Datagram Service (SMB)	[Preferences]->[Network]->[SMB Server Settings]->[Use SMB Server]
IPsec	500	OFF	IPsec IKEv1	[Preferences]->[Network]->[TCP/IP Settings]->[IPsec Settings]->[Use IPsec]
IPsec	4500	OFF	IPsec IKEv1	[Preferences]->[Network]->[TCP/IP Settings]->[IPsec Settings]->[Use IPsec]
BMLinkS	1900	OFF	BMLinkS Discovery	[Preferences]->[Network]->[TCP/IP Settings]->[BMLinkS Settings]->[Use BMLinkS]
				[Preferences]->[Network]->[DNS Settings]->[mDNS Settings]->[Use mDNS IPv4]
mDNS	5355	OFF	mDNS / mDNS-SD	[Preferences]->[Network]->[DNS Settings]->[mDNS Settings]->[Use mDNS IPv6]
SIP	5060	OFF	IP FAX	[Preferences]->[Network]->[TCP/IP Settings]->[SIP Settings]
RTP	5004	OFF	IP FAX	[Preferences]->[Network]->[TCP/IP Settings]->[SIP Settings]
RTCP	RTP+1(5005)	OFF	IP FAX	
t38	49152	OFF	IP FAX	[Preferences]->[Network]->[TCP/IP Settings]->[SIP Settings]

*With logged in as "Administrator" above ports can be open or closed.

*Password can be set be at least twelve (12) characters long and include letters, numbers, and symbols. (PW on "Security Policy Settings" or "Setting/Registration")

Security Policy Setting Items / [Password Settings Policy]
MenuTop / Settings/Registration / <Management Settings> / <Security Settings>

*Ports not listed on the "Port summary" are closed. (TFTP, terminal)

- d) MFD SNMP and SNMP2 must have the ability to be changed to read only, and have the ability either to be disabled or include a hardened string.
Yes. Able to disable SNMP and SNMP3.
- e) All network access, including but not limited to web server/administration, MS file share, FTP/SFTP, or WebDAV web service access, must have the ability either to be permanently disabled or protected by a hardened password of twelve (12) characters or more containing letters, numbers, and symbols.
Yes. Able to disable SNMP and SNMP3.
- f) All scanning must be done via a secure, encrypted transaction, require a secure domain user logon, and require Microsoft Active Directory authentication or LDAP authentication. Microsoft transaction is preferred, and the device must have the ability to enable or disable FTP.
Yes. We have multiple ways of authenticating before scanning is performed. UA, ULM, uniFLOW or ASEND can be used. FTP can be disabled at the device level.
- g) All PDF documents must have permissions controlled with 128-bit encryption.
*Yes. Files sent from a Canon device use 256-bit encryption.
Encrypted PDF*
- The Encrypted PDF mode enables users to encrypt, set password and define permissions for PDF files that are sent to an e-mail address or file server for enhanced security. Only users who enter the correct password can open, print, or change the received PDF file.*
- Encrypted PDF mode can be used only if an e-mail address or file server is specified as the destination. If a fax number, I-fax address, or inbox is specified as the destination, a user cannot send the job as an encrypted PDF file.
Encrypted PDF files can be saved using 40bit RC4, 128bit RC4 or the 128bit AES algorithms. When sending with Encrypted PDF 128bit AES, Acrobat 7.0 or later is required to open the PDF file. With the imageRUNNER ADVANCE devices Encrypted PDF offers AES 256-bit support.*
- *Encrypted PDF is standard on 2nd edition*
- h) All information temporarily stored on the device must be encrypted. Once a job has processed, all information must be purged from the internal device storage.
Yes. imageRUNNER ADVANCE provide standard HDD Encryption (256-bit support).
- Encrypts image data before storing to the hard disk. Both temporary and permanent data stored in Advanced Box and Mail Box are encrypted to meet Common Criteria Certification EAL3. FIPS 140-2 Level 2 Validated.
imageRUNNER ADVANCE also has HDD Erase as a standard features set.*
- Delete Job Data after each task by overwriting the 0 data or random data.
Deletion Mode: Once with 0 data, Once with random data, 3 times with 0 data, (DoD Standard).*
- Additionally imageRUNNER ADVANCE provides "HDD Initialize" as standard feature for initializing after lease is finished. Erase (Initialize) all user*

data/settings stored in the hard drive. Prints a confirmation report after completion. Deletion Mode: Once with 0 data, Once with random data, 3 times with 0 data, 9 times with 0 data (NEW), (DoD Standard)

i) The hard drives in the leased equipment will be retained by the Commonwealth leasing agency.

Canon U.S.A., Inc. acknowledges and agrees

j) All information temporarily stored using internal storage must be accessed only through Microsoft Active Directory or LDAP authentication.

Yes. When authentication is activated it can be set to accept access only through LDAP or AD.

k) Access to temporarily stored information, using internal storage, must be restricted to the creator of a file or the system/MFD administrator only.

Yes. When authentication is activated it can be set to accept access only through LDAP or AD.

l) All fax transactions must be kept in a separate buffer from all print and/or scanning functions of the Device. Fax transactions must not remain in the buffer after the fax transaction has been completed. No information may reside in permanent storage.

Yes. When "HDD Data Complete Deletion" is activated requirement can be met.

** Please see Security White paper attachment*

11. MFD Invoicing. The selected Offeror shall accept SAP generated invoices for reoccurring lease payments.

Canon U.S.A., Inc. acknowledges and agrees

12. MFD Training Requirements. Offeror shall describe it's training plan, approach, and material available. The selected Offeror shall provide on-site training to users upon installation of a new MFD. The selected Offeror shall provide additional training as requested by the Commonwealth, on a mutually agreed upon date, for the term of the lease. All training services performed during normal business hours shall be provided by the Offeror, at no additional cost to the Commonwealth.

The selected Offeror shall provide users with hands-on training and materials including a detailed walk-through of all machine features. In addition, if the MFD is connected to the network, the Contractor must demonstrate remote printing capabilities.

To ensure end-users have a thorough understanding of the services and products implemented onsite, Canon's Solution Integration Team provides ongoing support through customized training plans. Your Solution Integration Specialist is responsible for:

- Developing a standardized implementation training plan*
- Coordinating on-site and remote training via WebEx*
- Coordinating ongoing training plans to encourage continuous learning by your end-users*

- *Developing client-specific training materials, quick reference guides, and tips to help ensure end-user understanding and satisfaction*

Personalized Equipment Training

- *Device Authentication – An overview of how to access the device functions by authenticating using the employee ID badge. Approximate training time 5 min.*
- *Copier Training – An overview of the copier features (includes stapling, duplexing, enlarging and reducing documents, overview of machine components, clearing basic paper jams, and advanced features). Approximate training time 15 min. (time frame dependent on the interest and needs of the department).*
- *Print Training – An overview of the universal print driver, essentially all features available on the copier can be chosen on your desktop through the print driver. Approximate training time 20 min. (time frame dependent on the interest and needs of the department).*
- *Fax Training – An overview of how to fax from the imageRUNNER ADVANCE (includes demonstration of how to enter fax numbers into the Address Book). Approximate training time 10 min.*
- *Scan Training – An overview of how to scan to email from the imageRUNNER ADVANCE (includes demonstration of how to manually enter email addresses, access LDAP directory if enabled, and creating Address Book entries). Approximate training time 15 minutes.*

Upon installation, Canon arranges training for customers key operators. Canon can make arrangement as requested, to travel to your location and meet with your team. Our staff of professional trainers helps users learn how to maximize the technology to help individuals perform their job quickly and efficiently. Training includes hands-on activities, manuals, and videos. Instruction can be provided either individually or in a classroom setting.

- 13.** *Canon will provide personalized training to ensure end users understand the newly installed technology and how to incorporate it into their daily workflows to maximize its benefit. Trainers will be provided, in addition to Canon sales and service provider personnel. All will be experienced in the proposed equipment **MFD Maintenance**. All standard system or hardware maintenance shall be completed during business hours defined as 8:00 A.M. to 5:00 P.M. Eastern Time, Monday through Friday. The Commonwealth requires the selected Offeror to provide the following in the way of maintenance coverage for the proposed solution:*

- Ongoing software updates for the proposed solution, as they become available and are thoroughly tested; such updates may include but are not limited to bug fixes, patches and other improvements.*
- Canon U.S.A., Inc. acknowledges and agrees*
- The selected Offeror must receive Commonwealth approval prior to implementing any software updates in the training, testing or production environments.*
- Canon U.S.A., Inc. acknowledges and agrees*

- e) Software updates that modify features and functions shall include an update to online help, training tutorial, reference guides and user manuals upon completion or at a date agreed to by the Commonwealth.
- f) *Canon U.S.A., Inc. acknowledges and agrees*

14. Removal and Disposal. The selected Offeror shall provide 60-day notice of upcoming lease expiration to the Commonwealth designee. Upon notification of the requirement for machine removal due to expiring or cancelled lease, the Offeror shall remove the machine on the pickup date as directed by the Commonwealth. When possible, the Commonwealth will provide 30-day notice for removal. The Commonwealth is not responsible for any payments after the lease expiration/cancellation date if the machine has not been removed by the Offeror.

Note: The information provided above supersedes any contradictory information provided within V.48 (M)Terms and Conditions.

Canon U.S.A., Inc. acknowledges and agrees

15. Relocation. The selected Offeror is responsible to assure prompt relocation of all MFDs procured under its contract. The selected Offeror shall perform moves of less than twenty-five (25) miles at no cost one time during the MFD lease period. Relocation of an MFD more than once, or beyond a twenty-five (25) mile distance will be billed at the cost identified in the attached **MFD Cost Matrix**. The Offeror is responsible for the preparation of the MFD. Damages resulting from the transfer of a machine during relocation are not the responsibility of the Commonwealth. The Commonwealth reserves the right to request the Offeror to transfer its MFDs, after notification, to any facility or location other than the original place of installation.

Canon U.S.A., Inc. acknowledges and agrees

16. Substitution. If during the term of the contract new MFDs become available, the Offeror may, with the written approval of the Commonwealth, substitute a new model if it offers features, technologies, or standards that are equal to or greater than the original model. The cost of any new MFD must be less than or equal to the model it is replacing. At no time will there be more than one approved model in each segment per contractor.

Canon U.S.A., Inc. acknowledges and agrees

17. Repetitive Service. The selected Offeror shall provide the following information in its monthly reports. See **Section VIII.D** for additional information.

1. The selected Offeror shall report monthly all MFDs with repetitive service requests totaling three (3) or more in a rolling thirty-day period.
2. The selected Offeror shall report monthly on all MFDs with repetitive service requests totaling five (5) or more in a rolling sixty-day period. The selected Offeror, after consultation with the Commonwealth and the agency, shall replace the MFD at no charge with a new machine with comparable features and capabilities. A new lease term will not commence, but rather the Commonwealth will only be responsible for the remaining payments in the unexpired term of the original MFD.

3. If the cause of the service request(s) are due to operator misuse or abuse by the Commonwealth, the request will not count against the Offeror for this requirement.

Canon U.S.A., Inc. acknowledges and agrees

18. MFD Customer Satisfaction. The selected Offeror shall initiate customer satisfaction surveys which must indicate performance. The Commonwealth will determine the format and delivery mode of the survey.

Canon U.S.A., Inc. acknowledges and agrees

19. Optional Services/Features. Offeror shall describe any additional services or features that are available at no additional cost to the Commonwealth.

Canon's equipment pricing includes freight, basic installation and operator training.

Canon's new models that we are proposing now including the following four (4) security features that were previously optional as standard now

- (1) *Encrypted Secure Print*
- (2) *Secure Watermark*
- (3) *Encrypted PDF*
- (4) *Device Signature PDF*

To support local recycling, Canon has engraved a plastic resin code on each container. Canon toner particles and plastic toner containers are safe for local recycling and local energy recovery facilities.

20. Service Level Agreements (SLAs). The selected Offeror shall meet or exceed the SLAs described in **Appendix C, MFD Service Level Agreements.**

Canon U.S.A., Inc. acknowledges and agrees to this statement with the attached updates

21. Price List Changes/Product Changes. The selected Offeror may update their price list or product changes every quarter or biannually, beginning with the contract awarded date to reflect new products, and manufacturer's price changes, deletion of discontinued products, etc.

Canon U.S.A., Inc. acknowledges and agrees

VII. Tasks. Describe in narrative form your technical plan for accomplishing the work using the task descriptions as your reference point. Modifications of the task descriptions are permitted; however, reasons for changes should be fully explained. Indicate the number of person hours allocated to each task. Include a Program Evaluation and Review Technique (PERT) or similar type display, time related, showing each event. If more than one approach is apparent, comment on why you chose this approach.

A. Delivery of MFDs. Offeror shall describe their delivery services. The selected Offeror shall provide delivery of equipment within ten (10) days following the receipt an order or on a date agreed to by the Commonwealth. Order shall be F.O.B. Destination with all freight charges paid by the Offeror. Each delivered piece of equipment shall include a packing slip, model number, serial number, and purchase order number. Partial shipments are acceptable only if authorized by the Commonwealth. The selected Offeror shall ensure all incorrect shipments and/or invoices are corrected within ten (10) business days. The status of the delivery order shall be communicated to the Commonwealth within five (5) business days.

The installation/deployment process is unique to every account. Equipment is delivered pre-installed with Networking information, or alternatively, this can be done on site. Canon will assemble the components and deliver the MFD without the packaging material so this material can be recycled.

The following steps are taken after the initial warm up of the ImageRUNNER models if applicable:

- a) *Toner Preparation*
 - i) *Gradation is completed for Color ImageRUNNER*
 - ii) *Toner Stir is completed for ImageRUNNER*

- b) *The technician will run the following copies*
 - i) *10 Direct Copy- Letter*
 - ii) *1 Reduced Copy- Letter*
 - iii) *1 Enlarged Copy- Letter*
 - iv) *10 Direct Double Sided Copy- Letter*
 - v) *5 from Copy Glass*
 - vi) *5 from DADF*
 - vii) *1 Sky Shot- Letter*
 - viii) *10 Direct Copy- Letter-R*
 - ix) *10 Direct Copy- Legal*
 - x) *10 Direct Copy- 11x17*

- c) *Internal Finisher/Additional Finisher Tray/Inner 2 Way Tray Installation*
 - i) *Staple Function*
 - ii) *Auto Collate Function*
 - iii) *Punching Function (If puncher unit is installed)*
 - iv) *Tray Designation Function (If additional tray or Inner 2-way Tray w/o finisher is installed)*

- d) *On Color ImageRUNNER*
 - i) *run internal test prints to guarantee perfect color registration and color density*
 - ii) *perform a fixing adjustment*

- e) *Final Test*
 - i) *Print P-Print to ensure all options are installed and functioning*

- f) *Preparation for Delivery*
 - i) *Sample copies, manuals, CDs, cables, ect. are packaged with the machine*
 - ii) *Machine is shrink wrapped*
 - iii) *Edge protectors are added to the device to prevent damage during delivery (36"x3"x3")*

- g) *Delivery Onsite*
 - i) *Delivery drivers will unwrap machine and unbox accessories (majority of the installs)*
 - ii) *Some delivery drivers will install the external finisher, remaining will be installed by service*
 - iii) *Field technician will install accessories and test functionality*
 - iv) *Field technicians will give brief overview of equipment to customer, then instruct how to place a service call*

Canon U.S.A., Inc. acknowledges and agrees with the changes below

B.

Canon understands that timely delivery is important to the Commonwealth. However, industry standard for delivery is deliveries are to be made within 30 Days of accepted and valid order. Canon will provide deliveries within 30 days of an accepted and valid order. However we will make a reasonable effort to meet shorter delivery timelines when requested.

Canon will offer the following delivery options:

- *Standard Delivery - All Canon Equipment and Accessories will be delivered from 1 to 30 days after receipt of valid order.*
- *Expedited Delivery - Items available for expedited delivery will be determined on a case-by-case basis.*
- *Overnight and 2-day Delivery - Overnight and 2-day delivery will be determined on a case-by-case basis and expedited shipping charges may apply.*

- C. Installation of MFDs.** The selected Offeror is responsible for the installation of all MFDs and shall certify readiness for operation in writing. Readiness for operation includes all features and functions **requested** by the Commonwealth using agency are fully operational and requested staff training has been completed.

Prior to delivery, the selected Offeror shall survey and review the installation location to insure the agency's desired location for the MFD meets the manufacturer's established installation criteria. Should the proposed installation location not meet established installation criteria, the Offeror and the requesting agency shall attempt to locate an alternate mutually agreeable location for the machine.

At the time of installation of an MFD, the Offeror shall provide consumable supplies sufficient to produce the maximum number of copies for one month.

The selected Offeror shall affix a label or decal to the MFD at the time of installation, showing the name, address, and telephone number of the dealer responsible for service of the machine.

Cabling of network machines is not the responsibility of the Offeror.

Canon U.S.A., Inc. acknowledges and agrees

- D. MFD Maintenance and Repair Service.** The selected Offeror shall coordinate with the Commonwealth using agency to confirm and agree to the for the pickup date and delivery of equipment to off-site repair facilities, estimating turnaround time for repairs, asset tagging, management and tracking of equipment.

The selected Offeror shall conduct break/fix maintenance and all regularly scheduled maintenance for all equipment during the term of the lease. This maintenance schedule shall comply with the OEM's specified guidelines. The Offeror shall provide a central point of contact to address maintenance and repair service issues.

During normal business hours of the Commonwealth, 8:00am to 5:00pm, Monday through Friday, excluding state holidays, the Offeror shall have service technicians and the support infrastructure available to provide repairs that meet the service level agreement specified in **Section VI.D.20.**

The selected Offeror shall troubleshoot technical difficulties during the term of the lease. The selected Offeror shall provide online technical support and a toll-free contact number.

The selected Offeror may provide repair service and support any time outside of normal business hours, upon agreement with the Commonwealth using agency, at no additional cost. *Canon U.S.A., Inc. acknowledges and agrees to this statement with the attached Updates to the SLA document.*

Toll free # - 1-800-ok-Canon

VIII. Reports and Project Control. The selected Offeror shall create, maintain, and execute the following plans, reports, and supporting documentation in a format agreed to by the Commonwealth. Offerors shall submit its project management methodology and/or draft plans which it proposes to use for this project. The selected Offeror must submit final plan(s) within [specified] days of receiving the notice to proceed. All plans are subject to Commonwealth approval.

The below questions are typically based on a Managed Print Services Engadgment and Canon U.S.A., Inc. has done its best to respond to these questions as it pertains to the scope of this RFP. See below response that incorprates this entire section.

A. Project Management Plan. The project management shall include, but not limited to, the following:

1. Project Plan. The project plan must describe the scope of work for the project and how the scope will be managed. The project plan shall act as a confirmation of project scope, phasing, implementation objectives, and be detailed enough to ensure the product is delivered on time, within projected estimates, and meets all requirements as specified in the RFP. The project plan must include, but is not limited to:

- Project Scope Statement
- Scope Management Process
- Major Milestones /Deliverables
- Work Breakdown Structure (WBS)
- Timeline

2. Requirements Management Plan. The requirements management plan must describe the process and approach to manage and address requirements throughout the life of the project. The requirements management plan shall include:

- Requirements Management Process
- Roles and Responsibilities
- Requirements Traceability Matrix (RTM)

3. Risk Management Plan. The risk management plan must describe the approach used to manage risk throughout the life of the project, how contingency plans are

implemented, and how project reserves are allocated to handle the risks. The plan will include the methods for identifying risks, tracking risks, documenting response strategies, and communicating risk information. The risk management plan shall include:

- Risk Management Process
- Roles and Responsibilities
- Rules/Procedures
- Risk Impact Analysis Approach
- Tools

4. Issue Management Plan. The issue management plan must describe the approach for capturing and managing issues throughout the life of the project to ensure the project is moving forward and avoids unnecessary delays. The issues management plan shall include:

- Issues Management Approach
- Roles and Responsibilities
- Tools

5. Change Control Management Plan. The change control management plan must describe the approach to effectively manage changes throughout the life of a project. The plan will include the process to track change requests from submittal to final disposition (submission, coordination, review, evaluation, categorization), the method used to communicate change requests and their status (approved, deferred, or rejected), the escalation process if changes cannot be resolved by the review team, and the process for project re-baselining. The change control management plan shall include:

- Change Management Process
- Roles and Responsibilities
- Rules/Procedures
- Change Impact Analysis Approach
- Tools

6. Communications Management Plan. The communication management plan must describe the communications process that will be used throughout the life of the project. The process must include the tools and techniques that will provide timely and appropriate generation, collection, distribution, storage, retrieval and disposition of project information. The communications management plan shall include:

- Communications Management Process
- Roles and Responsibilities
- Reporting Tools and Techniques
- Meeting Types and Frequency

7. Quality Management Plan. The quality management plan must describe the approach used to address Quality Assurance (QA) and Quality Control (QC) throughout the life of the project. The quality management plan should identify the quality processes and practices including the periodic reviews, audits and the testing strategy for key deliverables. The plan should also include the criteria by which quality is measured, the tolerances required of product and project deliverables, how compliance is measured, and the process for addressing those instances whenever quality measures are out of tolerance or compliance. The quality management plan will include:

- Quality Management Process
- Roles and Responsibilities
- Tools
- Quality Standards

8. Time Management Plan. The time management plan must describe the process for controlling the proposed schedule and how the achievement of tasks and milestones will be identified and reported. The plan must also detail the process to identify, resolve, and report resolution of problems such as schedule slippage. The time management plan will include:

- Time Management Process
- Role and Responsibilities
- Tools and Techniques
- Work Plan

Where appropriate, a PERT or GANTT chart display should be used to show project, task, and time relationship.

Project Management Plan.

The main objective of the risk management process is to allow the project to anticipate the difficulties it may encounter. From this point of view, this process should not be viewed negatively but as a factor for success.

The objectives of the risk management process are:

- *minimize the risk of non-achievement of the project objectives,*
- *provide a systematic approach with which to:*
- *identify and assess risks,*
- *determine the most effective action plan to reduce each risk*
- *monitor these risks.*

Risks are managed at three levels:

- *at a Canon North American Level*
- *in the local sites,*
- *vis-à-vis any Canon service providers.*

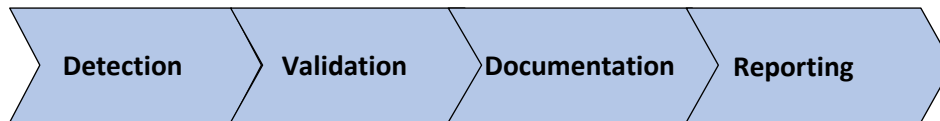
The roles and responsibilities of the key players in risk management are set out below:

Level	Project Role	Project responsibility
1	Account Executive	<ul style="list-style-type: none"> • Takes ad hoc decisions and measures
2	Project Manager	<ul style="list-style-type: none"> • Identifies risks • Validates the proposed actions • Ensures risk closure
3	Site Manager Canon Customer Service Manager Canon Project Manager	<ul style="list-style-type: none"> • Identifies risks • Proposes corrective actions • Implements corrective actions • Ensures risk closure
4	Key Users Canon Business Consultant	<ul style="list-style-type: none"> • Alerts level n +1 • Identifies risks • Proposes corrective actions • Implements corrective actions

RISK IDENTIFICATION:

Risk identification is carried out on the fly at either global or site level.

The risk monitoring process is as follows:



Risks and associated action plans are initialized gradually as the Project progresses.

The risks identified are first treated in-house by the team in committees; otherwise a report may be produced for review by the management which sets up the appropriate action plan.

CLASSIFICATION OF RISKS:

The types of risks proposed for the project are:

Type	Description
Quality	○ Quality of deliverables insufficient, requiring too much reworking for validation of the functional design and technical design deliverables
Calendar	○ Work execution behind schedule, possibly leading to non-achievement of milestones set to meet due dates at the allotment meetings
Workload	○ Deliverables being produced with a productivity not consistent with that budgeted on
Scope	○ Deviation from the scope defined in the contract and from the scope of planned services to be provided
Working environment	○ Insufficient availability of the work environments laid on
Resources	○ Level of experience and expertise of resources insufficient for the services planned, ○ Number and availability of resources insufficient as regards the planned schedule
Contractual	○ Deviation from the contract signed

RISK ANALYSIS:

Each risk is reviewed to ensure that relevant actions are appropriate and still valid.

The decision (on action) depends on the following factors:

- urgency to control the risk: the time to implement the solution must be compatible with the urgency to control the risk,
- the feasibility of the solutions: technical, organizational, contractual,
- the effects of the actions: some solutions will be more appropriate than others depending on:
- whether or not they create other risks,
- whether or not they control several risks at once,
- whether or not they effectively maintain the requirement level for the project, and
- whether or not they kill off the roots causes of the risk.

Any action to address a risk is assigned to a manager.

The probability of occurrence is a percentage between 25% and 100%, defined in steps of 25%.
The impact is defined between 1 and 5 (1,2,3,4,5), according to severity of the risk.

Impact	Description
1-2	Risk impacting only a site without a generic impact blocking the project

2-4	Risk impacting at least one site, but without impact on the other sites
4-5	Risk impacting one or more sites, and having an impact on the other sites

Risk priority is determined as the product of its probability of occurrence and its impact.

The risk will have an updated evaluation date on each change of the risk in terms of priority or action plan.

An action manager is appointed for each risk identified.

After a risk is identified, it is evaluated and qualified. Indicators are used to rank risks in terms of their impact and probability of occurrence.

The indicators below to measure the impact of risks will be used:

Indicator	Possible values:
Probability	<p>The probability of the risk occurring is expressed as a percentage from the following table:</p> <ul style="list-style-type: none"> • Occurred: 100% • High: 75% • Medium: 50% • Low: 25%
Severity	<p>A risk's severity measures the magnitude of the impact and is valued as follows:</p> <ul style="list-style-type: none"> • 1 : Low • 2 : Medium • 3 : High • 4 : Very high

RISK MONITORING

Risk monitoring comprises two activities: reassessment of the risk and monitoring actions:

The activity of risk reassessment consists in re-estimating its severity, probability of occurrence, and impacts of the open risk. This analysis can naturally lead to updating the associated actions,

Monitoring actions covers both control of implementation of the actions decided, and also verification that the actions taken are effective.

Urgent action may for their part be treated and monitored, as a priority, the action plan is then reviewed daily by the head of Risk Management.

Canon's prides itself on the ongoing investment it continues to make in its Authorized Service Provider network. Our product training department is comprised of professionals who are solely dedicated to training end-users on their Canon investment. They are experienced in various

unique business applications that use Canon technology and become a vital resource for your staff.

Our Service Program provides you with a single toll free number to call when service on your device is required, nationwide. In those cases where service is required, our Centralized Support Center is available from 8:00 am to 8:00 pm, EST, to field service requests from your end-users or helpdesk personnel. Dispatch Center agents immediately dispatch the authorized service provider and work to ensure that prompt service is provided, typically within 4 business hours. By channeling calls through the Dispatch Center, the Canon can provide you with comprehensive service and machine performance/history reports to measure the productivity of every machine in your fleet across the country. Canon also surveys customers who use this service to confirm that equipment is performing to their expectations and to ensure their satisfaction with Canon authorized service providers.

Internal communication follows an escalation path. All service incidents are reported by customer personnel through Canon's customized centralized support center. Calls for service problems are immediately dispatched to the local service provider. The local field technician responds via telephone to the individual that placed the call advising them of his/her ETA. On average, on-site service calls are responded to within four (4) business hours. Most service call issues can be fixed without requiring any further assistance.

For those occasions when it becomes necessary to escalate a recurrent problem, the local service personnel typically has a senior trouble shooter assist in remedying the problem in a timely manner. If the need still exists to involve further technical resources, Canon is merely a phone call away. Canon's technical support hot-line open daily during normal business hours provides local service with a direct person-to-person link to Canon for quick problem resolution. With a complete lab of all Canon products at their disposal, the Canon technical specialist will provide the manufacturer with the resources required to solve the problem. Should it become necessary, Canon will dispatch a field technical specialist to a particular customer site to assist the local service personnel.

The Canon Help Desk is staffed from 8:00 am to 8:00 pm, Eastern Time. Responsibilities span dispatch, triage, reporting and general customer support. In addition, help desk services can be integrated with the Commonwealth's help desk as required.

In most circumstances, you would contact Canon through the 1-800 number which would route the call based on the following support needs:

- 1- Hardware – Help desk questions or issues on hardware would be answered here or dispatched to authorized service providers as necessary*
- 2- Printers – Help desk questions or issues on printers would be routed to Canon's printer help desk for triage, resolution or dispatch as necessary*
- 3- Customer service – Customer issues or concerns would be answered here inclusive of items such as billing questions, toner shipment details etc.*
- 5- Ordering of supplies - Supplies ordering would be taken here or can be handled on-line*

Upon choosing one of the prompts above, the customer is directed to the appropriate help desk personnel where their particular concern can be addressed immediately. In cases where a customer case is not capable of being addressed via the help desk, help desk members may further escalate requests for technician dispatch or engineering support.

At any time, the Commonwealth may obtain customer service support from Reseller starting at the local service level and extending to the corporate level. Service representatives at the local level are assigned a high degree of autonomy in order to resolve customers' needs as expeditiously as possible. Local, region, marketplace, and corporate personnel are available at any time for resolution of the Commonwealth's service needs.

Reseller's take the following general steps to correct any customer reported instances of compromised service.

- Meet with local staff responsible for service delivery*
- Discuss the problem / Determine a solution that is appropriate and acceptable to the customer*
- Formulate an action plan to avoid a recurrence*
- Document the occurrence and resolution*
- Include the core information in the next scheduled account performance review with Reseller staff and Commonwealth entities team members*

Issue-Specific Escalation Procedures

To ensure that the Commonwealth receives the highest quality of customer service, Reseller has in place a variety of escalation procedures that can be implemented depending on the nature of the specific service issue.

1) In the event that the Commonwealth entity is not satisfied with the level of equipment service support provided by the assigned Service Technician, the State Sales Executive will become involved and raise the issue to the Authorized Reseller which can assign a different Service Technician

2) In the event the Commonwealth entity is completely dissatisfied with their current Canon Authorized Servicing Reseller, Canon, as the manufacturer, has the ability to assign another Local Canon Authorized Reseller to service the equipment.

The foundation of every successful managed output environment that Canon has deployed, rests on the quality and thoroughness of our on-site due diligence. This process is offered to Canon customers and can easily be broken into phases to cover statewide implementations.

Canon's due diligence process, known as 3D, will need to be performed in order to design a successful lease model. This process is comprised of three distinct phases:

- DISCOVER – Key Canon staff perform on-site due diligence to guide solution design*
- DESIGN – Apply best practices, develop cost reduction programs, and re-engineer processes as needed*
- DEPLOY – Installation of technology, human resources, compliance/quality initiatives and activation of long-term change management and account plans*

DISCOVER

In order to design a new managed output program that will meet the Commonwealth's operational and financial goals, Canon will conduct a thorough due diligence to establish a firm

foundation of knowledge about Commonwealth's entities current output design. The first step taken in the discovery phase, is the creation of a dedicated due diligence team. This team will consist of key Canon employees that are considered industry experts and will be led by the business services strategy team. The strategy team is comprised of financial analysts and project coordinators who provide high-level guidance on assessment goals/processes as well as support for due diligence and the analysis/design work that follows the assessment process.

After the due diligence team is established, Canon will hold a project kickoff meeting with Commonwealth's entity. The kickoff meeting will serve as a forum to discuss solution options and current challenges as well as agree on a project schedule and logistics for all assessments.

Following the kickoff meeting, Canon will immediately begin our due diligence process across the enterprise. Areas of the assessment will include:

- Copy/Printer/Fax/Scan technology infrastructure and workflow process*
- Helpdesk and service escalation process*
- IT questionnaire*
- Enterprise-level workflow analysis to leverage efficiencies across the network*

Upon completion of our due diligence process, the strategy team will gather all information collected to begin developing an understanding of the environment on both an enterprise and workgroup level. These findings will provide the Strategy Team with the knowledge needed to begin designing new output solutions that meet the output goals while offering refreshed technology and standardization across the country.

DESIGN

Upon completion of the discovery phase, Canon's Strategy Team will enter the second phase of our 3D process – design. During this phase the strategy team will invite key members of the greater account team, including account executives, operations managers, technology trainers, IT specialists, service technicians, compliance managers and change management specialists to participate in the design validation process.

As a group, we will review the current output environment, making observations about the current state and discussing their impact. We then began to brainstorm about ideas that could improve processes, increase efficiency and add value to the organization - resulting in recommendations for new design parameters and solutions. Based on the observations, impacts and recommendations developed as part of our design phase, Canon will then formulate parameters to guide our solution design on an enterprise-wide scale.

As you can see from our design process, Canon does not look at technology alone; our design is a mix of equipment, human resources and the introduction of more efficient workflow processes that are reasonable, actionable and sustainable. Once all designs are agreed upon, the Strategy Team will take the lead in preparing final output plan blueprints.

- Current asset inventory and associated costs*
- Future asset inventory and all associated costs*
- Service, supply and customer satisfaction escalation plans*
- Long-term account management, invoicing and reporting plan*
- Hard cost savings to be realized through implementation of the recommended solution*

DEPLOY

Once the final design is confirmed by all parties, Canon will move into the deploy phase of our 3D process to begin transition and installation of the new program.

While transition management is critical, we have found that true change management is missing from many competitive transitions. Change management begins with truly understanding and communicating the reasons for, and benefits of, the new program to the end-users and program stakeholders. In addition to communication, Canon's change management initiatives include a comprehensive approach to training and education and even marketing/branding of the new program. Change management is one of our most successful initiatives and a key driver for program success.

Canon uses a structured methodology in support of the Commonwealth needs which allows us to avoid a "One Size Fits All" approach to this solution area. We take the time to fully understand the dynamics of your initiative, understand the complex nature of the changes being proposed for your workforce and infrastructure personnel and then develop a high level solution "Road Map." This Road Map is jointly developed by our Project Team in partnership with the Commonwealth entity.

One of Canon's corporate goals is to "create products without rival in quality and service, and which contribute to the improvement of societies around the world." We strive to realize this goal in two ways:

- 1) By employing the latest technologies to offer superior products of the highest quality and rapid service meeting the needs of customers; and*
- 2) By ensuring that no harm will ever come to a consumer or his or her property due to the failure of a product or service. This is Canon's basic management stance on quality.*

Canon aims for product quality that gives customers a sense of trust and satisfaction, working together with customers to achieve sustainable prosperity. Quality Assurance Reports are completed by Canon Technical Supervisors on inspections. Individual performance related to specific account support is built around negotiated service level agreements between Canon U.S.A., Inc. and the Commonwealth.

Some of Canon's compliance and quality initiatives are:

- Web-based customer satisfaction surveys*
- On-going account analyses*
- Seeding Programs*
- Focus groups*
- Site survey Checklists*
- Quarterly management reports and meetings*
- Rewards and Recognition programs*

Delivering continuous value, substantial savings and ongoing process improvements to our clients is something we have been doing for several decades. While these can certainly be categorized into areas such as cost reduction / cost avoidance, new technology to better deliver services and new business processes, the reality is that all of those areas are closely related and intertwined.

To support the Commonwealth's needs, we have developed a comprehensive quality management approach to ensure that you receive unrivaled service and support throughout the duration of our partnership. It is our goal to exceed all of your customer service level

benchmarks, drive continual process improvement, and improve the bottom line financial performance. In order to meet these goals, we utilize a quality management approach with a focus on the client that is based in Six Sigma methodology.

Foundations of Six Sigma

The Foundations of Six Sigma is a quality program that begins and ends with the client. It is the quality program that Canon will implement to achieve our client's objectives and focus on the continuous improvement of service delivery. The program consists of two major initiatives: 1) The Fundamentals of Quality, 2) The implementation, training and execution of Six Sigma methodology. These initiatives will introduce the Six Sigma methodology and ensure that every site has the necessary quality systems in place to provide true performance reporting and management to our clients.

Six Sigma

Canon is a Six Sigma organization. Canon has chosen Six Sigma as the methodology by which we will achieve our quality mission and objectives. Six Sigma is about the implementation of a measurement-based strategy that focuses on process improvement and variation reduction. It is 1) a structured & data driven approach to deliver improved client quality, 2) a measurement of Canon process and product capability and 3) its goal is to attain less than 3.4 Defects per Million Opportunities. Our Six Sigma and standardized quality tools will allow us to track our performance against client requirements and pro-actively manage our operations.

Six Sigma is an integrated, disciplined proven approach for improving business performance. It focuses on projects that will produce measurable business results. Each participant, called a "Belt," is required to adhere to the methodology and have a leadership approved project prior to training.

Fundamentals of Quality

The fundamentals are the core building blocks that will serve as the foundation for all future quality initiatives and programs. These building blocks or deliverables will support the Operations team in account management and allow us to focus on the continuous improvement of service delivery for our clients. The Fundamentals training program introduces the Six Sigma methodology to a broad group of associates and will ensure that every site has the necessary quality systems in place to provide exceptional performance reporting and management to clients.

These quality tools consist of:

Service Level Agreements & Performance Standards

Service Level Agreements (SLAs) translate the Voice of the Commonwealth to contractual obligations between the Commonwealth and Canon. The corresponding Performance Standards or Targets provide detailed information associated with every service provided by Canon. The goal of identifying and agreeing on SLAs & Performance Standards is to translate the need into a measurable characteristic that can be tracked, reported on and managed.

Process Maps

The services identified in the SLAs are then mapped. The intent of a Process Map is to provide a standard methodology to represent the key operational processes we perform for our clients. There are two categories of Process Maps. "Should Be" Process Maps establish performance

standards, standard processes and process expectations. They are used for training, understanding client expectations and problem identification. "As Is" Process Maps document how a process works in the real world. They are used for continuous improvement & lean initiatives - eliminating wait time, rework, and other non-value added time.

Measurement Tracking & Performance Reports

Process Maps identify the steps in the process, the method and means to capture data, both volumes & defects. Performance Reports work with this data provided by daily, weekly and monthly data capture tools (manual and automated). They reflect Canon performance against timeliness and accuracy requirements, show volume trends over time and allow year to year and month to month comparisons.

Continuous Improvement & Communication Plans

Continuous Improvement Plans clarify information, tasks and accountability. They are a tool that documents and communicates critical information to both Canon and our clients. The Continuous Improvement Plan is a central location where all key client issues are identified for follow-up, control and resolution. The Continuous Improvement Plan is a written record of major items that need to be addressed because they significantly impact our clients, our employees and our ability to provide quality service.

Approach to Quality

Canon's basic mission when it comes to quality is to ensure that customers have "no claims, no trouble." To achieve this, we promote our motto of "Canon Quality" both inside and outside the company, as part of our dedication to realizing customer safety, peace of mind, and satisfaction. We also conduct companywide activities to improve quality across the entire Canon Group at every stage, from product planning to design and development, production trials, production, sales, and after-sales service.

We thoroughly check quality in each process, from design and development to the start of production, while also ensuring that continual improvements in quality are achieved by sharing quality information and customer feedback obtained from sales and after-sales service points with departments in charge of product planning, design, and development.



Canon Quality

Safety+Smartness+Satisfaction

Product quality slogan: "Customer Safety, Peace of Mind and Satisfaction through Canon Quality"

Quality Assurance Systems

In order to fully realize "Canon Quality," Canon has established a quality management system that combines the requirements of ISO9001, an international quality management standard, with work mechanisms unique to Canon.*

Our various business divisions work together with the Global Quality Management Center to hold regular meetings with Canon Group companies around the world in order to implement appropriate quality assurance systems in accordance with the legal and regulatory standards of each country and region.

In addition to vertically integrated activities conducted by each business division to provide solutions to issues particular to that division, Canon operates the Quality Improvement Committee chaired by the head of the Global Quality Management Center. This committee facilitates horizontally integrated activities to address company-wide issues.

Through these various activities, Canon will continue to pursue "quality first."

B. IT Service Management. Offeror(s) shall describe its service management methodology its uses to deliver service to its customers. Identify any industry best practices or standards its service management methodology is based. IT Service management shall include strategic approach directed by policies and incorporated in processes and supporting procedures that are performed to plan, deliver, operate, control, and improve IT services offered to customers. Offeror shall describe tools used for service management to include any integration of automated tools. Offeror shall include as part of its proposal any service management plan(s) which will be utilized to deliver, operate, control, and improve the services as described in this RFP.
response to this question has been covered in the above response

C. Quarterly Reports. The selected Offeror shall submit to the Commonwealth contract administrator a quarterly report, within ten (10) business days following the end of the reporting period, detailing the purchasing, or leasing volume by the Commonwealth and its using agencies. The report shall include all COSTARS political subdivisions and university purchases as well as any “piggyback” purchase by other state (non-PA) entities. A consistent reporting mechanism is required to be used by the selected Offeror and shall include, at a minimum, the following:

- Summary report of purchases by the using agency, including item description, item number, serial number, receipt date of the purchase order, the delivery date of the equipment, subtotals by segment and agency, and the total for the Commonwealth.
- Performance report indicating average delivery time for equipment, percentage of orders that were shipped incorrectly, failure rates (‘dead on arrival’), and percentage of deliver orders resulting in a backordered items.
- Customer satisfaction report detailing the performrance of the selected Offeror in the areas of quality assurance, accuracy of equipment shipped/receved, professionalism, flexibility, competence, timeliness of delivery, and response to questions.

Canon U.S.A., Inc. acknowledges and agrees with the changes below

D. Monthly Reports. The selected Offeror shall provide the following monthly reports, within ten (10) business days following the end of the reporting period:

- a. Service Level Reporting using the SLA metrics for up-time, on-time, and fix-time for each using agency.
- b. Response time and fix-time, by using agency, including incident address, model number, serial number, problem summary, call date and time, repsonse date and time, fix date and time, and resolution summary.
- c. Repeat request, by using agency, including the serial number for any MFDs having three (3) or more service requests on a rolloing thirty-day period as described in **Section VI.C.17**.
- d. Repeat request, by using agency, including the serial number fo any MFDs having five (5) or more service requests on a rolling sixty-day period as described in **Section VI.C.17**.

Canon U.S.A., Inc. acknowledges and agrees with the changes below

E. Device Usage Reports. The selected Offeror shall provide a device usage report at the request of the Commonwealth or using agency once per quarter per agency, within ten (10) business days following the request or end of the reporting period. The report shall, include at a minimum, the volume printed by device serial number, segment, and using agency. See **Appendix D, Device Usage Reports Sample** for additional information.

Canon U.S.A., Inc. acknowledges and agrees with the changes below

F. Problem Identification Report. An “as required” report, identifying problem areas. The report should describe the problem and its impact on the overall project and on each affected task. It should list possible courses of action with advantages and disadvantages of each, and include Offeror recommendations with supporting rationale.

Canon U.S.A., Inc. acknowledges and agrees

I. Objections and Additions to Standard Contract Terms and Conditions. The Offeror will identify which, if any, of the service levels in **Appendix, C MFD Service Level Agreements**, that it would like to negotiate. The Offeror’s failure to make a submission under this paragraph will result in its waiving its right to do so later, but the Issuing Office may consider late objections and requests for additions if to do so, in the Issuing Office’s sole discretion, would be in the best interest of the Commonwealth. The Issuing Office may, in its sole discretion, accept or reject any requested changes to the service level agreements. The Offeror shall not request changes to the other provisions of the RFP, nor shall the Offeror request to completely substitute its own terms and conditions for this RFP. All terms and conditions must appear in one integrated contract. The Issuing Office will not accept references to the Offeror’s, or any other, online guides or online terms and conditions contained in any proposal.

Regardless of any objections set out in its proposal, the Offeror must submit its proposal, including the cost proposal, on the basis of the terms and conditions set out in the terms and conditions or the service level agreements. The Issuing Office will reject any proposal that is conditioned on the negotiation of the terms and conditions set out in the terms and conditions contained in the Buyer Attachment section or to other provisions of the RFP.

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Technical Submittal

- I. Project Description.** The Commonwealth of Pennsylvania (Commonwealth) intends to award through this RFP, multiple contracts for leased multi-functional devices (MFDs) and other related services. Only Original Equipment Manufacturers (OEMs) may submit proposals for this RFP. This multiple award contract will meet the requirements detailed in **Section VI** of this RFP. The selected Offerors shall have the opportunity, through the submission of quotes, to provide MFDs and related to services to Commonwealth agencies and locations across the Commonwealth. The Commonwealth currently has approximately 6,000 devices installed across the state. The term for each lease will be for 48 months with fair market value purchase option upon the end of the lease term. Each lease may be extended for a period not to exceed twelve (12) months.
- II. Objectives.** Through the multiple award contract, the selected Offerors will provide equipment to using agencies at competitive prices that will meet or exceed the agencies requirement.
- III. Statement of the Project.** State in succinct terms your understanding of the project presented or the service required by this RFP.

Canon will provide the Commonwealth of Pennsylvania the opportunity to procure Digital Multifunctional Devices and other related services through the awarded contract. As the manufacturer, we are able to provide a full range of equipment and accessories including multi-function devices, networked and non-networked copiers and printers, black and white and color to meet the needs of the Commonwealth. We will also be utilizing Canon authorized dealers for all sales and servicing capabilities. Services include but are not limited to, assistance and ongoing support regarding problems/issues, guidance in the operation of the devices, and identification and correction of possible data or system errors All standard system or hardware maintenance. All services are included in the monthly cost offered to the Commonwealth.

Canon U.S.A., Inc. will use our financial company, Canon Financial to finance all of the Commonwealth of PA lease PO's specified within the RFP, all Fair Market Value leases will include warranty/service/consumables including fusers, developer, toner, and staples for a price that will encourage savings across the Commonwealth.

IV. Qualifications.

Company Overview. The Offeror shall provide an overview of the company. *Canon Inc., a publicly held corporation established in 1937, has promoted diversification and globalization in its leading manufacturing activities with the objective of contributing to society through technology. Canon has been active in the camera, optical products, imaging equipment, computer peripherals, Bubble Jet printing and supplies businesses. Canon advanced into overseas markets early in its history, establishing sales companies in the United States, Europe and other regions around the world. Through more than 294 consolidated subsidiaries and approximately 205,000 Canon employees in the global Canon Group, Canon delivers products required by the world's offices, industries, public organizations and consumers. December 29, 1965 marked a big milestone in the history of Canon, Canon U.S.A., Inc. was incorporated in the United States. Since this date Canon has been operating throughout the United States offering its full line of products.*

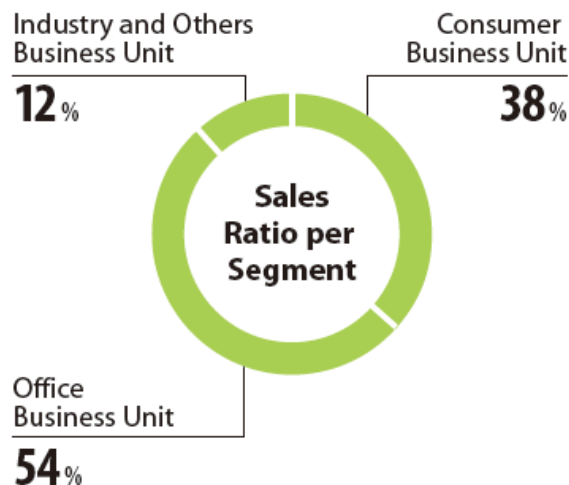
Canon U.S.A., Inc., is part of a global organization representing the very best in imaging technology. With an eye toward delivering next-generation products and solutions, we are constantly undertaking advanced research and new product development. This is most evident in Canon's commitment to consistently reinvest 10% of its \$36.1 billion global revenues to research and development. This allows Canon to maintain its technology leadership by working now on products projected for development 10 years in the future. Our engineer's and their associates have ranked in the top of patents issued by the US Patent office for multiple years. The global nature of our operations allows us to synergize fundamental research and product development, in addition to sales and marketing activities.

Canon's corporate philosophy is *Kyosei*. A concise definition of this word would be "Living and working together for the common good," but our definition is broader: "All people, regardless of race, religion or culture, harmoniously living and working together into the future." Unfortunately, the presence of imbalances in our world in such areas as trade, income levels and the environment hinders the achievement of *Kyosei*.

Addressing these imbalances is an ongoing mission, and Canon is doing its part by actively pursuing *Kyosei*. Truly global companies must foster good relations, not only with their customers and the communities in which they operate, but also with nations and the environment. They must also bear the responsibility for the impact of their activities on society. For this reason, Canon's goal is to contribute to global prosperity and the well-being of humankind, which will lead to continuing growth and bring the world closer to achieving *Kyosei*.

Market Leader:

Canon has managed to successfully produce technological advancements in all product categories in which it competes. This leadership position has made the company a pioneer of many technologies, features, and capabilities. Products developed from Canon R&D and patented technology include the laser beam print engine, Bubble Jet Printing systems, plain-paper copying devices, eye-control focus systems for cameras and camcorders, and optical image stabilization for video cameras, broadcast lenses, and binoculars. These advancements enable the company to maintain the market position and reputation of a leader. Canon has also led industry trends promoting the first Multifunctional Peripheral (MFP) and first Color Laser Copier (CLC).



* Sales ratios do not total 100% due to sales between segments of 4%.

- A. Prior Experience.** Include experience in the leasing and management of MFD equipment including, but not limited to, the implementation, service, maintenance, and training. Experience shown should be work done by individuals who will be assigned to this project as well as that of your company. Studies or projects referred to must be identified and the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.

Touched on above in the Company Overview section showing Canon as the market leader we are currently contract holders across all 50 States as well as the Federal Government. Canon currently holds the NASPO ValuePoint Contract which represents about 25 of our current contracts. Please see below specific references which includes MFD implementations, service, maintenance and training that fall in the scope of this RFP which are supported by personall referenced below.

1. The Offeror must include a least three (3) client/project references with its proposal. The references must be for installations completed within the past three (3) years. Complete **Appendix A, Project References Template** for each reference provided. Projects referred to must be identified and the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.
See attached Appendix A, Project References Template (3)
2. The Offeror must show what work was completed by subcontractors for each of the projects referenced.
See attached Appendix A, Project References Template (3)
3. The Offeror shall provide the following:
 - a. Details of any industry-recognized quality standard to which it is compliant, as well as any industry certifications or awards, received.

As a testament to Canon's leading market positions and innovative technology, following are numerous awards and acknowledgements Canon has received from various third parties:

- ▶ *Canon has been acknowledged by Interbrand as one of the 50 Best Global Brands and 50 Best Global Green Brands.*
- ▶ *Canon has also been placed on FORTUNE Magazine's 2017 World's Most Admired Companies List as fourth globally in the computers category and top three for innovation, financial soundness and long-term investment.*
- ▶ *Canon Inc., the parent company of Canon U.S.A., has been positioned by Gartner, Inc. in the Leaders quadrant of the Magic Quadrant for Managed Print Services, Worldwide1 report. The Gartner Magic Quadrant positions vendors based on their performance across two major categories: the Ability to Execute, in which Gartner evaluates each MPS provider on its "success in delivering results today, as well as its preparation to deliver results in the future," and Completeness of Vision, where Gartner evaluates a provider's "prospects for success by analyzing its view of the market, service operating model and strategic plans for growth and service improvements."*
- ▶ *Canon Virginia, Inc., a wholly owned subsidiary of Canon U.S.A., was the first equipment manufacturer (OEM) to achieve Responsible Recycling Practices for Electronics Recyclers (R2) certification at its manufacturing facility in Newport News, Va. The R2 Standard is a*

comprehensive set of best management practices governing the environmental, health, safety and security aspects of the electronics recycling industry.

- ▶ *Canon was also among the first manufacturers with qualifying products in the imaging equipment category of EPEAT®, the global registry for greener electronics and the first manufacturer to achieve EPEAT Gold rating, the highest level of registration. Governments, businesses and individual's worldwide use EPEAT to assist them in choosing devices that can help reduce their environmental impact. EPEAT rates products on a lifecycle basis and considers, among other things, their absence of toxic substances, their use of recycled and recyclable materials and their design for recycling, product longevity, energy efficiency, corporate performance and packaging.*
- ▶ *For the fifth consecutive year, Canon's customer support center has been awarded BenchmarkPortal's2 Center of Excellence certification, which places the call center in the top 10 percent as surveyed for efficiency and effectiveness.*
- ▶ *Furthermore, as a result of Canon's commitment to customer service and support excellence, Canon U.S.A. received the PCMag.com Readers' Choice Award for Service and Reliability in the digital camera and printer categories for the tenth consecutive year and camcorders for the past three years.*
- ▶ *Canon's line of Multifunction Printers (MFP), Large Format Printers and business software solutions proudly earned several awards from Buyers Laboratory LLC (BLI), the leading office-equipment testing lab and business consumer advocate. The Company received the BLI 2013 Solutions Line of the Year award for its extensive portfolio of document imaging software and was recognized in several individual product categories including, Outstanding Output Management Solution for its uniFLOW v5.1 software, Outstanding Achievement in Innovation for its Quick Printing Tool and Outstanding Achievement in Innovation for its Universal Login Manager.*
- ▶ *Canon U.S.A., Inc., is a leading provider of consumer, business-to-business, and industrial digital imaging solutions. With approximately \$36 billion in global revenue, its parent company, Canon Inc. (NYSE:CAJ), ranks third overall in U.S. patents registered*
- ▶ *Canon is one of Fortune Magazine's World's Most Admired Companies in 2017.*
- ▶ *Canon U.S.A. has received the PCMag.com Readers' Choice Award for Service and Reliability in the digital camera and printer categories for the tenth consecutive year, and for camcorders for the past three years.*
- ▶ *Canon U.S.A., Inc., is part of a global organization representing the very best in imaging technology. With an eye toward delivering next-generation products and solutions, we are constantly undertaking advanced research and new product development. This is most evident in Canon's commitment to consistently reinvest 10% of its \$36 billion global revenues to research and development. This allows Canon to maintain its technology leadership by working now on products projected for development 10 years in the future. Our engineer's and their associates have ranked in the top of patents issued by the US Patent office for multiple years. The global nature of our operations allows us to synergize fundamental research and product development, in addition to sales and marketing activities.*

† Based on weekly patent counts issued by United States Patent and Trademark Office.

All referenced product names, and other marks, are trademarks of their respective owners.

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1 Gartner, Inc. "Magic Quadrant for Managed Print Services, Worldwide," K. Weilerstein, S. McNee and E. Kim, 21 October 2013.

2 The "Center of Excellence" distinction is awarded by BenchmarkPortal in conjunction with the Center for Customer-Driven Quality, founded by Purdue University.

EMPS | Environmental Management & Product Safety

Navigation Menu

- Environmental Mgmt. System
- List of EMS Policies
- EMS Policy Updates
- Safety Data Sheets (SDSs)
- TSCA/LCSA
- Resource Center
- About EMPS

If you have any resources to add to the EMPS Resource Center, let us know at enviro@cusa.canon.com.

ISO Certificates

ISO 9000 and ISO 14000

ISO 9000 is a series of standards that address a company's quality management system(s). These standards ensure a company's commitment to meeting consumer quality requirements and compliance with all product regulations. ISO 9000 also represents a company's commitment towards continuous improvement in management performance in order to meet these standards.

Current ISO 9001 certificates are available on the Canon Europe website. Please visit http://www.canon-europe.com/About_Us/sustainability/business/iso_9001/ for copies of Canon's certificates.

ISO 14000 is a series of standards that address a company's environmental management system(s). These standards recognize a company's commitment to control the environmental impact of its products/services (minimizing any harmful effects) and to meet the requirements of current regulations and legislation. These standards also represent a company's commitment to continually improve its environmental policy and planning to ensure environmental excellence.


To view the current Canon Americas ISO 14001 certificate, [click here](#) for the title page, and [here](#) for the list of sites. Or, to view other ISO 14001 certificates held by Canon [click here](#).

Web Content

[Canon Canada Environment Webpage](#)

[Canon Inc. Environmental Frontrunner Products Webpage](#)

ISO 14001 Certificate*




See page 10 for Canon Americas certified sites.

*Requests to use the ISO logo must be sent to EMPS

Quick Links

- E-mail the EMPS Team
- Requests to use the ISO logo must be sent to EMPS
- Compliance Central
- View the Canon Americas Environmental Charter



- Access eRoom (for EMS Working Team members)

BPO Research Performance Radar

Which OEM Do Dealers Trust the Most?

**Canon Ranks No. 1
in OEM Trust**



BPO Research's Performance Radar helps dealers evaluate and understand how successfully the OEM brands they carry are positioned in the market, and against competitors.

The radar data comes from BPO Research's annual Dealer Perception Survey, measuring key performance metrics by OEM brand.



MARKET INTELLIGENCE FROM THE EXPERTS IN THE CHANNEL

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CANON U.S.A., INC. WINS THE AST 2017 PLATINUM "ASTORS" HOMELAND SECURITY AWARD

Canon U.S.A., Inc. was recently named by American Security Today (AST) as a winner of its 2017 Platinum "ASTORS" Homeland Security Award. The award recognizes Canon's imageRUNNER ADVANCE platform, uniFLOW, and imageWARE Secure Audit Manager Express for "*Best Access Control and Authentication Solution.*"

Canon's imageRUNNER ADVANCE platform offers a range of security capabilities and options that can help facilitate the confidentiality, accessibility, and availability of information. Canon's uniFLOW solution can help save organizations time and money by providing controls over their compatible printer, multifunction printer, and scanner fleets. imageWARE Secure Audit Manager Express is a networked device security solution that delivers detailed oversight of an organization's document-related activities on compatible devices.



CANON IS HONORED BY THE EPA

Canon U.S.A., Inc. is a proud recipient of the United States Environmental Protection Agency's 2018 ENERGY STAR® Partner of the Year—Sustained Excellence Award!



The 2018 Partner of the Year—Sustained Excellence Award is bestowed upon companies and other organizations demonstrating continued leadership in energy efficiency and commitment to the ENERGY STAR® program.

Canon has been recognized for the third consecutive year for its outstanding contribution to the reduction of greenhouse gas emissions by manufacturing energy-efficient products and educating consumers about energy efficiency.

ENERGY STAR® certified products help businesses save both money and energy while also doing their part to help reduce our nation's greenhouse gas emissions that contribute to climate change.

Canon's efforts, together with your own environmental and sustainability initiatives, can help leave a greener footprint on the earth for future generations.

Canon. The natural partner for business.



Awards-Brochure.pdf
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- b. Details on any industry standard (such as ITIL) the Offeror implemented to govern its service delivery.

Showing steadfast commitment to service and support, the Business Imaging Solutions Group (BISG) Technical Support Center of Canon U.S.A., Inc., a leader in digital imaging solutions, proudly receives the "Center of Excellence" certification from BenchmarkPortal for the ninth consecutive year. One of the most prestigious certifications in the customer service and support industry, the certification honors customer service call centers that rank in the top 10 percent of call centers surveyed.

"The certification of Canon U.S.A. is a direct result of its leadership's commitment to balancing cost-effective service solutions with best-in-class service performance," says Bruce Belfiore, CEO, and BenchmarkPortal. "It is an achievement of distinction."

To evaluate a call center, BenchmarkPortal researchers audit and validate companies against a balanced scorecard of metrics for efficiency and effectiveness. This balanced scorecard includes key performance indicators, customer satisfaction ratings, cost, and quality-related evaluations.

"As we approach nearly a decade of earned Center of Excellence Certifications, it paints a vivid picture of our continuous dedication to provide outstanding customer support and experience. We are once again honored to be recognized by BenchmarkPortal for our continuous efforts to provide exceptional customer support," says Leroy Farrell, vice president and general manager, Business Imaging Solutions Group, Engineering Services and Solutions, Canon U.S.A., Inc. "The recent launch of our new Customer Solutions Center speaks volumes about our continued commitment to providing state-of-the-art and innovative end-to-end solutions support for our channel partners and customers."

Customer Solutions Center fosters collaboration, with the technical support, engineering, and development teams all working together within one location to employ cutting-edge technologies that deliver outstanding service and support solutions to our channel partners , and in turn customers, across the enterprise, production, large format, image capture, and desktop imaging product lines.

- c.** Include any certification levels earned by the Offeror or key personnel.

*Net+
CDIA+
NIGP-GCC
Certified Document Imaging Architect certification
Network+ certification
NIGP*

- d.** Within the past three years, has the firm or venture been a party to any lawsuits or arbitration proceedings with regard to any contracts?
There are no such actions pending which hold any materially adverse effect on Canon U.S.A., Inc. business
- e.** How long has Offeror (s) provided this solution?
For over 30 years

B. Personnel. The selected Offeror shall identify a central point of contract for the management of the MFDs. Offeror shall identify the number of executive and professional personnel, analysts, auditors, researchers, programmers, consultants, etc., who will be engaged in the work. The Offeror must provide an organization chart clearly identifying the proposed personnel, the role, and the links between managers and staff. Show where these personnel will be physically located during the time they are engaged in the Project. For key personnel include the employee's name and, through a resume or similar document, the Project personnel's education, and experience. Indicate the responsibilities each individual will have in this Project and how long each has been with your company. The selected Offeror shall provide a central point of contact to address account issues.

The Commonwealth of Pennsylvania will have a single point of contact, the Account Executive will Bob Ackerson. He will marshal Canon's resources in support of the account. His responsibility will be the management of the enterprise wide relationship between the Commonwealth and Canon. The Account Executive will be supported by local support teams.

Canon has a very large team that will be supporting the Commonwealth if we are awarded. Canon has a dedicated team that supports all state contracts, the team is comprised of 4 dedicated Account Executives, 1 Sales Manager, 1 Director of Bid and Administration, 2 Sr. Government bid and contract specialist and extensive resources throughout the Canon Authorized Dealer Network.

Bob Ackerson, Canon's Government Account Executive, helps with the communication process, dissemination of information between Canon and Dealer, and is the Commonwealth's dedicated point of contact to manage the contract and communication with you. Bob is responsible for all product and sales/order/service issues under the resultant contract and interfaces with Canon's New York headquarters and coordinates the sales and service activities with Dealer.

Canon's Government Account Executive, is responsible for all product and sales/order/service issues under the resultant contract. They interface and coordinate the sales and service activities with Dealer. Any customer service questions may be directed to Canon's Government Account Executive on the resultant contract.

Frank Carol is the Government Account Executive Sr. Manager. He is responsible for overseeing all of the Government Account Executive activities and supports all sales efforts. He has been with Canon 24 years, 28 years of industry experience, 28 years selling to State institutions, Certifications include Net +, CDIA, NIGP, and GCC.

A Project Manager, the central point of contact for the Commonwealth will be engaged to act as the Commonwealth's primary point of contact for implementation planning and coordination. The Project Manager is responsible for managing the day-to-day operational aspects of the engagement, including:

- Identifying and securing required resources, and assigning individual responsibilities;*
- Creating a Communication Plan and proactively disseminating information to project stakeholders;*
- Managing stakeholder expectations;*
- Identifying, tracking, and managing project issues;*
- Coordinating and leading regularly scheduled project status meetings;*
- Defining and tracking project metrics to ensure project is completed on-time*
- Coordinating with the Commonwealth's I/T department to develop the equipment configuration, default settings, and rollout plan;*
- Reviewing and confirming equipment configurations;*
- Ensuring a thorough walk-through and service assessment have been completed prior to delivery;*
- Coordinating with the Commonwealth's Facilities department prior to and on the day of delivery to ensure all designated spaces are prepared for device placement;*
- Coordinating with internal Canon resources (i.e., warehouse, Service, Systems, etc.);*
- Physical acceptance of devices at the loading dock;*
- Recording all serial numbers of devices and accessories;*

- *Signing and retaining copies of Proof of Delivery documents;*
- *Coordinating with Service and Systems personnel to ensure timely preparation and installation of devices;*
- *Ensuring all devices and related accessories are accounted for and placed in their designated locations;*
- *Ensuring all devices are configured correctly and tested.*

See attached Resumes for the Account Executive and Sales manager

See attached Organization Chart for the support of the awarded contract

C. Subcontractors. Provide a subcontracting plan for all subcontractors, including small diverse business and small business subcontractors, who will be assigned to the Project. The selected Offeror is prohibited from subcontracting or outsourcing any part of this Project without the express written approval from the Commonwealth. Upon award of the contract resulting from this RFP, subcontractors included in the proposal submission are deemed approved. For each position included in your subcontracting plan provide:

1. name of subcontractor;
2. address of subcontractor;
3. number of years worked with the subcontractor;
4. number of employees by job category to work on this project;
5. description of services to be performed;
6. what percentage of time the staff will be dedicated to this project;
7. geographical location of staff; and
8. resumes (if appropriate and available).

Canon U.S.A., Inc. has a strong dealer network, which provides customers with a choice when it comes to selecting the dealer that best suits their needs. Our dealer channel allows us to expand our reach within the Commonwealth resulting in speedy response times and supporting our customers' needs more efficiently. Canon's highly skilled dealer network provides technical and sales expertise to customers, enabling them to implement the right solution for their application workflows. Further, by allowing orders to be secured by our dealers, it will allow small business to participate in the contract. Canon is committed to training our sales channels and, as a result Canon U.S.A., Inc. sales channels are of the most skilled in the industry. Additionally, in order to offer solutions customized to our customers unique requirements, we actively partner with third party organizations. These key business partnerships primarily consist of consumable supply and service fulfillment services.

Each dealer is required to sign a contract compliance to participate on the contract. This compliance document holds each dealer accountable for all pricing, terms and conditions. If dealer chooses not to sign the compliance they cannot participate on the contract. Each dealer is responsible for handling customer issues and if need be Canon's Account Executive will be involved in resolving any customer issues.

Dealer takes the following general steps to correct any customer reported instances of compromised service.

- *Meet with local staff responsible for service delivery*
- *Discuss the problem / Determine a solution that is appropriate and acceptable to the customer*
- *Formulate an action plan to avoid a recurrence*
- *Document the occurrence and resolution*
- *Include the core information in the next scheduled account performance review with Dealer staff and the Commonwealth's team members*

Our Canon authorized dealer network provides customers with a choice of selecting the sales and service provider that best suits their needs. Our network of authorized dealers allows us to expand our reach within the United States to ensure we deliver exceptional service regardless of diverse installation locations. This highly skilled network provides technical and sales expertise to customers, enabling them to implement the right solution for their application workflows. By allowing orders to be secured by our dealers, it will allow small businesses to participate in the contract thereby supporting small business participation throughout the United States. Further, by allowing orders to be secured by local dealers the revenue flows through the Participating State and in some cases, creates jobs by motivating dealers to employ dedicated people and resources to support the contract.

See Attached Subcontractor list

- V. Financial Capability.** Describe your company's financial stability and economic capability to perform the contract requirements. The Commonwealth reserves the right to request additional information to evaluate an Offeror's financial capability.

See attached Financial Capability Report

- VI. Requirements.** The proposed solution shall meet or exceed the following requirements. Offeror shall describe in its response how it will meet the outlined requirements.

- A. Request Management.** The selected Offeror shall perform request management including, but not limited to, order tracking, intake of requests, prioritization, escalation, resolution, and closeout. Offeror shall describe its approach to request management.

When an order is received by facsimile, email or website, it is automatically recorded in an imaging system that is backed-up every night to eliminate the chance that an order is lost. The order is then sent to our Administration Team that processes new placement orders. This team is required to process new orders within two (2) business days and provide details in an electronic screen attached to the order entry for any orders that are delayed for any reason. If there are special circumstances for delay, the order processor involves the Team Leader for resolution. As an additional measure for on-time delivery, Canon's order processing system generates an aging report on orders processed. A supervisor reviews the reports and delves into any orders that are delayed to help the order processor resolve any outstanding issues. Canon's order processors are evaluated by Canon on their accuracy, consistency and quantity of orders processed. Their pay increases are dependent upon the quality of their work and all of it is measurable by Canon's order system.

New placement orders, when fully processed, are designated for shipment from Canon's various warehouses. During the order entry phase, the system provides all warehouses (total of five (5) from which to choose) that have the ordered items and the processor selects the closest one to

the destination point. This method ensures that all items are available at the warehouse for shipment. The warehouse ships the ordered equipment within three (3) days and generates a record of shipment of each item back to Canon's Administration Team. Canon's warehouses utilize RFIC (radio frequency identification [chip]) technology to record data at all points of handling the equipment. The equipment will be shipped to Dealer. The shipping orders that are sent by the order processor to the warehouse are also faxed or emailed to Dealer to alert them of the upcoming shipment.

B. Solution Support.

1. Hours of Support. The selected Offeror shall provide support for the Commonwealth Monday through Friday 8:00 A.M. to 5:00 P.M. Eastern Time and weekends as requested. Support shall include, but not be limited to, assistance and ongoing support regarding problems/issues, guidance in the operation of the devices, and identification and correction of possible data or system errors.

Canon U.S.A., Inc. acknowledges and agrees

2. Types of Support. Offerors shall describe all types of solution support available (i.e. telephone, web chat, email). At a minimum email and phone support shall be provided.

With over 30 years in the document management industry, Canon U.S.A., Inc. is staffed with highly-skilled professionals who service and support the leading brand in the industry, Canon.

Canon's service and support division is literally the backbone of its success. Our Authorized Service Providers take great pride in their ability to provide comprehensive support and an integrated structure to provide customers with a broad range of technical service coverage that ensures ongoing satisfaction.

Canon's prides itself on the ongoing investment it continues to make in its Authorized Service Provider network. Our product training department is comprised of professionals who are solely dedicated to training end-users on their Canon investment. They are experienced in various unique business applications that use Canon technology and become a vital resource.

Our Service Program provides you with a single toll free number to call when service on your device is required. In those cases where service is required, our Centralized Support Center is available from 8:00 am to 8:00 pm, EST, to field service requests from your end-users or helpdesk personnel. Dispatch Center agents immediately dispatch the authorized service provider and work to ensure that prompt service is provided, typically within 4 business hours. By channeling calls through the Dispatch Center, the Canon can provide you with comprehensive service and machine performance/history reports. Canon also surveys customers who use this service to confirm that equipment is performing to their expectations and to ensure their satisfaction with Canon authorized service providers.

Also, our authorized dealers are full-service outsourcing partners. Authorized dealer's store parts and supplies necessary to meet the demands of the customers requiring quick response times. Having the largest certified service staff in the equipment location area will allow the Canon authorized dealer the flexibility to use multiple technicians during peak times.

- 3. Incident Management.** The Offeror shall provide and manage a process to track, monitor and resolve reported problems/issues. Offeror shall describe its methodology to classify problems as to criticality and impact, including resolution procedures and escalation process for each classification of problems/issues.

All service incidents are reported by customer personnel through Canon's customized centralized support center. Calls for service problems are immediately dispatched to the local service provider. The local field technician responds via telephone to the individual that placed the call advising them of his/her ETA. On average, on-site service calls are responded to within four (4) business hours. Most service call issues can be fixed without requiring any further assistance.

For those occasions when it becomes necessary to escalate a recurrent problem, the local service personnel typically has a senior trouble shooter assist in remedying the problem in a timely manner. If the need still exists to involve further technical resources, Canon is merely a phone call away. Canon's technical support hot-line open daily during normal business hours provides local service with a direct person-to-person link to Canon for quick problem resolution. With a complete lab of all Canon products at their disposal, the Canon technical specialist will provide the manufacturer with the resources required to solve the problem. Should it become necessary, Canon will dispatch a field technical specialist to a particular customer site to assist the local service personnel.

A device incident history is kept for each device which provides both Canon and the customer with a detailed and documented history of each device.

Model	Serial #	Severity	Training Level	Group	Description	State	Detected	Duration	Output	Response Time
Canon IR-AD...	JHQ200911	Critical	Untrained	General	paper jam (main unit).	Resolved	11/26/2013 11:25:50 AM	00:15:23	Color	0.25
Canon IR-AD...	JHQ200911	Warning	Untrained	Input	paper is out (edge).	Resolved	11/26/2013 10:11:12 AM	00:10:03	Color	0.00
Canon IR-AD...	JHQ200911	Warning	Untrained	Input	paper is out (letter).	Resolved	11/11/2013 10:10:36 AM	00:10:12	Color	0.00
Canon IR-AD...	JHQ200911	Other	Other	Other	Remaining Magenta Toner has reached 1000 Pages	Resolved	11/8/2013 4:40:40 PM	00:40:38	Color	0.00
Canon IR-AD...	JHQ200911	Warning	Untrained	Marker Supplies	toner is out (magenta).	Resolved	11/8/2013 4:14:35 PM	00:25:44	Color	0.00
Canon IR-AD...	JHQ200911	Critical	Untrained	Marker Supplies	waste toner is full.	Resolved	11/8/2013 11:20:25 AM	00:49:52	Color	0.83
Canon IR-AD...	JHQ200911	Warning	Untrained	Marker Supplies	toner is out (black).	Resolved	11/4/2013 2:34:29 PM	02:04:00	Color	0.00
Canon IR-AD...	JHQ200911	Warning	Untrained	Marker Supplies	toner is out (magenta).	Resolved	11/3/2013 12:04:08 PM	5:00:06:09	Color	0.00
Canon IR-AD...	JHQ200911	Warning	Untrained	Input	paper is out (letter).	Resolved	11/3/2013 11:48:29 AM	5:01:11:48	Color	0.00
Canon IR-AD...	JHQ200911	Warning	Untrained	Marker Supplies	waste toner needs to be checked.	Resolved	11/3/2013 7:49:55 AM	5:03:30:30	Color	0.00
Canon IR-AD...	JHQ200911	Warning	Untrained	Marker Supplies	toner is low (magenta).	Resolved	11/3/2013 7:31:05 AM	5:03:37:50	Color	0.00
Canon IR-AD...	JHQ200911	Other	Other	Other	Remaining Yellow Toner has reached 1000 Pages	Resolved	11/1/2013 1:28:39 PM	02:40:17	Color	0.00
Canon IR-AD...	JHQ200911	Warning	Untrained	Marker Supplies	toner is out (yellow).	Resolved	11/1/2013 12:57:04 PM	02:21:04	Color	0.00
Canon IR-AD...	JHQ200911	Warning	Untrained	Marker Supplies	toner is out (yellow).	Resolved	10/31/2013 1:47:41 PM	1:01:30:27	Color	0.00
Canon IR-AD...	JHQ200911	Warning	Untrained	Marker Supplies	toner is low (magenta).	Resolved	10/31/2013 1:01:02 PM	1:02:27:06	Color	0.00
Canon IR-AD...	JHQ200911	Warning	Untrained	Marker Supplies	toner is low (black).	Resolved	10/30/2013 3:07:52 PM	2:00:20:16	Color	0.00
Canon IR-AD...	JHQ200911	Warning	Untrained	Marker Supplies	toner is low (magenta).	Resolved	10/30/2013 8:12:53 AM	8:23:25:59	Color	0.00
Canon IR-AD...	JHQ200911	Warning	Untrained	Marker Supplies	toner is low (black).	Resolved	10/30/2013 8:12:53 AM	5:07:25:36	Color	0.00

All service calls are handled in the same matter and therefore not categorized in specific way. The call is documented with pertinent information and sent to the servicing partner.

- C. Emergency Preparedness.** To support continuity of operations during an emergency, including a pandemic, the Commonwealth needs a strategy for maintaining operations for an extended period of time. One part of this strategy is to ensure that essential contracts that provide critical business services to the Commonwealth have planned for such an emergency and put contingencies in place to provide needed goods and services.

- 1.** Describe how you anticipate such a crisis will impact your operations.

As a massive corporation involved in several industries and with partners around the globe, Canon has extensive experience in preparing for the unexpected. Canon understands that there are a number of types of crises that can impact manufacturing capability, data storage/records retention, logistics and available resources including water, electricity and manpower. Canon has its own 'Disaster Recovery Plan' for these exact scenarios and has on numerous occasions utilized that plan with success.

2. Describe your emergency response continuity of operations plan. Please attach a copy of your plan, or at a minimum, summarize how your plan addresses the following aspects of pandemic preparedness:

Canon's Business Continuity Plan is confidential; however we've provided the requested information below to the best of our ability within those parameters.

- a) Employee training (describe your organization's training plan, and how frequently your plan will be shared with employees)

Canon's plan is shared with employees as needed. Employees involved in critical functions of Canon's continuity plan are well versed in its processes and procedures. This information is documented internally and cross training & backups are in place should a specific emergency occur while a key member is away or unavailable for any reason.

- b) Identified essential business functions and key employees (within your organization) necessary to carry them out

In our past experience, some of the essential business functions affected have been our manufacturing (Japan's Great East earthquake in 2011), our service network (September 11th attacks in NYC) and our headquarters resources and data network (Hurricane Sandy). Canon was able to respond to each of these incidents with a contingency plan to resume business operations and even provide humanitarian assistance as well.

In response to the 2011 earthquake in Japan, Canon utilized operation sites that were unaffected across the Canon Group to compensate for the damage done to several manufacturing sites. Canon was able to resume operations spanning development, production and sales shortly thereafter.

In 2001 after the September 11 attacks, Canon was able to utilize its five national warehouses to provide emergency equipment, supplies and manpower for other customers. Canon's extensive dealer network ensured that if any one dealer was unable to fulfill service, there would always be a backup.

In 2012, Hurricane Sandy greatly affected Canon workers and the Canon USA headquarters in Lake Success. While many employees were without power for weeks, the office was without power and the servers were unavailable for only a short time. Canon's data and servers were backed up to a separate location allowing employees to work remotely where possible and backup generators ensured employees could return shortly after.

- c) Contingency plans for:

- i. How your organization will handle staffing issues when a portion of key employees are incapacitated due to illness.

Canon is structured so that these functions are not provided solely from one location. Another Canon office (not located in a quarantine zone) would be available to provide support to customers in need. If service technicians are unavailable within a given region, Canon can mobilize additional personnel from other areas as needed

- ii. How employees in your organization will carry out the essential functions if contagion control measures prevent them from coming to the primary workplace.

Many Canon employees responsible for essential functions within our Organization have the capability to work remotely from their homes. In addition, should one location cease functioning, Canon is able to fulfill its requirements by utilizing other resources across our global network.

iii.

- d) How your organization will communicate with staff and suppliers when primary communications systems are overloaded or otherwise fail, including key contacts, chain of communications (including suppliers), etc.

Canon has implemented a companywide communication system for all of its employees which utilizes email / phone / text as well as backups for each should there be an issue with a Canon server or something that might restrict our standard forms of communication.

- e) How and when your emergency plan will be tested, and if the plan will be tested by a third-party.

Canon's emergency plan is tested twice a year and is done both internally and externally

D. MFD Management.

1. Offeror must propose a model for each segment in listed in **Appendix B, MFD Requirements.**

Canon U.S.A., Inc. acknowledges and agrees

2. The selected Offeror shall cooperate and work with the Commonwealth staff and its contractors to meet the requirements of the contract resulting from this RFP.

Canon U.S.A., Inc. acknowledges and agrees

3. The selected Offeror shall not provide MFDs that require commercially available software for its use through the contract resulting from this RFP unless the Commonwealth has entered into a software license agreement with the software licensor. **Appendix E, Software Requirements Agreement.**

Canon U.S.A., Inc. acknowledges and agrees

4. The selected Offeror shall provide operating instruction and manuals for all MFDs.

Canon U.S.A., Inc. acknowledges and agrees

5. All MFDs shall be UL approved. Any special voltage needed beyond the standard 110v must be indicated. The Commonwealth will furnish suitable electrical current to operate the MFD.

Canon U.S.A., Inc. acknowledges and agrees

6. The selected Offeror shall identify the end of life date and buyer's laboratory overall rating for each proposed model of MFD.

- *imageRUNNER ADVANCE 4525i II – BLI does not do full scale testing on each individual model within the same series, however the 4525i was deemed similar to the 4535i which received the highest possible overall rating, Highly Recommended.*
- *imageRUNNER ADVANCE 4535i II – Highly Recommended*
- *imageRUNNER ADVANCE 4545i II - BLI does not do full scale testing on each individual model within the same series, however the 4545i was deemed similar to the 4551i which received the highest possible overall rating, Highly Recommended.*
- *imageRUNNER ADVANCE 6555i II - BLI does not do full scale testing on each individual model within the same series, however the 6555i was deemed similar to the 6565i which received the highest possible overall rating, Highly Recommended.*

- *imageRUNNER ADVANCE 6565i II - Highly Recommended*
- *imageRUNNER ADVANCE C3530i II - Highly Recommended*
- *imageRUNNER ADVANCE C5540i II - BLI does not do full scale testing on each individual model within the same series, however the C5540i was deemed similar to the C5535i which received the highest possible overall rating, Highly Recommended.*
- *imageRUNNER ADVANCE C5535i II - Highly Recommended*

*** All ratings listed above are for the predecessor models as the 'Mark II' series was just recently released and has not been tested by BLI. The Mark II series includes identical hardware to the predecessor models and now offers several standard features which were previously optional.*

There is no set end of life date or discontinuation date for our proposed equipment however Canon will commit to providing parts and support for equipment proposed for 7 years past the date of discontinuation.

7. Upon request, the selected Offeror shall provide "right-sizing" assessment services to the Commonwealth to aid in the identification of cost effective equipment. This service will be provided at no additional cost.

Canon U.S.A., Inc. acknowledges and agrees

8. The selected Offeror shall be responsible for the replenishment of all consumable supplies required to operate the MFDs, with the exception of paper, at no additional cost to the Commonwealth. Consumables shall include, but are not limited to, fusers, developer, toner, and staples.

Canon U.S.A., Inc. acknowledges and agrees

9. The selected Offeror shall deliver consumables within five (5) days of request by the Commonwealth.

Canon U.S.A., Inc. acknowledges and agrees

10. The MFD's shall meet or exceed the following security requirements;

- a) All MFDs shall accept print jobs only from known users and must be able to preclude communications from anonymous or unknown users, or any other unauthorized or unknown communication source.

Yes, with IP Address Filtering or Mac Filtering feature. (Details below)

Another option would be to use "Authentication (uniFLOW or ULM)" and "Access Management System" to have stronger and flexible control over who has access to the device.

IP Address Filtering

The imageRUNNER ADVANCE Series support two types of IP Address Filtering as described below. Third Generation allows for the choice between Type1 and Type2 .Second Generation only allows for “IP Address Filtering Type 2(Receiving and Transmitting Packets)”

- **IP Address Filtering Type1 (Receiving Packets)**

IP Address Filtering Type 1 is a function to permit or reject reception of packets from the specified IP Addresses. Administrators can decide to enable IP Filtering for the RX Print and Setting/Browsing functions, and can specify filtering options (Permit/Reject).

Up to eight individual IP addresses or IP address ranges can be specified. The default value of all options for this feature is "Disable" (permit reception).

The target applications (protocols) and the number of addresses that may be specified are as follows:

Category	Handling	Number of IP addresses (ranges)	Target application
RX Print	Permit	IPv4: 8, IPv6: 8	LPD, RAW, SMB, FTP HTTP (IPP), PDF, SMTP, BMLinkS, WSD
	Reject	IPv4: 8, IPv6: 8	
Setting/Browsing	Permit	IPv4: 8, IPv6: 8	SNMP, HTTP (RUI), SLP
	Reject	IPv4: 8, IPv6: 8	

- **IP Address Filtering Type 2 (Receiving and Transmitting Packets)**

IP Address Filtering Type 2 is a function to permit or reject reception (RX) and transmission (TX) of packets to and from the specified IP Addresses. There is no distinction between "RX/Print" and "Setting/Browsing" as there is with IP Address Filtering Type 1.

A maximum of 16 addresses may be registered for RX packets and TX packets, respectively. Note that IPv4 addresses and IPv6 addresses are registered separately.

The previous distinction between "RX/Print" and "Setting/Browsing" no longer exists.

The setup required for filtering involves configuration of the default policy (either Reject or Permit), followed by registration of the IP addresses to be exempt.

If the default policy is to "Permit," then the IP addresses you want to reject must be registered. Conversely, if the default policy is to "Reject," then the IP addresses you want to permit must be registered. The default value for the default policy is to "Permit" for both reception and transmission.

IP Address Filtering

The imageRUNNER ADVANCE Series support two types of IP Address Filtering as described below. Third Generation allows for the choice between Type1 and Type2 .Second Generation only allows for “IP Address Filtering Type 2(Receiving and Transmitting Packets)”

- **IP Address Filtering Type1 (Receiving Packets)**

IP Address Filtering Type 1 is a function to permit or reject reception of packets from the specified IP Addresses. Administrators can decide to enable IP Filtering for the RX Print and Setting/Browsing functions, and can specify filtering options (Permit/Reject). Up to eight individual IP addresses or IP address ranges can be specified. The default value of all options for this feature is "Disable" (permit reception). The target applications (protocols) and the number of addresses that may be specified are as follows:

Category	Handling	Number of IP addresses (ranges)	Target application
RX Print	Permit	IPv4: 8, IPv6: 8	LPD, RAW, SMB, FTP HTTP (IPP), PDF, SMTP, BMLinkS, WSD
	Reject	IPv4: 8, IPv6: 8	
Setting/Browsing	Permit	IPv4: 8, IPv6: 8	SNMP, HTTP (RUI), SLP
	Reject	IPv4: 8, IPv6: 8	

- **IP Address Filtering Type 2 (Receiving and Transmitting Packets)**

IP Address Filtering Type 2 is a function to permit or reject reception (RX) and transmission (TX) of packets to and from the specified IP Addresses. There is no distinction between "RX/Print" and "Setting/Browsing" as there is with IP Address Filtering Type 1. A maximum of 16 addresses may be registered for RX packets and TX packets, respectively. Note that IPv4 addresses and IPv6 addresses are registered separately.

The previous distinction between "RX/Print" and "Setting/Browsing" no longer exists. The setup required for filtering involves configuration of the default policy (either Reject or Permit), followed by registration of the IP addresses to be exempt. If the default policy is to "Permit," then the IP addresses you want to reject must be registered. Conversely, if the default policy is to "Reject," then the IP addresses you want to permit must be registered. The default value for the default policy is to "Permit" for both reception and transmission.

- b) The selected Offeror shall have the ability to test, distribute, and apply print server and MFD patches, and other critical and/or non-critical security updates.
Yes. With the third generation models, we have Unified Firmware Platform. With UFP on third generation devices, we can now add new features to add to the value of the device. About 2 times a year, we're introducing new functions, new usability features and security updates.
- c) All MFD open ports, including, but not limited to, LPD, LPR, SMB, IPP, FTP, TFTP, mail, and terminal, must have the ability to be disabled or locked down with a hardened password of a minimum of twelve (12) characters or more. Password used for locking down open ports shall be at least twelve (12) characters long and include letters, numbers, and symbols.

Enabling/Disabling Protocols/Applications: Through Canon's device setup and installation utilities, network administrators are provided with the ability to configure the specific device protocols and service ports that are accessible. As a result, unwanted device communication and system access via specific transport protocols can be effectively blocked. Canon imageRUNNER ADVANCE systems have the ability to disable unused TCP/IP ports to further secure the devices.

Disabling ports affects the available functions and applications on the device.
Configurable ports* include:

imageRUNNER ADVANCE Port Summary

Name	Port	Default	Description	Setting
TCP				
LPD	515	ON	LPD print	[Preferences]->[Network]->[TCP/IP Settings]->[LPD Print Settings]
RAW	9100	ON	RAW print	[Preferences]->[Network]->[TCP/IP Settings]->[RAW Print Settings]
HTTP	80	ON	World Wide Web HTTP	[Preferences]->[Network]->[TCP/IP Settings]->[Use HTTP]
				[Preferences]->[Network]->[TCP/IP Settings]->[Confirm Dept. ID PIN] [Preferences]->[Network]->[TCP/IP Settings]->[IPP Print Settings]->[Use SSL] [Set Destination]->[Make Remote Add. Book Open]->[Make Address Book Open] [Management Settings]->[Device Settings]->[Device Information Delivery Settings]->[Restrict Receiving for Each Function] [Function Settings]->[Send]->[E-Mail/FAX Settings]->[Communication Settings]->[Authent./Encryption]->[Allow SSL(SMTP Receive)]
HTTPS	443	OFF/ON	HTTP over TLS/SSL	
HTTP(MEAP)	8000	ON	World Wide Web HTTP for MEAP	[Preferences]->[Network]->[TCP/IP Settings]->[Use HTTP]
HTTPS(MEAP)	8443	OFF/ON	World Wide Web HTTP for MEAP	[System Settings]->[MEAP Settings]->[Use SSL]
				[Function Settings]->[Send]->[E-mail/Fax Settings]->[Communication Settings]->[SMTP RX] COPIER-OPTION-Network-SMTPRXPN COPIER-OPTION-Network-SMTPRXPN
SMTP	25	OFF	Simple Mail Transfer Protocol	
IPP	631	OFF	Internet Printing Protocol	[Preferences]->[Network]->[TCP/IP Settings]->[IPP Print Settings]
FTP	21	OFF	File Transfer Protocol	[Preferences]->[Network]->[TCP/IP Settings]->[FTP Print Settings]->[Use FTP Printing]
netbios-ssn	139	OFF	NETBIOS Session Service (SMB)	[Preferences]->[Network]->[SMB Server Settings]->[Use SMB Server]
CIFS	445	OFF	CIFS	[Preferences]->[Network]->[SMB Server Settings]->[Use SMB Server]
VNC	5900	OFF	Canon VNC port	[Management Setting]->[License/Other]->[Remote Operation Setting]
SSO-H	10000-10100	OFF	Single Sign-On Hybrid (Only when SSO-H Login Service is selected)	[SMS]System Management-Enhanced Sys. App
RemoteConsole	19001	OFF	JVM RemoteConsole (Debug for MEAP Application)	[MEAP Developer's Dialog]Remote Console Functions
Remote Fax	20317	OFF	Remote Fax	[Function Settings]->[Send]->[FAX Settings]->[Remote FAX Settings]->[Use Remote FAX]
WSDScan	60000	OFF	WSDScan	[Preferences]->[Network]->[TCP/IP Settings]->[WSD Settings]->[Use WSD Scan Func]
SIP	5060	OFF	IP FAX	[Preferences]->[Network]->[TCP/IP Settings]->[SIP Settings]
SIP REGIST (TLS)	5061	OFF	IP FAX	
t38	49152	OFF	IP FAX	[Preferences]->[Network]->[TCP/IP Settings]->[SIP Settings]
UDP				
SNMP	161	ON	SNMP	[Preferences]->[Network]->[SNMP Settings]->[Use SNMPv.1] [Preferences]->[Network]->[SNMP Settings]->[Use SNMPv.3]
SLP	427	OFF	Service Location Protocol	[Preferences]->[Network]->[TCP/IP Settings]->[Multicast Discovery Settings]->[Response]
WSD	3702	OFF	WSD WS-Discovery	[Preferences]->[Network]->[TCP/IP Settings]->[WSD Print Settings]->[Use WSD]
netbios-ns	137	OFF	NETBIOS Name Service (SMB)	[Preferences]->[Network]->[SMB Server Settings]->[Use SMB Server]
netbios-dgm	138	OFF	NETBIOS Datagram Service (SMB)	[Preferences]->[Network]->[SMB Server Settings]->[Use SMB Server]
IPsec	500	OFF	IPsec IKEv1	[Preferences]->[Network]->[TCP/IP Settings]->[IPsec Settings]->[Use IPsec]
IPsec	4500	OFF	IPsec IKEv1	[Preferences]->[Network]->[TCP/IP Settings]->[IPsec Settings]->[Use IPsec]
BMLinkS	1900	OFF	BMLinkS Discovery	[Preferences]->[Network]->[TCP/IP Settings]->[BMLinkS Settings]->[Use BMLinkS]
				[Preferences]->[Network]->[DNS Settings]->[mDNS Settings]->[Use mDNS IPv4]
mDNS	5355	OFF	mDNS / mDNS-SD	[Preferences]->[Network]->[DNS Settings]->[mDNS Settings]->[Use mDNS IPv6]
SIP	5060	OFF	IP FAX	[Preferences]->[Network]->[TCP/IP Settings]->[SIP Settings]
RTP	5004	OFF	IP FAX	[Preferences]->[Network]->[TCP/IP Settings]->[SIP Settings]
RTCP	RTP+1(5005)	OFF	IP FAX	
t38	49152	OFF	IP FAX	[Preferences]->[Network]->[TCP/IP Settings]->[SIP Settings]

*With logged in as "Administrator" above ports can be open or closed.

*Password can be set be at least twelve (12) characters long and include letters, numbers, and symbols. (PW on "Security Policy Settings" or "Setting/Registration")

Security Policy Setting Items / [Password Settings Policy]
MenuTop / Settings/Registration / <Management Settings> / <Security Settings>

*Ports not listed on the "Port summary" are closed. (TFTP, terminal)

- d) MFD SNMP and SNMP2 must have the ability to be changed to read only, and have the ability either to be disabled or include a hardened string.
Yes. Able to disable SNMP and SNMP3.
- e) All network access, including but not limited to web server/administration, MS file share, FTP/SFTP, or WebDAV web service access, must have the ability either to be permanently disabled or protected by a hardened password of twelve (12) characters or more containing letters, numbers, and symbols.
Yes. Able to disable SNMP and SNMP3.
- f) All scanning must be done via a secure, encrypted transaction, require a secure domain user logon, and require Microsoft Active Directory authentication or LDAP authentication. Microsoft transaction is preferred, and the device must have the ability to enable or disable FTP.
Yes. We have multiple ways of authenticating before scanning is performed. UA, ULM, uniFLOW or ASEND can be used. FTP can be disabled at the device level.
- g) All PDF documents must have permissions controlled with 128-bit encryption.
*Yes. Files sent from a Canon device use 256-bit encryption.
Encrypted PDF*
- The Encrypted PDF mode enables users to encrypt, set password and define permissions for PDF files that are sent to an e-mail address or file server for enhanced security. Only users who enter the correct password can open, print, or change the received PDF file.*
- Encrypted PDF mode can be used only if an e-mail address or file server is specified as the destination. If a fax number, I-fax address, or inbox is specified as the destination, a user cannot send the job as an encrypted PDF file.
Encrypted PDF files can be saved using 40bit RC4, 128bit RC4 or the 128bit AES algorithms. When sending with Encrypted PDF 128bit AES, Acrobat 7.0 or later is required to open the PDF file. With the imageRUNNER ADVANCE devices Encrypted PDF offers AES 256-bit support.*
- *Encrypted PDF is standard on 2nd edition*
- h) All information temporarily stored on the device must be encrypted. Once a job has processed, all information must be purged from the internal device storage.
Yes. imageRUNNER ADVANCE provide standard HDD Encryption (256-bit support).
- Encrypts image data before storing to the hard disk. Both temporary and permanent data stored in Advanced Box and Mail Box are encrypted to meet Common Criteria Certification EAL3. FIPS 140-2 Level 2 Validated.
imageRUNNER ADVANCE also has HDD Erase as a standard features set.*
- Delete Job Data after each task by overwriting the 0 data or random data.
Deletion Mode: Once with 0 data, Once with random data, 3 times with 0 data, (DoD Standard).*
- Additionally imageRUNNER ADVANCE provides "HDD Initialize" as standard feature for initializing after lease is finished. Erase (Initialize) all user*

data/settings stored in the hard drive. Prints a confirmation report after completion. Deletion Mode: Once with 0 data, Once with random data, 3 times with 0 data, 9 times with 0 data (NEW), (DoD Standard)

i) The hard drives in the leased equipment will be retained by the Commonwealth leasing agency.

Canon U.S.A., Inc. acknowledges and agrees

j) All information temporarily stored using internal storage must be accessed only through Microsoft Active Directory or LDAP authentication.

Yes. When authentication is activated it can be set to accept access only through LDAP or AD.

k) Access to temporarily stored information, using internal storage, must be restricted to the creator of a file or the system/MFD administrator only.

Yes. When authentication is activated it can be set to accept access only through LDAP or AD.

l) All fax transactions must be kept in a separate buffer from all print and/or scanning functions of the Device. Fax transactions must not remain in the buffer after the fax transaction has been completed. No information may reside in permanent storage.

Yes. When "HDD Data Complete Deletion" is activated requirement can be met.

** Please see Security White paper attachment*

11. MFD Invoicing. The selected Offeror shall accept SAP generated invoices for reoccurring lease payments.

Canon U.S.A., Inc. acknowledges and agrees

12. MFD Training Requirements. Offeror shall describe it's training plan, approach, and material available. The selected Offeror shall provide on-site training to users upon installation of a new MFD. The selected Offeror shall provide additional training as requested by the Commonwealth, on a mutually agreed upon date, for the term of the lease. All training services performed during normal business hours shall be provided by the Offeror, at no additional cost to the Commonwealth.

The selected Offeror shall provide users with hands-on training and materials including a detailed walk-through of all machine features. In addition, if the MFD is connected to the network, the Contractor must demonstrate remote printing capabilities.

To ensure end-users have a thorough understanding of the services and products implemented onsite, Canon's Solution Integration Team provides ongoing support through customized training plans. Your Solution Integration Specialist is responsible for:

- *Developing a standardized implementation training plan*
- *Coordinating on-site and remote training via WebEx*
- *Coordinating ongoing training plans to encourage continuous learning by your end-users*

- *Developing client-specific training materials, quick reference guides, and tips to help ensure end-user understanding and satisfaction*

Personalized Equipment Training

- *Device Authentication – An overview of how to access the device functions by authenticating using the employee ID badge. Approximate training time 5 min.*
- *Copier Training – An overview of the copier features (includes stapling, duplexing, enlarging and reducing documents, overview of machine components, clearing basic paper jams, and advanced features). Approximate training time 15 min. (time frame dependent on the interest and needs of the department).*
- *Print Training – An overview of the universal print driver, essentially all features available on the copier can be chosen on your desktop through the print driver. Approximate training time 20 min. (time frame dependent on the interest and needs of the department).*
- *Fax Training – An overview of how to fax from the imageRUNNER ADVANCE (includes demonstration of how to enter fax numbers into the Address Book). Approximate training time 10 min.*
- *Scan Training – An overview of how to scan to email from the imageRUNNER ADVANCE (includes demonstration of how to manually enter email addresses, access LDAP directory if enabled, and creating Address Book entries). Approximate training time 15 minutes.*

Upon installation, Canon arranges training for customers key operators. Canon can make arrangement as requested, to travel to your location and meet with your team. Our staff of professional trainers helps users learn how to maximize the technology to help individuals perform their job quickly and efficiently. Training includes hands-on activities, manuals, and videos. Instruction can be provided either individually or in a classroom setting.

- 13.** *Canon will provide personalized training to ensure end users understand the newly installed technology and how to incorporate it into their daily workflows to maximize its benefit. Trainers will be provided, in addition to Canon sales and service provider personnel. All will be experienced in the proposed equipment **MFD Maintenance**. All standard system or hardware maintenance shall be completed during business hours defined as 8:00 A.M. to 5:00 P.M. Eastern Time, Monday through Friday. The Commonwealth requires the selected Offeror to provide the following in the way of maintenance coverage for the proposed solution:*

- Ongoing software updates for the proposed solution, as they become available and are thoroughly tested; such updates may include but are not limited to bug fixes, patches and other improvements.*
- Canon U.S.A., Inc. acknowledges and agrees*
- The selected Offeror must receive Commonwealth approval prior to implementing any software updates in the training, testing or production environments.*
- Canon U.S.A., Inc. acknowledges and agrees*

- e) Software updates that modify features and functions shall include an update to online help, training tutorial, reference guides and user manuals upon completion or at a date agreed to by the Commonwealth.
- f) *Canon U.S.A., Inc. acknowledges and agrees*

14. Removal and Disposal. The selected Offeror shall provide 60-day notice of upcoming lease expiration to the Commonwealth designee. Upon notification of the requirement for machine removal due to expiring or cancelled lease, the Offeror shall remove the machine on the pickup date as directed by the Commonwealth. When possible, the Commonwealth will provide 30-day notice for removal. The Commonwealth is not responsible for any payments after the lease expiration/cancellation date if the machine has not been removed by the Offeror.

Note: The information provided above supersedes any contradictory information provided within V.48 (M)Terms and Conditions.

Canon U.S.A., Inc. acknowledges and agrees

15. Relocation. The selected Offeror is responsible to assure prompt relocation of all MFDs procured under its contract. The selected Offeror shall perform moves of less than twenty-five (25) miles at no cost one time during the MFD lease period. Relocation of an MFD more than once, or beyond a twenty-five (25) mile distance will be billed at the cost identified in the attached **MFD Cost Matrix**. The Offeror is responsible for the preparation of the MFD. Damages resulting from the transfer of a machine during relocation are not the responsibility of the Commonwealth. The Commonwealth reserves the right to request the Offeror to transfer its MFDs, after notification, to any facility or location other than the original place of installation.

Canon U.S.A., Inc. acknowledges and agrees

16. Substitution. If during the term of the contract new MFDs become available, the Offeror may, with the written approval of the Commonwealth, substitute a new model if it offers features, technologies, or standards that are equal to or greater than the original model. The cost of any new MFD must be less than or equal to the model it is replacing. At no time will there be more than one approved model in each segment per contractor.

Canon U.S.A., Inc. acknowledges and agrees

17. Repetitive Service. The selected Offeror shall provide the following information in its monthly reports. See **Section VIII.D** for additional information.

1. The selected Offeror shall report monthly all MFDs with repetitive service requests totaling three (3) or more in a rolling thirty-day period.
2. The selected Offeror shall report monthly on all MFDs with repetitive service requests totaling five (5) or more in a rolling sixty-day period. The selected Offeror, after consultation with the Commonwealth and the agency, shall replace the MFD at no charge with a new machine with comparable features and capabilities. A new lease term will not commence, but rather the Commonwealth will only be responsible for the remaining payments in the unexpired term of the original MFD.

3. If the cause of the service request(s) are due to operator misuse or abuse by the Commonwealth, the request will not count against the Offeror for this requirement.

Canon U.S.A., Inc. acknowledges and agrees

18. MFD Customer Satisfaction. The selected Offeror shall initiate customer satisfaction surveys which must indicate performance. The Commonwealth will determine the format and delivery mode of the survey.

Canon U.S.A., Inc. acknowledges and agrees

19. Optional Services/Features. Offeror shall describe any additional services or features that are available at no additional cost to the Commonwealth.

Canon's equipment pricing includes freight, basic installation and operator training.

Canon's new models that we are proposing now including the following four (4) security features that were previously optional as standard now

- (1) *Encrypted Secure Print*
- (2) *Secure Watermark*
- (3) *Encrypted PDF*
- (4) *Device Signature PDF*

To support local recycling, Canon has engraved a plastic resin code on each container. Canon toner particles and plastic toner containers are safe for local recycling and local energy recovery facilities.

20. Service Level Agreements (SLAs). The selected Offeror shall meet or exceed the SLAs described in **Appendix C, MFD Service Level Agreements.**

Canon U.S.A., Inc. acknowledges and agrees to this statement with the attached updates

21. Price List Changes/Product Changes. The selected Offeror may update their price list or product changes every quarter or biannually, beginning with the contract awarded date to reflect new products, and manufacturer's price changes, deletion of discontinued products, etc.

Canon U.S.A., Inc. acknowledges and agrees

VII. Tasks. Describe in narrative form your technical plan for accomplishing the work using the task descriptions as your reference point. Modifications of the task descriptions are permitted; however, reasons for changes should be fully explained. Indicate the number of person hours allocated to each task. Include a Program Evaluation and Review Technique (PERT) or similar type display, time related, showing each event. If more than one approach is apparent, comment on why you chose this approach.

A. Delivery of MFDs. Offeror shall describe their delivery services. The selected Offeror shall provide delivery of equipment within ten (10) days following the receipt an order or on a date agreed to by the Commonwealth. Order shall be F.O.B. Destination with all freight charges paid by the Offeror. Each delivered piece of equipment shall include a packing slip, model number, serial number, and purchase order number. Partial shipments are acceptable only if authorized by the Commonwealth. The selected Offeror shall ensure all incorrect shipments and/or invoices are corrected within ten (10) business days. The status of the delivery order shall be communicated to the Commonwealth within five (5) business days.

The installation/deployment process is unique to every account. Equipment is delivered pre-installed with Networking information, or alternatively, this can be done on site. Canon will assemble the components and deliver the MFD without the packaging material so this material can be recycled.

The following steps are taken after the initial warm up of the ImageRUNNER models if applicable:

- a) *Toner Preparation*
 - i) *Gradation is completed for Color ImageRUNNER*
 - ii) *Toner Stir is completed for ImageRUNNER*

- b) *The technician will run the following copies*
 - i) *10 Direct Copy- Letter*
 - ii) *1 Reduced Copy- Letter*
 - iii) *1 Enlarged Copy- Letter*
 - iv) *10 Direct Double Sided Copy- Letter*
 - v) *5 from Copy Glass*
 - vi) *5 from DADF*
 - vii) *1 Sky Shot- Letter*
 - viii) *10 Direct Copy- Letter-R*
 - ix) *10 Direct Copy- Legal*
 - x) *10 Direct Copy- 11x17*

- c) *Internal Finisher/Additional Finisher Tray/Inner 2 Way Tray Installation*
 - i) *Staple Function*
 - ii) *Auto Collate Function*
 - iii) *Punching Function (If puncher unit is installed)*
 - iv) *Tray Designation Function (If additional tray or Inner 2-way Tray w/o finisher is installed)*

- d) *On Color ImageRUNNER*
 - i) *run internal test prints to guarantee perfect color registration and color density*
 - ii) *perform a fixing adjustment*

- e) *Final Test*
 - i) *Print P-Print to ensure all options are installed and functioning*

- f) *Preparation for Delivery*
 - i) *Sample copies, manuals, CDs, cables, ect. are packaged with the machine*
 - ii) *Machine is shrink wrapped*
 - iii) *Edge protectors are added to the device to prevent damage during delivery (36"x3"x3")*

- g) *Delivery Onsite*
 - i) *Delivery drivers will unwrap machine and unbox accessories (majority of the installs)*
 - ii) *Some delivery drivers will install the external finisher, remaining will be installed by service*
 - iii) *Field technician will install accessories and test functionality*
 - iv) *Field technicians will give brief overview of equipment to customer, then instruct how to place a service call*

Canon U.S.A., Inc. acknowledges and agrees with the changes below

B.

Canon understands that timely delivery is important to the Commonwealth. However, industry standard for delivery is deliveries are to be made within 30 Days of accepted and valid order. Canon will provide deliveries within 30 days of an accepted and valid order. However we will make a reasonable effort to meet shorter delivery timelines when requested.

Canon will offer the following delivery options:

- *Standard Delivery - All Canon Equipment and Accessories will be delivered from 1 to 30 days after receipt of valid order.*
- *Expedited Delivery - Items available for expedited delivery will be determined on a case-by-case basis.*
- *Overnight and 2-day Delivery - Overnight and 2-day delivery will be determined on a case-by-case basis and expedited shipping charges may apply.*

- C. Installation of MFDs.** The selected Offeror is responsible for the installation of all MFDs and shall certify readiness for operation in writing. Readiness for operation includes all features and functions **requested** by the Commonwealth using agency are fully operational and requested staff training has been completed.

Prior to delivery, the selected Offeror shall survey and review the installation location to insure the agency's desired location for the MFD meets the manufacturer's established installation criteria. Should the proposed installation location not meet established installation criteria, the Offeror and the requesting agency shall attempt to locate an alternate mutually agreeable location for the machine.

At the time of installation of an MFD, the Offeror shall provide consumable supplies sufficient to produce the maximum number of copies for one month.

The selected Offeror shall affix a label or decal to the MFD at the time of installation, showing the name, address, and telephone number of the dealer responsible for service of the machine.

Cabling of network machines is not the responsibility of the Offeror.

Canon U.S.A., Inc. acknowledges and agrees

- D. MFD Maintenance and Repair Service.** The selected Offeror shall coordinate with the Commonwealth using agency to confirm and agree to the for the pickup date and delivery of equipment to off-site repair facilities, estimating turnaround time for repairs, asset tagging, management and tracking of equipment.

The selected Offeror shall conduct break/fix maintenance and all regularly scheduled maintenance for all equipment during the term of the lease. This maintenance schedule shall comply with the OEM's specified guidelines. The Offeror shall provide a central point of contact to address maintenance and repair service issues.

During normal business hours of the Commonwealth, 8:00am to 5:00pm, Monday through Friday, excluding state holidays, the Offeror shall have service technicians and the support infrastructure available to provide repairs that meet the service level agreement specified in **Section VI.D.20.**

The selected Offeror shall troubleshoot technical difficulties during the term of the lease. The selected Offeror shall provide online technical support and a toll-free contact number.

The selected Offeror may provide repair service and support any time outside of normal business hours, upon agreement with the Commonwealth using agency, at no additional cost. *Canon U.S.A., Inc. acknowledges and agrees to this statement with the attached Updates to the SLA document.*

Toll free # - 1-800-ok-Canon

VIII. Reports and Project Control. The selected Offeror shall create, maintain, and execute the following plans, reports, and supporting documentation in a format agreed to by the Commonwealth. Offerors shall submit its project management methodology and/or draft plans which it proposes to use for this project. The selected Offeror must submit final plan(s) within [specified] days of receiving the notice to proceed. All plans are subject to Commonwealth approval.

The below questions are typically based on a Managed Print Services Engadgment and Canon U.S.A., Inc. has done its best to respond to these questions as it pertains to the scope of this RFP. See below response that incorprates this entire section.

A. Project Management Plan. The project management shall include, but not limited to, the following:

1. Project Plan. The project plan must describe the scope of work for the project and how the scope will be managed. The project plan shall act as a confirmation of project scope, phasing, implementation objectives, and be detailed enough to ensure the product is delivered on time, within projected estimates, and meets all requirements as specified in the RFP. The project plan must include, but is not limited to:

- Project Scope Statement
- Scope Management Process
- Major Milestones /Deliverables
- Work Breakdown Structure (WBS)
- Timeline

2. Requirements Management Plan. The requirements management plan must describe the process and approach to manage and address requirements throughout the life of the project. The requirements management plan shall include:

- Requirements Management Process
- Roles and Responsibilities
- Requirements Traceability Matrix (RTM)

3. Risk Management Plan. The risk management plan must describe the approach used to manage risk throughout the life of the project, how contingency plans are

implemented, and how project reserves are allocated to handle the risks. The plan will include the methods for identifying risks, tracking risks, documenting response strategies, and communicating risk information. The risk management plan shall include:

- Risk Management Process
- Roles and Responsibilities
- Rules/Procedures
- Risk Impact Analysis Approach
- Tools

4. Issue Management Plan. The issue management plan must describe the approach for capturing and managing issues throughout the life of the project to ensure the project is moving forward and avoids unnecessary delays. The issues management plan shall include:

- Issues Management Approach
- Roles and Responsibilities
- Tools

5. Change Control Management Plan. The change control management plan must describe the approach to effectively manage changes throughout the life of a project. The plan will include the process to track change requests from submittal to final disposition (submission, coordination, review, evaluation, categorization), the method used to communicate change requests and their status (approved, deferred, or rejected), the escalation process if changes cannot be resolved by the review team, and the process for project re-baselining. The change control management plan shall include:

- Change Management Process
- Roles and Responsibilities
- Rules/Procedures
- Change Impact Analysis Approach
- Tools

6. Communications Management Plan. The communication management plan must describe the communications process that will be used throughout the life of the project. The process must include the tools and techniques that will provide timely and appropriate generation, collection, distribution, storage, retrieval and disposition of project information. The communications management plan shall include:

- Communications Management Process
- Roles and Responsibilities
- Reporting Tools and Techniques
- Meeting Types and Frequency

7. Quality Management Plan. The quality management plan must describe the approach used to address Quality Assurance (QA) and Quality Control (QC) throughout the life of the project. The quality management plan should identify the quality processes and practices including the periodic reviews, audits and the testing strategy for key deliverables. The plan should also include the criteria by which quality is measured, the tolerances required of product and project deliverables, how compliance is measured, and the process for addressing those instances whenever quality measures are out of tolerance or compliance. The quality management plan will include:

- Quality Management Process
- Roles and Responsibilities
- Tools
- Quality Standards

8. Time Management Plan. The time management plan must describe the process for controlling the proposed schedule and how the achievement of tasks and milestones will be identified and reported. The plan must also detail the process to identify, resolve, and report resolution of problems such as schedule slippage. The time management plan will include:

- Time Management Process
- Role and Responsibilities
- Tools and Techniques
- Work Plan

Where appropriate, a PERT or GANTT chart display should be used to show project, task, and time relationship.

Project Management Plan.

The main objective of the risk management process is to allow the project to anticipate the difficulties it may encounter. From this point of view, this process should not be viewed negatively but as a factor for success.

The objectives of the risk management process are:

- *minimize the risk of non-achievement of the project objectives,*
- *provide a systematic approach with which to:*
- *identify and assess risks,*
- *determine the most effective action plan to reduce each risk*
- *monitor these risks.*

Risks are managed at three levels:

- *at a Canon North American Level*
- *in the local sites,*
- *vis-à-vis any Canon service providers.*

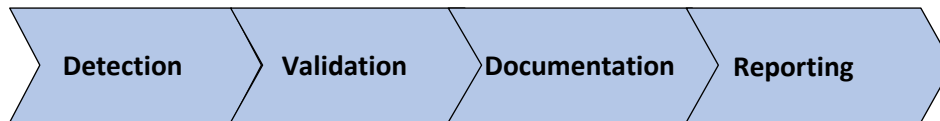
The roles and responsibilities of the key players in risk management are set out below:

Level	Project Role	Project responsibility
1	Account Executive	<ul style="list-style-type: none"> • Takes ad hoc decisions and measures
2	Project Manager	<ul style="list-style-type: none"> • Identifies risks • Validates the proposed actions • Ensures risk closure
3	Site Manager Canon Customer Service Manager Canon Project Manager	<ul style="list-style-type: none"> • Identifies risks • Proposes corrective actions • Implements corrective actions • Ensures risk closure
4	Key Users Canon Business Consultant	<ul style="list-style-type: none"> • Alerts level n +1 • Identifies risks • Proposes corrective actions • Implements corrective actions

RISK IDENTIFICATION:

Risk identification is carried out on the fly at either global or site level.

The risk monitoring process is as follows:



Risks and associated action plans are initialized gradually as the Project progresses.

The risks identified are first treated in-house by the team in committees; otherwise a report may be produced for review by the management which sets up the appropriate action plan.

CLASSIFICATION OF RISKS:

The types of risks proposed for the project are:

Type	Description
Quality	○ Quality of deliverables insufficient, requiring too much reworking for validation of the functional design and technical design deliverables
Calendar	○ Work execution behind schedule, possibly leading to non-achievement of milestones set to meet due dates at the allotment meetings
Workload	○ Deliverables being produced with a productivity not consistent with that budgeted on
Scope	○ Deviation from the scope defined in the contract and from the scope of planned services to be provided
Working environment	○ Insufficient availability of the work environments laid on
Resources	○ Level of experience and expertise of resources insufficient for the services planned, ○ Number and availability of resources insufficient as regards the planned schedule
Contractual	○ Deviation from the contract signed

RISK ANALYSIS:

Each risk is reviewed to ensure that relevant actions are appropriate and still valid.

The decision (on action) depends on the following factors:

- urgency to control the risk: the time to implement the solution must be compatible with the urgency to control the risk,
- the feasibility of the solutions: technical, organizational, contractual,
- the effects of the actions: some solutions will be more appropriate than others depending on:
- whether or not they create other risks,
- whether or not they control several risks at once,
- whether or not they effectively maintain the requirement level for the project, and
- whether or not they kill off the roots causes of the risk.

Any action to address a risk is assigned to a manager.

The probability of occurrence is a percentage between 25% and 100%, defined in steps of 25%.
The impact is defined between 1 and 5 (1,2,3,4,5), according to severity of the risk.

Impact	Description
1-2	Risk impacting only a site without a generic impact blocking the project

2-4	Risk impacting at least one site, but without impact on the other sites
4-5	Risk impacting one or more sites, and having an impact on the other sites

Risk priority is determined as the product of its probability of occurrence and its impact.

The risk will have an updated evaluation date on each change of the risk in terms of priority or action plan.

An action manager is appointed for each risk identified.

After a risk is identified, it is evaluated and qualified. Indicators are used to rank risks in terms of their impact and probability of occurrence.

The indicators below to measure the impact of risks will be used:

Indicator	Possible values:
Probability	<p>The probability of the risk occurring is expressed as a percentage from the following table:</p> <ul style="list-style-type: none"> • Occurred: 100% • High: 75% • Medium: 50% • Low: 25%
Severity	<p>A risk's severity measures the magnitude of the impact and is valued as follows:</p> <ul style="list-style-type: none"> • 1 : Low • 2 : Medium • 3 : High • 4 : Very high

RISK MONITORING

Risk monitoring comprises two activities: reassessment of the risk and monitoring actions:

The activity of risk reassessment consists in re-estimating its severity, probability of occurrence, and impacts of the open risk. This analysis can naturally lead to updating the associated actions,

Monitoring actions covers both control of implementation of the actions decided, and also verification that the actions taken are effective.

Urgent action may for their part be treated and monitored, as a priority, the action plan is then reviewed daily by the head of Risk Management.

Canon's prides itself on the ongoing investment it continues to make in its Authorized Service Provider network. Our product training department is comprised of professionals who are solely dedicated to training end-users on their Canon investment. They are experienced in various

unique business applications that use Canon technology and become a vital resource for your staff.

Our Service Program provides you with a single toll free number to call when service on your device is required, nationwide. In those cases where service is required, our Centralized Support Center is available from 8:00 am to 8:00 pm, EST, to field service requests from your end-users or helpdesk personnel. Dispatch Center agents immediately dispatch the authorized service provider and work to ensure that prompt service is provided, typically within 4 business hours. By channeling calls through the Dispatch Center, the Canon can provide you with comprehensive service and machine performance/history reports to measure the productivity of every machine in your fleet across the country. Canon also surveys customers who use this service to confirm that equipment is performing to their expectations and to ensure their satisfaction with Canon authorized service providers.

Internal communication follows an escalation path. All service incidents are reported by customer personnel through Canon's customized centralized support center. Calls for service problems are immediately dispatched to the local service provider. The local field technician responds via telephone to the individual that placed the call advising them of his/her ETA. On average, on-site service calls are responded to within four (4) business hours. Most service call issues can be fixed without requiring any further assistance.

For those occasions when it becomes necessary to escalate a recurrent problem, the local service personnel typically has a senior trouble shooter assist in remedying the problem in a timely manner. If the need still exists to involve further technical resources, Canon is merely a phone call away. Canon's technical support hot-line open daily during normal business hours provides local service with a direct person-to-person link to Canon for quick problem resolution. With a complete lab of all Canon products at their disposal, the Canon technical specialist will provide the manufacturer with the resources required to solve the problem. Should it become necessary, Canon will dispatch a field technical specialist to a particular customer site to assist the local service personnel.

The Canon Help Desk is staffed from 8:00 am to 8:00 pm, Eastern Time. Responsibilities span dispatch, triage, reporting and general customer support. In addition, help desk services can be integrated with the Commonwealth's help desk as required.

In most circumstances, you would contact Canon through the 1-800 number which would route the call based on the following support needs:

- 1- Hardware – Help desk questions or issues on hardware would be answered here or dispatched to authorized service providers as necessary*
- 2- Printers – Help desk questions or issues on printers would be routed to Canon's printer help desk for triage, resolution or dispatch as necessary*
- 3- Customer service – Customer issues or concerns would be answered here inclusive of items such as billing questions, toner shipment details etc.*
- 5- Ordering of supplies - Supplies ordering would be taken here or can be handled on-line*

Upon choosing one of the prompts above, the customer is directed to the appropriate help desk personnel where their particular concern can be addressed immediately. In cases where a customer case is not capable of being addressed via the help desk, help desk members may further escalate requests for technician dispatch or engineering support.

At any time, the Commonwealth may obtain customer service support from Reseller starting at the local service level and extending to the corporate level. Service representatives at the local level are assigned a high degree of autonomy in order to resolve customers' needs as expeditiously as possible. Local, region, marketplace, and corporate personnel are available at any time for resolution of the Commonwealth's service needs.

Reseller's take the following general steps to correct any customer reported instances of compromised service.

- Meet with local staff responsible for service delivery*
- Discuss the problem / Determine a solution that is appropriate and acceptable to the customer*
- Formulate an action plan to avoid a recurrence*
- Document the occurrence and resolution*
- Include the core information in the next scheduled account performance review with Reseller staff and Commonwealth entities team members*

Issue-Specific Escalation Procedures

To ensure that the Commonwealth receives the highest quality of customer service, Reseller has in place a variety of escalation procedures that can be implemented depending on the nature of the specific service issue.

1) In the event that the Commonwealth entity is not satisfied with the level of equipment service support provided by the assigned Service Technician, the State Sales Executive will become involved and raise the issue to the Authorized Reseller which can assign a different Service Technician

2) In the event the Commonwealth entity is completely dissatisfied with their current Canon Authorized Servicing Reseller, Canon, as the manufacturer, has the ability to assign another Local Canon Authorized Reseller to service the equipment.

The foundation of every successful managed output environment that Canon has deployed, rests on the quality and thoroughness of our on-site due diligence. This process is offered to Canon customers and can easily be broken into phases to cover statewide implementations.

Canon's due diligence process, known as 3D, will need to be performed in order to design a successful lease model. This process is comprised of three distinct phases:

- DISCOVER – Key Canon staff perform on-site due diligence to guide solution design*
- DESIGN – Apply best practices, develop cost reduction programs, and re-engineer processes as needed*
- DEPLOY – Installation of technology, human resources, compliance/quality initiatives and activation of long-term change management and account plans*

DISCOVER

In order to design a new managed output program that will meet the Commonwealth's operational and financial goals, Canon will conduct a thorough due diligence to establish a firm

foundation of knowledge about Commonwealth's entities current output design. The first step taken in the discovery phase, is the creation of a dedicated due diligence team. This team will consist of key Canon employees that are considered industry experts and will be led by the business services strategy team. The strategy team is comprised of financial analysts and project coordinators who provide high-level guidance on assessment goals/processes as well as support for due diligence and the analysis/design work that follows the assessment process.

After the due diligence team is established, Canon will hold a project kickoff meeting with Commonwealth's entity. The kickoff meeting will serve as a forum to discuss solution options and current challenges as well as agree on a project schedule and logistics for all assessments.

Following the kickoff meeting, Canon will immediately begin our due diligence process across the enterprise. Areas of the assessment will include:

- Copy/Printer/Fax/Scan technology infrastructure and workflow process*
- Helpdesk and service escalation process*
- IT questionnaire*
- Enterprise-level workflow analysis to leverage efficiencies across the network*

Upon completion of our due diligence process, the strategy team will gather all information collected to begin developing an understanding of the environment on both an enterprise and workgroup level. These findings will provide the Strategy Team with the knowledge needed to begin designing new output solutions that meet the output goals while offering refreshed technology and standardization across the country.

DESIGN

Upon completion of the discovery phase, Canon's Strategy Team will enter the second phase of our 3D process – design. During this phase the strategy team will invite key members of the greater account team, including account executives, operations managers, technology trainers, IT specialists, service technicians, compliance managers and change management specialists to participate in the design validation process.

As a group, we will review the current output environment, making observations about the current state and discussing their impact. We then began to brainstorm about ideas that could improve processes, increase efficiency and add value to the organization - resulting in recommendations for new design parameters and solutions. Based on the observations, impacts and recommendations developed as part of our design phase, Canon will then formulate parameters to guide our solution design on an enterprise-wide scale.

As you can see from our design process, Canon does not look at technology alone; our design is a mix of equipment, human resources and the introduction of more efficient workflow processes that are reasonable, actionable and sustainable. Once all designs are agreed upon, the Strategy Team will take the lead in preparing final output plan blueprints.

- Current asset inventory and associated costs*
- Future asset inventory and all associated costs*
- Service, supply and customer satisfaction escalation plans*
- Long-term account management, invoicing and reporting plan*
- Hard cost savings to be realized through implementation of the recommended solution*

DEPLOY

Once the final design is confirmed by all parties, Canon will move into the deploy phase of our 3D process to begin transition and installation of the new program.

While transition management is critical, we have found that true change management is missing from many competitive transitions. Change management begins with truly understanding and communicating the reasons for, and benefits of, the new program to the end-users and program stakeholders. In addition to communication, Canon's change management initiatives include a comprehensive approach to training and education and even marketing/branding of the new program. Change management is one of our most successful initiatives and a key driver for program success.

Canon uses a structured methodology in support of the Commonwealth needs which allows us to avoid a "One Size Fits All" approach to this solution area. We take the time to fully understand the dynamics of your initiative, understand the complex nature of the changes being proposed for your workforce and infrastructure personnel and then develop a high level solution "Road Map." This Road Map is jointly developed by our Project Team in partnership with the Commonwealth entity.

One of Canon's corporate goals is to "create products without rival in quality and service, and which contribute to the improvement of societies around the world." We strive to realize this goal in two ways:

- 1) By employing the latest technologies to offer superior products of the highest quality and rapid service meeting the needs of customers; and*
- 2) By ensuring that no harm will ever come to a consumer or his or her property due to the failure of a product or service. This is Canon's basic management stance on quality.*

Canon aims for product quality that gives customers a sense of trust and satisfaction, working together with customers to achieve sustainable prosperity. Quality Assurance Reports are completed by Canon Technical Supervisors on inspections. Individual performance related to specific account support is built around negotiated service level agreements between Canon U.S.A., Inc. and the Commonwealth.

Some of Canon's compliance and quality initiatives are:

- Web-based customer satisfaction surveys*
- On-going account analyses*
- Seeding Programs*
- Focus groups*
- Site survey Checklists*
- Quarterly management reports and meetings*
- Rewards and Recognition programs*

Delivering continuous value, substantial savings and ongoing process improvements to our clients is something we have been doing for several decades. While these can certainly be categorized into areas such as cost reduction / cost avoidance, new technology to better deliver services and new business processes, the reality is that all of those areas are closely related and intertwined.

To support the Commonwealth's needs, we have developed a comprehensive quality management approach to ensure that you receive unrivaled service and support throughout the duration of our partnership. It is our goal to exceed all of your customer service level

benchmarks, drive continual process improvement, and improve the bottom line financial performance. In order to meet these goals, we utilize a quality management approach with a focus on the client that is based in Six Sigma methodology.

Foundations of Six Sigma

The Foundations of Six Sigma is a quality program that begins and ends with the client. It is the quality program that Canon will implement to achieve our client's objectives and focus on the continuous improvement of service delivery. The program consists of two major initiatives: 1) The Fundamentals of Quality, 2) The implementation, training and execution of Six Sigma methodology. These initiatives will introduce the Six Sigma methodology and ensure that every site has the necessary quality systems in place to provide true performance reporting and management to our clients.

Six Sigma

Canon is a Six Sigma organization. Canon has chosen Six Sigma as the methodology by which we will achieve our quality mission and objectives. Six Sigma is about the implementation of a measurement-based strategy that focuses on process improvement and variation reduction. It is 1) a structured & data driven approach to deliver improved client quality, 2) a measurement of Canon process and product capability and 3) its goal is to attain less than 3.4 Defects per Million Opportunities. Our Six Sigma and standardized quality tools will allow us to track our performance against client requirements and pro-actively manage our operations.

Six Sigma is an integrated, disciplined proven approach for improving business performance. It focuses on projects that will produce measurable business results. Each participant, called a "Belt," is required to adhere to the methodology and have a leadership approved project prior to training.

Fundamentals of Quality

The fundamentals are the core building blocks that will serve as the foundation for all future quality initiatives and programs. These building blocks or deliverables will support the Operations team in account management and allow us to focus on the continuous improvement of service delivery for our clients. The Fundamentals training program introduces the Six Sigma methodology to a broad group of associates and will ensure that every site has the necessary quality systems in place to provide exceptional performance reporting and management to clients.

These quality tools consist of:

Service Level Agreements & Performance Standards

Service Level Agreements (SLAs) translate the Voice of the Commonwealth to contractual obligations between the Commonwealth and Canon. The corresponding Performance Standards or Targets provide detailed information associated with every service provided by Canon. The goal of identifying and agreeing on SLAs & Performance Standards is to translate the need into a measurable characteristic that can be tracked, reported on and managed.

Process Maps

The services identified in the SLAs are then mapped. The intent of a Process Map is to provide a standard methodology to represent the key operational processes we perform for our clients. There are two categories of Process Maps. "Should Be" Process Maps establish performance

standards, standard processes and process expectations. They are used for training, understanding client expectations and problem identification. "As Is" Process Maps document how a process works in the real world. They are used for continuous improvement & lean initiatives - eliminating wait time, rework, and other non-value added time.

Measurement Tracking & Performance Reports

Process Maps identify the steps in the process, the method and means to capture data, both volumes & defects. Performance Reports work with this data provided by daily, weekly and monthly data capture tools (manual and automated). They reflect Canon performance against timeliness and accuracy requirements, show volume trends over time and allow year to year and month to month comparisons.

Continuous Improvement & Communication Plans

Continuous Improvement Plans clarify information, tasks and accountability. They are a tool that documents and communicates critical information to both Canon and our clients. The Continuous Improvement Plan is a central location where all key client issues are identified for follow-up, control and resolution. The Continuous Improvement Plan is a written record of major items that need to be addressed because they significantly impact our clients, our employees and our ability to provide quality service.

Approach to Quality

Canon's basic mission when it comes to quality is to ensure that customers have "no claims, no trouble." To achieve this, we promote our motto of "Canon Quality" both inside and outside the company, as part of our dedication to realizing customer safety, peace of mind, and satisfaction. We also conduct companywide activities to improve quality across the entire Canon Group at every stage, from product planning to design and development, production trials, production, sales, and after-sales service.

We thoroughly check quality in each process, from design and development to the start of production, while also ensuring that continual improvements in quality are achieved by sharing quality information and customer feedback obtained from sales and after-sales service points with departments in charge of product planning, design, and development.



Canon Quality

Safety+Smartness+Satisfaction

Product quality slogan: "Customer Safety, Peace of Mind and Satisfaction through Canon Quality"

Quality Assurance Systems

In order to fully realize "Canon Quality," Canon has established a quality management system that combines the requirements of ISO9001, an international quality management standard, with work mechanisms unique to Canon.*

Our various business divisions work together with the Global Quality Management Center to hold regular meetings with Canon Group companies around the world in order to implement appropriate quality assurance systems in accordance with the legal and regulatory standards of each country and region.

In addition to vertically integrated activities conducted by each business division to provide solutions to issues particular to that division, Canon operates the Quality Improvement Committee chaired by the head of the Global Quality Management Center. This committee facilitates horizontally integrated activities to address company-wide issues.

Through these various activities, Canon will continue to pursue "quality first."

B. IT Service Management. Offeror(s) shall describe its service management methodology its uses to deliver service to its customers. Identify any industry best practices or standards its service management methodology is based. IT Service management shall include strategic approach directed by policies and incorporated in processes and supporting procedures that are performed to plan, deliver, operate, control, and improve IT services offered to customers. Offeror shall describe tools used for service management to include any integration of automated tools. Offeror shall include as part of its proposal any service management plan(s) which will be utilized to deliver, operate, control, and improve the services as described in this RFP.
response to this question has been covered in the above response

C. Quarterly Reports. The selected Offeror shall submit to the Commonwealth contract administrator a quarterly report, within ten (10) business days following the end of the reporting period, detailing the purchasing, or leasing volume by the Commonwealth and its using agencies. The report shall include all COSTARS political subdivisions and university purchases as well as any “piggyback” purchase by other state (non-PA) entities. A consistent reporting mechanism is required to be used by the selected Offeror and shall include, at a minimum, the following:

- Summary report of purchases by the using agency, including item description, item number, serial number, receipt date of the purchase order, the delivery date of the equipment, subtotals by segment and agency, and the total for the Commonwealth.
- Performance report indicating average delivery time for equipment, percentage of orders that were shipped incorrectly, failure rates (‘dead on arrival’), and percentage of deliver orders resulting in a backordered items.
- Customer satisfaction report detailing the performrance of the selected Offeror in the areas of quality assurance, accuracy of equipment shipped/receved, professionalism, flexibility, competence, timeliness of delivery, and response to questions.

Canon U.S.A., Inc. acknowledges and agrees with the changes below

D. Monthly Reports. The selected Offeror shall provide the following monthly reports, within ten (10) business days following the end of the reporting period:

- a. Service Level Reporting using the SLA metrics for up-time, on-time, and fix-time for each using agency.
- b. Response time and fix-time, by using agency, including incident address, model number, serial number, problem summary, call date and time, repsonse date and time, fix date and time, and resolution summary.
- c. Repeat request, by using agency, including the serial number for any MFDs having three (3) or more service requests on a rolloing thirty-day period as described in **Section VI.C.17**.
- d. Repeat request, by using agency, including the serial number fo any MFDs having five (5) or more service requests on a rolling sixty-day period as described in **Section VI.C.17**.

Canon U.S.A., Inc. acknowledges and agrees with the changes below

E. Device Usage Reports. The selected Offeror shall provide a device usage report at the request of the Commonwealth or using agency once per quarter per agency, within ten (10) business days following the request or end of the reporting period. The report shall, include at a minimum, the volume printed by device serial number, segment, and using agency. See **Appendix D, Device Usage Reports Sample** for additional information.

Canon U.S.A., Inc. acknowledges and agrees with the changes below

F. Problem Identification Report. An “as required” report, identifying problem areas. The report should describe the problem and its impact on the overall project and on each affected task. It should list possible courses of action with advantages and disadvantages of each, and include Offeror recommendations with supporting rationale.

Canon U.S.A., Inc. acknowledges and agrees

I. Objections and Additions to Standard Contract Terms and Conditions. The Offeror will identify which, if any, of the service levels in **Appendix, C MFD Service Level Agreements**, that it would like to negotiate. The Offeror’s failure to make a submission under this paragraph will result in its waiving its right to do so later, but the Issuing Office may consider late objections and requests for additions if to do so, in the Issuing Office’s sole discretion, would be in the best interest of the Commonwealth. The Issuing Office may, in its sole discretion, accept or reject any requested changes to the service level agreements. The Offeror shall not request changes to the other provisions of the RFP, nor shall the Offeror request to completely substitute its own terms and conditions for this RFP. All terms and conditions must appear in one integrated contract. The Issuing Office will not accept references to the Offeror’s, or any other, online guides or online terms and conditions contained in any proposal.

Regardless of any objections set out in its proposal, the Offeror must submit its proposal, including the cost proposal, on the basis of the terms and conditions set out in the terms and conditions or the service level agreements. The Issuing Office will reject any proposal that is conditioned on the negotiation of the terms and conditions set out in the terms and conditions contained in the Buyer Attachment section or to other provisions of the RFP.

Canon Acknowledges and agrees to the Terms and Conditions that have been provided. Should the Commonwealth choose Canon U.S.A., Inc. as an awarded vendor we have provided our feedback for potential negotiations regarding the Terms and Conditions. Attached in the Additional Documentation, of the RFP question section of the response are the Terms and Conditions that Canon would like to discuss.

Below are the objections regarding Appendix C, MFD Service Level Agreement that Canon U.S.A., Inc. would like to negotiate upon review of the Commonwealth.

Current: Performance Target 96%

Proposed: Performance Target 95%

Current: All machines provided to an agency, as an aggregate, must have an up-time of 96% or greater on a rolling three (3) month average. The SLA is applicable to each agency.

Proposed: All machines provided to an agency, as an aggregate, must have an up-time of 95% or greater on a rolling quarterly average. The SLA is applicable to each agency.

Current: Total downtime of all agency machines.

((# of downtime minutes downtime for all agency machines / total number of minutes in the normal operating hours) * 100) - 100 = Percent Uptime of all agency machines

Proposed: Total downtime of all agency machines.

Number of available (contracted) hours – down time / available hours

Current: The selected Offeror shall restore service to machines within eight (8) business hours. This SLA is applicable to each agency. The selected Offeror shall replace the faulty MFD with a loaner MFD of equivalent capability until the repairs have been made when the fix-time will exceed eight (8) business hours.

Proposed: The selected Offeror shall restore service to machines within eight (8) business hours. This SLA is applicable to each agency. The selected Offeror shall replace the faulty MFD with a loaner MFD of equivalent capability until the repairs have been made when the fix-time will exceed eight (8) business hours. Subject to the availability of a loaner from local servicer.

Current: Submission of required Monthly Reports within ten (10) business days following the end of the reporting period.

Submission of required Quarterly Report within ten (10) business days following the end of the reporting period.

Device Usage Report completed within ten (10) business of days of the Commonwealth or using agency request, or within ten (10) business days following the end of the reporting period.

Proposed: Submission of required Monthly Reports within ten (30) business days following the end of the reporting period.

Submission of required Quarterly Report within ten (30) business days following the end of the reporting period.

Device Usage Report completed within ten (30) business of days of the Commonwealth or using agency request, or within ten (30) business days following the end of the reporting period.

Current: End of Reporting Periods + ten (10) business days.

End of Reporting Periods + ten (10) business days.

End of Reporting Periods or Date of Request + ten (10) business days.

Proposed: *End of Reporting Periods + thirty (30) business days.*

End of Reporting Periods + thirty (30) business days.

End of Reporting Periods or Date of Request + thirty (30) business days

Current: Up-time *is calculated by dividing the machine down-time each month by the total normal business hours each month for the respective agency.*

Proposed: Up-time *is calculated by subtracting down time from total available hours and dividing the result each month by the total normal business hours each month for the respective agency.*

- **Current:** *All machines provided to an agency, as an aggregate, must have an Up-time of at least 96% on a rolling three (3) month average. This SLA will apply to each individual agency.*
- **Proposed:** *All machines provided to an agency, as an aggregate, must have an Up-time of at least 95% on a rolling three (3) month average. This SLA will apply to each individual agency*
- **Current:** *Should the Fix-time exceed eight (8) normal business hours, the Contractor must notify the Commonwealth and replace the faulty MFD with a loaner MFD of equivalent capability until the repairs have been made and the agency's MFD is back to full and complete working order. Repair or replacement must be made within sixteen (16) normal business hours after the trouble ticket has been placed by the Commonwealth.*
- **Proposed:** *Should the Fix-time exceed eight (8) normal business hours, the Contractor must notify the Commonwealth and replace the faulty MFD with a loaner MFD of equivalent capability until the repairs have been made and the agency's MFD is back to full and complete working order. Repair or replacement must be made within sixteen (16) normal business hours after the trouble ticket has been placed by the Commonwealth. Subject to availability of loaner by local servicer.*

Trade Secret/Confidential Proprietary Information Notice

Instructions:

The Commonwealth may not assert on behalf of a third party an exception to the public release of materials containing information believed to be exempt from public disclosure, including trade secrets or confidential proprietary information, unless the materials are accompanied, at the time they are submitted, by this form or a document containing similar information. In addition, in order to protect the safety and security of individuals, infrastructure, and information technology systems, the Commonwealth requires third parties to designate as confidential any information submitted by the third parties that, if disclosed, would be reasonably likely to jeopardize safety or security.

It is the responsibility of the party submitting this form to ensure that all statements and assertions made below are legally defensible and accurate. The Commonwealth will not provide a submitting party any advice with regard to Pennsylvania's *Right-to-Know Law*, 65 P.S. §§ 67.101—67.3104, or laws relating to trade secret or confidential proprietary information.

Name of submitting party:

Canon U.S.A., Inc

Contact information for submitting party:

Ed Friel, isgbidadmin@cusa.canon.com

Please provide a brief overview of the materials that you are submitting (e.g. bid proposal, quote, grant application, statement of work, technical schematics):

Bid proposal

Please provide a brief explanation of why the materials are being submitted to the Commonwealth (e.g. response to bid, RFP or RFQ #12345, application for grant XYZ being offered by the Department of Health, documents required to be submitted under law ABC):

response to bid

Please indicate if any information has been included that you believe is exempt from public disclosure by checking the appropriate box below: (Note: Financial information submitted in response to an RFP or IFB to demonstrate economic capability is exempt from public disclosure in accordance with Section 708(b)(26) of the Right-to-Know Law, 65 P.S. 67.708(b)(26)).

- No information has been included that I believe is exempt from public disclosure.
- Information has been included that I believe is exempt from public disclosure.

Please provide a list detailing which portions of the material being submitted you believe are exempt from public disclosure. This includes trade secret, confidential or proprietary information, or information that if disclosed would be reasonably likely to jeopardize the safety or security of an individual, infrastructure, or information technology system. Please provide an explanation of why you think those materials constitute a trade secret, confidential or proprietary information, or why disclosure of those materials would be reasonably likely to jeopardize safety or security. Also, please mark the submitted material in such a way to allow a reviewer to easily distinguish between the parts referenced below. (You may attach additional pages if needed)

Note: Without substantial justification, the following information will not be considered a trade secret or confidential proprietary information:

- Any information submitted as part of a vendor's cost response.
- Information submitted as part of a vendor's technical response or statement of work that does not implicate safety and security, or pertain to specific business practices or product specification.
- Information submitted as part of a vendor's technical or small diverse business and small business response that is otherwise publicly available or otherwise easily obtained.
- Information detailing the name, quantity, and price paid for any product or service being purchased by the Commonwealth.

<u>Page Number</u>	<u>Description</u>	<u>Explanation</u>

Acknowledgment


The undersigned party hereby agrees that it has read and completed this form, and has marked the material being submitted in accordance with the instructions above. The undersigned party acknowledges that the Commonwealth is not liable for the use or disclosure of trade secret, confidential or proprietary information, or information that if disclosed would be reasonably likely to jeopardize the safety or security of an individual, infrastructure or information technology system, where that data or information has not been clearly marked as such, and which was not accompanied by a specific explanation included with this form.

The undersigned agrees to defend any action seeking release of the materials it believes to be trade secret, confidential or proprietary, or would be reasonably likely to result in a safety or security risk if disclosed. The undersigned also agrees to indemnify and hold harmless the Commonwealth, its agents and employees, from any judgments awarded against the Commonwealth in favor of the party requesting the materials, and any and all costs connected with that defense. This indemnification survives so long as the Commonwealth has possession of the submitted material, and will apply to all costs unless and until the undersigned provides a written statement or similar notice to the Commonwealth stating that it no longer wishes to exempt the submitted material from public disclosure.

The undersigned acknowledges that the Commonwealth is required to keep all records for at least as long as specified in its published records retention schedule.

The undersigned acknowledges that the Commonwealth reserves the right to reject the undersigned's claim that the information is trade secret, confidential, proprietary or is reasonably likely to result in a safety or security risk if disclosed, if the Commonwealth determines that the undersigned has not met the burden of establishing that the information constitutes a trade secret, confidential, or is otherwise exempt. The undersigned also acknowledges that if only a certain part of the submitted material is found to constitute a trade secret, is confidential or proprietary, or is otherwise exempt, the remainder of the submitted material will become public; only the protected information will be removed and remain nonpublic.

If being submitted electronically, the undersigned agrees that the mark below is a valid electronic signature.

	Sr. Director & General Manager	5/2/2018
Signature	Title	Date

Trade Secret/Confidential Proprietary Information Notice

Instructions:

The Commonwealth may not assert on behalf of a third party an exception to the public release of materials containing information believed to be exempt from public disclosure, including trade secrets or confidential proprietary information, unless the materials are accompanied, at the time they are submitted, by this form or a document containing similar information. In addition, in order to protect the safety and security of individuals, infrastructure, and information technology systems, the Commonwealth requires third parties to designate as confidential any information submitted by the third parties that, if disclosed, would be reasonably likely to jeopardize safety or security.

It is the responsibility of the party submitting this form to ensure that all statements and assertions made below are legally defensible and accurate. The Commonwealth will not provide a submitting party any advice with regard to Pennsylvania's *Right-to-Know Law*, 65 P.S. §§ 67.101—67.3104, or laws relating to trade secret or confidential proprietary information.

Name of submitting party:

Canon U.S.A., Inc

Contact information for submitting party:

Ed Friel, isgbidadmin@cusa.canon.com

Please provide a brief overview of the materials that you are submitting (e.g. bid proposal, quote, grant application, statement of work, technical schematics):

Bid proposal

Please provide a brief explanation of why the materials are being submitted to the Commonwealth (e.g. response to bid, RFP or RFQ #12345, application for grant XYZ being offered by the Department of Health, documents required to be submitted under law ABC):

response to bid

Please indicate if any information has been included that you believe is exempt from public disclosure by checking the appropriate box below: (Note: Financial information submitted in response to an RFP or IFB to demonstrate economic capability is exempt from public disclosure in accordance with Section 708(b)(26) of the Right-to-Know Law, 65 P.S. 67.708(b)(26)).

- No information has been included that I believe is exempt from public disclosure.
- Information has been included that I believe is exempt from public disclosure.

Please provide a list detailing which portions of the material being submitted you believe are exempt from public disclosure. This includes trade secret, confidential or proprietary information, or information that if disclosed would be reasonably likely to jeopardize the safety or security of an individual, infrastructure, or information technology system. Please provide an explanation of why you think those materials constitute a trade secret, confidential or proprietary information, or why disclosure of those materials would be reasonably likely to jeopardize safety or security. Also, please mark the submitted material in such a way to allow a reviewer to easily distinguish between the parts referenced below. (You may attach additional pages if needed)

Note: Without substantial justification, the following information will not be considered a trade secret or confidential proprietary information:

- Any information submitted as part of a vendor's cost response.
- Information submitted as part of a vendor's technical response or statement of work that does not implicate safety and security, or pertain to specific business practices or product specification.
- Information submitted as part of a vendor's technical or small diverse business and small business response that is otherwise publicly available or otherwise easily obtained.
- Information detailing the name, quantity, and price paid for any product or service being purchased by the Commonwealth.

<u>Page Number</u>	<u>Description</u>	<u>Explanation</u>

Acknowledgment


The undersigned party hereby agrees that it has read and completed this form, and has marked the material being submitted in accordance with the instructions above. The undersigned party acknowledges that the Commonwealth is not liable for the use or disclosure of trade secret, confidential or proprietary information, or information that if disclosed would be reasonably likely to jeopardize the safety or security of an individual, infrastructure or information technology system, where that data or information has not been clearly marked as such, and which was not accompanied by a specific explanation included with this form.

The undersigned agrees to defend any action seeking release of the materials it believes to be trade secret, confidential or proprietary, or would be reasonably likely to result in a safety or security risk if disclosed. The undersigned also agrees to indemnify and hold harmless the Commonwealth, its agents and employees, from any judgments awarded against the Commonwealth in favor of the party requesting the materials, and any and all costs connected with that defense. This indemnification survives so long as the Commonwealth has possession of the submitted material, and will apply to all costs unless and until the undersigned provides a written statement or similar notice to the Commonwealth stating that it no longer wishes to exempt the submitted material from public disclosure.

The undersigned acknowledges that the Commonwealth is required to keep all records for at least as long as specified in its published records retention schedule.

The undersigned acknowledges that the Commonwealth reserves the right to reject the undersigned's claim that the information is trade secret, confidential, proprietary or is reasonably likely to result in a safety or security risk if disclosed, if the Commonwealth determines that the undersigned has not met the burden of establishing that the information constitutes a trade secret, confidential, or is otherwise exempt. The undersigned also acknowledges that if only a certain part of the submitted material is found to constitute a trade secret, is confidential or proprietary, or is otherwise exempt, the remainder of the submitted material will become public; only the protected information will be removed and remain nonpublic.

If being submitted electronically, the undersigned agrees that the mark below is a valid electronic signature.

	Sr. Director & General Manager	5/2/2018
Signature	Title	Date

IRAN FREE PROCUREMENT CERTIFICATION FORM

(Pennsylvania's Procurement Code Sections 3501-3506, 62 Pa.C.S. §§ 3501-3506)

To be eligible for an award of a contract with a Commonwealth entity for goods or services worth at least \$1,000,000 or more, a vendor must either: a) certify it is **not** on the current list of persons engaged in investment activities in Iran created by the Pennsylvania Department of General Services ("DGS") pursuant to Section 3503 of the Procurement Code **and** is eligible to contract with the Commonwealth under Sections 3501-3506 of the Procurement Code; or b) demonstrate it has received an exception from the certification requirement for that solicitation or contract pursuant to Section 3503(e).

To comply with this requirement, please insert your vendor or financial institution name and complete **one** of the options below. Please note: Pennsylvania law establishes penalties for providing false certifications, including civil penalties equal to the greater of \$250,000 or twice the amount of the contract for which the false certification was made; contract termination; and three-year ineligibility to bid on contracts. (Section 3503 of the Procurement Code.)

OPTION #1 - CERTIFICATION

I, the official named below, certify I am duly authorized to execute this certification on behalf of the vendor/financial institution identified below, and the vendor/financial institution identified below is **not** on the current list of persons engaged in investment activities in Iran created by DGS **and** is eligible to contract with the Commonwealth of Pennsylvania Sections 3501-3506 of the Procurement Code.

<i>Vendor Name/Financial Institution (Printed)</i> Canon U.S.A., Inc.	
<i>By (Authorized Signature)</i> 	
<i>Printed Name and Title of Person Signing</i> Kazumi Nakano, Sr. Director & General Manager	<i>Date Executed</i> 4/26/18

OPTION #2 – EXEMPTION

Pursuant to Procurement Code Section 3503(e), DGS may permit a vendor/financial institution engaged in investment activities in Iran, on a case-by-case basis, to enter into a contract for goods and services.

If you have obtained a written exemption from the certification requirement, please fill out the information below, and attach the written documentation demonstrating the exemption approval.

<i>Vendor Name/Financial Institution (Printed)</i> N/A	
<i>By (Authorized Signature)</i> N/A	
<i>Printed Name and Title of Person Signing</i> N/A	<i>Date Executed</i> N/A

DOMESTIC WORKFORCE UTILIZATION CERTIFICATION

To the extent permitted by the laws and treaties of the United States, each proposal will be scored for its commitment to use the domestic workforce in the fulfillment of the contract. Maximum consideration will be given to those offerors who will perform the contracted direct labor exclusively within the geographical boundaries of the United States or within the geographical boundaries of a country that is a party to the World Trade Organization Government Procurement Agreement. Those who propose to perform a portion of the direct labor outside of the United States and not within the geographical boundaries of a party to the World Trade Organization Government Procurement Agreement will receive a correspondingly smaller score for this criterion. In order to be eligible for any consideration for this criterion, offerors must complete and sign the following certification. This certification will be included as a contractual obligation when the contract is executed. Failure to complete and sign this certification will result in no consideration being given to the offeror for this criterion.

I, Sr. Director & General Manager of Canon U.S.A., Inc. a NY corporation or other legal entity, ("Contractor") located at 1 Canon park, Melville NY 11747, having a Social Security or Federal Identification Number of 132-56-1772, do hereby certify and represent to the Commonwealth of Pennsylvania ("Commonwealth") (Check **one** of the boxes below):

All of the direct labor performed within the scope of services under the contract will be performed exclusively within the geographical boundaries of the United States or one of the following countries that is a party to the World Trade Organization Government Procurement Agreement: Armenia, Aruba, Austria, Belgium, Bulgaria, Canada, Chinese Taipei, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Liechtenstein, Lithuania, Luxemburg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Singapore, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, and the United Kingdom

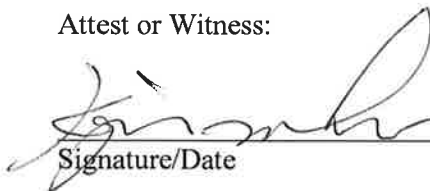
OR

_____ percent (____%) [Contractor must specify the percentage] of the direct labor performed within the scope of services under the contract will be performed within the geographical boundaries of the United States or within the geographical boundaries of one of the countries listed above that is a party to the World Trade Organization Government Procurement Agreement. Please identify the direct labor performed under the contract that will be performed outside the United States and not within the geographical boundaries of a party to the World Trade Organization Government Procurement Agreement and identify the country where the direct labor will be performed: _____

[Use additional sheets if necessary]

The Department of General Services [or other purchasing agency] shall treat any misstatement as fraudulent concealment of the true facts punishable under Section 4904 of the *Pennsylvania Crimes Code*, Title 18, of Pa. Consolidated Statutes.

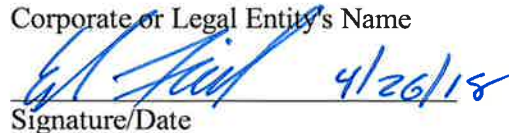
Attest or Witness:

 4/26/18
Signature/Date

Kazumi Nakano
Sr. Director & General Manager

Printed Name/Title

Canon U.S.A., Inc.
Corporate or Legal Entity's Name

 4/26/18
Signature/Date

Ed Friel
Sr. Specialist, Govt Bids & Contracts

Printed Name/Title



LOBBYING CERTIFICATION FORM

Certification for Contracts, Grants, Loans, and Cooperative Agreements

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


(1) No federal 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 any 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 federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure of Lobbying Activities, which can be found at:

<http://www.whitehouse.gov/sites/default/files/omb/assets/omb/grants/sflllin.pdf>

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

SIGNATURE: 

TITLE: Sr. Director & General Manager

DATE: 4/26/14

RECIPROCAL LIMITATIONS ACT REQUIREMENTS

Please Complete Applicable Portion of Pages 3 & 4 and Return with Bid.

NOTE: These Requirements Do Not Apply To Bids Under \$10,000.00

I. REQUIREMENTS

- A.** The Reciprocal Limitations Act requires the Commonwealth to give preference to those bidders offering supplies produced, manufactured, mined or grown in Pennsylvania as against those bidders offering supplies produced, manufactured, mined or grown in any state that gives or requires a preference to supplies produced, manufactured, mined or grown in that state. The amount of the preference shall be equal to the amount of the preference applied by the other state for that particular supply.

The following is a list of states which have been found by the Department of General Services to have applied a preference for in-state supplies and the amount of the preference:

	STATE	PREFERENCE
1.	Alaska	7% (applies only to timber, lumber, and manufactured lumber products originating in the state)
2.	Arizona	5% (construction materials produced or manufactured in the state only)
3.	Hawaii	10%
4.	Illinois	10% for coal only
5.	Iowa	5% for coal only
6.	Louisiana	4% meat and meat products 4% catfish 10% milk & dairy products 10% steel rolled in Louisiana 7% all other products
7.	Montana	5% for residents * 3% for non-residents* *offering in-state goods, supplies, equipment and materials
8.	New Mexico	5%
9.	New York	3% for purchase of food only
10.	Oklahoma	5%
11.	Virginia	4% for coal only
12.	Washington	5% (fuels mined or produced in the state only)
13.	Wyoming	5%

- B.** The Reciprocal Limitations Act requires the Commonwealth to give preference to those bidders offering printing performed in Pennsylvania as against those bidders offering printing performed in any state that gives or requires a preference to printing performed in that state. The amount of the preference shall be equal to the amount of the preference applied by the other state for that particular category of printing.

The following is a list of states which have been found by the Department of General Services to have applied a preference for in-state printing and the amount of the preference:

	STATE	PREFERENCE
1.	Hawaii	15%
2.	Idaho	10%
3.	Louisiana	3%
4.	Montana	8%
5.	New Mexico	5%
6.	Wyoming	10%

- C.** The Reciprocal Limitations Act, also requires the Commonwealth to give resident bidders a preference against a nonresident bidder from any state that gives or requires a preference to bidders from that state or exclude bidders from states that exclude nonresident bidders. The amount of the preference shall be equal to the amount of the preference applied by the state of the nonresident bidder. The following is a list of the states which have been found by the Department of General Services to have applied a preference for in-state bidders and the amount of the preference:

STATE	PREFERENCE
1. Alaska	5% (supplies only)
2. Arizona	5% (construction materials from Arizona resident dealers only)
3. California	5% (for supply contracts only in excess of \$100,000.00)
4. Connecticut	10% (for supplies only)
5. Montana	3%
6. New Mexico	5% (for supplies only)
7. South Carolina	2% (under \$2,500,000.00) 1% (over \$2,500,000.00)
	This preference does not apply to construction contracts nor where the price of a single unit exceeds \$10,000.
8. West Virginia	2.5% (for the construction, repair or improvement of any buildings)
9. Wyoming	5%

STATE	PROHIBITION
1. New Jersey	For supply procurements or construction projects restricted to Department of General Services Certified Small Businesses, New Jersey bidders shall be excluded from award even if they themselves are Department of General Services Certified Small Businesses.

D. The Reciprocal Limitations Act also requires the Commonwealth not to specify, use or purchase supplies which are produced, manufactured, mined or grown in any state that prohibits the specification for, use, or purchase of such items in or on its public buildings or other works, when such items are not produced, manufactured, mined or grown in such state. The following is a list of the states which have been found by the Department of General Services to have prohibited the use of out-of-state supplies:

STATE	PROHIBITION
1. Alabama	Only for printing and binding involving "messages of the Governor to the Legislature", all bills, documents and reports ordered by and for the use of the Legislature or either house thereof while in session; all blanks, circulars, notices and forms used in the office of or ordered by the Governor, or by any state official, board, commission, bureau or department, or by the clerks of the supreme court . . . /and other appellate courts/; and all blanks and forms ordered by and for the use of the Senate and Clerk or the House of Representatives, and binding the original records and opinions of the Supreme Court . . . /and other appellate courts/
2. Georgia	Forest products only
3. Indiana	Coal
4. Michigan	Printing
5. New Mexico	Construction
6. Ohio	Only for House and Senate bills, general and local laws, and joint resolutions; the journals and bulletins of the Senate and house of Representatives and reports, communications, and other documents which form part of the journals; reports, communications, and other documents ordered by the General Assembly, or either House, or by the executive department or elective state officers; blanks, circulars, and other work for the use of the executive departments, and elective state officers; and opinions of the Attorney General.
7. Rhode Island	Only for food for state institutions.

*If the bid discloses that the bidder is offering to supply one of the above-listed products that is manufactured, mined, or grown in the listed state, it shall be rejected. Contractors are prohibited from supplying these items from these states.

II. CALCULATION OF PREFERENCE

In calculating the preference, the amount of a bid submitted by a Pennsylvania bidder shall be reduced by the percentage preference which would be given to a nonresident bidder by its state of residency (as found by the Department of General Services in Paragraph C_{above}). Similarly, the amount of a bid offering Pennsylvania goods, supplies, equipment or materials shall be reduced by the percentage preference which would be given to another bidder by the state where the goods, supplies, equipment or materials are produced, manufactured, mined or grown (as found by the Department of General Services in Paragraphs A and B above).

THIS FORM MUST BE COMPLETED AND RETURNED WITH THE BID

III. STATE OF MANUFACTURE

All bidders must complete the following chart by listing the name of the manufacturer and the state (or foreign country) of manufacture for each item. If the item is domestically produced, the bidder must indicate the state in the United States where the item will be manufactured. **This chart must be completed and submitted with the bid or no later than two (2) business days after notification from the Issuing Office to furnish the information. Failure to complete this chart and provide the required information prior to the expiration of the second business day after notification shall result in the rejection of the bid.**

ITEM NUMBER	NAME OF MANUFACTURER	STATE (OR FOREIGN COUNTRY) OF MANUFACTURE
IRA4525 II	Canon Inc	China
IRA4535 II	Canon Inc	China
IRA4545 II	Canon Inc	China
iR ADV 6555i II	Canon Inc	China
IRA6565i II	Canon Inc	China
IRA3530i II	Canon Inc	China
IRAC5540i II	Canon Inc	China
IRAC5535i II	Canon Inc	China

IV. BIDDER'S RESIDENCY

A. In determining whether the bidder is a nonresident bidder from a state that gives or requires a preference to bidders from that state, the address given on the first page of this invitation to bid shall be used by the Commonwealth. If that address is incorrect, or if no address is given, the correct address should be provided in the space below:

Correct Address: **1 Canon Park**
Melville, NY 11747

- B.** In order to claim the preference provided under Section I.B., Pennsylvania resident bidders must complete the following or have such information on file with the Issuing Office:
1. Address of bidder's bona fide establishment in Pennsylvania at which it was transacting business on the date when bids for this contract/requisition were first solicited: _____
 2. **a.** If the bidder is a corporation:
 - (1) The corporation is or is not incorporated under the laws of the Commonwealth of Pennsylvania.
 - (a) If the bidder is incorporated under the laws of the Commonwealth of Pennsylvania, provide date of incorporation: _____
 - (b) If the bidder is not incorporated under the laws of the Commonwealth of Pennsylvania, it must have a certificate of authority to do business in the Commonwealth of Pennsylvania from the Pennsylvania Department of State as required by the Pennsylvania Business Corporation Law (15 P.S. §2001). Provide date of issuance of certificate of authority: _____
 - (2) The corporation is or is not conducting business in Pennsylvania under an assumed or fictitious name. If the bidder is conducting business under an assumed or fictitious name, it must register the fictitious name with the Secretary of the Commonwealth and the office of the prothonotary of the county wherein the registered office of such corporation is located as required by the Fictitious Corporate Name Act, as amended 15 P.S. §51 et seq. Corporate bidders conducting business under an assumed or fictitious name must provide date of registry of the assumed or fictitious name: _____
 - b.** If the bidder is a partnership:
 - (1) The partnership is or is not conducting business in Pennsylvania under an assumed or fictitious name. If the bidder is conducting business under an assumed or fictitious name, it must file with the Secretary of the Commonwealth and the office of the prothonotary the county wherein the principal place of business is located as required by the Fictitious Name Act of May 24, 1945, P.L. 967, as amended 54 P.S. §28.1. Partnerships conducting business under an assumed or fictitious name must provide the date of filing of the assumed or fictitious name with the Secretary of the Commonwealth: _____
 - (2) The partnership is or is not a limited partnership formed under the laws of any jurisdiction other than the Commonwealth of Pennsylvania. If the bidder is an Out-of-state limited partnership, it must register with the Pennsylvania Department of State as required by the Act of July 10, 1981, P.L. 237, as amended, 59 Pa. C.S.A. §503. Out-of-state limited partnerships must provide the date of registry with the Pennsylvania Department of State: _____
 - c.** If the bidder is an individual:

He or she is or is not conducting business under an assumed or fictitious name. If the bidder is conducting business under an assumed or fictitious name, he or she must file with the Secretary of the Commonwealth and the office of the prothonotary in the county wherein the principal place of business is located as required by the Fictitious Name Act of May 24, 1945, P.L. 967, as amended, 54 P.S. §28.1. Individuals conducting business under an assumed or fictitious name must provide the date of filing of the assumed or fictitious name with the Secretary of the Commonwealth: _____

Universal Design

Professional success in today's workplace requires that technology be easily accessed by everyone, including those with disabilities. That's why Canon has taken the lead in developing solutions that help simplify the use of office products for all, regardless of ability.

For more than 30 years, Canon has been addressing accessibility needs for people with disabilities and the senior workforce. The company's latest solutions were built on this foundation, so that everyone could benefit from Canon technology and all it offers.



Providing Accessible Solutions

Voice Guidance/Operation Kits

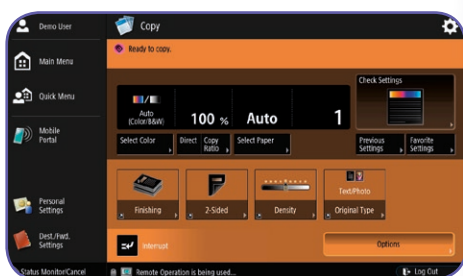
With an optional Voice Operation Kit* you can control Canon imageRUNNER ADVANCE devices by means of voice recognition technology. The kit features a speaker and a flexible microphone that allows users to input commands and perform certain device operations using their voice.

Like the Voice Operation Kit, Canon's Voice Guidance Kit* features a software-driven speaker attached to the side of the device. Through simplified tactile input, users can navigate the user interface and receive audible confirmation when operating the machine. The voice type, volume, and speed are adjustable based on the user's preference.



Reversed Display for Control Panel

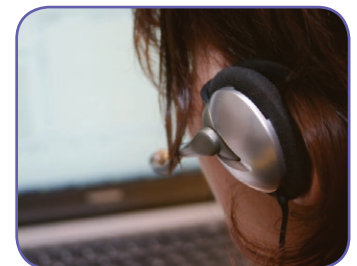
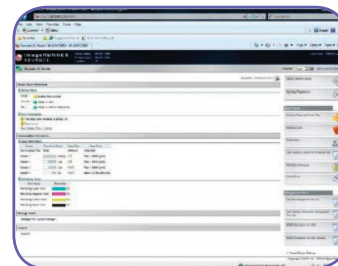
Canon imageRUNNER ADVANCE models allow the default display to be reversed in a manner that presents lighter characters on a darker background. This provides better clarity and contrast for users with visual impairment.



* Available as an option for certain imageRUNNER ADVANCE models. Check with your local Canon Authorized Dealer for more details.

Remote User Interface

The Remote User Interface (UI) enables administrators to check device status and view toner and paper levels from a Web browser. This utility can be used with third-party screen magnification and screen-reading software, making it convenient for users with visual impairment and blindness, as well as individuals using wheelchairs.



Remote Operator's Software

The Remote Operator's Software provides alternative access for users with mobility or dexterity impairments. This software emulates the imageRUNNER control panel and hard keys on a computer screen, thereby allowing users to operate all system functions—including copy, print, fax, scan, and send—from a network-connected computer.

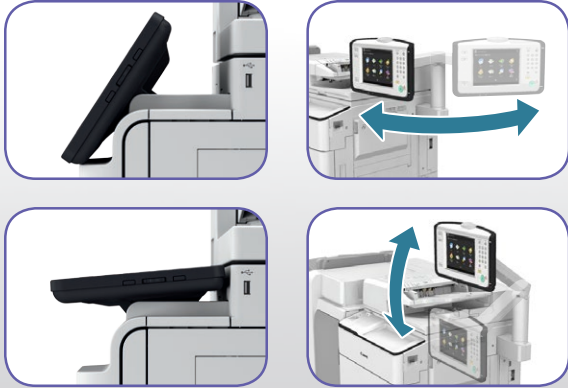


User-friendly Control Panel Design

Canon imageRUNNER devices feature a consistent, user-friendly interface that's designed to quickly guide users through all device functions. Concave Numeric Keys, #5 Key Indicator, and optional Braille Label Kits (transparent labels that affix to the hard keys) provide visually impaired users with improved access and the ability to input information.

Certain models offer control panels that can tilt or pan for better viewing angles as well as allow for easy input and visibility for users requiring access via wheelchairs.*

The number of buttons on the user interface touch-screen can be reduced in order to make the remaining ones larger, thereby making them easier to see and locate quickly.



Access Within Reach

Users who operate devices from a seated position often experience difficulty reaching a fully raised document feeder. The optional ADF Access Handle has been designed to enable a person in a wheelchair to easily close the feeder from the upright position.

Canon has also improved access to paper and toner supply areas. On certain models, users can open the paper drawers with minimal effort and easily slide the paper guides, enabling the device to automatically detect the paper size.* Toner doors open instinctively during the toner replacement process. Additionally, toner bottles are designed to be lighter and easy to replace, so most users can do it with one hand.



Easy Access from Mobile Devices

With a variety of applications compatible with certain iPhone®, iPad®, and Android® devices—all of which are used in a range of business situations—users can easily perform print and scan operations. In an environment without wireless LAN, direct connection with an MFP device allows users to print documents from their compatible mobile device with the Canon PRINT Business app and also access data scanned using an MFP device from their mobile device.



Section 508 Compliance

Canon works hard to ensure that its products meet the standards of Section 508.

Effective June 25, 2001, Section 508 of the Rehabilitation Act mandates that Electronic and Information Technology (E&IT) products and services developed, procured, maintained, or used by the Federal Government allow Federal employees and members of the public with disabilities to have access to, and use of, Federal information data that's comparable to the access and use available to non-disabled Federal employees and members of the public.

For more information, please visit Canon on the Web at <http://www.usa.canon.com/universaldesign>.

For more accessibility information, please contact accessibility@usa.canon.com.



* Available as an option for certain imageRUNNER models. Check with your local Canon Authorized Dealer for more details.

Canon and imageRUNNER are registered trademarks of Canon Inc. in the United States and may be also registered trademarks or trademarks in other countries. None of these statements should be construed as legal advice, as Canon U.S.A., Inc. does not provide legal counsel or compliance consultancy, including without limitation, The Rehabilitation Act. Each customer must have its own qualified counsel determine the advisability of a particular solution as it relates to a regulatory and statutory compliance. Specifications and availability subject to change without notice. Not responsible for typographical errors.

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INSTRUCTIONS

- 1 Fill in all yellow cells as follows:
Included - for included in base price
Optional - for options available at additional cost
Numerical Value - the specified models capability for numerical requirements
- 2 White cells are not mandatory requirements. However, if any of these capabilities are included in the base price, that can be noted as Included .
- 3 All yellow cells must be filled in for the bid to be accepted.

LOT 3 COLOR MFDs

	Segment 1	Specifications of Proposed Model	Segment 2	Specifications of Proposed Model	Segment 3	Specifications of Proposed Model
Manufacturer Name		Canon		Canon		Canon
Manufacturer Model Number		IRA3530i II		IRAC5540i II		IRAC5535i II
Volume, Capability, and Speed						
Pages Printed per Month minimum (including copied if applicable)	15,000	INCLUDED	20,000	INCLUDED	15,000	INCLUDED
Laser or equivalent technology	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Printed pages able to be copied, scanned, faxed, or overprinted immediately with no damage to original	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Black and White printing	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Color printing	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Automatically use most cost effective method for black-and-white or color	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Password protected printing for confidential documents	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Black and White Copying	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Color Copying	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Black and White Scanning	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Color Scanning	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Black and White Faxing	Optional	OPTIONAL	Optional	OPTIONAL	Optional	OPTIONAL
Internet Fax Expansion Kit	Optional	INCLUDED	Optional	INCLUDED	Optional	INCLUDED
Fax option provides programmable distribution lists.	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Time for first page from Standby Mode 40 seconds or less	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Minimum Black and White Print Speed Page Per Minute (PPM)	30 PPM	30PPM	40 PPM	40PPM	30 PPM	35 PPM
Minimum Color Print Speed Page Per Minute (PPM)	30 PPM	30 PPM	40 PPM	40PPM	30 PPM	30 PPM
Minimum Copy Speed Page Per Minute (PPM)	30 PPM	30 PPM	40 PPM	40PPM	30 PPM	30 PPM
50 Sheets Automatic Document Feeder Capacity	Mandatory	100	Mandatory	150	Mandatory	100
Automatic Duplex Printing	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Automatic Duplex Copying	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Minimum Collating and Stapling Speed	30 PPM	30PPM	40 PPM	40 PPM	30 PPM	35 PPM
3-hole Punch	Optional	OPTIONAL	Optional	OPTIONAL	Optional	OPTIONAL
Saddle Stitch	Optional	OPTIONAL	Optional	OPTIONAL	Optional	OPTIONAL
Job queuing	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Functional concurrency	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED

LOT 3 COLOR MFDs

	Segment 1	Specifications of Proposed Model	Segment 2	Specifications of Proposed Model	Segment 3	Specifications of Proposed Model
Media Sizes, Types, and Trays						
Standard 8.5 x 11 inch Media	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Standard 8.5 x 14 inch Media	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Standard 11 x 17 inch Media	Optional	INCLUDED	Optional	INCLUDED	Mandatory	INCLUDED
LaserJet paper	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Multipurpose paper	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Maximum of 50% recycled material in paper without adversely affecting functionally or uptime	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Standard envelope media	N/A		N/A		N/A	
Paper Labels	N/A		N/A		N/A	
Card Stock	Optional	OPTIONAL	Optional	OPTIONAL	Optional	OPTIONAL
Transparencies	N/A		N/A		N/A	
Soft and High Gloss Laser paper	N/A		N/A		N/A	
Color LaserJet transparency	N/A		N/A		N/A	
Minimum Paper Trays or Drawers Standard	1	2	1	2	1	2
Additional trays or drawers for paper sources	Optional	OPTIONAL	Optional	OPTIONAL	Optional	OPTIONAL
High Capacity Tray or Drawer	Optional	OPTIONAL	Optional	OPTIONAL	Optional	OPTIONAL
Exit Tray	Optional	OPTIONAL	Optional	OPTIONAL	Optional	OPTIONAL
Minimum Paper Input Capacity	500 sheets	1,200	500 sheets	1,200	500 sheets	1,200
Minimum Output Capacity	100 sheets	250	100 sheets	250	100 sheets	250
Memory and Storage						
Minimum Standard Memory	512MB	8 GB RAM/160GB HDD	512MB	8 GB RAM/160GB HDD	512MB	8 GB RAM/160GB HDD
Minimum Memory Expandable to		32 GB RAM/1 TB HDD		32 GB RAM/1 TB HDD		32 GB RAM/1 TB HDD
Memory Expansion Kit	Optional	OPTIONAL	Optional	OPTIONAL	Optional	OPTIONAL
40GB or more internal storage	Mandatory	160 GB	Mandatory	160 GB	Mandatory	160 GB

LOT 3 COLOR MFDs

	Segment 1	Specifications of Proposed Model	Segment 2	Specifications of Proposed Model	Segment 3	Specifications of Proposed Model
Compatibility and Connectivity						
Common user interface within each lot	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
LDAP Authentication	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Windows 7 client operating system	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Windows 8 client operating system upgradability if not currently available	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Mac client operating system	Optional	INCLUDED	Optional	INCLUDED	Optional	INCLUDED
Linux client operating system	Optional	INCLUDED	Optional	INCLUDED	Optional	INCLUDED
Windows Server 2012	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Windows Server 2016	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Print Drivers compatible with SAP	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
32 bit and 64 bit drivers	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Signed 32bit and 64bit WHQL drivers for Windows 7, 8.1, 10, 2012 Server, and 2016 Server	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Ethernet 100mbs Full Duplex connections	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
RJ45 interface	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Internal NIC card	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Wake-On-LAN-enabled NIC cards disabled or protected with hardened password	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
TCP/IP Protocol (not direct TCP/IP printing)	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Static IP Assignment;	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
IPv6 Compatible	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Unisys e-Workflow and imaging (Infoimage)	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
"Twain" compliant device	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED

LOT 3 COLOR MFDs

	Segment 1	Specifications of Proposed Model	Segment 2	Specifications of Proposed Model	Segment 3	Specifications of Proposed Model
Print Quality						
600 by 600 dpi Minimum Print Quality Black	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
600 by 600 dpi Minimum Print Quality Color	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
600 by 600 dpi Minimum Copy Quality Black	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
600 by 600 dpi Minimum Copy Quality Color	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
600 dpi Minimum Scan Resolution	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Copier Reduction/Enlarge Range 25-400%	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Common user interface look for PCL and PostScript print drivers	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Postscript or Postscript/PCL all in one driver page description languages	Optional	OPTIONAL	Optional	OPTIONAL	Optional	OPTIONAL
PCL driver page description languages	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Digital Output						
Select file format at device	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
.pdf Format	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
.docx format	Optional	INCLUDED	Optional	INCLUDED	Optional	INCLUDED
.rtf format	Optional	OPTIONAL	Optional	OPTIONAL	Optional	OPTIONAL
.jpg format	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Tiff 6.0 format using CCITT Group 4 compression	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Output to email	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Output to FTP	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Output to USB memory	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Output to network file	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Output to shared folders	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Equipment Requirements						
Energy Star compliant.	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Devices shall not emit ozone in excess of 0.02 mg/m ³	Mandatory	<LOD(=0.15mg/h)	Mandatory	<LOD(=0.15mg/h)	Mandatory	<LOD(=0.15mg/h)
Devices shall not emit dust in excess of 0.25 mg/m ³	Mandatory	1.06mg/h	Mandatory	1.06mg/h	Mandatory	1.06mg/h
Devices shall not emit styrene in excess of 0.11 mg/m ³	Mandatory	0.55mg/h	Mandatory	0.55mg/h	Mandatory	0.55mg/h
Badge Reader - Secure Printing	Optional	OPTIONAL	Optional	OPTIONAL	Optional	OPTIONAL
Printer Management Features						
Remote Management via Web Interface	N/A		N/A		N/A	
Remote Configuration Capability	Mandatory	INCLUDED	Mandatory	INCLUDED	Mandatory	INCLUDED
Restrict color to authorized users	N/A		N/A		N/A	

APPENDIX C, MFD SERVICE LEVEL AGREEMENTS

Performance Metric	Performance Measure	Performance Target	Definition	Calculation	Frequency of Review	Service Credit
MFD Uptime	MFD Agency Device Availability	95%	All machines provided to an agency, as an aggregate, must have an up-time of 96% or greater on a rolling quarterly average. The SLA is applicable to each agency.	Total downtime of all agency machines. Number of available (contracted) hours – down time / available hours	Quarterly	2% credit to the next monthly agency bill.
Fix Time	MFD Agency Device Fix Time	95%	The selected Offeror shall restore service to machines within eight (8) business hours. This SLA is applicable to each agency. The selected Offeror shall replace the faulty MFD with a loaner MFD of equivalent capability until the repairs have been made when the fix-time will exceed eight (8) business hours. Subject to the availability of a loaner from local servicer.	The measure from the time the Commonwealth contacts the selected Offeror, by a mutually agreed upon method, to the time the machine is returned to full and complete working order or substituted with an equivalent machine.	Monthly	2% credit to the next monthly agency bill
Reports	Submission of Reports on Time	100%	Submission of required Monthly Reports within thirty(30) business days following the end of the reporting period. Submission of required Quarterly Report within thirty (30) business days following the end of the reporting period. Device Usage Report completed within thirty (30) business days of the Commonwealth or using agency request, or within thirty (30) business days following the end of the reporting period.	End of Reporting Periods + thirty (30) business days. End of Reporting Periods + thirty (30) business days. End of Reporting Periods or Date of Request + thirty (30) business days.	Monthly Quarterly Quarterly	None None None

APPENDIX C, MFD SERVICE LEVEL AGREEMENTS

Up Time and Fix Time:

Up-time is calculated by subtracting down time from total available hours and dividing the result each month by the total normal business hours each month for the respective agency.

- All machines provided to an agency, as an aggregate, must have an Up-time of at least 95% on a rolling three (3) month average. This SLA will apply to each individual agency.

Fix-time is measured from the time the Commonwealth calls/submits a trouble ticket to the contractor to the time the machine is returned to full and complete working order.

- The Contractor must resolve at least 95% of the trouble tickets submitted by an agency each month in a Fix-time of no more than eight (8) normal business hours. This SLA will apply to each individual agency.
- Should the Fix-time exceed eight (8) normal business hours, the Contractor must notify the Commonwealth and replace the faulty MFD with a loaner MFD of equivalent capability until the repairs have been made and the agency's MFD is back to full and complete working order. Repair or replacement must be made within sixteen (16) normal business hours after the trouble ticket has been placed by the Commonwealth. Subject to availability of loaner by local servicer.
-

Failure to meet either SLA for one month will result in a 2% credit on the next monthly bill to the agency. Failure to meet an SLA in subsequent months will increase the credit by an additional 2% for each additional reporting period, up to a maximum of credit of 10%. If the Contractor meets both SLAs for two (2) consecutive months, the credit for the next failure will reset to 2%.



AWARD-WINNING SOLUTIONS AND SERVICES

Canon's commitment to delivering outstanding imaging solutions and exceptional services to its customers is reflected in the awards and recognition received.

April 2018

CANON DELIVERS OUTSTANDING TECHNOLOGIES ACROSS MANY MARKETS

Canon U.S.A. receives numerous awards and recognition from top industry analysts and holds leadership positions in key segments of the office imaging market. When choosing Canon, you can feel confident that you're partnering with a company that delivers outstanding technologies across a range of markets.

As a leader in advanced digital imaging, Canon offers its customers a comprehensive line-up of solutions. Whether it's software to help streamline workflows or imaging devices for small offices, large enterprises, or high-volume production environments, Canon has a solution to suit virtually every need, application, and budget.



imageRUNNER ADVANCE AWARDS

Keypoint Intelligence—Buyers Lab 2018, 2017, and 2016 Copier MFP Line of the Year **Canon imageRUNNER ADVANCE Series**

For three consecutive years, Canon has earned BLI's prestigious Copier MFP Line of the Year award. This validates Canon's strong copier market reputation for offering reliable, easily adaptable systems that can enhance existing workflows.



















According to George Mikolay, Associate Director, Copiers/Production, Keypoint Intelligence, "The introduction of the third generation of imageRUNNER ADVANCE MFPs was a pivotal moment for Canon, and as this generation of MFPs continues to grow, so does Canon's ability

to offer fully integrated and holistic business solutions."

The award-winning, third generation imageRUNNER ADVANCE MFPs demonstrate Canon's commitment to embrace a unified approach across hardware and software solutions to help enterprise environments optimize their digital workplace transformation. They can also help you meet today's workforce demands of flexibility, customization, and convenience in the office.









ImageRUNNER ADVANCE



	<p>imageRUNNER ADVANCE C7500 Series</p> <p>imageRUNNER ADVANCE C7580i with ColorPASS-GX500 Controller (EFI Fiery-based): BLI 2018 RPO Award Outstanding Color Entry-Level CRD Production Device</p>
<p> </p>	<p>imageRUNNER ADVANCE C7580i: BLI 2017 Summer Pick Award Outstanding 70- to 80-ppm Color Copier MFP</p>
	<p>imageRUNNER ADVANCE C5500 Series</p> <p>BetterBuys 2016 Editor's Choice Award</p> <p>imageRUNNER ADVANCE C5560i: BLI 2017 Summer Pick Award Outstanding 60-ppm Color Copier MFP</p>
<p> </p>	<p>imageRUNNER ADVANCE C5550i: BLI 2017 Winter Pick Award Outstanding 41- to 50-ppm A3 Color MFP</p>
<p> </p>	<p>imageRUNNER ADVANCE C5535i: BLI 2017 Winter Pick Award Outstanding 31- to 40-ppm A3 Color MFP</p>
	<p>imageRUNNER ADVANCE C3500 Series</p>
<p> </p>	<p>imageRUNNER ADVANCE C3530i: BLI 2017 Summer Pick Award Outstanding 30-ppm Color Copier MFP</p>
	<p>imageRUNNER ADVANCE C3525i: BLI 2017 Summer Pick Award Outstanding 25-ppm Color Copier MFP</p>
	<p>imageRUNNER ADVANCE C355iF/C255iF Models</p>
<p> </p>	<p>imageRUNNER ADVANCE C355iF: BLI 2017 Summer Pick Award Outstanding Color Multifunction Printer for Large Workgroups</p>
	<p>imageRUNNER ADVANCE C255iF: BLI 2017 Summer Pick Award Outstanding Color Multifunction Printer for SMBs</p>
	<p>imageRUNNER ADVANCE 8500 Series</p> <p>BetterBuys 2017 Innovative Product of the Year</p> <p>BetterBuys 2016 Editor's Choice Award</p>
<p> </p>	<p>imageRUNNER ADVANCE 8505i: BLI 2016 Summer Pick Award Outstanding 91- to 105-ppm A3 Monochrome MFP</p>
<p> </p>	<p>imageRUNNER ADVANCE 8585i: BLI 2016 Summer Pick Award Outstanding 81- to 90-ppm A3 Monochrome MFP</p>
	<p>imageRUNNER ADVANCE 6500 Series</p> <p>BetterBuys 2016 Editor's Choice Award</p>
<p> </p>	<p>imageRUNNER ADVANCE 6575i: BLI 2016 Summer Pick Award Outstanding 71- to 80-ppm A3 Monochrome MFP</p>
<p> </p>	<p>imageRUNNER ADVANCE 6565i: BLI 2016 Summer Pick Award Outstanding 61- to 70-ppm A3 Monochrome MFP</p>
	<p>imageRUNNER ADVANCE 4500 Series</p> <p>BetterBuys 2017 Editor's Choice Award</p>
<p> </p>	<p>imageRUNNER ADVANCE 4535i: BLI 2017 Summer Pick Award Outstanding 35-ppm Copier MFP</p>
	<p>imageRUNNER ADVANCE 500iF Model</p>
<p> </p>	<p>imageRUNNER ADVANCE 500iF: BLI 2013 Summer Pick Award Outstanding A4 Monochrome MFP for Large Workgroups</p>
<p> </p>	<p>imageRUNNER ADVANCE 500iF: BLI 2014 Winter Pick Award Outstanding Achievement in Energy Efficiency</p>



imageCLASS AWARDS

		Color imageCLASS MF735Cdw/MF733Cdw/MF731Cdw BLI 2018 Winter Pick Award Outstanding Color Multifunction Printer for Small Workgroups
		Color imageCLASS MF634Cdw/MF632Cdw BLI 2018 Winter Pick Award Outstanding Personal Color Multifunction Printer
		Color imageCLASS LBP712Cdn Model BLI 2017 Summer Pick Award Outstanding Color Printer for Large Workgroups
		imageCLASS LBP312dn Model BLI 2017 Summer Pick Award Outstanding Printer for Small Workgroups
		imageCLASS MF410 Series BLI 2017 Summer Pick Award Outstanding Multifunction Printer for Small Workgroups

imageCLASS



SOFTWARE AWARDS

		I.R.I.S. IRIS Powerscan 10 BLI 2018 Winter Pick Award Outstanding Scan Capture and Processing Solution
		Therefore Online SMB BLI 2018 Winter Pick Award Outstanding SMB Information Management and Workflow Solutions
		uniFLOW 2018 LTS BLI 2018 Winter Pick Award Outstanding Enterprise Output and Scan Management Solution
		Therefore 2016 BLI 2017 Winter Pick Award Outstanding Information Management Platform
		uniFLOW V5.4 BLI 2017 Winter Pick Award Outstanding Output Management Platform
		uniFLOW V5.3 BLI 2015 Winter Pick Award Outstanding Document Imaging Solution Suite











imagePROGRAF AWARDS

Keypoint Intelligence—Buyers Lab 2017 Wide Format Line of the Year

Marlene Orr, Director, Office Equipment Product Analysis, at BLI states the following: "The comprehensiveness of Canon's offerings, satisfying the production/proofing print markets with the 8-color models and the high-end graphics markets with the 11-color plus chroma optimized



models across all the common size ranges, together with the outstanding lab performance of all the models tested have earned Canon the 2017 Line of the Year award for its wide-format graphic arts and technical printers."

	imagePROGRAF TX Series CE 2018 HOT PRODUCTS
	imagePROGRAF PRO-2000/PRO-4000 Series Series Award: BLI 2017 Winter Pick Award Outstanding Professional Photo and Fine Art Wide-Format Printer Series
	imagePROGRAF PRO-4000S/PRO-6000S Series Series Award: BLI 2017 Winter Pick Award Outstanding Poster and Indoor Signage Wide-Format Printer Series
 	imagePROGRAF iPF770 Model BLI 2016 Winter Pick Award Outstanding 36" Color Wide-Format Technical Printer
 	imagePROGRAF iPF680/iPF685 Models BLI 2015 Winter Pick Award Outstanding 24" Color Wide-Format Technical Printer
 	imagePROGRAF iPF780/iPF785 Models BLI 2015 Winter Pick Award Outstanding 36" Color Wide-Format Technical Printer
 	imagePROGRAF iPF785 MFP M40 Model BLI 2015 Winter Pick Award Outstanding 36" Color Wide-Format Technical Printer

imagePROGRAF














imagePRESS/varioPRINT AWARDS

	varioPRINT 140/135/115 varioPRINT 140/135/115 with PRISMAsync Print Controller BLI 2018 PRO Award - Outstanding Light-/Mid-Volume Production Device
	imagePRESS C850 Model imagePRESS C850 with PRISMAsync Color Printer Server BLI 2017 PRO Award - Outstanding Color Light Production Device
	imagePRESS C850 with imagePRESS Server F200 BLI 2017 PRO Award - Outstanding Color Light Production Device

 **imagePRESS**



imageFORMULA AWARDS

	imageFORMULA DR-M260 BLI 2018 Winter Pick Award Outstanding Workgroup Scanner
	 BetterBuys 2018 Innovative Product of the Year
	 BetterBuys 2017 Editor's Choice Award
	imageFORMULA ScanFront 400 Model BLI 2017 Summer Pick Award Outstanding Workgroup Scanner
	 imageFORMULA DR-G1100 Model BLI 2016 Winter Pick Award Outstanding Budget-Friendly A3 Mid-Volume Production Scanner
	 imageFORMULA DR-F120 Model BLI 2015 Summer Pick Award Outstanding Achievement in Value
	 imageFORMULA DR-M1060 Model BLI 2015 Winter Pick Award Outstanding Achievement in Value

 **imageFORMULA**



KEYPOINT INTELLIGENCE—BUYERS LAB 2017-2018 PACESETTER AWARDS

Canon U.S.A., Inc. has been honored with the prestigious BLI PaceSetter award in the categories of Document Imaging Security, Mobile Print, Education, Financial Services, and Healthcare – Hospital Networks from the analysis at Keypoint Intelligence – Buyers Lab (BLI).

		<h3>Document Imaging Security</h3> <ul style="list-style-type: none"> • Unsurpassed, built-in user-authentication schemas in the latest imageRUNNER ADVANCE MFPs • uniFLOW platform handles authentication, user tracking, and document-centric data loss prevention for all-size businesses 	<ul style="list-style-type: none"> • Leadership in industry security initiatives such as the IEEE 2600.1 CC Certification standards • Ongoing program using extensive in-house resources and independent security consultant
		<h3>Mobile Print</h3> <ul style="list-style-type: none"> • Wide-reaching portfolio spans peer-to-peer, cloud-based, and enterprise-grade solutions • Security features like secure pull-printing, authentication, and tight integration with output management software 	<ul style="list-style-type: none"> • Strong support for mobile-friendly industry standards: Apple® AirPrint®, Wi-Fi® Direct Printing, Google™ Cloud Print, Mopria™ Print Service, NFC, and Bluetooth • Excellent hardware compatibility and adaptability including brand-agnostic solutions
		<h3>Education – Higher Education</h3> <ul style="list-style-type: none"> • Wide spectrum of office and production-print capture and output devices • Impressive peripheral offerings: still, video, cameras; medical equipment; production printers; and projectors 	<ul style="list-style-type: none"> • Advanced software solutions and partnerships for print cost recovery • Support for campuses with professional services, and programs developed to improve student life, university offerings, and surrounding communities
		<h3>Financial Services</h3> <ul style="list-style-type: none"> • Automated mortgage loan processing method to minimize costly bottlenecks, boosts efficiency • Wide-ranging hardware for branch offices; A4/A3 MFPs, dedicated scanners and check scanners, surveillance cameras • Outstanding production-print 	<p>portfolio to handle the many media types needed for marketing materials and customer statements</p> <ul style="list-style-type: none"> • Excellent security-software portfolio; imageWARE Secure Audit Manager Express, uniFLOW, AA Print, and more • World-class services and support
		<h3>Healthcare – Hospital Networks</h3> <ul style="list-style-type: none"> • Outstanding portfolio of document-centric solutions and services for healthcare providers • Feature-rich Canon imageRUNNER ADVANCE MFPs, imageCLASS printers and MFPs, imageFORMULA scanners, production, and large-format printers to suit any document input/output need in a healthcare environment 	<ul style="list-style-type: none"> • Strong mix of offerings beyond document imaging; radiology and ophthalmology equipment, network video surveillance solutions, and LCOS projection systems for university/teaching hospitals



OTHER AWARDS AND RECOGNITIONS

Homeland Security Awards "ASTORS" Platinum Award

Canon U.S.A., Inc. was recently named by American Security Today (AST) as a winner of its 2017 Platinum "ASTORS" Homeland Security Award. This recognizes Canon's

imageRUNNER ADVANCE platform, uniFLOW, and imageWARE Secure Audit Manager Express for "Best Access Control and Authentication Solution."



BenchmarkPortal Awards 2017 Center of Excellence

The Canon U.S.A., Technical Support Center has earned the "Center of Excellence" certification from BenchmarkPortal for the ninth consecutive year. Contact centers achieved the Center of Excellence distinction based on best-practice metrics drawn from the world's largest database of objective and quantitative data that's audited and validated by researchers from BenchmarkPortal.

To achieve certification as a Center of Excellence, a company must undergo a rigorous benchmarking process, which compares the organization's operational metrics to those of its peers using the world's largest database of contact center metrics. During this process, BenchmarkPortal experts audit and verify key data from the contact center applying for certification.



2017 iF Design Award

iF Design Awards are recognized internationally as one of the most prestigious awards within the field of design, with outstanding industrial designs chosen from all over the world each year.

iF Design Award 2017 (Product) Winners

- EOS-1D X Mark II DSLR Camera
- PowerShot G5 X Digital Compact Camera
- imagePROGRAF PRO-1000 Large-Format Inkjet Printer
- Third generation imageRUNNER ADVANCE Multifunction Office Systems
- imageCLASS LBP351dn/LBP 352dn; Color imageCLASS LBP712Cdn
- REALiS 4K500ST/4K501ST Projector



U.S. EPA ENERGY STAR® Program 2018 Partner of the Year—Sustained Excellence Award

Canon U.S.A., Inc. is a proud recipient of the United States Environmental Protection Agency's 2018 ENERGY STAR® Partner of the Year—Sustained Excellence Award! This award is bestowed upon companies that demonstrated continued leadership in energy efficiency and commitment to

the ENERGY STAR program. Canon has been recognized for the third consecutive year for its outstanding contribution to the reduction of greenhouse gas emissions by manufacturing energy-efficient products and educating consumers about energy efficiency.



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RESULTS FOR THE FOURTH QUARTER
AND THE FISCAL YEAR ENDED DECEMBER 31, 2017

January 30, 2018

CONSOLIDATED RESULTS

(Millions of yen, thousands of U.S. dollars, except per share amounts)

	Actual			Projected		
	Year ended December 31, 2017	Year ended December 31, 2016	Change(%)	Year ended December 31, 2017	Year ending December 31, 2018	Change(%)
Net sales	¥ 4,080,015	¥ 3,401,487	+ 19.9	\$ 36,106,327	¥ 4,300,000	+ 5.4
Operating profit	331,479	228,866	+ 44.8	2,933,442	420,000	+ 26.7
Income before income taxes	353,884	244,651	+ 44.6	3,131,717	420,000	+ 18.7
Net income attributable to Canon Inc.	¥ 241,923	¥ 150,650	+ 60.6	\$ 2,140,912	¥ 280,000	+ 15.7
Net income attributable to Canon Inc. shareholders per share:						
- Basic	¥ 222.88	¥ 137.95	+ 61.6	\$ 1.97	¥ 259.32	+ 16.3
- Diluted	222.88	137.95	+ 61.6	1.97	-	-

	Actual		
	As of December 31, 2017	As of December 31, 2016	Change(%)
Total assets	¥ 5,198,291	¥ 5,138,529	+ 1.2
Canon Inc. shareholders' equity	¥ 2,870,630	¥ 2,783,129	+ 3.1

Notes: 1. Canon's consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles.

2. U.S. dollar amounts are translated from yen at the rate of JPY 113= U.S.\$1, the approximate exchange rate on the Tokyo Foreign Exchange Market as of December 29, 2017, solely for the convenience of the reader.

Canon Inc.
Headquarter office

30-2, Shimomaruko 3-chome, Ohta-ku,
Tokyo 146-8501, Japan
Phone: +81-3-3758-2111

I. Operating Results and Financial Conditions

2017 in Review

Looking back at the global economy in 2017, the U.S. economy continued to grow steadily as employment conditions and corporate earnings improved. In Europe, the economy remained stable as unemployment rates decreased and capital investment increased due to strong exports. The Chinese economy rallied due to public investments while the economies of emerging countries realized moderate recovery as the economies of Russia and Brazil bottomed out owing to the rising price of natural resources. In Japan, corporate earnings improved and consumer spending showed signs of recovery. As a result, the global economy overall continued to recover more robustly than was expected at the beginning of the year.

As for the markets in which Canon operates amid these conditions, demand for office multifunction devices (MFDs) and laser printers remained at around the same level as the previous year. While demand for cameras shrank moderately, demand for inkjet printers increased from the previous year with the economies recovering in emerging countries. Additionally, there was solid demand for medical equipment, mainly outside of Japan. Within the Industry and Others sector, demand for flat panel display (FPD) lithography equipment and manufacturing equipment for organic LED (OLED) panels enjoyed strong growth and the demand for network camera also enjoyed solid growth.

The average value of the yen during the year was ¥112.13 against the U.S. dollar, a year-on-year depreciation of approximately ¥4, and ¥126.69 against the euro, a year-on-year depreciation of approximately ¥6.

During 2017, unit sales of office MFDs increased compared with the previous year due to the expanded sales of color models. Additionally, unit sales of laser printers increased compared with the previous year, supported by the steady sales of newly launched models, as demand recovered in emerging countries. While unit sales of interchangeable-lens digital cameras decreased compared with the previous year, unit sales of digital compact cameras remained at around the same level amid the shrinking market, owing to increased sales of high-value-added models. Looking at inkjet printers, unit sales increased compared with the previous year, thanks to such factors as strong sales of newly launched home-use models and refillable ink tank models for emerging countries. Additionally, sales of semiconductor lithography equipment, FPD lithography equipment, and manufacturing equipment for OLED panels exceeded those of the previous year, thanks to favorable market conditions, and sales of network cameras increased steadily in response to the growing market. Under these conditions, along with the impact of acquiring Toshiba Medical Systems Corporation (TMSC) (Canon Medical Systems Corporation as of January 4th, 2018), net sales for the year increased by 19.9% year on year to ¥4,080.0 billion. Although the gross profit ratio decreased by 0.4 points to 48.8% due to the effect of the product mix, gross profit increased by 19.0% year on year to ¥1,992.7 billion, thanks to such factors as the increase in sales and continuous cost reduction efforts. Operating expenses increased by 15.0% year on year, mainly due to impairment loss on goodwill of commercial printing business in Office Business Unit and the impact of acquiring TMSC. As a result, operating profit increased by 44.8% to ¥331.5 billion. Adjusted operating profit, which excludes impairment losses on goodwill from operating profit as they are considered nonrecurring charges, increased by 59.7% to ¥365.4 billion. Other income (deductions) increased by ¥6.6 billion mainly due to gain on securities contributed to retirement benefit trust and foreign currency exchange losses while income before income taxes increased by 44.6% year on year to ¥353.9 billion and net income attributable to Canon Inc. increased by 60.6% to ¥241.9 billion.

Basic net income attributable to Canon Inc. shareholders per share for the year was ¥222.88, a year-on-year increase of ¥84.93.

Results by Segment

Looking at Canon's full-year performance by business unit, beginning with the Office Business Unit, unit sales of office MFDs increased from the previous year and achieved higher growth than the market average, supported by steady sales of next-generation color models designed to strengthen the product lineup such as the newly launched color A3 (12"x18") imageRUNNER ADVANCE C3500 series for small- and medium-size offices. Among high-speed continuous-feed printers, unit sales of the Océ-produced VarioPrint i300, a high-speed sheet-fed color inkjet press that offers superior low-running-cost performance, increased. As for laser printers, sales of both hardware and consumables increased from the previous year, supported by steady sales of new models that achieve low power consumption and compact body designs. These factors resulted in total sales for the business unit of ¥1,865.9 billion, a year-on-year increase of 3.2%, while operating profit totaled ¥180.6 billion, a year-on-year increase of 6.6%. Adjusted operating profit, which excludes impairment losses on goodwill from operating profit, increased by 26.6% to ¥214.6 billion.

Within the Imaging System Business Unit, while the pace of decline in demand for interchangeable-lens digital cameras is gradually decelerating, the sales of the advanced-amateur-models—including the EOS 6D Mark II—enjoyed solid demand, allowing Canon to maintain the top share, mainly in the United States, Europe, and Japan. As for compact-system cameras, the advanced-amateur-model EOS M6 and the entry-level EOS M100 enjoyed strong demand. As for digital compact cameras, amid the shrinking market, unit sales remained at the same level as the previous year, supported by the increased sales of such high-value-added models as the newly launched G9 X Mark II—part of the high-image-quality PowerShot G-series lineup. As for inkjet printers, the newly designed home-use TS-series, refillable ink tank models targeting emerging countries and the imagePROGRAF PRO series of large format inkjet printer targeting the professional photo and graphic art markets enjoyed strong demand, resulting in unit sales increasing from the previous year. As a result, sales for the business unit increased by 3.7% year on year to ¥1,136.2 billion, while operating profit totaled ¥175.9 billion, a year-on-year increase of 21.8%.

Within the Medical System Business Unit, TMSC's computed tomography (CT) products increased the sales and maintained the top share in the Japanese market thanks to the solid sales of the newly launched Aquilion Precision CT scanner, which delivers the industry's highest level of high-resolution imaging. As for diagnostic ultrasound systems, sale of the Aplio i-series, which delivers proprietary high-resolution imaging technology, remained firm. As a result, sales for the business unit totaled ¥436.2 billion, while operating profit totaled ¥22.5 billion.

In the Industry and Others Business Unit, unit sales of semiconductor lithography equipment increased from the previous year as a result of increasing demand for memory devices used in data centers. Additionally, sales of FPD lithography equipment and manufacturing equipment for OLED panels increased significantly in response to continued growing demand for high-definition OLED displays used in mobile devices. As for network cameras, amid increasing market demand, Axis enjoyed solid sales, resulting in a considerable sales increase compared with the previous year. Consequently, sales for the business unit increased by 25.2% year on year to ¥731.7 billion, while operating profit grew by ¥49.3 billion from the previous year to ¥56.8 billion.

Cash Flow

During 2017, cash flow from operating activities totaled ¥590.6 billion, an increase of ¥90.3 billion compared with the previous year, mainly owing to improvements in profitability. Cash flow from investing activities decreased by ¥672.1 billion year on year to ¥165.0 billion due to the payment made in the previous year for the right to acquire all of the shares of TMSC. Accordingly, free cash flow totaled ¥425.5 billion, an increase of ¥762.4 billion compared with the corresponding year-ago period.

Cash flow from financing activities recorded an outlay of ¥340.5 billion, mainly owing to the dividend payout, the repurchasing of treasury stock and the repayment of long-term debt.

Owing to these factors, as well as the impact of foreign currency translation adjustments, cash and cash equivalents increased by ¥91.6 billion to ¥721.8 billion from the end of the previous year.

Outlook

As for the outlook for 2018, the U.S. economy is expected to recover stronger as corporate earnings and capital investments steadily improve thanks to tax reform. The European economy is expected to recover slowly due to increasing uncertainty surrounding the U.K.'s decision to leave the EU, although consumer spending is expected to remain stable due to solid employment conditions. Looking at China, the economy is expected to stabilize through public investments and solid consumer spending. Emerging economies, including Southeast Asia, are expected to continue to grow due to strong exports. With regard to the Japanese economy, the outlook indicates a trend of gradual recovery supported by improved employment conditions and consumer spending. Overall, the global economy is expected to continue achieving moderate growth, despite such concerns as increasing geopolitical risks.

In the businesses in which Canon is involved, for office MFDs, demand for color models is expected to grow moderately and make up for the contraction of the market for monochrome models, leading to the same level of demand overall compared with the previous year. Looking at the laser printer market, although the demand in developed countries is expected to decrease, demand in emerging countries continues to recover, resulting in overall demand remaining at the same level as the previous year. For interchangeable-lens digital cameras, demand is expected to decrease moderately. Projections for digital compact cameras indicate continued market contraction, centered mainly on low-priced models, despite solid demand for high-value-added models. With regard to inkjet printers, demand is expected to continue to exceed that of the previous year. As for the medical equipment market, demand is expected to remain firm in response to replacement demand for medical equipment in developed countries, increasing medical needs associated with population growth in emerging countries and changes in the prevalence of diseases. Looking at industrial equipment, within the semiconductor lithography equipment segment, the market is expected to enjoy healthy growth due to the increase in demand for memory devices used in data centers and mobile devices. The outlook for FPD lithography equipment and OLED panel manufacturing equipment points to continued active capital investment by panel manufacturers, which is expected to increase demand. The network camera market is also expected to grow in response to the increasing use of network cameras for diverse applications in such areas as marketing support in addition to disaster monitoring and crime prevention applications.

With regard to currency exchange rates for the year, on which Canon's performance outlook is based, Canon anticipates exchange rates of ¥110 to the U.S. dollar and ¥130 to the euro, representing appreciation of approximately ¥2 against the U.S. dollar and depreciation of approximately ¥3 against the euro compared with the annual average rates of the previous year.

Upon taking into consideration the current economic forecast, Canon projects full-year consolidated net sales in 2018 of ¥4,300.0 billion, a year-on-year increase of 5.4%; operating profit of ¥420.0 billion, a year-on-year increase of 26.7%; income before income taxes of ¥420.0 billion, a year-on-year increase of 18.7%; and net income attributable to Canon Inc. of ¥280.0 billion, a year-on-year increase of 15.7%.

This document contains forward-looking statements with respect to future results, performance and achievements that are subject to risk and uncertainties and reflect management's views and assumptions formed by available information. All statements other than statements of historical fact are statements that could be considered forward-looking statements. When used in this document, words such as "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "project" or "should" and similar expressions, as they relate to Canon, are intended to identify forward-looking statements. Many factors could cause the actual results, performance or achievements of Canon to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, changes in general economic and business conditions, changes in currency exchange rates and interest rates, introduction of competing products by other companies, lack of acceptance of new products or services by Canon's targeted customers, inability to meet efficiency and cost reduction objectives, changes in business strategy and various other factors, both referenced and not referenced in this document. A detailed description of these and other risk factors is included in Canon's annual report on Form 20-F, which is on file with the United States Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein. Canon does not intend or assume any obligation to update these forward-looking statements.

II. Basic Concept Regarding the Selection of Accounting Standards

Canon is listed on the New York Stock Exchange and, since registering its American Depositary Receipts on the OTC (over-the-counter) market in 1969, has prepared its consolidated financial statements in accordance with U.S. generally accepted accounting principles ("GAAP") over the long term.

Canon has continued to adopt U.S. GAAP in order to maintain the continuity of financial statements from the past and to maintain international comparability.

III. Financial Statements**1. CONSOLIDATED BALANCE SHEETS**

	Millions of yen		
	As of December 31, 2017	As of December 31, 2016	Change
ASSETS			
Current assets:			
Cash and cash equivalents	721,814	630,193	91,621
Short-term investments	1,965	3,206	(1,241)
Trade receivables, net	650,872	641,458	9,414
Inventories	570,033	560,736	9,297
Prepaid expenses and other current assets	287,965	264,155	23,810
Total current assets	2,232,649	2,099,748	132,901
Noncurrent receivables	35,444	29,297	6,147
Investments	48,320	73,680	(25,360)
Property, plant and equipment, net	1,126,620	1,194,976	(68,356)
Intangible assets, net	420,972	446,268	(25,296)
Goodwill	936,722	936,424	298
Other assets	397,564	358,136	39,428
Total assets	5,198,291	5,138,529	59,762
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term loans and current portion of long-term debt	39,328	1,850	37,478
Trade payables	380,654	372,269	8,385
Accrued income taxes	77,501	30,514	46,987
Accrued expenses	330,188	304,901	25,287
Other current liabilities	281,809	273,835	7,974
Total current liabilities	1,109,480	983,369	126,111
Long-term debt, excluding current installments	493,238	611,289	(118,051)
Accrued pension and severance cost	365,582	407,200	(41,618)
Other noncurrent liabilities	133,816	142,049	(8,233)
Total liabilities	2,102,116	2,143,907	(41,791)
Equity:			
Canon Inc. shareholders' equity:			
Common stock	174,762	174,762	-
Additional paid-in capital	401,386	401,385	1
Legal reserve	66,879	66,558	321
Retained earnings	3,429,312	3,350,728	78,584
Accumulated other comprehensive income (loss)	(143,228)	(199,881)	56,653
Treasury stock, at cost	(1,058,481)	(1,010,423)	(48,058)
Total Canon Inc. shareholders' equity	2,870,630	2,783,129	87,501
Noncontrolling interests	225,545	211,493	14,052
Total equity	3,096,175	2,994,622	101,553
Total liabilities and equity	5,198,291	5,138,529	59,762

	Millions of yen	
	As of December 31, 2017	As of December 31, 2016
Notes:		
1. Allowance for doubtful receivables	13,378	11,075
2. Accumulated depreciation	2,638,055	2,578,342
3. Accumulated other comprehensive income (loss):		
Foreign currency translation adjustments	30,208	(13,960)
Net unrealized gains and losses on securities	5,484	15,251
Net gains and losses on derivative instruments	(180)	(2,742)
Pension liability adjustments	(178,740)	(198,430)

2. CONSOLIDATED STATEMENTS OF INCOME AND
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Consolidated statements of income**Results for the fourth quarter**

	Millions of yen		Change(%)
	Three months ended	Three months ended	
	December 31, 2017	December 31, 2016	
Net sales	1,120,291	965,173	+ 16.1
Cost of sales	573,730	505,066	
Gross profit	546,561	460,107	+ 18.8
Operating expenses:			
Selling, general and administrative expenses	346,804	305,987	
Research and development expenses	86,809	73,952	
Impairment losses on goodwill	33,912	-	
Operating profit	79,036	80,168	- 1.4
Other income (deductions):			
Interest and dividend income	1,478	1,178	
Interest expense	(236)	(219)	
Other, net	8,239	(8,492)	
Income before income taxes	88,517	72,635	+ 21.9
Income taxes	28,776	22,751	
Consolidated net income	59,741	49,884	
Less: Net income attributable to noncontrolling interests	5,138	5,054	
Net income attributable to Canon Inc.	54,603	44,830	+ 21.8

Note

Canon includes "Adjusted operating profit," which is a non-U.S. GAAP measure, in its disclosure. We believe this measure helps investors better understand Canon's recurring business performance. A reconciliation from Operating profit to Adjusted operating profit is set forth on the following table.

Reconciliation from Operating profit to Adjusted operating profit

	Millions of yen	
	Three months ended	Three months ended
	December 31, 2017	December 31, 2016
Operating profit	79,036	80,168
Impairment losses on goodwill	33,912	-
Adjusted operating profit	112,948	80,168

Consolidated statements of income**Results for the fiscal year**

	Millions of yen		Change(%)
	Year ended December 31, 2017	Year ended December 31, 2016	
Net sales	4,080,015	3,401,487	+ 19.9
Cost of sales	2,087,324	1,727,654	
Gross profit	1,992,691	1,673,833	+ 19.0
Operating expenses:			
Selling, general and administrative expenses	1,297,247	1,142,591	
Research and development expenses	330,053	302,376	
Impairment losses on goodwill	33,912	-	
Operating profit	331,479	228,866	+ 44.8
Other income (deductions):			
Interest and dividend income	6,012	4,762	
Interest expense	(818)	(1,061)	
Other, net	17,211	12,084	
Income before income taxes	353,884	244,651	+ 44.6
Income taxes	98,024	82,681	
Consolidated net income	255,860	161,970	
Less: Net income attributable to noncontrolling interests	13,937	11,320	
Net income attributable to Canon Inc.	241,923	150,650	+ 60.6

Note

Canon includes "Adjusted operating profit," which is a non-U.S. GAAP measure, in its disclosure.

We believe this measure helps investors better understand Canon's recurring business performance.

A reconciliation from Operating profit to Adjusted operating profit is set forth on the following table.

Reconciliation from Operating profit to Adjusted operating profit

	Millions of yen	
	Year ended December 31, 2017	Year ended December 31, 2016
Operating profit	331,479	228,866
Impairment losses on goodwill	33,912	-
Adjusted operating profit	365,391	228,866

Consolidated statements of comprehensive income**Results for the fourth quarter**

	Millions of yen		Change(%)
	Three months ended	Three months ended	
	<u>December 31, 2017</u>	<u>December 31, 2016</u>	
Consolidated net income	59,741	49,884	+ 19.8
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments	9,001	189,007	
Net unrealized gains and losses on securities	(4,859)	5,184	
Net gains and losses on derivative instruments	909	(4,514)	
Pension liability adjustments	20,975	(72,975)	
	<u>26,026</u>	<u>116,702</u>	
Comprehensive income (loss)	85,767	166,586	- 48.5
Less: Comprehensive income attributable to noncontrolling interests	7,731	5,584	
Comprehensive income (loss) attributable to Canon Inc.	<u>78,036</u>	<u>161,002</u>	- 51.5

Results for the fiscal year

	Millions of yen		Change(%)
	Year ended	Year ended	
	<u>December 31, 2017</u>	<u>December 31, 2016</u>	
Consolidated net income	255,860	161,970	+ 58.0
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments	47,090	(107,666)	
Net unrealized gains and losses on securities	(9,362)	997	
Net gains and losses on derivative instruments	2,588	(2,948)	
Pension liability adjustments	21,207	(70,355)	
	<u>61,523</u>	<u>(179,972)</u>	
Comprehensive income (loss)	317,383	(18,002)	-
Less: Comprehensive income attributable to noncontrolling interests	18,807	1,745	
Comprehensive income (loss) attributable to Canon Inc.	<u>298,576</u>	<u>(19,747)</u>	-

3. DETAILS OF SALESResults for the fourth quarter

Sales by business unit	Millions of yen		Change(%)
	Three months ended December 31, 2017	Three months ended December 31, 2016	
Office	493,199	485,850	+ 1.5
Imaging System	340,920	324,742	+ 5.0
Medical System	103,682	-	-
Industry and Others	205,284	175,634	+ 16.9
Eliminations	(22,794)	(21,053)	-
Total	1,120,291	965,173	+ 16.1

Sales by region	Millions of yen		Change(%)
	Three months ended December 31, 2017	Three months ended December 31, 2016	
Japan	242,692	205,096	+ 18.3
Overseas:			
Americas	303,277	267,467	+ 13.4
Europe	289,104	262,324	+ 10.2
Asia and Oceania	285,218	230,286	+ 23.9
	877,599	760,077	+ 15.5
Total	1,120,291	965,173	+ 16.1

*Canon newly established "Medical System" Business Unit effective at the beginning of the second quarter of 2017, and certain businesses included in Industry and Others Business Unit have been reclassified. Net sales for the three months ended December 31, 2016 were not restated since they were not material.

Results for the fiscal year

Sales by business unit	Millions of yen		Change(%)
	Year ended December 31, 2017	Year ended December 31, 2016	
Office	1,865,928	1,807,819	+ 3.2
Imaging System	1,136,188	1,095,289	+ 3.7
Medical System	436,187	-	-
Industry and Others	731,704	584,660	+ 25.2
Eliminations	(89,992)	(86,281)	-
Total	4,080,015	3,401,487	+ 19.9

Sales by region	Millions of yen		Change(%)
	Year ended December 31, 2017	Year ended December 31, 2016	
Japan	884,828	706,979	+ 25.2
Overseas:			
Americas	1,107,515	963,544	+ 14.9
Europe	1,028,415	913,523	+ 12.6
Asia and Oceania	1,059,257	817,441	+ 29.6
	3,195,187	2,694,508	+ 18.6
Total	4,080,015	3,401,487	+ 19.9

*Canon newly established "Medical System" Business Unit effective at the beginning of the second quarter of 2017, and certain businesses included in Industry and Others Business Unit have been reclassified. Net sales for the year ended December 31, 2016 were not restated since they were not material.

Notes: 1. The primary products included in each of the segments are as follows:

Office Business Unit :

Office multifunction devices (MFDs) / Laser multifunction printers (MFPs) / Laser printers / Digital production printing systems / High speed continuous feed printers / Wide-format printers / Document solutions

Imaging System Business Unit :

Interchangeable lens digital cameras / Digital compact cameras / Digital camcorders / Digital cinema cameras / Interchangeable lenses / Compact photo printers / Inkjet printers / Large format inkjet printers / Commercial photo printers / Image scanners / Multimedia projectors / Broadcast equipment / Calculators

Medical System Business Unit :

Digital radiography systems / Diagnostic x-ray systems / Computed tomography / Magnetic resonance imaging / Diagnostic ultrasound systems / Clinical chemistry analyzers / Ophthalmic equipment

Industry and Others Business Unit :

Semiconductor lithography equipment / FPD (Flat panel display) lithography equipment / Vacuum thin-film deposition equipment / Organic LED (OLED) panel manufacturing equipment / Die bonders / Micromotors / Network cameras / Handy terminals / Document scanners

2. The principal countries and regions included in each regional category are as follows:

Americas: United States of America, Canada, Latin America

Europe: United Kingdom, Germany, France, Netherlands, European countries, Middle East and Africa

Asia and Oceania: China, Asian countries, Australia

4. CONSOLIDATED STATEMENTS OF EQUITY

Millions of yen

	Common Stock	Additional paid-in capital	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total Canon Inc. shareholders' equity	Noncontrolling interests	Total equity
Balance at December 31, 2015	174,762	401,358	65,289	3,365,158	(29,742)	(1,010,410)	2,966,415	218,048	3,184,463
Equity transactions with noncontrolling interests and other		27			258		285	(5,270)	(4,985)
Dividends to Canon Inc. shareholders				(163,810)			(163,810)		(163,810)
Dividends to noncontrolling interests								(4,077)	(4,077)
Acquisition of subsidiaries								1,047	1,047
Transfers to legal reserve			1,269	(1,269)			-		-
Comprehensive income:									
Net income				150,650			150,650	11,320	161,970
Other comprehensive income (loss), net of tax:									
Foreign currency translation adjustments					(101,257)		(101,257)	(6,409)	(107,666)
Net unrealized gains and losses on securities					1,196		1,196	(199)	997
Net gains and losses on derivative instruments					(2,924)		(2,924)	(24)	(2,948)
Pension liability adjustments					(67,412)		(67,412)	(2,943)	(70,355)
Total comprehensive income (loss)							(19,747)	1,745	(18,002)
Repurchases and reissuance of treasury stock				(1)		(13)	(14)		(14)
Balance at December 31, 2016	174,762	401,385	66,558	3,350,728	(199,881)	(1,010,423)	2,783,129	211,493	2,994,622
Equity transactions with noncontrolling interests and other		1					1	(1)	-
Dividends to Canon Inc. shareholders				(162,887)			(162,887)		(162,887)
Dividends to noncontrolling interests								(4,814)	(4,814)
Acquisition of subsidiaries								60	60
Transfers to legal reserve			321	(321)			-		-
Comprehensive income:									
Net income				241,923			241,923	13,937	255,860
Other comprehensive income (loss), net of tax:									
Foreign currency translation adjustments					44,168		44,168	2,922	47,090
Net unrealized gains and losses on securities					(9,767)		(9,767)	405	(9,362)
Net gains and losses on derivative instruments					2,562		2,562	26	2,588
Pension liability adjustments					19,690		19,690	1,517	21,207
Total comprehensive income (loss)							298,576	18,807	317,383
Repurchases of treasury stock						(50,036)	(50,036)		(50,036)
Reissuance of treasury stock				(131)		1,978	1,847		1,847
Balance at December 31, 2017	174,762	401,386	66,879	3,429,312	(143,228)	(1,058,481)	2,870,630	225,545	3,096,175

5. CONSOLIDATED STATEMENTS OF CASH FLOWS

	Millions of yen	
	Year ended December 31, 2017	Year ended December 31, 2016
Cash flows from operating activities:		
Consolidated net income	255,860	161,970
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation and amortization	261,881	250,096
Loss on disposal of fixed assets	6,935	5,203
Impairment losses on goodwill	33,912	-
Gain on securities contributed to retirement benefit trust	(17,836)	-
Deferred income taxes	(17,603)	7,188
(Increase) decrease in trade receivables	3,563	(4,155)
Decrease in inventories	2,967	6,156
Increase in trade payables	4,951	56,844
Increase (decrease) in accrued income taxes	46,296	(16,456)
Increase (decrease) in accrued expenses	18,503	(5,256)
Increase in accrued (prepaid) pension and severance cost	522	5,489
Other, net	(9,394)	33,204
Net cash provided by operating activities	<u>590,557</u>	<u>500,283</u>
Cash flows from investing activities:		
Purchases of fixed assets	(189,484)	(206,971)
Proceeds from sale of fixed assets	26,444	6,177
Purchases of available-for-sale securities	(2,220)	(84)
Proceeds from sale and maturity of available-for-sale securities	970	1,181
Decrease in time deposits, net	3,373	15,414
Acquisitions of businesses, net of cash acquired	(6,557)	(649,570)
Purchases of other investments	(928)	(4,460)
Other, net	3,392	1,188
Net cash used in investing activities	<u>(165,010)</u>	<u>(837,125)</u>
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	1,570	610,552
Repayments of long-term debt	(126,578)	(856)
Increase (decrease) in short-term loans, net	5,628	(80,580)
Purchases of noncontrolling interests	-	(4,993)
Dividends paid	(162,887)	(163,810)
Repurchases and reissuance of treasury stock	(50,034)	(14)
Other, net	(8,163)	(4,607)
Net cash provided by (used in) financing activities	<u>(340,464)</u>	<u>355,692</u>
Effect of exchange rate changes on cash and cash equivalents	<u>6,538</u>	<u>(22,270)</u>
Net change in cash and cash equivalents	<u>91,621</u>	<u>(3,420)</u>
Cash and cash equivalents at beginning of year	<u>630,193</u>	<u>633,613</u>
Cash and cash equivalents at end of year	<u><u>721,814</u></u>	<u><u>630,193</u></u>

6. NOTE FOR GOING CONCERN ASSUMPTION

Not applicable.

7. SEGMENT INFORMATION

SEGMENT INFORMATION BY BUSINESS UNIT

	Millions of yen		Change(%)
	Three months ended December 31, 2017	Three months ended December 31, 2016	
Results for the fourth quarter			
Office			
Net sales:			
External customers	492,594	484,656	+ 1.6
Intersegment	605	1,194	- 49.3
Total	493,199	485,850	+ 1.5
Operating cost and expenses	465,909	437,225	+ 6.6
Operating profit	27,290	48,625	- 43.9
Imaging System			
Net sales:			
External customers	340,738	324,455	+ 5.0
Intersegment	182	287	- 36.6
Total	340,920	324,742	+ 5.0
Operating cost and expenses	281,899	273,040	+ 3.2
Operating profit	59,021	51,702	+ 14.2
Medical System			
Net sales:			
External customers	103,508	-	-
Intersegment	174	-	-
Total	103,682	-	-
Operating cost and expenses	98,742	-	-
Operating profit	4,940	-	-
Industry and Others			
Net sales:			
External customers	183,451	156,062	+ 17.6
Intersegment	21,833	19,572	+ 11.6
Total	205,284	175,634	+ 16.9
Operating cost and expenses	189,183	172,472	+ 9.7
Operating profit	16,101	3,162	+ 409.2
Corporate and Eliminations			
Net sales:			
External customers	-	-	-
Intersegment	(22,794)	(21,053)	-
Total	(22,794)	(21,053)	-
Operating cost and expenses	5,522	2,268	-
Operating profit	(28,316)	(23,321)	-
Consolidated			
Net sales:			
External customers	1,120,291	965,173	+ 16.1
Intersegment	-	-	-
Total	1,120,291	965,173	+ 16.1
Operating cost and expenses	1,041,255	885,005	+ 17.7
Operating profit	79,036	80,168	- 1.4

*Canon newly established "Medical System" Business Unit effective at the beginning of the second quarter of 2017, and certain businesses included in Industry and Others Business Unit have been reclassified. Operating results for the three months ended December 31, 2016 were not restated since they were not material.

*Operating results pertaining to TMSC, a company acquired in December 2016, are included in "Medical System" for the fourth quarter of 2017. Amortization costs of identified intangible assets resulting from the purchase price allocation of TMSC are included in "Corporate and Eliminations".

Reconciliation from Operating profit to Adjusted operating profit

	Millions of yen	
	Three months ended December 31, 2017	Three months ended December 31, 2016
Office		
Operating profit	27,290	48,625
Impairment losses on goodwill	33,912	-
Adjusted operating profit	61,202	48,625
Consolidated		
Operating profit	79,036	80,168
Impairment losses on goodwill	33,912	-
Adjusted operating profit	112,948	80,168

Results for the fiscal year	Millions of yen		Change(%)
	Year ended December 31, 2017	Year ended December 31, 2016	
Office			
Net sales:			
External customers	1,863,688	1,804,862	+ 3.3
Intersegment	2,240	2,957	- 24.2
Total	1,865,928	1,807,819	+ 3.2
Operating cost and expenses	1,685,280	1,638,333	+ 2.9
Operating profit	180,648	169,486	+ 6.6
Total assets	962,006	961,749	+ 0.0
Depreciation and amortization	74,377	78,319	- 5.0
Capital expenditures	47,653	72,189	- 34.0
Imaging System			
Net sales:			
External customers	1,135,584	1,094,291	+ 3.8
Intersegment	604	998	- 39.5
Total	1,136,188	1,095,289	+ 3.7
Operating cost and expenses	960,275	950,876	+ 1.0
Operating profit	175,913	144,413	+ 21.8
Total assets	387,088	391,661	- 1.2
Depreciation and amortization	41,695	47,386	- 12.0
Capital expenditures	28,508	25,564	+ 11.5
Medical System			
Net sales:			
External customers	434,985	-	-
Intersegment	1,202	-	-
Total	436,187	-	-
Operating cost and expenses	413,682	-	-
Operating profit	22,505	-	-
Total assets	238,824	204,755	+ 16.6
Depreciation and amortization	5,212	-	-
Capital expenditures	8,963	-	-
Industry and Others			
Net sales:			
External customers	645,758	502,334	+ 28.6
Intersegment	85,946	82,326	+ 4.4
Total	731,704	584,660	+ 25.2
Operating cost and expenses	674,916	577,212	+ 16.9
Operating profit	56,788	7,448	+ 662.5
Total assets	360,271	340,455	+ 5.8
Depreciation and amortization	37,705	41,053	- 8.2
Capital expenditures	15,736	29,346	- 46.4
Corporate and Eliminations			
Net sales:			
External customers	-	-	-
Intersegment	(89,992)	(86,281)	-
Total	(89,992)	(86,281)	-
Operating cost and expenses	14,383	6,200	-
Operating profit	(104,375)	(92,481)	-
Total assets	3,250,102	3,239,909	+ 0.3
Depreciation and amortization	102,892	83,338	+ 23.5
Capital expenditures	80,529	81,280	- 0.9
Consolidated			
Net sales:			
External customers	4,080,015	3,401,487	+ 19.9
Intersegment	-	-	-
Total	4,080,015	3,401,487	+ 19.9
Operating cost and expenses	3,748,536	3,172,621	+ 18.2
Operating profit	331,479	228,866	+ 44.8
Total assets	5,198,291	5,138,529	+ 1.2
Depreciation and amortization	261,881	250,096	+ 4.7
Capital expenditures	181,389	208,379	- 13.0

*Canon newly established "Medical System" Business Unit effective at the beginning of the second quarter of 2017, and certain businesses included in Industry and Others Business Unit have been reclassified. Total assets as of December 31, 2016 have been restated to comply with this change. Operating results for the year ended December 31, 2016, however, were not restated since they were not material.

*Operating results pertaining to TMSC, a company acquired in December 2016, are included in "Medical System" for the year ended December 31, 2017. Amortization costs of identified intangible assets resulting from the purchase price allocation of TMSC are included in "Corporate and Eliminations".

Reconciliation from Operating profit to Adjusted operating profit

	Millions of yen	
	Year ended December 31, 2017	Year ended December 31, 2016
Office		
Operating profit	180,648	169,486
Impairment losses on goodwill	33,912	-
Adjusted operating profit	214,560	169,486
Consolidated		
Operating profit	331,479	228,866
Impairment losses on goodwill	33,912	-
Adjusted operating profit	365,391	228,866

8. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES

Canon's consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles.

Recently Issued Accounting Guidance

In January 2017, the Financial Accounting Standards Board issued an amendment which eliminates the second step from the impairment test of goodwill. This amendment requires the entity to recognize an impairment charge for the amount by which the carrying amount exceeds the fair value of reporting unit; however, the impairment charge is limited to the amount of goodwill allocated to that reporting unit. Canon early adopted this amended guidance from the impairment test performed after January 1, 2017.

9. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) NET INCOME ATTRIBUTABLE TO CANON INC. SHAREHOLDERS PER SHARE

Results for the fiscal year	Millions of yen	
	Year ended December 31, 2017	Year ended December 31, 2016
Net income attributable to Canon Inc.		
-Basic	241,923	150,650
-Diluted	241,923	150,650
	Number of shares	
Average common shares outstanding		
-Basic	1,085,439,370	1,092,070,680
-Diluted	1,085,439,370	1,092,070,680
	Yen	
Net income attributable to Canon Inc. shareholders per share:		
-Basic	222.88	137.95
-Diluted	222.88	137.95

(2) SUBSEQUENT EVENT

There is no significant subsequent event.

Canon has decided to discontinue the disclosure of the below items in this report from this quarter. The information will be disclosed in such other reports as Form 20-F for the year ended December 31, 2017.

- Non-Consolidated Results
- Non-Consolidated Results in Operating Results and Financial Conditions
- Basic Policy Regarding Profit Distribution and Dividends for the Current Fiscal Year in Operating Results and Financial Conditions
- Group Position
- Management Policy
- Group Position in Basis of Presentation and Significant Accounting Policies
- Notes to Consolidated Financial Statements except for Net Income Attributable to Canon Inc. Shareholders per Share and Subsequent Event
- Note for non-GAAP Financial Measures (Free cash flow)
- Non-Consolidated Financial Statements

In addition, Canon has decided to discontinue the distribution of its "Supplementary Report" within this report. The information will be available in Financial Results and Presentation Materials for fiscal year 2017 on Canon's website.

(Current Titles are Shown in the Parentheses)

Effective Date: March 29, 2018

Audit & Supervisory Board Members

(1) Candidates for new Audit & Supervisory Board Member to be appointed

Masaaki Nakamura	(Managing Executive Officer, Group Executive of Public Affairs Headquarters)
Koichi Kashimoto	(Senior General Manager of The Dai-ichi Life Insurance Company, Limited. / Chief of Dai-ichi Life Holdings, Inc.)

(2) Audit & Supervisory Board Members to be retired

Makoto Araki

Kuniyoshi Kitamura

(Current Titles are Shown in the Parentheses)

Executive Officers

(1) New Executive Officers to be appointed

Effective date: April 1, 2018

Katsuyoshi Soma	(President of Fukushima Canon Inc.)
Masaki Omori	(Senior General Manager of Production Engineering Research Laboratory)

(2) Executive Officers to be retired

Effective date: March 31, 2018

Rokus van Iperen	(Senior Managing Executive Officer, President & CEO of Canon Europe Ltd. & Canon Europa N.V.)
Yasuhiro Tani	(Senior Managing Executive Officer, Group Executive of Digital System Technology Development Headquarters)
Hiroyuki Suematsu	(Managing Executive Officer, Group Executive of Corporate Planning Development Headquarters)

Effective date: March 29, 2018

Masaaki Nakamura	(Managing Executive Officer, Group Executive of Public Affairs Headquarters)
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PROPOSED STAFF RESUME

A resume must be completed for all proposed key personnel for the prime contractor staff and proposed key personnel for the subcontractor staff.

Company Name Submitting Proposal:	Canon USA
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Check the appropriate box as to whether the proposed individual is prime contractor staff or subcontractor staff.

Contractor:	X	Subcontractor:	
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The following information requested pertains to the individual being proposed for this project.

Name:	Bob Ackerson	Key Personnel: (Yes/No)	Yes
Classification; i.e., Project Manager, Implementation Lead, etc.	State Account Executive, Canon USA		
# of Years in Classification:	20 years	# of Years with Firm:	2+years

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

I have 20 years' experience in the business equipment industry, starting with 17+ years at Xerox Corporation before moving to Canon USA for the past 2+ years. My experience includes such roles as: Remote Marketing Executive, High Volume Specialist, National Training and Recruiting Manager, Strategic Account Manager and State Account Executive for State and Local Government.

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the project/position and software/hardware used during the project engagement.

In the past 2+ years, I have worked on many aspects of government procurement. I've been involved in bids, account calls, customer events and special projects and training for products, solutions, and services.

EDUCATION

Information required should include: institution name, city, state, degree/achievement and date completed/received.

Bachelor of Science, University of Illinois 1986: Major: Communications: Springfield, IL

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

PROPOSED STAFF RESUME

A resume must be completed for all proposed key personnel for the prime contractor staff and proposed key personnel for the subcontractor staff.

Company Name Submitting Proposal:	Canon USA
--	------------------

Check the appropriate box as to whether the proposed individual is prime contractor staff or subcontractor staff.

Contractor:	X	Subcontractor:	
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The following information requested pertains to the individual being proposed for this project.

Name:	Frank Carroll	Key Personnel: (Yes/No)	Yes
Classification; i.e., Project Manager, Implementation Lead, etc.	Senior Manager, Canon USA		
# of Years in Classification:	28+ years	# of Years with Firm:	24+years

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

I have 28+ years' experience in the business equipment industry, starting with 4 years at Konica before moving to Canon USA for the past 24+ years. During my tenure at Canon I have held various roles such as: Government Sales Representative, Government Account Executive, Government Sales Manager, Director of Sales, and National Senior Sales Manager for State and Local Government.

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the project/position and software/hardware used during the project engagement.

The various positions I have held with Canon in the past 24 years have afforded me the opportunity to work on many aspects of government procurement. I've been involved in bids, account calls, customer events and special projects and training for products, solutions, and services.

EDUCATION

Information required should include: institution name, city, state, degree/achievement and date completed/received.

Bachelor of Science, Iowa State University 1980-1984: Major: Agricultural Business: Ames, Iowa

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

Net+
CDIA+
NIGP-GCC



White Paper: Canon imageRUNNER ADVANCE Security

INTENT OF THIS DOCUMENT:

Canon recognizes the importance of information security and the challenges that your organization faces. This white paper provides information security facts for Canon imageRUNNER ADVANCE systems. It provides details on imageRUNNER ADVANCE security technology for networked and stand-alone environments, as well as an overview of Canon's device architecture, framework and product technologies as related to document and information security.

This White Paper is primarily intended for the administrative personnel of a customer charged with responsibility for the configuration and maintenance of imageRUNNER ADVANCE systems. The information in this document may be used to more clearly understand the many imageRUNNER ADVANCE security-related configuration capabilities offered by Canon. The imageRUNNER ADVANCE system offers a number of standard and optional capabilities that, when used by a customer, can help facilitate effective management and security of data processed and stored by the system. Ultimately, it is the customer's responsibility to select the method(s) most appropriate for securing their information.

Canon does not warrant that use of the information contained within this document will prevent malicious attacks, or prevent misuse of your imageRUNNER ADVANCE systems.

Products shown with optional accessories/equipment. The features reviewed in this white paper include both standard and optional solutions for imageRUNNER ADVANCE systems. Specifications and availability subject to change without notice.

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Section 1 — Introduction

Security Market Overview

In today's digital world, risks to networks and devices come in more forms and from more directions than ever before. From identity theft and intellectual property loss to infection by viruses and Trojan horses, IT administrators today find themselves playing an additional role of security officer to adequately protect information and assets from threats from the outside as well as within.

Nearly every day destructive threats emerge and undiscovered vulnerabilities are exposed, proving that you can never be too secure. IT administrators need a holistic security strategy that can be applied at every level of the organization — from servers, desktops and devices such as MFPs, to the networks that connect them all.

As if the risks to computers, networks and devices weren't difficult enough to address, increased governmental regulations add an additional layer of strict compliance standards that must be met. Legislation such as Sarbanes-Oxley Act (SOX), Gramm-Leach-Bliley Act (GLB), Health Insurance Portability and Accountability Act (HIPAA), Family Education Rights Privacy Act (FERPA) and Homeland Security Presidential Directive (HSPD)-12 all require that IT administrators ensure the security, privacy, accuracy and reliability of information receives the utmost attention.

Imaging & Printing Security Overview

Today's multifunction devices share many similarities with general purpose PCs. They contain many of the same components like CPUs, memory and hard disks; and some even use mainstream operating systems like Windows or Linux. Like any other device on the network, sensitive information may be passed through these units and stored in the device's hard disk and memory. Yet at many companies multifunction devices are not given the same attention concerning information security.

The Canon imageRUNNER ADVANCE Security White Paper has been designed to provide detailed information on how imageRUNNER ADVANCE systems can address a wide variety of security concerns. Canon imageRUNNER ADVANCE systems offer many standard security capabilities, as well as a number of advanced security options that may be added for a higher level of confidentiality, integrity and availability of your mission critical information.


Key Security Concentration Areas

Canon recognizes the vital need to help prevent data loss, protect against unwanted device use, and mitigate the risk of information being compromised. As a result, all imageRUNNER ADVANCE systems include many standard security features to help safeguard information. Canon imageRUNNER ADVANCE security capabilities fall into five key areas:

- Device Security
- Information Security
- Network Security
- Security Monitoring / Management Tools
- Logging & Auditing

NOTE: Please refer to Table 9.2 in Addendum for the Security Features Table illustrating Device compatibility, and where a feature is standard or optional on the device.

Canon dedicates a significant amount of time and resources to continually improve the security capabilities of its imageRUNNER ADVANCE devices. Numerous robust capabilities are available for administrators to restrict access to the device's features and functions at a granular level, while maintaining high availability and productivity.

<p>Document Security</p> <ul style="list-style-type: none"> • Forced Hold Printing • Send to Myself (only) • Document Scan Lock and Tracking • Adobe® LiveCycle Rights® Management ES2 • Encrypted Secured Print (Std. 2nd Ed.) • Watermark / Secure Watermark (Std. 2nd Ed.) • Copy Set Numbering • Encrypted PDF (AES 256 Support) (Std. 2nd Ed.) • Digital Signature PDF (Std. 2nd Ed.) • Fax Forwarding • Fax Destination Confirmation 	<p>Mail Server Security</p> <ul style="list-style-type: none"> • POP Authentication before SMTP • SMTP Authentication 	<p>Network Security</p> <ul style="list-style-type: none"> • SMB 3.0 Support • TLS Version Selection • Cipher Algorithm Selection (includes disabling 3DES) • IP/MAC Address Filtering • IP + Port Filtering • SSL Encryption • Network Application On/Off • USB Port On/Off • Destination Restriction • IPsec • IEEE802.1X (Wired/Wireless) • NTLM Protocol Version Selection for SMB Connection
		
<p>Data Security</p> <ul style="list-style-type: none"> • Trusted Platform Module • HDD Data Encryption • FIPS 140-2 Validated HDD Encryption chip, IPsec, TLS, and CAC Card Authentication • HDD Data Erase • HDD Data Erase Scheduler (Opt.) • HDD Initialize with report (up to 9 times overwrite) • HDD Password Lock • Advanced Box Security • Mail Box Password Protection • Job Log Conceal • Removable Hard Disk Drive (Opt.) 	<p>Security Management</p> <ul style="list-style-type: none"> • Security Policy Settings 	<p>Authentication</p> <ul style="list-style-type: none"> • Department ID • Control Card Systems (Opt.) • Universal Login Manager • User Authentication • uniFLOW/uniFLOW Online (Opt.) • uniFLOW Online Express • Device Level Log-in • Active Directory Log-in • LDAP Server (Lotus Domino and Novell eDirectory) Log-in • Access Management System • Function Level Log-in via AMS • Authorized Send (Opt.) • Smart Card Authentication (Opt.) • Advanced Authentication-Proximity Card (Opt.)
<p>Device Security</p> <ul style="list-style-type: none"> • IEEE2600 Common Criteria Certification (Opt.) <p>Logging/Auditing Security</p> <ul style="list-style-type: none"> • imageWARE Secure Audit Manager (Opt.) • imageWARE Secure Audit Manager Express (Opt.) 		

Note:

Depending on the model, some features are within the standard feature set of the device, while others require additional accessories. Document Scan Lock and Tracking, Fax, Control Card System, Removable HDD, HDD Data Erase Scheduler, and IEEE2600 Common Criteria Certification are available as options. IEEE2600 Common Criteria Certification may not be available at time of launch. Check the price list for availability.

Section 2 — Device Security

imageRUNNER ADVANCE Controller Security

The imageRUNNER ADVANCE series is built upon a platform that provides powerful enhancements to security and productivity. The architecture centers on an operating system powered by an embedded version of Linux, which is quickly becoming the most widely adopted platform for sophisticated devices. The source version used by imageRUNNER ADVANCE devices has been hardened by removing all unnecessary drivers and services so that only the ones essential to its operation are included.

The nature of embedded Linux and the hardening of the operating system drastically reduce the exposure to exploits as compared to a desktop or server version of a Linux or Windows operating system. Canon strives to develop products that meet or exceed our customer's security requirements. Some of the security related activities include independent testing by security consulting companies of Canon imageRUNNER ADVANCE devices during various phases of the development process to flush out any potential vulnerability prior to production. Also, Canon has collaborated with industry initiatives, such as the development of the IEEE 2600 CC Certification standards for hardcopy device and system security.

Authentication

Canon imageRUNNER ADVANCE systems include a number of authentication options which administrators can use to ensure that only approved walk-up and network-based users can access the device and its functions, such as print, copy and Scan and Send features. Beyond limiting access to only authorized users, authentication also provides the ability to control usage of color output, and total print counts by department or user.

Device-Based Authentication

Universal Login Manager

ULM (Universal Login Manager) is a server-less login application for imageRUNNER ADVANCE devices (standard on third generation imageRUNNER ADVANCE), which provides an easy and convenient solution for user authentication. Ideal for small to medium size businesses, ULM's simple user authentication includes card log-in (requires an additional option), PIN code, or user name and password, using local or Active Directory (AD), with minimal IT requirements. Utilizing AMS (Access Management System), found on all imageRUNNER ADVANCE devices, ULM allows comprehensive control of access on a per-user basis. In addition, ULM delivers simplified tracking, allowing organizations to obtain a simple overview of user or device usage activity.

User Authentication (UA)

The User Authentication (UA) is new MEAP login service which is available on the imageRUNNER ADVANCE C3300 Series and third generation imageRUNNER ADVANCE models. User Authentication combines the SSO-H and Department ID functions available on other imageRUNNER ADVANCE Models. UA can manage up to 5,000 user accounts within 1,000 department codes

Department ID Mode

An embedded feature within imageRUNNER ADVANCE systems, the Department ID Management mode permits administrators to control device access. If Department ID authentication is enabled, end users are required to enter a four digit password before they are able to access the device. Up to 1,000 Department IDs can be configured and each can be configured with device function limitations, such as limiting, printing, copying and access to Advance Boxes, Mail Boxes and facsimile.

Access to Advanced Boxes, Mail Boxes, and Scan and Send (if applicable) can each be turned "On" or "Off" from the Limit Functions screen located under Department ID Management.

The settings can be made under Settings / Registration >Management Settings > User Management > Department ID Management

Single Sign-On Hybrid (SSO-H) Login

Single Sign-On Hybrid (SSO-H) is a Multifunctional Embedded Application Platform (MEAP) login service that can be used stand-alone with user data registered locally on the device or in conjunction with an Active Directory (AD) network environment. SSO-H supports the following modes:

- Local Device Authentication – with credentials stored in the device
- Domain Authentication – in this mode, user authentication can be linked to an Active Directory environment on the network
- Domain Authentication + Local Device Authentication

When used in Domain Authentication mode, a user must successfully authenticate using valid credentials on the system's control panel, Remote UI utility, or web browser when accessed via a network prior to gaining access to any of the device functions.

SSO-H ships standard with MEAP capable imageRUNNER ADVANCE systems and can support up to 200 trusted domains plus the users that belong to the same domain as the device. Canon imageRUNNER ADVANCE systems also ship with SSO-H, which supports direct authentication against an Active Directory domain using Kerberos or NTLMv2 as the authentication protocol. SSO-H does not require any additional software to perform the user authentication as it is able to directly communicate with the Active Directory domain controllers. In Local Device Authentication mode, SSO-H can support up to 5,000 users. For a combined use of Domain Authentication and Local Device Authentication, an LDAP server can be configured instead of Domain Authentication.

SSO-H is available through User Authentication (UA) on the imageRUNNER ADVANCE C3300 Series and third generation imageRUNNER ADVANCE models.

Card-Based Authentication

uniFLOW Card Authentication

When combined with the optional uniFLOW, imageRUNNER ADVANCE systems are able to securely authenticate users through contactless cards, chip cards, magnetic cards and PIN codes. uniFLOW supports HID Prox, MIFARE, Legic, Hitag and Magnetic cards natively using its own reader, as well as others through custom integrations. Certain models of RF Ideas Card Readers can also be integrated to support authentication using radio-frequency identification (RFID) cards.

Advanced Authentication—Proximity Card

Using a MEAP application, imageRUNNER ADVANCE systems can be customized to automatically perform user authentication with contactless cards typically used in corporate environments. User data can be stored locally in a secure table to eliminate the need for an external server, or integrated with an existing authentication server through customization. Support is provided for cards from HID Prox, HID iClass, Casi-Rusco, MIFARE and AWID. Additionally, Universal Login Manager can now support over 35 card types with a new MI Card + reader. Customization can also be performed to provide support for other card types.

Advanced Authentication—Common Access Card (CAC)/Personal Identity Verification (PIV) Card

Federal agencies—both civilian and military (DoD)—require enhanced user authentication, data security, and information assurance to help comply with the requirements of the Homeland Security Presidential Directive 12 (HSPD-12). Employees must verify their identity and security classifications using secure and reliable forms of identification, such as Common Access Card (CAC) and Personal Identity Verification (PIV). And with networked multifunction printers (MFPs) being deployed on a greater scale in these locations, Canon developed Advanced Authentication CAC/PIV—an easy-to-use, two-factor embedded authentication solution to lock and unlock Canon devices. This serverless solution ensures that all device functions are locked down until users insert their government-issued Common Access Card/Personal Identity Verification into the card reader and enter their PIN. Only those authenticated individuals are granted access to the device. This also supports FIPS 140-2 validated cryptography and integrates with AMS for device feature access control.

Authorized Send Common Access Card (CAC)/Personal Identity Verification (PIV) Card

To fulfill the strict security requirements of government agencies as dictated by Homeland Security Presidential Directive-12 (HSPD-12), imageRUNNER ADVANCE systems support the use of Common Access Card (CAC) and/or Personal Identity Verification (PIV) card authentication for the embedded Authorized Send MEAP application. Authorized Send for CAC/PIV is a server-less application that protects the Scan-to-Email, Scan-to-Network Folder and Scan-to-Network Fax functions, while allowing general use of walk-up operations like print and copy. This also integrates with AMS for granular access control of ASEND functionality.

Authorized Send for CAC/PIV supports two-factor authentication by prompting users to insert their card into the device's card reader and requiring them to enter their PIN. ASEND for CAC/PIV supports the Online Certificate Status Protocol (OCSP) to check the revocation status of the user's card, and then authenticates the user against the Public Key Infrastructure (PKI) and Active Directory. Once authenticated, users can access the document distribution features of Authorized Send.

Authorized Send for CAC/PIV supports enhanced e-mail security features such as non-repudiation, digital signing of e-mail, and encryption of e-mail and file attachments. The cryptographic engine used by Authorized Send for CAC/PIV has undergone the stringent testing and validation requirements of the FIPS 140-2 standard.

Control Cards/Card Reader System

Canon imageRUNNER ADVANCE systems offer support for an optional Control Card/Card Reader system for device access and to manage usage. The Control Card/Card Reader system option requires the use of intelligent cards that must be inserted in the system before granting access to functions, which automates the process of Department ID authentication. The optional Control Card/Card Reader system manages populations of up to 300 departments or users.

Access Control

Canon imageRUNNER ADVANCE systems support a number of access control options to help you manage the use of device settings and functions in addition to specific capabilities of certain functions. Canon offers solutions that can lock down the entire device, or simply lock down specific functions (e.g. Send-to-Email), while leaving other applications available for general use. With the power and flexibility of MEAP, some solutions can be customized to meet your specific requirements.

Access Management System

The Access Management System, which is standard on imageRUNNER ADVANCE systems, can be used to tightly control access to device functionality. Restrictions can be assigned to users and groups, to restrict entire functions or restrict specific features within a function. Access restrictions are managed in units called "roles". Roles contain information that determines which of the various functions of the device may be used or not.

Roles can be set up based on individual user's job title or responsibilities or by group, enabling the administrator to create roles specific to certain departments or workgroups. Since the administrator is not limited to restricting all or none of a particular function, the roles can be as specific as is required for a number of business needs. Beyond the Base roles which contain default access restrictions, up to 100 new Custom roles can be registered for up to 5,000 users (when user is used). The administrator can also define whether to allow unregistered users to log in as guests and then specify settings for guest user's roles.

The following describes the various Base access levels (roles) that are available:

Privileges by Access Level	
Predefined Role	Access Privileges
Administrator	Given privileges to operate all device functions.
Network Manager/Admin	Network manager mainly manages the settings related to the network under Settings/Registration.
Device Manager/Admin	Device Manager can specify settings related to management settings for paper type and function settings for Send/Receive.
Power User	Given privileges to operate all device functions, except managing the device itself.
General User	Given privileges to operate all device functions, except managing the device itself and specifying/registering address book.
Limited User	Restricted from device management, all send functions and only allowed 2-sided printing and copying.
Guest	Restricted from device management, all send functions and only allowed 2-sided printing and copying.

The following functions and features can be restricted:

	Gen2		Gen3	
	Dept ID w/o AMS (with any Auth (DA, SSOH or ULM))	Auth (SSOH or ULM) w/AMS	Auth (UA) w/o AMS Max 32 functions	Auth (UA or ULM) w/AMS
	MAX 3 functions	MAX 32 functions	MAX 32 functions	MAX 32 functions
1	Store/Access Files, Fax/I-Fax inbox	Copy	Copy	Copy
2	Send/Fax	Scan and Send	Scan and Send	Scan and Send
3	Other	Fax	Fax	Fax
4		Secured Print	Print	Print
5		Access Store Files	Access Store Files	Access Store Files
6		Scan and Store	Scan and Store	Scan and Store
7		Fax/I-Fax Inbox	Fax/I-Fax Inbox	Fax/I-Fax Inbox
8		Hold	Hold	Hold
9		Scanner	Scanner	Scanner
10		Printer	Printer	Printer
11		Tutorial	Tutorial	Tutorial
12		Web Access	Web Access	Web Access
13		MEAP Applications	Dest./Fwd.Setting	Dest./Fwd.Setting
14			Web Access favorite	Web Access favorite
15			MEAP Applications	MEAP Applications

When the Access Management System has been enabled, users must log in to the device using ULM, UA or SSO-H user authentication. Access Management System supports authentication through local device authentication as well as Active Directory using SSO-H, which includes support for Kerberos Authentication. Once a user logs into the device with their user name and password, the device can determine which roles are assigned to that particular user. Restrictions are applied based on the assigned roles. If an entire function is restricted, it will appear grayed out to the user after authentication.

Function Level Authentication

Canon imageRUNNER ADVANCE systems offer the ability to limit the use of specific functions by authorized users by requiring authentication to use sensitive functions with Function Level Authentication. Function Level Authentication is a part of Access Management System and works with ULM, UA, or SSO-H for authentication. It enables administrators to choose precisely which functions are permitted by walk-up and network users without entering credentials versus the ones that require a user to login. For example, administrators may choose to allow all users to make black-and-white copies while prompting users to login if they choose to output color or use the Scan and Send function.

Password-Protected System Settings

As a standard feature, imageRUNNER ADVANCE systems setup screens support password protection to restrict device setting changes from the control panel and Remote UI tool. System Administrators can set network information, system configuration, enable, and disable network and printing protocols among many other options. Canon highly recommends setting an administrator password at time of installation since it controls critical device settings.

Scan and Send Security

On devices that have Scan and Send enabled, certain information such as fax numbers and e-mail addresses may be considered confidential and sensitive. For these devices, there are additional security features to prevent confidential information from being accessed.

Address Book Password

Administrative and individual passwords can be set for Address Book Management functions. A system administrator can define the specific Address Book data that can be viewed by users, effectively masking private details. This password may be set separately so individuals other than the System Manager can administer the Address Book.

By setting a password for an Address Book, the ability to Store, Edit, or Erase individual and group e-mail addresses in the Address Book is restricted. Therefore, only individuals with the correct password for an Address Book will be able to make modifications.

This is not the same functionality when password protecting an Address Book. Administrators who are looking to Import/Export an Address Book, can elect to set a password when Exporting the File. That password is then required to Import the Address Book. The Address Book Import/Export function is available through the Remote UI utility.

Access Code for Address Book

End-users will also have the capacity to place an access number code on addresses in the Address Book. When registering an address, users can then enter an Access Number to restrict the display of that entry in the Address Book. This function limits the display and use of an address in the Address Book to those users who have the correct code. The Access Number can be turned on or off, depending on the level of security the end-user finds necessary.

Settings/Registration > Set Destination > Register Destinations > Register New Destinations, from here the user can register a new e-mail address, fax number, I-Fax, file or group address and set an access code for that specific address entry in the address book.

Destination Restriction Function

Data transmission to a new destination through the Scan and Send and Fax function can be restricted, prohibiting transmissions to locations other than the destinations registered or permitted by the System Manager.

By restricting sending of faxes, e-mails, I-faxes, and files to new destinations using the procedure below, data can only be sent to previously registered destinations. As you can no longer enter or send to new destinations, setting this mode with an Address Book PIN increases security when sending. Sending is only allowed in the following cases when this mode is set:

- If you specify a destination stored in the Address Book
- If you specify a destination obtained via an LDAP server
- If you specify a destination by pressing a one-touch button
- If you recall stored [Favorite Settings] including destinations
- If you select [Send to Myself]

SMB Protocol Support Chart (Send to SMB)

Series	SMB 1.0 supported	SMB 2.0 supported	SMB 3.0 supported
iR 1435 series	YES	YES	-
iR 2500 series	YES	-	-
iR 1700 series	YES		
iR ADV 400iF/500iF	YES	-	-
iR ADV 3000 series	YES	-	-
iR ADV 3200 series	YES	-	-
iR ADV 4000 series	YES	-	-
iR ADV 4200 series	YES	-	-
iR ADV 4500 /4500 II series	YES	YES (ver. 3.2 or later)	YES (ver. 3.3 or later)
iR ADV 6000 series	YES	-	-
iR ADV 6200 series	YES	-	-
iR ADV 6500 /6500 II series	YES	YES (ver. 3.2 or later)	YES (ver. 3.3 or later)
iR ADV 8000 series	YES	-	-
iR ADV 8200 series	YES	-	-
iR ADV 8500 /8500 II series	YES	YES (ver. 3.2 or later)	YES (ver. 3.3 or later)
iR ADV C250iF/C350iF	YES	-	-
iR ADV C255iF/C355iF	YES	YES (ver. 3.3 or later)	YES (ver. 3.3 or later)
iR ADV C256iF II/C356iF II	YES	YES	YES
iR ADV C3300 series	YES	YES	-
iR ADV C3500 /C3500 II series	YES	YES (ver. 3.4 or later)	YES (ver. 3.4 or later)
iR ADV C5000 series	YES	-	-
iR ADV C5200 series	YES	-	-
iR ADV C5500 /C5500 II series	YES	YES (ver. 3.2 or later)	YES (ver. 3.3 or later)
iR ADV C7000 series	YES	-	-
iR ADV C7500 /C7500 II series	YES	YES (ver. 3.3 or later)	YES (ver. 3.3 or later)

Print Driver Security Features

Print Job Accounting

A standard feature in Canon's printer drivers, print job accounting requires users to enter an administrator-defined password prior to printing, thereby restricting device access to those who are authorized to print. Printing restrictions can be set using Department ID credentials, User Account Credentials, or through the Access Management System.

Custom Driver Configuration Tool

Administrators can create custom driver profiles for users to limit access to print features and specify default settings, thereby protecting the device against unauthorized use, enforcing internal policies and better controlling output costs. Security conscious settings that can be defined and enforced include duplex output, secure print, B&W only on color devices, watermarks and custom print profiles, as well as hiding any desired functions. For easier deployment, the customized drivers can be distributed to desktops across the organization through the Printer Driver Management Plug-in for imageWARE Enterprise Management Console (iWEMC).

USB Block

USB Block allows the System Administrator to help protect the imageRUNNER ADVANCE systems against unauthorized access through the built-in USB interface. Access to the device's USB interface for desktop access and the device's host mode for other USB devices can each be permitted or disabled.

Go to Settings / Registration > Preferences > External Interface > USB Settings.

All imageRUNNER ADVANCE models and select imageRUNNER models have the ability to restrict USB usage for memory, but allow USB usage for peripherals such as keyboards and card readers. Canon's USB feature provides the capability to view and print from the devices only for non-executable files, such as .pdf, .jpg, .tiff, and .png. Executable files cannot be performed on the device, and this prevents viruses from spreading if being accessed.

Third Party MEAP Application and Development

Canon actively collaborates with leading third-party software companies to develop custom solutions for imageRUNNER ADVANCE systems, known as MEAP applications. Each MEAP enabled device includes a number of safeguards to help ensure the security and integrity of information stored on the device.

Access to the Software Development Kit for MEAP is tightly restricted and controlled through licensing. Once an application has been developed, it is thoroughly reviewed by Canon to ensure that it meets strict guidelines for operability and security. Following the review, the application is digitally signed with a special encrypted signature to protect the integrity of the application. If the application is modified in any way, the signature code will not match and the application will not be permitted to run on the device. These safety measures make it virtually impossible for an altered or rogue MEAP application to be executed on an imageRUNNER ADVANCE system.

Section 3 — Information Security

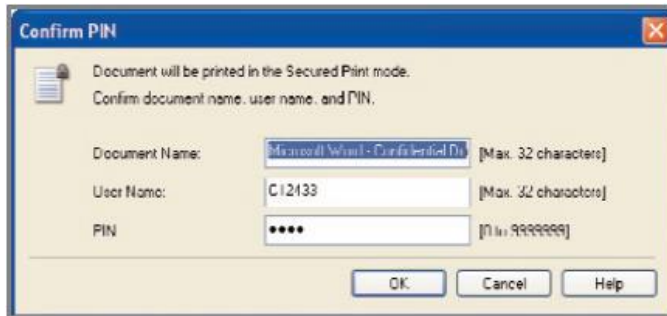
Protecting your organization's confidential information is a mission that Canon takes seriously. From your documents, faxes and e-mails to the underlying data on the internal hard disk drive and in memory, Canon has built in many controls to help ensure that your information does not become compromised.

Document Security

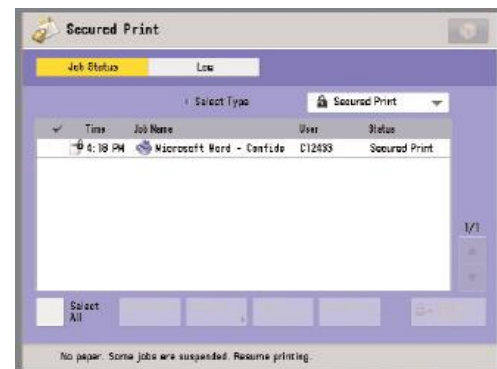
Secure Printing

Secured Print / Encrypted Secured Print

Encrypted Secured Print and Secured Print are print functions that hold a job in queue until the user enters the appropriate password at the device. This ensures that the user is in close proximity before the document is printed and minimizes unattended documents left at the device. The imageRUNNER ADVANCE system requires the user to set a password in the print driver window when sending a print job from a connected PC. The same password is also required for releasing the job at the device. When using the optional Encrypted Secured Print software, security is further enhanced by using AES 256-Bit Encryption to protect the print job data while in transit across the network. On systems equipped with the optional Encrypted Secured Print, administrators can use the print job restriction feature to permit only encrypted print jobs at the designated device.



Secured Print Screen from the Printer Driver



Print Job Status Screen

uniFLOW Secure Print

Exclusive to Canon is uniFLOW, which is optional modular software designed to reduce costs, improve productivity and enhance security. From a security perspective, uniFLOW provides secure printing capabilities by holding jobs at the server until released by the user at any desired imageRUNNER ADVANCE system. From their desktop, users print documents by choosing the uniFLOW server as the printer. At the chosen device, users can be authenticated using a wide variety of supported methods. Users can then access the uniFLOW MEAP client application from the device's control panel and release their job from their queue of pending documents.

Forced Hold Printing

Canon third generation imageRUNNER ADVANCE models come with an enhancement of the “Secure Printing” function, where IT administrators can enforce secure print for all, or select users. The setting only needs to be changed in the Settings/Registration screen on the local device UI. Print driver settings do not need to be changed.

Rules can be set up based on certain conditions (unknown owner, owner name, IP address, and/or port) to hold as a regular document, print immediately or cancel). Administrators can set how long documents in job hold will be held (from 10 min – 72 hours), and can choose whether to auto delete after printing or keep until expiration or manual deletion.

With Forced Hold Printing, IT Administrators can help reduce the amount of wasted prints, by requiring users to release their jobs after submitting them to the printer, which can reduce the amount of uncollected printouts around the MFP.

Forced Hold Printing also helps to ensure that the user receives their desired output the first time, by allowing the user to preview their job, change print settings from the hold queue, and even print a sample file before printing an entire job.

Personal Job List
When using an authentication system, users can only see their list of jobs

Print Icon
How to access your jobs

Reprint from Job History
Previously printed jobs can be reprinted

Print Settings
Print settings can be changed, and a preview image can be displayed prior to releasing your job

Job Name/Print Settings	Date	Sheet's Copy	Estimated Time/Owner Name
Microsoft Word - test	11/13	03:52:53 PM 1	1 min. C14321
Microsoft PowerPoint - Forced Reservation Printing	11/13	03:43:49 PM 10	1 min. C14321

The chart below details the key differences between Forced Hold Printing, Secure Print, and Job Hold.

	Forced Hold Printing	Secure Print	Job Hold
Supported Models	Gen2: N/A Third Gen: All models (Include 2 nd Edition)	Gen2: All models Third Gen: All models (Include 2 nd Edition)	Gen2 : iR-ADV 8200/C7200/C9200 Series Third Gen : iR-ADV 8500/6500/4500/C7500/C5500 Series(Include 2 nd Edition)
Purpose of function	To prevent information leakage forcefully	To prevent information leakage on per job basis with user initiation	To print a trial before starting a large print job, print documents in the order of priority, or print after viewing the final condition settings
Set by	IT Manager	User	User
Set from	Settings/Registration, RUI	Printer Driver	<ul style="list-style-type: none"> Settings/Registration to turn on [Hold] function Printer Driver (select "Hold")
Type of Setting	Per device	Per job	Per job
Access from	[Print] button	Gen2: [Secure Print] button Third Gen: [Print] button	[Hold] button
Authentication	With Auth, only <i>your</i> job is displayed in a personal job list		N/A
Preview and Print / Change Settings	Yes (UFR II, PCL and PS)	Gen2: N/A Third Gen: Yes (UFR, PCL, and PS)	Yes
PIN input to print	N/A	Yes but can be skipped when authenticated	N/A
Job Capacity	Total 4GB, 2,000 files/per device, No per-user limit	Total 4GB, 2,000 files/per device, No per-user limit	BW model : 2,000 files CL model : 1,500 files (2,000 from third generation)
Job Storage Period * default	<10> (min.), <20> (min.), <30> (min.), *<1> (hr.), <2> (hr.), <3> (hr.), <6> (hr.), <12> (hr.), <1> (days), <2> (days), <3> (days)	<10> (min.), <20> (min.), <30> (min.), *<1> (hr.), <2> (hr.), <3> (hr.), <6> (hr.), <12> (hr.), <1> (days), <2> (days), <3> (days)	<0> (hr.), <1> (hr.), <2> (hr.), <3> (hr.), <6> (hr.), <12> (hr.), <1> (days), <2> (days), *<3> (days), <7> (days), <30> (days)

- o "Gen2" refers to Second Generation imageRUNNER ADVANCE C9200 Series, C7200 Series, C5200 Series C3300 Series, C2200 Series, C350iF/C250iF, 8200 Series, 6200 Series 4200 Series, 500iF/400iF
- o "Gen3" refers to Third Generation imageRUNNER ADVANCE 8500 Series, 6500 Series, 4500 Series, C5500 Series, C7500 Series, C3500 Series, C355iF/C255iF

AA Print

Advanced Anywhere Print (AA-PRINT), a serverless MEAP solution which combines the productivity of a print-anywhere solution with the security of log-in management to control and track user access on Canon imageRUNNER ADVANCE devices. Users can securely print their jobs and then release them to print on any imageRUNNER ADVANCE MFP or MEAP-enabled imageRUNNER LBP printer in their networked fleet. AA-PRINT uses the imageRUNNER ADVANCE Advanced Box as the central server location for print jobs and user data required for authentication. AA-PRINT requires no additional server or associated maintenance costs, and is best suited for small to mid-sized organizations seeking an easy and affordable way to help ensure print security, reduce maintenance costs, and maximize productivity.

Document Storage Space Protection

Mail Box Security

Each imageRUNNER ADVANCE system ships standard with Mail Boxes for storage of scanned and printed data. Mail Box security is provided by the ability to designate a unique password for access. Once a document is stored in the Mail Box (if the Mail Box is password protected), a user must enter their password to retrieve documents.

Advanced Box Security

The Advanced Box feature enables the imageRUNNER ADVANCE system to serve as a file sharing storage space. Users can save files in a shared folder, or within their own personal space in their native file format such as Word or PDF. Each user's personal space is protected with security credentials and requires the user to login prior to gaining access. Users can also store documents for others to access within the shared folder and any sub-folders.

Advanced Box also allows users to access their stored files from their desktop using Windows Explorer by mapping the folder as a network drive. Upon mapping or accessing the folder, the user will be prompted to authenticate through a Windows login box.

Administrators can manage the Advanced Box feature through the Remote UI interface and perform the following actions:

- Create user accounts and define type (Admin vs. End User)
- Activate authentication and enable Personal Space
- Register network devices for remote access
- Select the file formats allowed for storage (printable format only, common Office formats, or all).

By limiting to printable formats only, such as TIFF, JPEG and PDF, the risk of viruses that are commonly attached to .exe files is reduced. Also, the Advanced Box can be scanned by anti-virus software when shared as a network drive.

To prevent the storage of executable files that may contain viruses and other malicious code, system administrators can restrict the types of documents that can be saved to only printable formats, such as PDF, TIFF, and JPEG.

Other Document Security Capabilities

Watermark / Secure Watermark

To discourage the unauthorized copying or sending of confidential information, imageRUNNER ADVANCE systems support the ability to embed user-defined text within the background of any print or copy job. When duplicates are made by photocopying, the secure watermark appears. Secure Watermark feature can be set for all print jobs, or assigned by the user through the print driver. Users can also define custom or preset watermarks to appear in any position on copied output.

Encrypted PDF

The Encrypted PDF mode enables users to encrypt, set password and define permissions for PDF files that are sent to an e-mail address or file server for enhanced security. Only users who enter the correct password can open, print, or change the received PDF file.

Encrypted PDF mode can be used only if an e-mail address or file server is specified as the destination. If a fax number, I-fax address, or inbox is specified as the destination, a user cannot send the job as an encrypted PDF file. Encrypted PDF files can be saved using 40bit RC4, 128bit RC4 or the 128bit AES algorithms. When sending with Encrypted PDF 128bit AES, Acrobat 7.0 or later is required to open the PDF file. With the imageRUNNER ADVANCE devices Encrypted PDF offers AES 256-bit support.

*Encrypted PDF is standard on 2nd edition

Digital Signature PDF (Device and User Signature)

Within Scan and Send, users can add digital signatures that verify the source and authenticity of a PDF or XPS document. When recipients open a PDF or XPS file that has been saved with a digital signature, they can view the document's properties to review the signature's contents including the Certificate Authority, system product name, serial number and the Time/Date stamp of when it was created. If the signature is a device signature it will also contain the name of the device that created the document, while a user signature verifies the identity of the authenticated user that sent or saved the document.

The Device Signature PDF and the Device Signature XPS mode use the device signature certificate and key pair inside the machine to add a digital signature to the document, which enables the recipient to verify the device that scanned it. If the optional Digital User Signature PDF kit is activated, users can install a digital signature that embeds their name and e-mail address to confirm their identity as the source of the document and provides notification if changes have been made. In order to use Digital User Signature Mode, SSO authentication must be enabled and a valid certificate installed on the device.

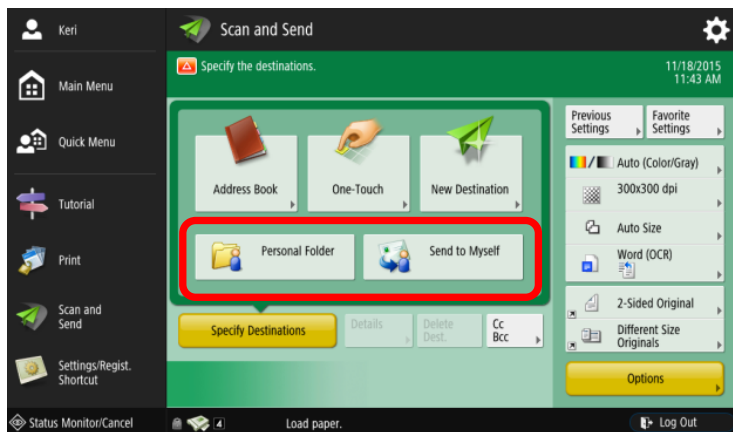
Canon imageRUNNER ADVANCE systems also support a feature called PDF Visible Digital Signature, which forces the display of the digital signature on the first page of the PDF file rather than recipients having to open the document's properties. Users can select the visible signature from the Scan and Send screen. This not only makes the digital signature more prominent, but also ensures that the digital signature appears on any printed versions of the document.

*Device Signature is standard on 2nd edition

Send to Myself (only)

Another feature in the imageRUNNER ADVANCE series applies to document distribution solutions, called Send to Myself (only). This new feature allows administrators to configure the device so that users are only able to Scan and Send documents to their own e-mail or personal folder. This document distribution security feature prevents information leakage by disallowing walk-up users to type in just any email address to send scanned documents.

* "Folder and E-mail information have to be registered in user account in authentication system.



Copy Set Numbering

All imageRUNNER ADVANCE systems support the ability to add copy set numbers to copied and printed output in a user-defined region on the page. Copy set numbering offers a means to track documents by the set number that a recipient receives.

Adobe LiveCycle Rights Management ES*

In general, once a PDF is created it can be openly exchanged if it is unencrypted and/or not secured by a password. Organizations that require more precise control over their information can integrate an imageRUNNER ADVANCE system with an Adobe LiveCycle® Rights Management ES server. The Adobe LiveCycle Rights Management ES application makes it possible to enforce dynamic document policies for choosing the authenticated users that are authorized to view its contents, define expiration dates, track distribution and define watermarks. Once the document's privileges have been set, it will contact the Adobe LiveCycle® Rights Management server over the Internet to enforce the latest policy.

* The PDF/A-1b and Encrypted PDF file formats are not compatible with Adobe LiveCycle® Rights Management ES.

Document Scan Lock & Tracking

The optional Document Scan Lock & Tracking feature of imageRUNNER ADVANCE systems enables documents to include embedded tracking information such as usernames, date stamps, and device name within the background. The embedded information is not readable by users, and can only be accessed by system administrators. The tracking information can also contain policy information that determines whether the document can be copied or scanned on other imageRUNNER ADVANCE systems with Document Scan Lock enabled. This feature also offers QR Code support imageRUNNER ADVANCE systems.

The Scan Lock feature enables the following restrictions to be applied to a document:

- Complete Restriction: No one can make any copy/send/fax.
- Password Authentication: Allows the ability to make copy/send/fax only if the proper password is entered.
- User Authentication: Allows the ability to make copy/send/fax only to original authorized user logged into the device with the proper User ID and Password.

System administrators can choose to force all scan and copy jobs to apply Document Scan Lock & Tracking code onto each print job, as well as choose whether to allow all or prohibit all copy, scan, send and fax jobs of documents that contain the hidden tracking code.

For more information on Document Scan Lock & Tracking as it pertains to tracing, please review the *Logging & Auditing* section in this document.

3.2 – Data Security

A wide variety of device and network security features are standard on imageRUNNER ADVANCE systems. Canon recognizes that each customer's needs are different, therefore Canon offers various advanced security options to assist companies in meeting their internal privacy goals and address regulatory guidelines that may be applicable to certain environments.

These options have been developed in accordance with the extended security requests of key customers and U.S. government agencies. Canon offers advanced security features that protect data stored on the device and during transmission.

Data at Rest

HDD and RAM Data Protection

All imageRUNNER ADVANCE systems require hard disk and RAM for their normal operation. The partitions on the imageRUNNER ADVANCE hard disk are formatted with one of the following types of file systems:

- iR File System
- FAT 32-Compatible File System

The “iR File System” is a Canon proprietary file system that was designed solely for the processing of image files in a fast and efficient manner. This file system is not compatible with commonly used PC file systems, and therefore analyzing its data at the sector level is extremely difficult.

The “Fat-32 Compatible File-System” is the file system used by the imageRUNNER Advance for the disk areas that store the system firmware, MEAP applications, Mail Box and Advance Box files.

In general, it is difficult to analyze the data on these file systems at the sector level, however, Canon recognizes that highly motivated and experienced attackers may try to obtain information from environments where sensitive information is processed, by analyzing the hard disks from these devices. In order to help protect your sensitive and confidential information Canon imageRUNNER ADVANCE systems include a standard hard disk format utility, as well as more advanced optional accessories, such as

the HDD Data Erase Kit, the HDD Data Encryption Kit or the Removable HDD Kit. With the second and third generation imageRUNNER ADVANCE devices, the HDD Data Erase Kit comes standard.

** Some imageRUNNER ADVANCE systems that are configured with the optional HDD Mirroring Kit for external Print Controller may contain more than one disk*

Standard HDD Initialize

Best practices, and often company policies, usually recommend that systems be completely wiped by the system administrator prior to the device being reallocated to a new location or prior to the end of lease or at the end of its lease. The Hard Disk Drive Initialize feature, which is standard on all imageRUNNER ADVANCE systems, overwrites all user data areas on the hard disk.

Overwrite mode supported for the HDD Initialize function include:

- Overwrite once with null (default)
- Overwrite once with random data
- Overwrite three times with random data
- Overwrite three times in the following order (DoD Standard):
 - Fixed value
 - Complement number of fixed value
 - Random data
- Overwrite nine times with random data

Overwritten information includes:

- Data stored in Mail Boxes and Advanced Box
- Data stored in Fax/I-Fax Inbox (Confidential Fax Inbox/Memory RX Inbox)
- Address data stored in the Address Book
- Scan settings registered for the Sending function
- Mode Memory settings registered for the Copy or Mail Box function
- MEAP applications
- Data saved from MEAP applications
- The password for the SMS (Service Management Service) login service of MEAP
- User authentication information registered in the Local Device Authentication system of UA or SSO-H (Single Sign-On H)
- Unsent documents (reserved documents and documents set with the Delayed Send mode)
- Job history
- Settings/Registration settings
- Forms registered for the Superimpose Image mode
- Registered forwarding settings
- Key Pair and Server Certificate registered in [Certificate Settings] in [Device Management] in Management Settings (from the Settings/Registration screen)

After the HDD Initialize the device will print a report with device serial number, device name, erase mode, date and time of erasing, firmware version.

HDD Data Encryption Function

The HDD Data Encryption Kit (standard on third generation imageRUNNER ADVANCE devices), which has achieved Common Criteria Certification of Evaluation Assurance Level 2 (EAL2), ensures that all data stored on the internal disk drive is protected using industry-standard algorithms. The HDD Data Encryption Kit for imageRUNNER ADVANCE systems uses a dedicated plug-in board that encrypts every byte of data before it is committed to the disk using the 256-bit AES (Advanced Encryption Standard) algorithm. The HDD Encryption chip has been updated to obtain FIPS 140-2 validation (only for Third Generation imageRUNNER ADVANCE)

The Federal Information Processing Standard (FIPS) Publication 140-2, (FIPS PUB140-2), is a U.S. government computer security standard used to accredit cryptographic modules. The title is Security Requirements for Cryptographic Modules.

FIPS 140-2 Validation

Previously FIPS140-2 was supported for IPsec communication and the HDD encryption chip also complies with the FIPS 140-2, but in order to provide more robust security, FIPS140-2 validated encryption algorithm can also be used when performing TLS encryption on general communications such as HTTP/SMTP/POP/WebDAV.

Though IPsec always operated in the FIPS mode on third generation imageRUNNER ADVANCE devices, a setting must be specified from the UI screen or the Remote UI for TLS to format encryption method to FIPS 140-2.

Additional Secure Cipher Algorithms Supported

Encryption algorithms have been added to encryption modules used by MEAP applications (JCE). Expanding the encryption algorithms used by MEAP applications enables the machine to support requests for a wider range of encryption algorithms.

	Conventional Encryption Algorithms	FIPS Encryption Algorithms
Message digest	MD4, MD5, SHA-1, SHA-224/256/384/512	SHA-1, SHA-224/256/384/512
Message authentication code	HMAC-MD5, HMAC-SHA1, HMAC-SHA224, 356, 384, 512	HMAC-SHA1, HMAC-SHA224, 356, 384, 512
Common key encryption	DES, 3DES, RC4, AES (CBC,CFB,CTS, GCM)	3DES, AES (CBC,CFB, GCM)
Public key encryption	RSA	RSA (2048 bit ~)
Key pair generation	RSA, ECDSA, DSA	RSA (2048 bit ~), ECDSA, DSA (2048 bit ~)
Common key generation	PBKDF2 With HmacSHA1 PBKDF2 With HmacSHA224 PBKDF2 With HmacSHA256 PBKDF2 With HmacSHA384 PBKDF2 With HmacSHA512	PBKDF2 With HmacSHA1 PBKDF2 With HmacSHA224 PBKDF2 With HmacSHA256 PBKDF2 With HmacSHA384 PBKDF2 With HmacSHA512
Key sharing	ECDH DH	ECDH DH (2048 bit ~)
Random number generation	DSASHA/DSADES	DSASHA/DSADES
Digital signing	SHA1/MD2/MD5/SHA224/SHA256/SHA384 /SHA512 with RSA SHA1 with DSA SHA1/SHA224/SHA256/SHA384/SHA512/ with ECDSA	SHA1/SHA224/SHA256/SHA384/SHA512 with RSA SHA1 with DSA SHA1/SHA224/SHA256/SHA384/SHA512/ with ECDSA
Key pair, format	PKCS#12	PKCS#12

HDD Data Erase Function

The HDD Data Erase Kit (now standard on second and third generation imageRUNNER ADVANCE models) enables system administrators to configure their imageRUNNER ADVANCE to overwrite the internal image server hard disk and erase previous data as part of routine job processing. The technology can be set to overwrite:

1. Once with null data,
2. Once with random data,
3. Three times with random data,
4. Overwrite three times in the following order (DoD Standard - DoD 5220.22-M compliant):
 - a. Fixed value
 - b. Complement number of fixed value
 - c. Random data

Standard DoD 5220.22-M is a data clearing and sanitizing method used to overwrite existing information on a hard drive. This method will prevent all software and hardware based file recovery methods from lifting information from the hard drive.

HDD Data Erase Scheduler MEAP

The optional HDD Data Erase Scheduler MEAP application adds more functionality to the existing HDD overwriting functions allowing administrators to now schedule when to overwrite the Canon device's HDD. Additionally, the HDD Data Erase Scheduler generates a printed confirmation report upon completion of the HDD data erase. This MEAP application meets the customer requirements for easier and more automated HDD erasing and the need for a printed confirmation that this important security function has been executed.

Key features include:

- Set daily, weekly and monthly schedule for overwriting HDD data
- Overwrite HDD data on-demand by the push of a button
- Receive a printed confirmation report upon execution of scheduled or on-demand overwriting

The HDD Data Erase Scheduler will overwrite up to 3 times, depending on how the HDD Data Erase Function is activated on the device. Users can select the overwrite mode in the device settings.

Removable HDD Kit

The imageRUNNER Removable HDD Data Kit option provides a means for system administrators to physically lock the device's internal hard disk drive into the system during normal operation, thereby decreasing the risk of theft. Once the device has been powered down, the drive can be unlocked and removed for storage in a secure location.

Job Log Conceal Function

The standard Job Log Conceal function ensures that jobs processed through the device are not visible to a walk up user or through the Remote UI. The Job Log information although concealed, is still accessible by the administrator, who can print the Job Log to show copy, fax, print and scan usage on the device. The administrator can select [On] or [Off] for Job Log Conceal under Settings / Registration > Management Settings > Device Management > Display Log.

When [On] is selected, the job log is displayed. If Job Log Display is set to [Off], the following features and settings will not be displayed on screen or activated:

- Copy, send, fax, and, print log from System Monitor
- Receive from system monitor Send Activity management report when equipped with Canon's optional Scan and Send Kit.
- Fax Activity management report
- Auto print is set to [Off] disabling the Daily Send & Fax Activity Report

The default setting for Job Log Conceal is [Off].

Trusted Platform Module (TPM)

Every imageRUNNER ADVANCE system includes a Trusted Platform Module (TPM), a tamper-resistant open standards security chip that is responsible for encrypting and decrypting information such as passwords, certificates, IDs and cryptographic keys. TPM protects information on the internal hard disk drive by storing the encryption key in a separate location. Once enabled, the device will not launch if the TPM chip is removed to protect against physical attacks.

TPM functionality is disabled by default. The feature can be enabled on Canon imageRUNNER ADVANCE devices within the Additional Functions menu. Once enabled, it is important to back up the TPM key in the event of failure through USB memory.

HDD Password Lock

The imageRUNNER ADVANCE Series offer a feature called HDD Lock. HDD Lock provides the capability of securing the HDD with a Password making it difficult to access the data that is stored on the hard disk to be accessed. If the HDD is physically removed from the device, its data cannot be accessed via a PC.

Data in Transit

Encrypted Secured Print

Encrypted Secured Print utilizes strong AES 256 bit encryption to protect your print job data while in transmission over the network. To protect print jobs from being output at the device unattended, the Encrypted Secured Print feature holds the job in a queue until the user-defined password is entered on the control panel.

Encrypted PDF

The Encrypted PDF feature of imageRUNNER ADVANCE systems support 40-bit/128-bit RC4 encryption and 128-bit AES (Advanced Encryption Standard) for greater security when sending documents. When sending a 128-bit AES encrypted PDF, Acrobat 7.0 or later is required to open the file. For the imageRUNNER ADVANCE devices, 256-Bit AES encrypted PDF is supported.

For more information, please refer to the Document Security section, under *Information Security*.

3.3 – Fax Security

Super G3 Fax Board and Multi Line Fax Board

Canon imageRUNNER ADVANCE systems that support Super G3 fax capabilities with the optional Super G3 Fax Board installed can be connected to the Public Switched Telephone Network for sending and receiving of fax data. In order to maintain the security of customer's networks in relation to this potential interface, Canon has designed its Super G3 Fax Boards to function in accordance with the following security considerations:

Super G3 Fax Board Communication Mechanism

The modem on the Super G3 Fax Boards does not have Data Modem capability, but only Fax Modem capability. As a result, TCP/IP communication through the phone line is impossible. In addition, there is no functional module such as a Remote Access Service that enables communication between a phone line and a network connection within the device.

Fax Transmission

The PC Fax function can fax documents from the PC via Network, using a Fax driver that runs on the PC. However, data transfer from the PC via Network to the device and data transfer (FAX transmission) from the phone line via the G3 FAX board is structurally separated.

Fax Received

Although a received fax document can be accessed from the network through the Confidential Fax Mail Box function inherent in the device or automatically forwarded to a network, it is not possible to breach the network in either instance as these capabilities are afforded following completion of facsimile communication. Since the data stored in the Confidential Fax Mail Box is in a format proprietary to Canon, there is no threat of virus infection. Even if the device receives a data file pretending to be a FAX image data but contains a virus, the received data must be decoded first. While trying to decode the virus the phone line will be disconnected with a decode error and the received data will be discarded. The Super G3 Fax Boards cannot receive data files, but are only capable of receiving and decoding facsimile transmissions. As a result, virus-laden files sent to an imageRUNNER ADVANCE system via its phone line connection cannot be processed.

Other Fax Features

Allow/Restrict Fax Driver Transmissions

Device can be configured to allow (default) or restrict sending fax transmissions via a PC Fax driver. To set this function, go to: [Function Settings][Send][Fax Settings][Allow Fax Driver TX]

Allow/Restrict Sending from History (Job Log)

The device can be configured to allow (default) or restrict recalling the last three addresses, scan settings, or send settings used, for sending.

To set this function, go to: [Function Settings] [Send][Common Settings][Restrict Resending from Log]
ON: Prohibit fax redialing OFF: Allow fax redialing (Default)

Fax Forwarding / Mailbox Fax Forwarding

The Fax Forwarding function allows imageRUNNER ADVANCE systems equipped with a fax board to forward inbound fax transmissions to specific recipients. This is done by setting predetermined conditions or storing faxes in a secure Memory Reception Inbox for later printing rather than permitting incoming messages to pile up in an open output tray.

Advanced Box Fax Forwarding & Fax Received Notification

Similar to the Fax Forwarding function, imageRUNNER ADVANCE systems support the capability to define separate forwarding rules based on the line upon which the fax was received. Each fax can be routed to a specific shared or personal space Advanced Box location, database, file server, Confidential Fax inbox or another fax device. When used in conjunction with the Job Forwarding to Advanced Box function, the Fax Received Notification feature sends an e-mail to designated recipients to immediately alert them of a new fax.

Fax Destination Confirmation

To help prevent faxed documents from being inadvertently sent to the wrong destination, imageRUNNER ADVANCE systems offer a Confirm Entered Fax Number feature for additional protection. When enabled on the device by an administrator, users will be prompted to re-enter the recipient's fax number prior to sending in order to confirm that it matches the original one specified. If the fax numbers do not match, the user will be prompted to enter the original number again and re-confirm.

Fax Storage Space

Fax Mail Box and Advanced Box Fax Security

Incoming faxes on imageRUNNER ADVANCE systems can be automatically routed to a designated Mail Box or Advanced Box, which can be password-protected to prevent the contents from being viewed by unauthorized individuals.

Section 4 — Network Security

4.1 – Network and Print Security

Canon imageRUNNER ADVANCE systems include a number of configurable network security features that assist in securing information when networking printing is installed. Standard network security features include the ability to permit only authorized users and groups to access and print to the device, limiting device communications to designated IP/MAC addresses, and controlling the availability of individual network protocols and ports as desired.

Enabling/Disabling Protocols/Applications

Through Canon’s device setup and installation utilities, network administrators are provided with the ability to configure the specific device protocols and service ports that are accessible. As a result, unwanted device communication and system access via specific transport protocols can be effectively blocked. Canon imageRUNNER ADVANCE systems have the ability to disable unused TCP/IP ports to further secure the devices. Disabling ports affects the available functions and applications on the device. Configurable ports* include:

imageRUNNER ADVANCE Port Summary

Name	Port	Default	Description	Setting
TCP				
LPD	515	ON	LPD print	[Preferences]->[Network]->[TCP/IP Settings]->[LPD Print Settings]
RAW	9100	ON	RAW print	[Preferences]->[Network]->[TCP/IP Settings]->[RAW Print Settings]
HTTP	80	ON	World Wide Web HTTP	[Preferences]->[Network]->[TCP/IP Settings]->[Use HTTP] [Preferences]->[Network]->[TCP/IP Settings]->[Confirm Dept. ID PIN] [Preferences]->[Network]->[TCP/IP Settings]->[IPP Print Settings]->[Use SSL] [Set Destination]->[Make Remote Add. Book Open]->[Make Address Book Open] [Management Settings]->[Device Settings]->[Device Information Delivery Settings]->[Restrict Receiving for Each Function] [Function Settings]->[Send]->[E-Mail/FAX Settings]->[Communication Settings]->[Authent./Encryption]->[Allow SSL(SMTP Receive)]
HTTPS	443	OFF/ON	HTTP over TLS/SSL	[Preferences]->[Network]->[TCP/IP Settings]->[Use HTTP] [System Settings] -> [MEAP Settings] -> [Use SSL]
HTTP(MEAP)	8000	ON	World Wide Web HTTP for MEAP	[Function Settings] -> [Send] -> [E-mail/Fax Settings] -> [Communication Settings] -> [SMTP RX] [Preferences]->[Network]->[TCP/IP Settings]->[Use HTTP]
HTTPS(MEAP)	8443	OFF/ON	World Wide Web HTTP for MEAP	[System Settings] -> [MEAP Settings] -> [Use SSL]
SMTP	25	OFF	Simple Mail Transfer Protocol	[Function Settings] -> [Send] -> [E-mail/Fax Settings] -> [Communication Settings] -> [SMTP RX] COPIER-OPTION>Network> SMTTPRXPN COPIER-OPTION>Network> SMTTPXPN
IPP	631	OFF	Internet Printing Protocol	[Preferences]->[Network]->[TCP/IP Settings]->[IPP Print Settings]
FTP	21	OFF	File Transfer Protocol	[Preferences]->[Network]->[TCP/IP Settings]->[FTP Print Settings]->[Use FTP Printing]
netbios-ssn	139	OFF	NETBIOS Session Service (SMB)	[Preferences]->[Network]->[SMB Server Settings]->[Use SMB Server]
CIFS	445	OFF	CIFS	[Preferences]->[Network]->[SMB Server Settings]->[Use SMB Server]
VNC	5900	OFF	Canon VNC port	[Management Setting]->[License/Other]->[Remote Operation Setting]
SSO-H	10000-10100	OFF	Single Sign-On Hybrid (Only when SSO-H Login Service is selected)	[SMS]System Management>Enhanced Sys. App
RemoteConsole	19001	OFF	JVM RemoteConsole (Debug for MEAP Application)	[MEAP Developer's Dialog]Remote Console Functions
Remote Fax	20317	OFF	Remote Fax	[Function Settings]->[Send]->[FAX Settings]->[Remote FAX Settings]->[Use Remote FAX]
WSDScan	60000	OFF	WSDScan	[Preferences]->[Network]->[TCP/IP Settings]->[WSD Settings]->[Use WSD Scan Func]
SIP	5060	OFF	IP FAX	[Preferences]->[Network]->[TCP/IP Settings]->[SIP Settings]
SIP REGIST (TLS)	5061	OFF	IP FAX	
t38	49152	OFF	IP FAX	[Preferences]->[Network]->[TCP/IP Settings]->[SIP Settings]
UDP				
SNMP	161	ON	SNMP	[Preferences]->[Network]->[SNMP Settings]->[Use SNMPv.1] [Preferences]->[Network]->[SNMP Settings]->[Use SNMPv.3]
SLP	427	OFF	Service Location Protocol	[Preferences]->[Network]->[TCP/IP Settings]->[Multicast Discovery Settings]->[Response]
WSD	3702	OFF	WSD WS-Discovery	[Preferences]->[Network]->[TCP/IP Settings]->[WSD Print Settings]->[Use WSD]
netbios-ns	137	OFF	NETBIOS Name Service (SMB)	[Preferences]->[Network]->[SMB Server Settings]->[Use SMB Server]
netbios-dgm	138	OFF	NETBIOS Datagram Service (SMB)	[Preferences]->[Network]->[SMB Server Settings]->[Use SMB Server]
IPsec	500	OFF	IPsec IKEv1	[Preferences]->[Network]->[TCP/IP Settings]->[IPsec Settings]->[Use IPsec]
IPsec	4500	OFF	IPsec IKEv1	[Preferences]->[Network]->[TCP/IP Settings]->[IPsec Settings]->[Use IPsec]
BMLinkS	1900	OFF	BMLinkS Discovery	[Preferences]->[Network]->[TCP/IP Settings]->[BMLinkS Settings]->[Use BMLinkS] [Preferences]->[Network]->[DNS Settings]->[mDNS Settings]->[Use mDNS IPv4] [Preferences]->[Network]->[DNS Settings]->[mDNS Settings]->[Use mDNS IPv6]
mDNS	5355	OFF	mDNS / mDNS-SD	
SIP	5060	OFF	IP FAX	[Preferences]->[Network]->[TCP/IP Settings]->[SIP Settings]
RTP	5004	OFF	IP FAX	[Preferences]->[Network]->[TCP/IP Settings]->[SIP Settings]
RTCP	RTP+1 (5005)	OFF	IP FAX	
t38	49152	OFF	IP FAX	[Preferences]->[Network]->[TCP/IP Settings]->[SIP Settings]

IP Address Filtering

The imageRUNNER ADVANCE Series support two types of IP Address Filtering as described below. Third Generation allows for the choice between Type1 and Type2 .Second Generation only allows for “IP Address Filtering Type 2(Receiving and Transmitting Packets)”

- **IP Address Filtering Type1 (Receiving Packets)**

IP Address Filtering Type 1 is a function to permit or reject reception of packets from the specified IP Addresses. Administrators can decide to enable IP Filtering for the RX Print and Setting/Browsing functions, and can specify filtering options (Permit/Reject).

Up to eight individual IP addresses or IP address ranges can be specified. The default value of all options for this feature is "Disable" (permit reception).

The target applications (protocols) and the number of addresses that may be specified are as follows:

Category	Handling	Number of IP addresses (ranges)	Target application
RX Print	Permit	IPv4:8, IPv6:8	LPD, RAW, SMB, FTP HTTP (IPP), PDF, SMTP, BMLinkS, WSD
	Reject	IPv4:8, IPv6:8	
Setting/Browsing	Permit	IPv4:8, IPv6:8	SNMP, HTTP (RUI), SLP
	Reject	IPv4:8, IPv6:8	

- **IP Address Filtering Type 2 (Receiving and Transmitting Packets)**

IP Address Filtering Type 2 is a function to permit or reject reception (RX) and transmission (TX) of packets to and from the specified IP Addresses. There is no distinction between "RX/Print" and "Setting/Browsing" as there is with IP Address Filtering Type 1.

A maximum of 16 addresses may be registered for RX packets and TX packets, respectively. Note that IPv4 addresses and IPv6 addresses are registered separately.

The previous distinction between "RX/Print" and "Setting/Browsing" no longer exists.

The setup required for filtering involves configuration of the default policy (either Reject or Permit), followed by registration of the IP addresses to be exempt.

If the default policy is to "Permit," then the IP addresses you want to reject must be registered. Conversely, if the default policy is to "Reject," then the IP addresses you want to permit must be registered. The default value for the default policy is to "Permit" for both reception and transmission.

- **Port Number Blocking Function**

This function controls (rejects or permits) data reception for the specified port number.

Since port numbers can also be specified for the IP Address Filtering Function, the default policy is subordinate to the IP Address Filtering Function.

In other words, if the default policy is to permit, then port numbers to reject should be specified, and if the default policy is to reject, then the port numbers to permit should be specified.

Initial value for the default policy is “Permit”.

Media Access Control (MAC) Filtering

MAC address filtering is useful for smaller networks where administrators can manage controls for specific systems, regardless of the subnet to which they happen to be connected. For environments using Dynamic Host Configuration Protocol (DHCP) for IP address assignments, MAC address filtering can avoid issues that are caused when DHCP leases expire and a new IP address is issued to a system. As with IP address filters, MAC address filters can be used to allow or deny access to specific addresses. Up to 100 MAC addresses can be registered and easily added, edited, or deleted through the Remote UI interface. MAC address filters take a higher priority than the IP address filters; so necessary systems can be allowed or denied, even if the system’s IP address would dictate otherwise. The imageRUNNER ADVANCE Series support two types MAC address filtering: Type 1 filters received packets (RX) and Type 2 filters received (TX) and transmitted packets (TX).

SSL/TLS Encryption

Many organizations are quite diligent about protecting data as it is transferred between PCs and servers or from one PC to another. However, when it comes to transmitting that same data to and from the MFP device, it is almost always sent in clear text. As a result, it may be possible to capture all the data as it is sent to the printer via the network. Canon helps mitigate this dilemma by providing Secure Socket Layer (SSL 3.0) encryption and Transport Layer Security (TLS 1.1/1.2) (for support of some transmissions to and from the imageRUNNER ADVANCE device, such as Internet protocol Printing (IPP), Internet-fax (I-fax), Remote UI, Web Access and DIDE).

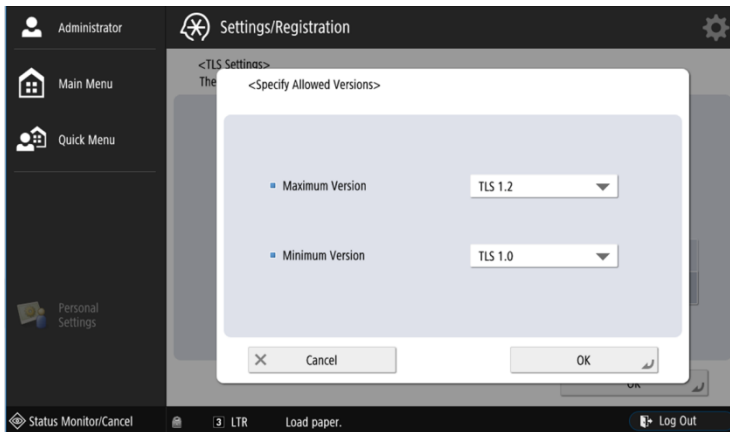
The imageRUNNER ADVANCE series supports Transport Layer Security, which is a connection-type transport layer protocol for HTTP security. It provides authentication and encryption, as well as detects alternations. Common practice is that a TLS server submits CA certificates with specific expiration dates while a client verifies its authenticity.

	First Generation iR ADVANCE	Second Generation iR ADVANCE	Third Generation iR ADVANCE
	C9000 Series, C7000 Series, C5000 Series, 4000 Series, 6000 Series, 8000 Series,	C9200 Series, C7200 Series, C5200 Series C3300 Series, C2200 Series C350iF/C250iF, 8200 Series, 6200 Series, 4200 Series, 500iF/400iF	8500 Series, 6500 Series, 4500 Series, C5500 Series, C7500 Series, C3500 Series, C355iF/C255iF
SSL 3.0	Supported	Supported	Not Supported
TLS 1.0	Supported	Supported	Supported
TLS 1.1/1.2	Not Supported	Supported	Supported

TLS Version Selection

Administrators can specify TLS versions for encrypted communication. Previously, TLS 1.0, 1.1, and 1.2 were all enabled, but now both a version upper limit and version lower limit can be specified to restrict the available protocol versions. If a vulnerability is discovered in an old version(s) of TLS, the administrator can disable that version in the device to help maintain security.

To modify TLS versions go to Preferences > Network > TCP/IP Settings > TLS Settings > Specify Allowed Versions



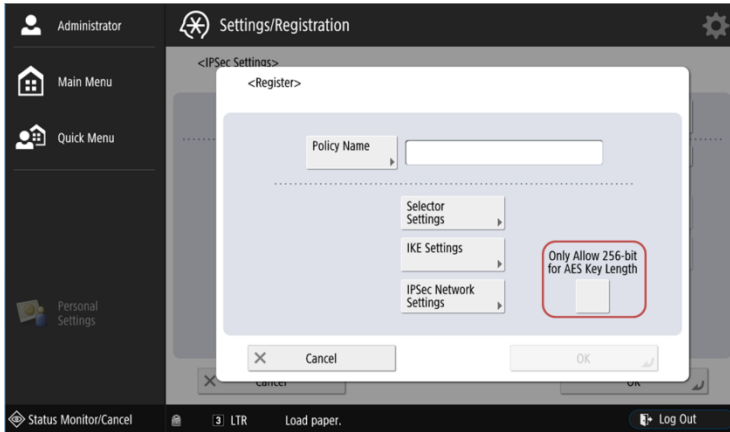
Communication fails if the MEAP app communication server does not support the TLS version specified with “Settings/Registration”

Cipher Algorithm Selection (Including disabling 3DES)

The administrator can strengthen security by adapting IPSec and TLS encryption algorithms to their operation policy. Cypher algorithm selection enables the selection of encryption algorithms/signing algorithms for TLS communication. This setting has been added for restricting AES-CBC/GCM key lengths to 256 bit when using IPSec. Previously, 128 bit/256 bit could be selected together, but now security can be enhanced by restricting to 256 bit only.

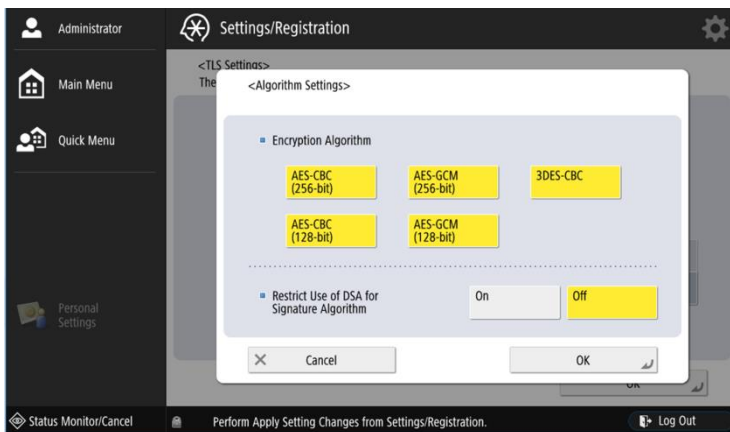
Flow of IPSec Settings

A new "Only Allow 256-bit for AES Key Length" button has been added to the IPSec policy settings screen (Preferences > Network > TCP/IP Settings > IPSec Settings).



Flow of TLS Settings

Encryption/signing algorithms can be selected on the TLS algorithm settings screen (Preferences > Network > TCP/IP Settings > TLS Settings).



IPv6 Support

IPv6 support, which is available in all imageRUNNER ADVANCE systems, provides a more secure network infrastructure, improved traffic routing and easier management for administrators than IPv4.

IPSec Support

Canon imageRUNNER ADVANCE systems support IPSec, which allows users to utilize IPSec (Internet Protocol Security) to help ensure the privacy and security of information sent to and from the device, while in transit over unsecured networks. With the imageRUNNER ADVANCE devices, IPSec Support is standard, and it is built directly into the firmware and no optional “Boards” are required.

IPSec is a suite of protocols for securing IP communications. IPSec supports secure exchange of packets at the IP layer, where the packets in the data stream are authenticated and encrypted. It encrypts traffic so that the traffic cannot be read by parties other than those for whom it is intended, it also ensures that the traffic has not been modified along its path and is from a trusted party, and protects against replay of the secure session. The IPSec functionality of the device only supports transport mode, therefore authentication and encryption is only applied to the data part of the IP packets.

Authentication and Encryption Method:

One of the following methods must be set for the device.

- AH (Authentication Header)
A protocol for certifying authentication by detecting modifications to the communicated data, including the IP header. The communicated data is not encrypted.
- ESP (Encapsulating Security Payload)
A protocol that provides confidentiality via encryption while certifying the integrity and authentication of only the payload part of communicated data.

Key Exchange Protocol

Supports IKEv1 (Internet Key Exchange version 1) for exchanging keys based on ISAKMP (Internet Security Association and Key Management Protocol). IKE includes two phases; in phase 1 the SA used for IKE (IKE SA) is created, and in phase 2 the SA used for IPSec (IPSec SA) is created.

To set authentication with the pre-shared key method, it is necessary to decide upon a pre-shared key in advance, which is a keyword (24 characters or less) used for both devices to send and receive data. Use the control panel of the device to set the same pre-shared key as the destination to perform IPSec communications with, and perform authentication with the pre-shared key method.

To select authentication with the digital signature method, it is necessary to install a key pair file and CA certificate file created on a PC in advance using the Remote UI, and then register the installed files using the control panel of the device. Authentication is conducted with the destinations for IPSec communication using the CA certificate.

The types of key pair and CA certificate that can be used for authentication with the digital signature method are indicated below.

- RSA and ECDSA algorithm
- X.509 certificate
- PKCS#12 format key pair

Network Authentication

Authentication mechanism used by the network applications and their support statuses are described below.

	Plain	CRAM-MD5	LM	NTLM	NTLMv2	Kerberos
IFAX/SMTP AUTH	○ (Plain/Login)	○	×	○	×	○
SMB Send/Browse	×	×	○	○	○	×
SMB Advanced Box	×	×	○	○	○	×

Wireless LAN

Canon imageRUNNER ADVANCE systems support wireless networking. Third generation imageRUNNER ADVANCE devices now come standard with Wireless LAN support. Wireless LAN is IPv6 compliant and supports the latest wireless encryption standards, including WEP, WPA and WPA2, in addition to support for the IEEE802.1X authentication standard.

The first generation and second generation imageRUNNER ADVANCE models can connect to wireless networks via the Silex Wireless Bridge SX-2500CG. This device Includes security features such as Open System or Shared Key support with Wired Equivalent Privacy (WEP) encoding, WPA (Wi-Fi Protected Access) Personal (WPA-PSK) with a choice of TKIP or AES encryption methods, and WPA2, which adds Advanced Encryption Standard (AES) to encryption.

IEEE 802.1X (Wireless and Wired supported)

Canon imageRUNNER ADVANCE systems support IEEE 802.1x, which is a standard protocol for port-based Network Access Control. The protocol provides authentication to devices attached to a LAN port and establishes a point-to-point connection only if authentication is successful.

IEEE 802.1X functionality is already supported by many Ethernet switches, and can prevent guest, rogue, or unmanaged systems that cannot perform a successful authentication from connecting to your network.

Embedded Web Browser

This WEB browser displays the HTML contents obtained from a WEB server on the user interface of the copier's control panel. This Web browser uses “WebKit” as the rendering engine.

The following security-related settings are available.

- TLS Version
- Using of JavaScript
- Displaying HTTPS/HTTP-mixed Pages

SNMP Community String

Community Strings are like passwords for the management elements of network devices. There is a community string which is used for read-only access to a network element. The default value for this community string for most network devices is often "public". Using this community string an application can retrieve data from the imageRUNNER ADVANCE system's Management Information Base (MIB) elements. There is also a read-write community string, and its default value is usually “private.” Using the read-write community string, an application can actually change values for MIB variables.

Canon imageRUNNER ADVANCE systems use public and private as the default SNMP community strings, but these may be renamed to a user-defined value for increased security. In addition, the systems support SNMPv3, which provides greater security by protecting data against tampering, ensuring access is limited to authorized users through authentication and encrypting data sent over a network.

To modify SNMP community strings go to Settings / Registration > Preferences > Network > SNMP Settings.

Scan and Send -Virus Concerns for E-mail Reception

For imageRUNNER ADVANCE systems with Scan and Send capabilities enabled, the device will always discard any attached viruses in e-mail messages upon receipt.

Scan and Send-enabled devices support POP3 and SMTP as e-mail reception protocols. When data is received, the e-mail text is separated from any file attachments, and only JPEG/TIFF image files among the attached files are printed and transferred.

There are three possible scenarios that are explored:

- **Data with a virus attached in the e-mail:**
All file attachments except for ‘JPEG/TIFF’ files received in the e-mail are discarded immediately after reception.

- **Viruses pretending to be JPEG/TIFF files:**

The imageRUNNER ADVANCE system compresses the 'JPEG/TIFF' format at reception and after regenerating the image encodes the image again. When processed correctly, the original image is discarded and a new image is created, printed, and transferred. If an error occurs during the process, the data from the 'JPEG/TIFF' file is not transferred but is discarded, and a message notifying the user of the error is added to the e-mail text and is printed.

- **Text within e-mail is a virus:**

E-mail text data gives the Date, From, Message-Id, To, or Subject data written at the top of the received e-mail for printing and transfer. The e-mail text data is comprised of character strings. If binary data such as data with a virus is used in the e-mail text, the data will be damaged and data with a virus will be discarded. Even if the data with a virus is visible data with a script format, it is not possible to recognize it as a script because Date, From, Message-Id, To, or Subject data is attached at the top.

4.2 – Mail Server Security

When the Scan and Send on imageRUNNER ADVANCE devices is enabled, the internal mail service is enabled and supports the POP, SMTP APOP, SMTP over SSL, POP3 over SSL protocols. To protect the service against attack or improper use, administrators can enable additional security features such as SMTP Authentication and POP Authentication before SMTP.

SMTP Authentication

To prevent unauthorized users from making use of the device's internal SMTP server, administrators can enable SMTP Authentication and designate a username and password to connect to the server. In addition, administrators can enable SSL for all SMTP send and receive operations.

POP Authentication Before SMTP

As an additional layer of security, imageRUNNER ADVANCE systems support the ability for administrators to enable or disable the POP Authentication before SMTP feature. POP Authentication before SMTP forces a successful login to a POP server prior to being able to send mail via SMTP.

Section 5 — Security Monitoring & Management Tools

Canon provides a number of tools to help organizations enforce their internal company policies and meet regulatory requirements. Whether a single imageRUNNER ADVANCE system is deployed, or a fleet of them, these solutions provide the ability to audit usage and limit access to features and functions enterprise-wide—at the group and user-level.

Security Policy Settings

As document, user, and information security become more important to organizations, administrators need to be sure that the various settings are organized in a central location that can be password protected and managed. Third generation imageRUNNER ADVANCE models have a centralized location, accessible using the Remote User Interface, where administrators are able to do the following:

- Set passwords for access to security policy settings
- Access and review current security settings
- Edit and save changes to security policies
- Export security settings and push updates to other third generation imageRUNNER ADVANCE models.

This functionality enables organizations the ability to separate security administration and device administration. Device administrators wouldn't automatically have access to security settings once a password is created.

Third generation imageRUNNER ADVANCE models have a centralized location where security administrators can access and manage various security settings. This is accessible from the Remote User Interface, where administrators are able to do the following

Security Policy Settings can be established for one device then exported as a file for use with other devices, or shared using iW EMC + Device Configuration Management Plug-in.

Security Policy Settings

5.1 – imageWARE Enterprise Management Console

imageWARE Enterprise Management Console (EMC) is a highly scalable web-based management utility for administrators that delivers a streamlined, centralized point of control for all devices installed across enterprises. The software makes it easier for organizations to securely manage one or more imageRUNNER ADVANCE systems remotely across a network. To aid in implementing and managing an MFP infrastructure, imageWARE Enterprise Management Console facilitates the secure distribution of device configuration information and address books using SSL encryption.

Access Management System (AMS) Plug-in

Allows centralized management of authentication and user privileges and roles. Assign roles according to user level providing higher levels of access to power users, while restricting others to basic functionality. Change settings and push them out to all or selected groups of devices.

Device Configuration Management Plug-in

Allows administrators to configure device and interface settings as required and push the settings out to multiple devices. Provides the ability to back-up or restore detailed device settings to help save significant time and resources for IT departments.

Device Application Management Plug-in

Enables MEAP applications to be updated, managed, and deployed remotely to a fleet with a single procedure.

Device Firmware Update Plug-In

Allows administrators to push out firmware updates to the fleet.

5.2 – Restricting Device Setup Screens

Administrators can lock-out access to device setup screens for unauthorized users from the control panel and Remote UI utility in an effort to protect its configuration information.

5.3 – Access Management System

The Access Management System enables the ability for administrators to restrict access to the features of the system at the device or function level. If device authentication is used, users will need to login prior to accessing the Main Menu. If Function Level Authentication in the Access Management System is used, users will be prompted for their credentials to use certain, often sensitive device features.

Section 6 — Logging & Auditing

Few security procedures can completely prevent the intentional leak of confidential information while maintaining high productivity, but if an occurrence does happen it is important to be able to trace it to the source. Canon has developed a number of cutting-edge technologies to provide administrators with powerful ways to discourage leaks and investigate unauthorized access.

Audit Log

An audit log is a chronological sequence of audit records to automatically track every action undertaken by users, developers, and administrators for the system (Who does what and when?). These records are used to monitor system usage to determine compliance with regulations, security standards, enterprise policies, etc., as well as to prove usage effectiveness as audit trails.

The following logs are available :

- User authentication log/user management log
- Network connection log IPSec/TLS (only for Third Generation imageRUNNER ADVANCE)
- Mail Box authentication/document operation log
- Advanced Box save document operation log
- MEAP application management log (4200/C3300/Third Generation supported)
- Software registration/update log
- Mail Box backup log
- Device management log (device startup/shutdown log, user mode setting change log, key certification/operation log, data import/export log, access privileges change for SNMP V3 MIB that contains user information)
- Job history log
- Send/receive data log
- Audit/management log
- Import/export data log

From the imageRUNNER ADVANCE 4200 series onward, the following audit logs are supported.
System maintenance log

SSL network connection log	Log when SSL negotiations fail
Service mode operation log	Log when some operations are performed in the service mode
System maintenance log (only for C3300 and Third Generation imageRUNNER ADVANCE)	Log of operations performed when starting in the safe mode Log of installing updates and MEAP applications from USB
S/MIME certificate log	Log of registering/generating/deleting certificates for S/MIME
DCM data log	Log of importing/exporting additional categories
Authenticated print log	Log of storing/deleting documents with authenticated print
Group management log	Log of managing group information
Security policy log	Log of authenticating and registering the security policy password
Settings/Registration operation log	Log of using additional Settings/Registration items

Note: - The Mail Box backup log is not supported on the imageRUNNER ADVANCE C3300/C350/C250/C2200/500/400 series.

Document Scan Lock & Tracking

On imageRUNNER ADVANCE systems, users and administrators can enable the optional Document Scan Lock & Tracking feature to place restrictions on the use of hardcopy originals. If a locked document is copied, scanned or faxed on another imageRUNNER ADVANCE system with the document scan lock trace feature installed and enabled, the operation will be locked-out and a record of its unauthorized copying with the user's name will be logged. The imageRUNNER ADVANCE devices also support using QR Codes for scan lock and tracking. QR Code is added as an alternative to embedding the "hidden" tracking information on the document.

The "Lock" capability of the Scan Lock Trace feature needs to be separated from the "Trace" capability and the details listed below need to be added:

Document Scan Lock

The available restrictions are as follows:

1. Prohibit All: No one can make any copy/send/fax
2. Password Authentication: Allow to make copy/send/fax only if proper password is entered
3. User Authentication: Allow to make copy/send/fax only to authorized user with proper User ID and Password

Document Scan Tracking

1. Ability to embed hidden Tracking Information such as User Name, Date/Time and Device Name on the background of the copied and printed document
2. Document Scan Code Analyzer for MEAP allows you to track Who, When and with Which device the document was copied or printed by simply scanning the document on the device
3. Only the authorized personnel can access to the tracking information of the document by entering a required password

The Document Scan Code Analyzer for MEAP, which is available only to users in the system administrators group, can track who, when and with which device the document was copied or printed by simply scanning the document containing the hidden tracking code on the device.

Canon imageWARE Accounting Manager Plug-in

Canon imageWARE Accounting Manager provides enhanced audit tracking capabilities to the end-user environment. In addition to tracking usage by Department ID or SSO-H account, imageWARE Accounting Manager in conjunction with SSO-H will provide the ability to track usage per individual user.

Canon imageWARE Accounting Manager provides the capability to:

- Track copy, scan, send & fax jobs.
- Track by paper type, single and double-sided output or N-Up output
- Track by device
- Track by Individual, group or department
- Track by black-and-white or color copy/print jobs
- Multi-tiered billing codes for charge back purposes
- Analyze department/device workload
- Enforce usage limits
- Export reports
- Input billing codes from the device control panel through a MEAP application

Canon imageWARE Accounting Manager uses the Department ID of authenticated users to manage and track usage. When SSO authentication is used, administrators can map the user credentials to the respective Active Directory account for tracking.

imageWARE Secure Audit Manager

Canon imageWARE Secure Audit Manager (iWSAM) is an optional robust and efficient information security solution that captures and archives all copy, scan, print, fax and send jobs. When installed, the full image of the document, any embedded images, text, job log, and attribute information such as user name, IP Address, device names, and time/date stamp is indexed and stored for future searching and auditing. In the event that an information breach does occur, iWSAM can be used to help trace the potential source of the leak if it was processed on a Canon MFP. Optional HP printer support is also available.

Canon imageWARE Secure Audit Manager Express (iWSAM) is an optional security solution that captures and archives all copy, scan, print, fax and send jobs to a Windows folder. While the full version of iWSAM monitors on a constant basis, iWSAM Express monitors less frequently based on job log and image data.

Section 7 — Canon Solutions & Regulatory Requirements

Canon is dedicated to providing the most secure multifunctional printers available on the market today. Many of our products meet or exceed the requirements of government agencies and private entities as they relate to security certifications and industry regulations.

Common Criteria

The Department of Defense required a broad group of commercial hardware/software suppliers to have their products evaluated using a standard known as Common Criteria to determine its fitness for the department's use.

Following the development of the Common Criteria, the National Institute of Standards and Technology and the National Security Agency, in cooperation and collaboration with the U.S. State Department, worked closely with their partners in the CC Project to produce a mutual recognition arrangement for IT security evaluations that use the Common Criteria. The Arrangement is officially known as the Arrangement on the Mutual Recognition of Common Criteria Certificates in the field of IT Security. It states that each participant will recognize evaluations performed using the Common Criteria evaluation methodology where product certificates have been issued by the Mutually Recognized producing nations for EAL1-EAL4 evaluations. Evaluation Assurance components found in EAL5-EAL7 are not part of the mutual recognition arrangement.

The list of Common Criteria Recognition Arrangement members currently includes Australia, Austria, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, India, Israel, Italy, Japan, Republic of Korea, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Turkey, Malaysia, Pakistan, Qatar, United Kingdom and United States.

Common Criteria Certification

The Common Criteria for Information Technology Security Evaluation (CC), ISO/IEC 15408 Standard, defines general concepts and principles of IT security evaluation and presents a general model of evaluation. It presents constructs for expressing IT security objectives, for selecting and defining IT security requirements, and for writing high-level specifications for products and systems. It specifies information security functional requirements and seven predefined assurance packages, known as Evaluated Assurance Levels (EALs), against which products' functions are tested and evaluated.

EALS provide both the vendor and user with flexibility to define functional and assurance requirements that are unique to their operating environments and to obtain an evaluated product best suited to those needs.

Hardware and software companies around the world use the Common Criteria (CC) evaluation program to provide a means of comparison for the level of assurance that their products provide. As a cautionary note, while the evaluation program is very effective at validating a manufacturer's claims, it does not measure the overall security capabilities or vulnerabilities as a whole. Therefore, Common Criteria certification should be one of many considerations when choosing security-related products instead of being considered the de-facto standard.

IEEE 2600 Common Criteria Certification

IEEE Std 2600 TM-2009 or "IEEE Standard for a Protection Profile in Operational Environment A/B" (referred to as IEEE 2600, hereafter) Protection Profile is a global information security standard for hard copy devices that require a relatively high level of document security, operational accountability and information assurance. IEEE 2600 defines requirement specifications for office use as well as government agencies where high level of assurance is required. The IEEE 2600 Common Criteria certification evaluates whether security functions provided by products and technology are properly implemented. The IEEE 2600 Protection Profile is part of a suite of standards developed by the Hardcopy Device and System Security Working Group, sponsored by the IEEE Information Assurance Standards Committee of the IEEE

Computer Society. Canon participated in the development of the P2600 suite of Protection Profiles as a member of the Hardcopy Device and System Security Working Group.

With specified processes, configurations and settings implemented upon installation, the mageRUNNER ADVANCE line will be certified within 6 months of each product launch, to achieve and maintain the necessary security requirements as defined in the IEEE 2600 standard.

Certified Device- Canon's imageRUNNER ADVANCE models can be considered an IEEE 2600 CC Certified model when the following options are installed and active on the device:

- iR-ADV Security Kit for IEEE 2600
 - IEEE 2600 License Certificate
 - Bootable CD with certified system software
 - IEEE 2600 User Manual CD
 - Installation Manual
- HDD Data Encryption & Mirroring Kit standard on Third Generation imageRUNNER ADVANCE products.

After installation and configuration is completed, an end user can verify and check a device configuration screen to verify that it is an IEEE 2600 Common Criteria certified configuration.

Please note, various settings made at installation might require disabling functions or features of the device to achieve and maintain certification.

Given the common controller architecture used by Canon's imageRUNNER ADVANCE architecture, the imageRUNNER ADVANCE Series models, when equipped with necessary accessories, along with specific installations and configurations, can be considered compliant with the IEEE 2600 standard, although they have not been submitted for certification.

CAC/PIV Solutions for HSPD-12 Compliance

HSPD-12 requires the establishment of a standard for identification of Federal Government employees. The Presidential Directive calls for the use of a common identification credential for both logical and physical access to federally controlled facilities and information systems.

Advanced Authentication (AA) CAC/PIV

AA CAC/PIV is a MEAP application which enables a user to authenticate to a MEAP enabled device via a Federal Government issued CAC or PIV card. AA CAC/PIV can also be used in conjunction with the Access Management System (AMS) limiting function access based on defined roles.

Authorized Send CAC/PIV

Designed to meet the needs of the United States Department of Defense and numerous government agencies, the Authorized Send CAC/PIV option for imageRUNNER ADVANCE systems provides a means for the devices to maintain high productivity for walk-up users to output hard copies of the documents they need while restricting access to the Send To features to users who have been authenticated using their Common Access Card (CAC) and/or Personal Identity Verification (PIV) card. This also integrates with AMS for granular access control of ASEND functionality. This supports FIPS 140-2 validated cryptography and also integrates with AMS for device feature access control.

Section 8 — Conclusion

Since initially introduced, the highly successful Canon imageRUNNER ADVANCE series of devices have rapidly grown in both the breadth and depth of features and functions. With each release, these devices have become increasingly integrated within the IT and network infrastructure. As with any networked device, imaging and printing devices must be included within the broader context of the company's overall security strategy to ensure the confidentiality, integrity and availability of information.

To meet the need for a comprehensive and customizable security solution for any environment, Canon imageRUNNER ADVANCE systems offer a robust set of standard features and optional components. When properly deployed, the devices can be effectively protected against vulnerabilities from either malicious or unintentional use. Combined with advanced monitoring and management tools for auditing and centralized administration, the systems can meet the demand for increased productivity and strong security.

As corporate privacy goals and regulation guidelines have become stricter, it is important to assess the level of security that all deployed imaging and printing devices provide. After careful review, existing devices may need to be either upgraded or replaced based on each unique environment.

Canon is committed to the security of mission critical information, and is continually developing new technologies to provide a total and reliable solution. For more information, please visit <http://www.usa.canon.com>.

Section 9 — Addendum

Canon Security Recommendations Quick Reference

Each customer's needs are different, and while the security of corporate data is ultimately the responsibility of the customer, the security technologies outlined below may help support your organization's information security needs. The following actions are recommended by Canon as appropriate first steps in securing an imageRUNNER ADVANCE system for most environments. While these suggestions assist in enhancing device security, internal company security policies should ultimately dictate which security measures are appropriate for implementation within a specific environment.

1. Choose a form of User Authentication and/or Access Control
2. Set the system administrator ID and password
3. Disable unused ports and applications (e.g. FTP, RUI)
4. Set passwords for Mail Boxes and Advanced Boxes
5. Restrict printing and RUI access to specific IP or MAC addresses
6. Set passwords for Address Book management
7. Change the SNMP community strings
8. Disable the USB port if unused
9. Utilize Optional Hard Disk Drive Erase Kit or Hard Disk Drive Encryption Kit to ensure integrity of data stored on internal Hard Disk Drives
10. Monitor the devices using imageWARE EMC

Canon imageRUNNER ADVANCE Security Features Supported Device List

Product Family	Second Generation imageRUNNER ADVANCE	Third Generation imageRUNNER ADVANCE
Security Features	C9200 Series, C7200 Series, C5200 Series, C3300 Series, C2200 Series, C350iF/C250iF, 8200 Series, 6200 Series, 4200 Series, 500iF/400iF	C7500 Series, C5500 Series, C3500 Series, C355/C255iF, 8500 Series, 6500 Series, 4500 Series
Security Management		
<i>Security Policy Settings</i>	NA	Standard
Device Based Authentication		
<i>Device-Based</i>	Standard	Standard
<i>Active Directory/SSO</i>	Standard	Standard
<i>Universal Login Manager</i>	Optional	Standard
Card Based Authentication		
<i>Proximity Card or CAC/PIV</i>	Optional	Optional
Access Control		
<i>Password Protected System Setting</i>	Standard	Standard
<i>Access Management System</i>	Standard	Standard
<i>USB Block</i>	Standard	Standard
Data Security		
<i>TPM (Trusted Platform Module)</i>	Standard	Standard
<i>Hard Drive Password Lock</i>	Standard	Standard
<i>Hard Drive Data Format (EOL)</i>	Standard (9x)	Standard (9x)
<i>Hard Drive Data Erase</i>	Standard	Standard
<i>Hard Drive Data Erase Scheduler MEAP</i>	Optional *	Optional
<i>Hard Drive Data Encryption</i>	Optional (Common Criteria Certified)	Standard (FIPS 140-2 Validated)
<i>Hard Copy and System Security</i>	Optional (IEEE2600 Common Criteria) **	Optional (IEEE2600 Common Criteria) **
<i>Removable Hard Drive Kit</i>	Optional ***	Optional / NA ***
Document Security		
<i>Secure Print (Driver Based)</i>	Standard	Standard
<i>Secure Print (Server/Serverless)</i>	Optional	Optional
<i>Mail Box Security</i>	Standard / NA ▲	Standard
<i>Encrypted PDF</i>	Optional	Optional
<i>Document Scan Lock</i>	Optional <1	Optional
Network Security		
<i>Port Management, IP Address & MAC Filtering</i>	Standard	Standard
<i>IPSEC</i>	Standard	Standard
<i>Cipher Algorithm Selection</i>	NA	Standard
<i>TLS1.1/1.2 Support and SSL3.0 Disabled</i>	NA ▲▲	Standard
Certifications		
<i>Common Criteria IEEE 2600</i>	Optional/NA	Optional **
<i>FIPS 140-2</i>	IPSEC/CAC/PIV	IPSEC/CAC/PIV/HDD Encryption/TLS

* imageRUNNER ADVANCE C5200 Series with firmware V 17.10 or higher.

** IEEE 2600 Kits may not be available at the same time of product release; check with your Canon Authorized Dealer for availability.

*** Not available with the imageRUNNER ADVANCE 500iF/400iF and C350iF/C250iF Series.

▲ Not available with the imageRUNNER ADVANCE C2200 Series, 500iF/400iF, and C350iF/C250iF Series.

▲▲ Not available with the imageRUNNER ADVANCE C2200 Series, 8200 Series, 6200 Series, and 4200 Series

Product Family	Third Generation imageRUNNER ADVANCE	Third Generation imageRUNNER ADVANCE 2nd Edition
Security Features	C7500 Series, C5500 Series, C3500 Series, C355/C255iF, 8500 Series, 6500 Series, 4500 Series	C7500 II Series, C5500 II Series, C3500 II Series, C356iF II Series, 8500 II Series, 6500 II Series, 4500 II Series
Security Management		
<i>Security Policy Settings</i>	Standard	Standard
Device Based Authentication		
<i>Device-Based</i>	Standard	Standard
<i>Active Directory/SSO</i>	Standard	Standard
<i>Universal Login Manager</i>	Standard	Standard
Card Based Authentication		
<i>Proximity Card or CAC/PIV</i>	Optional	Optional
<i>uniFLOW Online Express</i>	able to upgrade	Standard
Access Control		
<i>Password Protected System Setting</i>	Standard	Standard
<i>Access Management System</i>	Standard	Standard
<i>USB Block</i>	Standard	Standard
Data Security		
<i>TPM (Trusted Platform Module)</i>	Standard	Standard
<i>Hard Drive Password Lock</i>	Standard	Standard
<i>Hard Drive Data Format (EOL)</i>	Standard (9x)	Standard (9x)
<i>Hard Drive Data Erase</i>	Standard	Standard
<i>Hard Drive Data Erase Scheduler MEAP</i>	Optional	Optional
<i>Hard Drive Data Encryption</i>	Standard (FIPS 140-2 Validated)	Standard (FIPS 140-2 Validated)
<i>Hard Copy and System Security</i>	Optional (IEEE2600 Common Criteria) *	Optional (IEEE2600 Common Criteria) *
<i>Removable Hard Drive Kit</i>	Optional / NA **	Optional / NA **
Document Security		
<i>Secure Print (Driver Based)</i>	Standard	Standard
<i>Encrypted Secure Print (Driver Based)</i>	Optional	Standard
<i>Secure Print (Server/Serverless)</i>	Optional	Optional
<i>Secure Watermark</i>	Optional	Standard
<i>Mail Box Security</i>	Standard	Standard
<i>Encrypted PDF (AES 256 support)</i>	Optional	Standard
<i>Device Digital Signature PDF</i>	Optional	Standard
<i>Document Scan Lock</i>	Optional	Optional
Network Security		
<i>Port Management, IP Address & MAC Filtering</i>	Standard	Standard
<i>IPSEC</i>	Standard	Standard
<i>Cipher Algorithm Selection</i>	Standard	Standard
<i>TLS1.1/1.2 Support and SSL3.0 Disabled</i>	Standard	Standard
Certifications		
<i>Common Criteria IEEE 2600</i>	Optional *	Optional *
<i>FIPS 140-2</i>	IPSEC/CAC/PIV/HDD Encryption/TLS	IPSEC/CAC/PIV/HDD Encryption/TLS

*IEEE 2600 Kits may not be available at the same time of product release; check with your Canon Authorized Dealer for availability.

** Not available with the imageRUNNER ADVANCE C365iF/C255iF and C356iF II/C256iF II Series.

IEEE 2600 CC Functional Requirements

IEEE 2600 CC Functional Requirements			
	Functional requirements	Purpose	Functions supported by iR-ADV
1	User recognition/authentication function	To prevent unauthorized use by unregistered persons	User Authentication (UA)
2	Access control of device function	To prevent an unauthenticated user from executing the digital MFP functions for which the user does not have the privilege.	AMS: Access Management System
3	Remaining data deletion function	To prevent temporary data in a device (such as image data generated by a job) from being reused	HDD complete deletion function
4	Protection function for user data in the nonvolatile memory (such as HDD)	To prevent leakage of information due to the HDD unit taken away	HDD encryption function
5	Protection function for network data	To prevent LAN data from being stolen	IPsec
6	Protection function for user data transfer	To counter the attacks by the abuse of Fax	Stop a transfer function
	Access control function for jobs	Blocking invalid access to a user document	Controlling access to inboxes by password and printing by storing a job due to secured print
7	Audit log generation function	To audit user operation	Job log/User authentication log/Mail Box operation log/Device management log
8	Self-test function	To ensure that the main security functions are normal	Self test of encryption module

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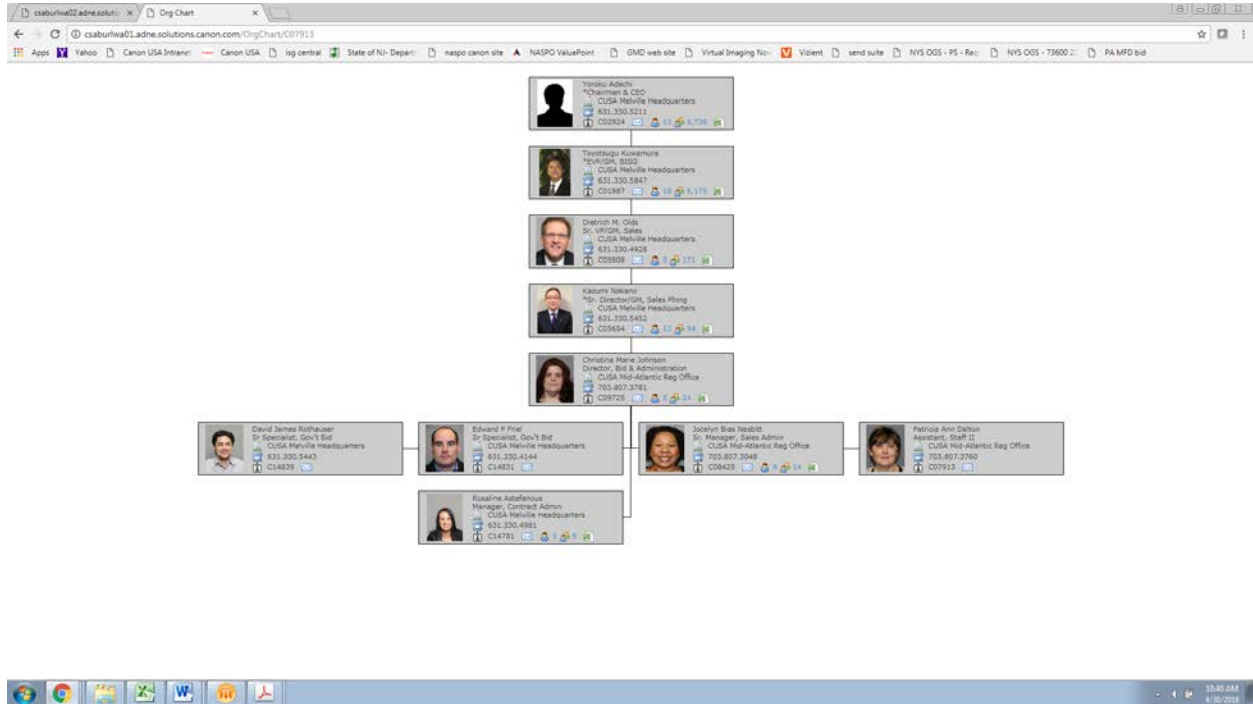
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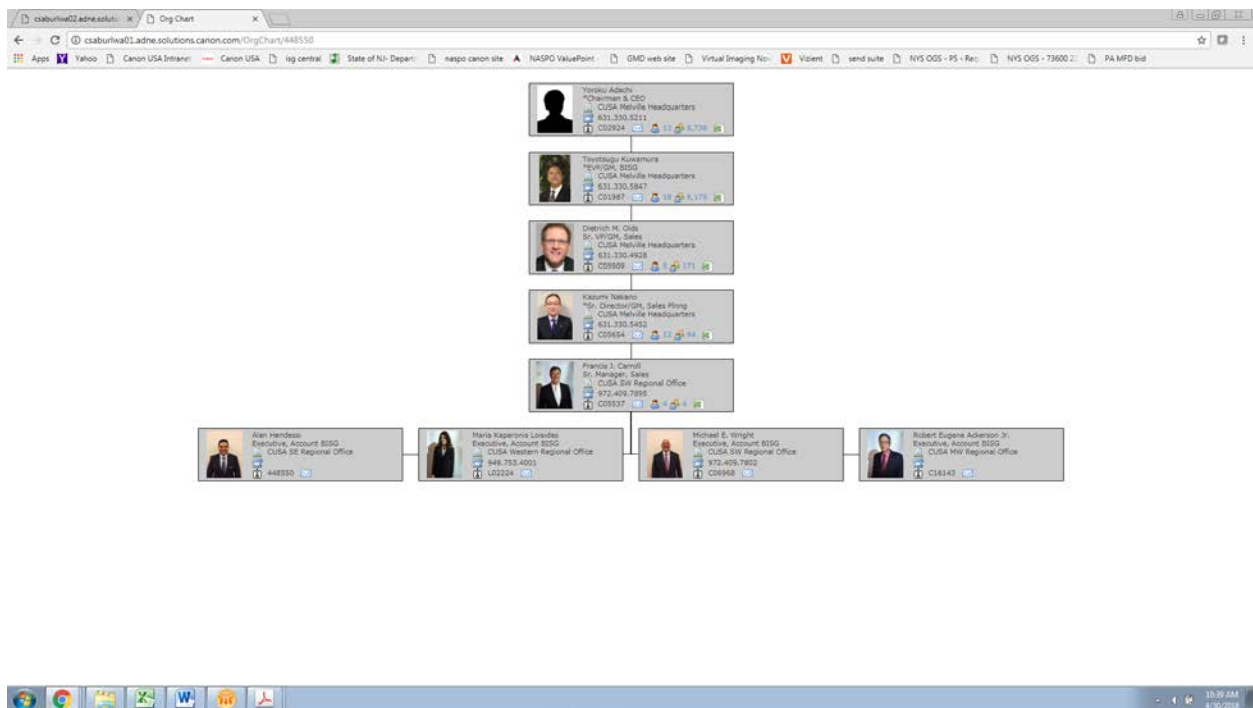
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Canon U.S.A., Inc.
One Canon Park
Melville, NY 11747

Canon U.S.A., Inc. Sales Admin Support Staff



Canon U.S.A., Inc. State Contract Sales Staff



Name	Address	Geographic location			main contact	email	phone	Descrption of service
		City	State	Zip				
ADVANCE BUSINESS SYSTEMS & AMERICAN BUSINESS CENTER INC.	10755 YORK ROAD	COCKEYSVILLE	MD	21030	JEFF ELKIN	canonleads@advancessuff.com	410-252-4800	Sales/service
BMP SYSTEMS INC	7677 SOUTH AVE	YOUNGSTOWN	OH	44512	SYL FRAZZINI	sfrazzini@abc-officesolutions.com	330-758-0824	Sales/service
BOORYS BUSINESS MACHINESINC	1263 MAPLE AVE	DU BOIS	PA	15801	JEFF TEATS	jeffreyteats@bmpsystmsinc.com	814-371-3881	Sales/service
BORDEN OFFICE EQUIPMENT CO.	308 WEST CUNNINGHAM ST	BUTLER	PA	16001	CHUCK BOORY	chuckb@boorysbusinessmachines.com	724-287-4347	Sales/service
CAMBRIA BUSINESS MACHINES INC	141 NORTH FIFTH	STEUERBENVILLE	OH	43952	JERRY SIMPSON	jsimpson@bordenofficeequipment.com	740-283-3321	Sales/service
COLONY PRODUCTS INC.	647 FRANKLIN STREET	JOHNSTOWN	PA	15901	DON FELIX	dfelix@gocbm.com	814-536-5356	Sales/service
CANON SOLUTIONS AMERICA	P.O BOX 4805	LANCASTER	PA	17604	SUSAN BUZZARD	sbuzzard@colonyproducts.com	717-569-5900	Sales/service
DAVIS BUSINESS MACHINES INC.	1 CANON PARK	MELVILLE	NY	11747	Jennifer L Grimwood	jgrimwood@csa.canon.com	717-796-9970	Sales/service
DOCUTREND INC.	P.O. BOX 20447	LEHIGH VALLEY	PA	18002-0447	SCOTT DAVIS	sales@dbm.net	610-264-1600	Sales/service
EXCEL DOCUMENT SOLUTIONS INC.	575 8TH AVENUE 10TH FLOOR	NEW YORK	NY	10018	AARON RUBIN	arubin@docutrend.com	212-382-0300	Sales/service
FLO TECH	17 RICHARD ROAD	IVYLAND	PA	18974	BOB NIERADKA	bobn@exceldigital.com	267-767-7887	Sales/service
FMS ENTERPRISES INC.	1500 Market Street	Philadelphia	PA	19102	Leo Bonetti	leo.bonetti@fitech.net	860-613-3333	Sales/service
FORD BUSINESS MACHINES INC.	239 EAST PITT STREET	BEDFORD	PA	15522	FRED SCHUMAKER	tricoountyom@embarqmail.com	814-623-1393	Sales/service
FRASER WILLIAM A INC.	700 LAUREL DRIVE	CONNELLSVILLE	PA	15425	JOHNATHAN GARLOW	jmgarlow@buyfbm.com	724-628-9050	Sales/service
GOLDEN BUSINESS MACHINES	320 PENN AVE	WEST READING	PA	19611	KAREN OCHENRIDER	kochenrider@fraser-ais.com	570-622-7347	Sales/service
HERITAGE BUSINESS SYSTEMSINC.	165 CHURCH STREET	KINGSTON	PA	18704	MARK WITKOWSKI	markw@goldenbusiness.com	570-288-7554	Sales/service
HICKS OFFICE EQUIPMENT INC.	1263 GLEN AVE	MOORESTOWN	NJ	8057	TOM LIZZIO	sales@heritagebusiness.com	856-722-7001	Sales/service
HILYARD'S INC.	1920 E. STATE STREET	HERMITAGE	PA	16148	JOHN HICKS	johnhicks@hicksofficeplus.com	724-347-7788	Sales/service
IMPACTOFFICE LLC	1616 NEWPORT GAP PIKE	WILMINGTON	DE	19808	ROBERT HILYARD	rhilyard@hilyards.com	302-995-2201	Sales/service
INNOVATIVE PRINTING SYSTEMS	6800 DISTRIBUTION DRIVE	BELTSVILLE	MD	20705	KEVIN HOVERMAN	khoverman@impactofficepro.com	240-678-6740	Sales/service
KARPINSKI'S OFFICE SYSTEMS	2813 EAST 6TH ST.	SANATOGA	PA	19464	TAMMY SUCOLOSKI	tammy@ipslaserexpress.com	610-323-2913	Sales/service
KEYSTONE DIGITAL IMAGING INC.	278 ROUTE 6 WEST	COUDERSPORT	PA	16915	JOSEPH KARPINSKI	joe.karpinski@kosinc.net	814-274-4955	Sales/service
MCCARTNEY'S INC.	200 RACOOSIN DR #101-103	ASTON	PA	19014	RICK SALCEDO	RSalcedo@KDI-Inc.com	610-604-0300	Sales/service
MULTISCOPE INC.	819 HOWARD AVENUE	ALTOONA	PA	16601	DENNY HORTON	dhorton@mccartneys.com	814-944-8139	Sales/service
QUEEN CITY BUSINESS SYSTEMS	135 TECHNOLOGY DRIVE STE 402	CANONSBURG	PA	15317	DOUGLAS BECK	dougB@multiscope1.com	724-743-1083	Sales/service
RH OFFICE PRODUCTS	505 NATIONAL HIGHWAY	LAVALE	MD	21502	DAVE SENSABAUGH	davis@acts.biz	301-759-4700	Sales/service
SOS BUSINESS MACHINES	150 CURRY HILL RD	CANONSBURG	PA	15317	RONALD HEADLEE	rheadlee@rhofficeproducts.com	724-745-8999	Sales/service
SOUTHERN TIER COPY PRODUCTS	P.O BOX 279	LEESPORT	PA	19533	KEVIN BARTO	kbarto@soscopier.com	610-926-1299	Sales/service
SUPERIOR OFFICE SYSTEMS	31 LEWIS ST STE 402	BINGHAMTON	NY	13901	JILL VASINA	jill@cmsimagingolutions.com	607-772-0437	Sales/service
TOPP BUSINESS SOLUTIONS	19 Gross Avenue	Edison	NJ	8837	Philp Blank	pblank@superiorofficenj.com	732-738-4339	Sales/service
XSE GROUP OF PENNSYLVANIA LLC	1110 SAGINAW ST	SCRANTON	PA	18505	PAUL FALZETT	idixon@toppcopy.com	570-344-9611	Sales/service
	215 MATTHEWS AVENUE	NEW BRITAIN	PA	18901	RICHARD KOHLER JR	rkohler@xsegoservice.com	800-342-0016	Sales/service

PART V - CONTRACT TERMS and CONDITIONS

V.1 CONTRACT-001.1a Contract Terms and Conditions (Nov 30 2006)

The Contract with the selected offeror (who shall become the "Contractor") shall include the following terms and conditions:

V.2 CONTRACT-002.1d Term of Contract – Contract (May 2012)

The initial term of the Contract shall be 02 year(s) and 00 month(s).

The term of the Contract shall commence on the Effective Date (as defined below) and shall end on the Expiration Date identified in the Contract, subject to the other provisions of the Contract.

The Effective Date shall be: a) the Effective Date printed on the Contract after the Contract has been fully executed by the Contractor and the Commonwealth (signed and approved as required by Commonwealth contracting procedures) or b) the "Valid from" date printed on the Contract, whichever is later.

V.3 CONTRACT-002.2a Renewal of Contract Term (Nov 30 2006)

The Contract may be renewed for a maximum of 3 additional 1 year term(s), so long as Commonwealth provides written notice to Contractor of its intention to extend the Contract by letter prior to the expiration of the term of the agreement, or any extension thereof. The Commonwealth may exercise the renewal as individual year or multiple year term(s). Any renewal will be under the same terms, covenants and conditions. No further document is required to be executed to renew the term of the contract.

V.4 CONTRACT-002.3 Extension of Contract Term (Nov 30 2006)

The Commonwealth reserves the right, upon notice to the Contractor, to extend any single term of the Contract for up to three (3) months upon the same terms and conditions.

V.5 CONTRACT-003.1b Signatures – Contract (July 2015)

The Contract shall not be a legally binding contract until the fully-executed Contract has been sent to the Contractor. No Commonwealth employee has the authority to verbally direct the commencement of any work or delivery of any supply under this Contract prior to the Effective Date. The Contractor hereby waives any claim or cause of action for any service or work performed prior to the Effective Date.

The Contract may be signed in counterparts. The Contractor shall sign the Contract and return it to the Commonwealth. After the Contract is signed by the Contractor and returned to the Commonwealth, it will be processed for Commonwealth signatures and approvals. When the Contract has been signed and approved by the Commonwealth as required by Commonwealth contracting procedures, the Commonwealth shall create a Contract output form which shall: 1) clearly indicate "Fully executed" at the top of the form; 2) include a printed Effective Date and 3) include the printed name of the Purchasing Agent indicating that the document has been electronically signed and approved by the Commonwealth. Until the Contractor receives the Contract output form with this information on the Contract output form, there is no legally binding contract between the parties.

The fully-executed Contract may be sent to the Contractor electronically or through facsimile equipment. The

electronic transmission of the Contract shall require acknowledgement of receipt of the transmission by the Contractor. Receipt of the electronic or facsimile transmission of the Contract shall constitute receipt of the fully-executed Contract.

The Commonwealth and the Contractor specifically agree as follows:

- a. No handwritten signature shall be required in order for the Contract to be legally enforceable.
- b. The parties agree that no writing shall be required in order to make the Contract legally binding, notwithstanding contrary requirements in any law. The parties hereby agree not to contest the validity or enforceability of a genuine Contract or acknowledgement issued electronically under the provisions of a statute of frauds or any other applicable law relating to whether certain agreements be in writing and signed by the party bound thereby. Any genuine Contract or acknowledgement issued electronically, if introduced as evidence on paper in any judicial, arbitration, mediation, or administrative proceedings, will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither party shall contest the admissibility of copies of a genuine Contract or acknowledgements under either the business records exception to the hearsay rule or the best evidence rule on the basis that the Contract or acknowledgement were not in writing or signed by the parties. A Contract or acknowledgment shall be deemed to be genuine for all purposes if it is transmitted to the location designated for such documents.
- c. Each party will immediately take steps to verify any document that appears to be obviously garbled in transmission or improperly formatted to include re-transmission of any such document if necessary.

V.6 CONTRACT-004.1a Definitions (Oct 2013)

As used in this Contract, these words shall have the following meanings:

- a. Agency: The department, board, commission or other agency of the Commonwealth of Pennsylvania listed as the Purchasing Agency. If a COSTARS entity or external procurement activity has issued an order against this contract, that entity shall also be identified as "Agency".
- b. Contracting Officer: The person authorized to administer this Contract for the Commonwealth and to make written determinations with respect to the Contract.
- c. Days: Unless specifically indicated otherwise, days mean calendar days.
- d. Developed Works or Developed Materials: All documents, sketches, drawings, designs, works, papers, files, reports, computer programs, computer documentation, data, records, software, samples or any other tangible material without limitation authored or prepared by Contractor as the work product covered in the scope of work for the Project.
- e. Documentation: All materials required to support and convey information about the services required by this Contract. It includes, but is not necessarily restricted to, written reports and analyses, diagrams, maps, logical and physical designs, system designs, computer programs, flow charts, disks, and/or other machine-readable storage media.
- f. Services: All Contractor activity necessary to satisfy the Contract.

V.7 CONTRACT-005.1a Purchase Orders (July 2015)

Commonwealth agencies may issue Purchase Orders against the Contract. These orders constitute the Contractor's authority to make delivery. All Purchase Orders received by the Contractor up to and including the expiration date of the Contract are acceptable and must be performed in accordance with the Contract. Each Purchase Order will be deemed to incorporate the terms and conditions set forth in the Contract.

Purchase Orders may be electronically signed by the Agency. The electronically-printed name of the purchaser represents the signature of that individual who has the authority, on behalf of the Commonwealth, to authorize the Contractor to proceed.

Purchase Orders may be issued electronically or through facsimile equipment. The electronic transmission of a purchase order shall require acknowledgement of receipt of the transmission by the Contractor. Receipt of the electronic or facsimile transmission of the Purchase Order shall constitute receipt of an order. Orders received by the Contractor after 4:00 p.m. will be considered received the following business day.

d. No handwritten signature shall be required in order for the Contract or Purchase Order to be legally enforceable.

e. The parties agree that no writing shall be required in order to make the Purchase Order legally binding. The parties hereby agree not to contest the validity or enforceability of a Purchase Order or acknowledgement issued electronically under the provisions of a statute of frauds or any other applicable law relating to whether certain agreements be in writing and signed by the party bound thereby. Any Purchase Order or acknowledgement issued electronically, if introduced as evidence on paper in any judicial, arbitration, mediation, or administrative proceedings, will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither party shall contest the admissibility of copies of Purchase Orders or acknowledgements under either the business records exception to the hearsay rule or the best evidence rule on the basis that the Purchase Order or acknowledgement were not in writing or signed by the parties. A Purchase Order or acknowledgment shall be deemed to be genuine for all purposes if it is transmitted to the location designated for such documents.

f. Each party will immediately take steps to verify any document that appears to be obviously garbled in transmission or improperly formatted to include re-transmission of any such document if necessary.

Purchase Orders under ten thousand dollars (\$10,000) in total amount may also be made in person or by telephone using a Commonwealth Purchasing Card. When an order is placed by telephone, the Commonwealth agency shall provide the agency name, employee name, credit card number, and expiration date of the card. Contractors agree to accept payment through the use of the Commonwealth Purchasing Card.

V.8 CONTRACT-006.1 Independent Prime Contractor (Oct 2006)

In performing its obligations under the Contract, the Contractor will act as an independent contractor and not as an employee or agent of the Commonwealth. The Contractor will be responsible for all services in this Contract whether or not Contractor provides them directly. Further, the Contractor is the sole point of contact with regard to all contractual matters, including payment of any and all charges resulting from the Contract.

V.9 CONTRACT-007.01a Supplies Delivery (Nov 30 2006)

All item(s) shall be delivered F.O.B. Destination and special rigging, as required, is subject to an additional charge. The Contractor agrees to bear the risk of loss, injury, or destruction of the item(s) ordered prior to receipt of the items by the Commonwealth. Such loss, injury, or destruction shall not release the Contractor from any contractual obligations. Except as otherwise provided in this contract, Contractor shall use commercially reasonable efforts to deliver all item(s) ~~must be delivered~~ within the time period specified. ~~Time is of the essence and, in addition to any other remedies, the Contract is subject to termination for failure to deliver as specified.~~ Unless otherwise stated in this Contract, delivery must be made within thirty (30) days after the Effective Date of a PO.

V.10 CONTRACT-007.02 Estimated Quantities (Nov 30 2006)

It shall be understood and agreed that any quantities listed in the Contract are estimated only and may be increased or decreased in accordance with the actual requirements of the Commonwealth and that the Commonwealth in accepting any bid or portion thereof, contracts only and agrees to purchase only the materials and services in such quantities as represent the actual requirements of the Commonwealth. The Commonwealth reserves the right to purchase materials and services covered under the Contract through a separate competitive procurement procedure, whenever Commonwealth deems it to be in its best interest.

V.11 CONTRACT-008.1a Warranty (Oct 2006)

~~All equipment supplied by the Contractor comes with the original manufacturer's limited warranty. In the case of Canon brand equipment, the manufacturer's warranty is provided by Canon U.S.A., Inc. The Contractor warrants that all items furnished and all services performed by the Contractor, its agents and subcontractors shall be free and clear of any defects in workmanship or materials. Unless otherwise stated in the Contract, all items are warranted for a period of one year following delivery by the Contractor and acceptance by the Commonwealth. The Contractor shall repair, replace or otherwise correct any problem with the delivered item. When an item is replaced, it shall be replaced with an item of equivalent or superior quality without any additional cost to the Commonwealth.~~

V.12 CONTRACT-009.1c Patent, Copyright, and Trademark Indemnity (Oct 2013)

The Contractor warrants that it is the sole owner or author of, or has entered into a suitable legal agreement concerning either: a) the design of any Canon brand manufactured product or process ("Product") provided or used in the performance of the Contract which is covered by a patent, copyright, or trademark registration or other right duly authorized by state or federal law or b) any copyrighted matter in any report, document or other material provided to the Commonwealth under the contract related to the Product.

The Contractor shall defend any third party suit or proceeding brought against the Commonwealth on account of any alleged patent, copyright or trademark infringement in the United States of any of the ~~Products~~ provided or used in the performance of the Contract, except to the extent a claim under this Section V.12 arises from (a) use of the Products in combination with devices or software not furnished by the Contractor, or (b) any modification of the Products made by the Commonwealth without the written consent of the Contractor.

This is upon condition that the Commonwealth shall provide prompt notification in writing of such suit or proceeding; full right, authorization and opportunity for the Contractor to conduct the defense thereof; and full information and all reasonable cooperation for the defense of same.

As principles of governmental or public law are involved, the Commonwealth may participate in or choose to conduct, in its sole discretion, the defense of any such action upon prompt notification to the Contractor in writing of such decision.

If information and assistance are furnished by the Commonwealth at the Contractor's written request, it shall be at the Contractor's expense, but the responsibility for such expense shall be only that within the Contractor's written authorization.

The Contractor shall indemnify and hold the Commonwealth harmless from all reasonable damages, costs, and expenses, including reasonable attorney's fees that the Contractor or the Commonwealth may pay or incur by reason of any infringement or violation of the rights occurring to any third party holder of U.S. copyright, trademark, or patent interests and rights in any ~~products-Products~~ provided or used in the performance of the Contract, except to the extent a claim under this Section V.12 arises from (a) use of the Products in combination with devices or software not furnished by the Contractor, or (b) any modification of the Products made by the Commonwealth without the written consent of the Contractor.

If any of the ~~products-Products~~ provided by the Contractor in such suit or proceeding are held to constitute infringement and the use is enjoined, the Contractor shall, at its own expense and at its option, either procure the right to continue use of such infringement ~~products-Products~~, replace them with non-infringement equal performance products or modify them so that they are no longer infringing.

If the Contractor is unable to do any of the preceding, as reasonably determined by the Contractor, the Contractor agrees to remove all the ~~equipment or software-Products~~ which are obtained contemporaneously with the infringing ~~product-Product~~ and materially affected by the removal of the infringing Product, or, at the option of the Commonwealth, only those ~~items of equipment or software-Products~~ which are held to be infringing, and to pay the Commonwealth: 1) any amounts paid by the Commonwealth towards the purchase of the ~~product-Product~~, less straight line depreciation; 2) ~~any license fee paid by the Commonwealth for the use of any software, less an amount for the period of usage~~; and 2) the pro rata portion of any maintenance fee representing the time remaining in any period of maintenance paid for. The obligations of the Contractor under this paragraph continue without time limit. No costs or expenses shall be incurred for the account of the Contractor without its written consent.

V.13 CONTRACT-009.1d Ownership Rights (Oct 2006)

The Commonwealth shall have unrestricted authority to reproduce, distribute, and use any submitted report, data, or material, ~~and any software or modifications and any associated documentation, as applicable,~~ that is ~~designed or developed and~~ delivered to the Commonwealth as part of the performance of the Contract.

V.14 CONTRACT-010.1a Acceptance (Oct 2006)

No item(s) received by the Commonwealth shall be deemed accepted until the Commonwealth has had a reasonable opportunity to inspect the item(s). Any item(s) which is discovered to be defective or fails to conform to the specifications may be rejected upon initial inspection or at any later time if the defects contained in the item(s) or the noncompliance with the specifications were not reasonably ascertainable upon the initial inspection. It shall thereupon become the duty of the Contractor to remove rejected item(s) from the premises without expense to the Commonwealth within fifteen (15) days after notification. ~~Rejected item(s) left longer than fifteen (15) days will be regarded as abandoned, and the Commonwealth shall have the right to dispose of them as its own property and shall retain that portion of the proceeds of any sale which represents the Commonwealth's costs and expenses in regard to the storage and sale of the item(s).~~ Upon notice of rejection, the Contractor shall immediately replace all such rejected item(s) with others conforming to the specifications and which are not defective. ~~If the Contractor fails, neglects or refuses to do so, the Commonwealth shall then have the right to procure a corresponding quantity of such item(s), and deduct from any monies due or that may thereafter become due to the Contractor, the difference between the price stated in the Contract and the cost thereof to the Commonwealth.~~

V.15 CONTRACT-010.2 Product Conformance (March 2012)

The Commonwealth reserves the right to require any and all Contractors to:

- ~~1. Provide certified data from laboratory testing performed by the Contractor, or performed by an independent laboratory, as specified by the Commonwealth.~~
2. Supply published manufacturer product documentation.
- ~~3. Permit a Commonwealth representative to witness testing at the Contractor's location or at an independent laboratory.~~
4. Complete a survey/questionnaire relating to the bid requirements and specifications.
5. Provide customer references.
6. Provide a product demonstration at a location near Harrisburg or the using agency location.

V.16 CONTRACT-010.3 Rejected Material Not Considered Abandoned (Oct 2013)

The Commonwealth shall have the right to not regard any rejected material as abandoned and to demand that the Contractor remove the rejected material from the premises within thirty (30) days of notification. The Contractor shall be responsible for removal of the rejected material as well as proper clean-up. If the Contractor fails or refuses to remove the rejected material as demanded by the Commonwealth, the Commonwealth may seek payment from, or set-off from any payments due to the Contractor under this or any other Contract with the Commonwealth, the costs of removal and clean-up. This is in addition to all other rights to recover costs incurred by the Commonwealth.

V.17 CONTRACT-011.1a Compliance With Law (Oct 2006)

The Contractor shall comply with all applicable federal and state laws and regulations and local ordinances in the performance of the Contract.

V.18 CONTRACT-013.1 Environmental Provisions (Oct 2006)

In the performance of the Contract, the Contractor shall minimize pollution and shall strictly comply with all applicable environmental laws and regulations, including, but not limited to: the Clean Streams Law Act of June

22, 1937 (P.L. 1987, No. 394), as amended 35 P.S. Section 691.601 et seq.; the Pennsylvania Solid Waste Management Act, Act of July 7, 1980 (P.L. 380, No. 97), as amended, 35 P.S. Section 6018.101 et seq.; and the Dam Safety and Encroachment Act, Act of November 26, 1978 (P.L. 1375, No. 325), as amended, 32 P.S. Section 693.1.

V.19 CONTRACT-014.1 Post-Consumer Recycled Content (June 2016)

Except as specifically waived by the Department of General Services in writing, any products which are provided to the Commonwealth as a part of the performance of the Contract must meet the minimum percentage levels for total recycled content as specified by the Environmental Protection Agency in its Comprehensive Procurement Guidelines, which can be found at <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.

V.20 CONTRACT-014.3 Recycled Content Enforcement (Feb 2009)

The Contractor may be required, after delivery of the Contract item(s), to provide the Commonwealth with documentary evidence that the item(s) was in fact produced with the required minimum percentage of post-consumer and recovered material content.

V.21 CONTRACT-015.1 Compensation (Oct 2006)

The Contractor shall be required to furnish the awarded item(s) at the price(s) quoted in the Purchase Order. The Contractor shall use commercially reasonable efforts to deliver aAll item(s) ~~shall be delivered~~ within the time period(s) specified in the Purchase Order. The Contractor shall be compensated only for item(s) that are delivered and accepted by the Commonwealth. The Commonwealth may cancel any orders by providing written notice to the Contractor prior to shipment.

V.22 CONTRACT-015.2 Billing Requirements (February 2012)

Unless the Contractor has been authorized by the Commonwealth for Evaluated Receipt Settlement or Vendor Self-Invoicing, the Contractor shall include in all of its invoices the following minimum information:

- Vendor name and "Remit to" address, including SAP Vendor number;
- Bank routing information, if ACH;
- SAP Purchase Order number;
- Delivery Address, including name of Commonwealth agency;
- Description of the supplies/services delivered in accordance with SAP Purchase Order (include purchase order line number if possible);
- Quantity provided;
- Unit price;
- Price extension;
- Total price; and
- Delivery date of supplies or services.

If an invoice does not contain the minimum information set forth in this paragraph, the Commonwealth may return the invoice as improper. If the Commonwealth returns an invoice as improper, the time for processing a payment will be suspended until the Commonwealth receives a correct invoice. The Contractor may not receive payment until the Commonwealth has received a correct invoice.

Contractors are required to establish separate billing accounts with each using agency and invoice them directly. Each invoice shall be itemized with adequate detail and match the line item on the Purchase Order. In no instance shall any payment be made for services to the Contractor that are not in accordance with the prices on the Purchase Order, the Contract, updated price lists or any discounts negotiated by the purchasing agency.

V.23 CONTRACT-016.1 Payment (Oct 2006)

- a. The Commonwealth shall put forth reasonable efforts to make payment by the required payment date. The required payment date is: (a) the date on which payment is due under the terms of the Contract; (b) thirty (30)

days after a proper invoice actually is received at the "Bill To" address if a date on which payment is due is not specified in the Contract (a "proper" invoice is not received until the Commonwealth accepts the service as satisfactorily performed); or (c) the payment date specified on the invoice if later than the dates established by (a) and (b) above. Payment may be delayed if the payment amount on an invoice is not based upon the price(s) as stated in the Contract. If any payment is not made within fifteen (15) days after the required payment date, the Commonwealth may pay interest as determined by the Secretary of Budget in accordance with Act No. 266 of 1982 and regulations promulgated pursuant thereto. Payment should not be construed by the Contractor as acceptance of the service performed by the Contractor. The Commonwealth reserves the right to conduct further testing and inspection after payment, but within a reasonable time after performance, and to reject the service if such post payment testing or inspection discloses a defect or a failure to meet specifications. ~~The Contractor agrees that the Commonwealth may set off the amount of any state tax liability or other obligation of the Contractor or its subsidiaries to the Commonwealth against any payments due the Contractor under any contract with the Commonwealth.~~

- b. The Commonwealth shall have the option of using the Commonwealth purchasing card to make purchases under the Contract or Purchase Order. The Commonwealth's purchasing card is similar to a credit card in that there will be a small fee which the Contractor will be required to pay and the Contractor will receive payment directly from the card issuer rather than the Commonwealth. Any and all fees related to this type of payment are the responsibility of the Contractor. In no case will the Commonwealth allow increases in prices to offset credit card fees paid by the Contractor or any other charges incurred by the Contractor, unless specifically stated in the terms of the Contract or Purchase Order.

V.24 CONTRACT-016.2 ACH Payments (Aug 2007)

- g. The Commonwealth will make contract payments through the Automated Clearing House (ACH). Within 10 days of award of the contract or purchase order, the contractor must submit or must have already submitted their ACH information within their user profile in the Commonwealth's procurement system (SRM).
- h. The contractor must submit a unique invoice number with each invoice submitted. The unique invoice number will be listed on the Commonwealth of Pennsylvania's ACH remittance advice to enable the contractor to properly apply the state agency's payment to the invoice submitted.
- i. It is the responsibility of the contractor to ensure that the ACH information contained in SRM is accurate and complete. Failure to maintain accurate and complete information may result in delays in payments.

V.25 CONTRACT-017.1 Taxes (Dec 5 2006)

The Commonwealth is exempt from all excise taxes imposed by the Internal Revenue Service and has accordingly registered with the Internal Revenue Service to make tax free purchases under Registration No. 23-23740001-K. With the exception of purchases of the following items, no exemption certificates are required and none will be issued: undyed diesel fuel, tires, trucks, gas guzzler emergency vehicles, and sports fishing equipment. The Commonwealth is also exempt from Pennsylvania state sales tax, local sales tax, public transportation assistance taxes and fees and vehicle rental tax. The Department of Revenue regulations provide that exemption certificates are not required for sales made to governmental entities and none will be issued. Nothing in this paragraph is meant to exempt a construction contractor from the payment of any of these taxes or fees which are required to be paid with respect to the purchase, use, rental, or lease of tangible personal property or taxable services used or transferred in connection with the performance of a construction contract.

V.26 CONTRACT-018.1 Assignment of Antitrust Claims (Oct 2006)

The Contractor and the Commonwealth recognize that in actual economic practice, overcharges by the Contractor's suppliers resulting from violations of state or federal antitrust laws are in fact borne by the Commonwealth. As part of the consideration for the award of the Contract, and intending to be legally bound, the Contractor assigns to the Commonwealth all right, title and interest in and to any claims the Contractor now has, or may acquire, under state or federal antitrust laws relating to the products and services which are the subject of this Contract.

V.27 CONTRACT-019.1 Hold Harmless Provision (Nov 30 2006)

- a. The Contractor shall hold the Commonwealth harmless from and indemnify the Commonwealth against any and all third party claims, demands and actions ~~for personal injury or property damage to the extent caused based upon or arising out of any activities performed~~ by the

negligence or willful misconduct of

Contractor and its employees and agents under this Contract, provided the Commonwealth gives the Contractor prompt written notice of any such claim of which it learns. Pursuant to the Commonwealth Attorneys Act (71 P.S. Section 732-101, et seq.), the Office of Attorney General (OAG) has the sole authority to represent the Commonwealth in actions brought against the Commonwealth. The OAG may, however, in its sole discretion and under such terms as it deems appropriate, delegate its right of defense by providing prompt written notice to the Contractor. If OAG delegates the defense to the Contractor, the Commonwealth will cooperate with all reasonable requests of Contractor made in the defense of such suits.

b. Notwithstanding the above, neither party shall enter into any settlement without the other party's written consent, which shall not be unreasonably withheld. The Commonwealth may, in its sole discretion, allow the Contractor to control the defense and any related settlement negotiations.

c. THE CONTRACTOR SHALL NOT BE LIABLE FOR EXPENDITURES FOR SUBSTITUTE EQUIPMENT OR SERVICES, LOSS OF REVENUE OR PROFIT, LOSS OR CORRUPTION OF DATA, FAILURE TO REALIZE SAVINGS OR OTHER BENEFITS, STORAGE CHARGES OR OTHER INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF THE USE OF OR INABILITY TO USE THE EQUIPMENT, SOFTWARE, OR METER COLLECTION METHODS, REGARDLESS OF THE LEGAL THEORY ON WHICH THE CLAIM IS BASED AND EVEN IF THE CONTRACTOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

V.28 CONTRACT-020.1 Audit Provisions (Oct 2006)

Upon at least 30 days advance written notice, the Commonwealth shall have the right, at during reasonable times the Contractor's normal business hours and at a site designated by the Commonwealth the Contractor's premises, to audit the books, documents and records of the Contractor to the extent that the books, documents and records reasonably support the Contractor's charges and invoices relate to costs or pricing data for the Contract. The Contractor agrees to maintain records which will be reasonably necessary to support the Contractor's charges and invoices prices charged and costs incurred for the Contract. The Contractor shall preserve books, documents and records that relate to costs or pricing data for the Contract during the term of the Contract and for a period of three (3) years from the date of final payment. The Contractor shall give full and free access to all records to the Commonwealth and/or their authorized representatives.

V.29 CONTRACT-021.1 Default (Oct 2013)

a. The Commonwealth may, subject to the Force Majeure provisions of this Contract, and in addition to its other rights under the Contract, declare the Contractor in default by 30 days' written notice thereof to the Contractor, and terminate (as provided in the Termination Provisions of this Contract) the whole or any part of this Contract or any Purchase Order for any of the following reasons, provided that the Contractor has failed to cure a breach of this Contract within 30 days from the Commonwealth's notice:

- 1) Failure to begin work within the time specified in the Contract or Purchase Order or as otherwise specified;
- 2) Failure to perform the work with sufficient labor, equipment, or material to ensure the completion of the specified work in accordance with the Contract or Purchase Order terms;
- 3) Unsatisfactory performance of the work;
- 4) Failure to deliver the awarded item(s) within the time specified in the Contract or Purchase Order or as otherwise specified;
- 5) Improper delivery;
- 6) Failure to provide an item(s) which is in conformance with the specifications referenced in the Contract or Purchase Order;
- 7) Delivery of a defective item;
- 8) Failure or refusal to remove material, or remove and replace any work rejected as defective or unsatisfactory;
- 9) Discontinuance of work without approval;
- 10) Failure to resume work, which has been discontinued, within a reasonable time after notice to do so;

11) Insolvency or bankruptcy;

12) Assignment made for the benefit of creditors;

13) Failure or refusal within 10 days after written notice by the Contracting Officer, to make payment or show cause why payment should not be made, of any amounts due for materials furnished, labor supplied or performed, for

equipment rentals, or for utility services rendered;

14) Failure to protect, to repair, or to make good any damage or injury to property;

15) Breach of any material provision of the Contract;

16) Failure to comply with material representations made in the Contractor's bid/proposal; or

17) Failure to comply with applicable industry standards, customs, and practice.

b. In the event that the Commonwealth terminates this Contract or any Purchase Order in whole or in part as provided in Subparagraph a. above, the Commonwealth may procure, upon such terms and in such manner as it determines, items similar or identical to those so terminated, and the Contractor shall be liable to the Commonwealth for any reasonable excess costs for such similar or identical items included within the terminated part of the Contract or Purchase Order; provided the Commonwealth has taken reasonable action to mitigate such excess costs.

~~j. If the Contract or a Purchase Order is terminated as provided in Subparagraph a. above, the Commonwealth, in addition to any other rights provided in this paragraph, may require the Contractor to transfer title and deliver immediately to the Commonwealth in the manner and to the extent directed by the Contracting Officer, such partially completed items, including, where applicable, reports, working papers and other documentation, as the Contractor has specifically produced or specifically acquired for the performance of such part of the Contract or Purchase Order as has been terminated. Except as provided below, payment for completed work accepted by the Commonwealth shall be at the Contract price. Except as provided below, payment for partially completed items including, where applicable, reports and working papers, delivered to and accepted by the Commonwealth shall be in an amount agreed upon by the Contractor and Contracting Officer. The Commonwealth may withhold from amounts otherwise due the Contractor for such completed or partially completed works, such sum as the Contracting Officer determines to be necessary to protect the Commonwealth against loss.~~

k. The rights and remedies of the Commonwealth provided in this paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

l. The Commonwealth's failure to exercise any rights or remedies provided in this paragraph shall not be construed to be a waiver by the Commonwealth of its rights and remedies in regard to the event of default or any succeeding event of default.

~~m. Following exhaustion of the Contractor's administrative remedies as set forth in the Contract Controversies Provision of the Contract, the Contractor's exclusive remedy shall be to seek damages in the Board of Claims.~~

V.30 CONTRACT-022.1 Force Majeure (Oct 2006)

Neither party will incur any liability to the other if its performance of any obligation under this Contract is prevented or delayed by causes beyond its control and without the fault or negligence of either party. Causes beyond a party's control may include, but aren't limited to, acts of God or war, changes in controlling law, regulations, orders or the requirements of any governmental entity, severe weather conditions, civil disorders, natural disasters, fire, epidemics and quarantines, general strikes throughout the trade, and freight embargoes.

The Contractor shall notify the Commonwealth orally within five (5) business days and in writing within ten (10) business days of the date on which the Contractor becomes aware, or should have reasonably become aware, that such cause would prevent or delay its performance. Such notification shall (i) describe fully such cause(s) and its effect on performance, (ii) state whether performance under the contract is prevented or delayed and (iii) if performance is delayed, state a reasonable estimate of the duration of the delay. The Contractor shall have the burden of proving that such cause(s) delayed or prevented its performance despite its diligent efforts to perform and shall produce such supporting documentation as the Commonwealth may reasonably request. After receipt of such notification, the Commonwealth may elect to cancel the Contract, cancel the Purchase Order, or to extend the time for performance as reasonably necessary to compensate for the Contractor's delay.

In the event of a declared emergency by competent governmental authorities, the Commonwealth by notice to the Contractor, may suspend all or a portion of the Contract or Purchase Order.

V.31 CONTRACT-023.1a Termination Provisions (Oct 2013)

The Commonwealth has the right to terminate this Contract or any Purchase Order for any of the following reasons. Termination shall be effective upon 30 days' written notice to the Contractor.

a. TERMINATION FOR CONVENIENCE: With the exception of leases entered into pursuant to the Leasing Additional Terms and Conditions in Section 48 of this Contract, ~~The~~ Commonwealth shall have the right to terminate the Contract or a Purchase Order (prior to the shipment of items) for its convenience if the Commonwealth determines termination to be in its best interest. The Contractor shall be paid for work satisfactorily completed prior to the effective date of the termination, but in no event shall the Contractor be entitled to recover loss of profits.

b. NON-APPROPRIATION: The Commonwealth's obligation to make payments during any Commonwealth fiscal year succeeding the current fiscal year shall be subject to availability and appropriation of funds. When funds (state and/or federal) are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year period, the Commonwealth shall have the right to terminate the Contract or a Purchase Order. The Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the supplies or services delivered under the Contract. Such reimbursement shall not include loss of profit, loss of use of money, or administrative or overhead costs. The reimbursement amount may be paid from any appropriations available for that purpose.

c. TERMINATION FOR CAUSE: The Commonwealth shall have the right to terminate the Contract or a Purchase Order for Contractor default under the Default Clause upon 30 days' written notice to the Contractor with an opportunity to cure. The Commonwealth shall also have the right, upon 30 days' written notice to the Contractor, to terminate the Contract or a Purchase Order for other cause as specified in the Contract or by law. If it is later determined that the Commonwealth erred in terminating the Contract or a Purchase Order for cause, then, at the Commonwealth's discretion, the Contract or Purchase Order shall be deemed to have been terminated for convenience under the Subparagraph a.

V.32 CONTRACT-024.1 Contract Controversies (Oct 2011)

d. In the event of a controversy or claim arising from the Contract, the Contractor must, within six months after the cause of action accrues, file a written claim with the contracting officer for a determination. The claim shall state all grounds upon which the Contractor asserts a controversy exists. ~~If the Contractor fails to file a claim or files an untimely claim, the Contractor is deemed to have waived its right to assert a claim in any forum.~~ At the time the claim is filed, or within sixty (60) days thereafter, either party, at its sole discretion, may request mediation through the Commonwealth Office of General Counsel Dispute Resolution Program.

e. If the Contractor or the contracting officer requests mediation and the other party agrees, the contracting officer shall promptly make arrangements for mediation. Mediation shall be scheduled so as to not delay the issuance of the final determination beyond the required 120 days after receipt of the claim if mediation is unsuccessful. If mediation is not agreed to or if resolution is not reached through mediation, the contracting officer shall review timely-filed claims and issue a final determination, in writing, regarding the claim. The final determination shall be issued within 120 days of the receipt of the claim, unless extended by consent of the contracting officer and the Contractor. The contracting officer shall send his/her written determination to the Contractor. If the contracting officer fails to issue a final determination within the 120 days (unless extended by consent of the parties), the claim shall be deemed denied. The contracting officer's determination shall be the final order of the purchasing agency.

f. Within fifteen (15) days of the mailing date of the determination denying a claim or within 135 days of filing a claim if, no extension is agreed to by the parties, whichever occurs first, the Contractor may file a statement of claim with the Commonwealth Board of Claims or alternatively, file an action with any court of the Commonwealth of Pennsylvania and any federal courts in Pennsylvania. Pending a final judicial resolution of a controversy or claim, the Contractor shall proceed diligently with the performance of the Contract in a manner consistent with the determination of the contracting officer and the Commonwealth shall compensate the Contractor pursuant to the

terms of the Contract.

V.33 CONTRACT-025.1 Assignability and Subcontracting (Oct 2013)

a. Subject to the terms and conditions of this paragraph, this Contract shall be binding upon the parties and their respective successors and assigns.

b. The Contractor shall not subcontract with any person or entity to perform all or any part of the work to be performed under this Contract without the prior written consent of the Contracting Officer, which consent may be withheld at the sole and absolute discretion of the Contracting Officer. Notwithstanding the foregoing, the Commonwealth acknowledges and agrees that Canon USA authorized dealers in the State of Pennsylvania ("Authorized Dealers"), are approved to accept orders from the Commonwealth (or purchasing agency) for the sale of equipment and the performance of services under this Contract and, with respect to all orders accepted by an Authorized Dealer, shall have all of the rights and obligations of the "Contractor" under this Contract, including sole responsibility for fulfilling such orders. In the event of any disputes between an Authorized Dealer and the Commonwealth, the Contractor shall investigate, shall consult with the Commonwealth as appropriate, and shall use commercially reasonable efforts to resolve the dispute.

c. Subject to the preceding subsection b, and subject to leasing being provided from the Contractor's subsidiary, Canon Financial Services, Inc. ("CFS") as set forth in Section 48 of this Contract, The-the Contractor may not assign, in whole or in part, this Contract or its rights, duties, obligations, or responsibilities hereunder without the prior written consent of the Contracting Officer, which consent may be withheld at the sole and absolute discretion of the Contracting Officer.

d. Notwithstanding the foregoing, the Contractor may, without the consent of the Contracting Officer, assign its rights to payment to be received under the Contract, provided that the Contractor provides written notice of such assignment to the Contracting Officer together with a written acknowledgement from the assignee that any such payments are subject to all of the terms and conditions of this Contract.

e. For the purposes of this Contract, the term "assign" shall include, but shall not be limited to, the sale, gift, assignment, pledge, or other transfer of any ownership interest in the Contractor provided, however, that the term shall not apply to the sale or other transfer of stock of a publicly traded company.

f. Any assignment consented to by the Contracting Officer shall be evidenced by a written assignment agreement executed by the Contractor and its assignee in which the assignee agrees to be legally bound by all of the terms and conditions of the Contract and to assume the duties, obligations, and responsibilities being assigned.

g. A change of name by the Contractor, following which the Contractor's federal identification number remains unchanged, shall not be considered to be an assignment hereunder. The Contractor shall give the Contracting Officer written notice of any such change of name.

V.34 CONTRACT-026.1 Other Contractors (Oct 2006)

The Commonwealth may undertake or award other contracts for additional or related work, and the Contractor shall fully cooperate with other contractors and Commonwealth employees, and coordinate its work with such additional work as may be required. The Contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or by Commonwealth employees. This paragraph shall be included in the Contracts of all contractors with which this Contractor will be required to cooperate. The Commonwealth shall equitably enforce this paragraph as to all contractors to prevent the imposition of unreasonable burdens on any contractor.

V.35 CONTRACT-027.1 Nondiscrimination/Sexual Harassment Clause (August 2017)

The Contractor agrees:

7. In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the contract or any subcontract, the Contractor, each subcontractor, or any person acting on behalf of the Contractor or subcontractor shall not discriminate by reason of race, gender, creed, color, sexual orientation,

gender identity or expression, or in violation of the *Pennsylvania Human Relations Act* (PHRA) and applicable federal laws, against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.

8. Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the PHRA

and applicable federal laws, against or intimidate any employee involved in the manufacture of supplies, the performance of work, or any other activity required under the contract.

3. The Contractor and each subcontractor shall establish and maintain a written nondiscrimination and sexual harassment policy and shall inform their employees in writing of the policy. The policy must contain a provision that sexual harassment will not be tolerated and employees who practice it will be disciplined. Posting this Nondiscrimination/Sexual Harassment Clause conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the contracted services are performed shall satisfy this requirement for employees with an established work site.

9. The Contractor and each subcontractor shall not discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of PHRA and applicable federal laws, against any subcontractor or supplier who is qualified to perform the work to which the contract relates.

10. The Contractor and each subcontractor represents that it is presently in compliance with and will maintain compliance with all applicable federal, state, and local laws, regulations and policies relating to nondiscrimination and sexual harassment. The Contractor and each subcontractor further represents that it has filed a Standard Form 100 Employer Information Report ("EEO-1") with the U.S. Equal Employment Opportunity Commission ("EEOC") and shall file an annual EEO-1 report with the EEOC as required for employers' subject to *Title VII of the Civil Rights Act of 1964*, as amended, that have 100 or more employees and employers that have federal government contracts or first-tier subcontracts and have 50 or more employees. The Contractor and each subcontractor shall, upon request and within the time periods requested by the Commonwealth, furnish all necessary employment documents and records, including EEO-1 reports, and permit access to their books, records, and accounts by the contracting agency and the Bureau of Diversity, Inclusion and Small Business Opportunities for purpose of ascertaining compliance with provisions of this Nondiscrimination/Sexual Harassment Clause.

11. The Contractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that those provisions applicable to subcontractors will be binding upon each subcontractor.

12. The Contractor's and each subcontractor's obligations pursuant to these provisions are ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor and each subcontractor shall have an obligation to inform the Commonwealth if, at any time during the term of the contract, it becomes aware of any actions or occurrences that would result in violation of these provisions.

13. The Commonwealth may cancel or terminate the contract and all money due or to become due under the contract may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the agency may proceed with debarment or suspension and may place the Contractor in the Contractor Responsibility File.

V.36 CONTRACT-028.1 Contractor Integrity Provisions (Jan 2015)

It is essential that those who seek to contract with the Commonwealth of Pennsylvania ("Commonwealth") observe high standards of honesty and integrity. They must conduct themselves in a manner that fosters public confidence in the integrity of the Commonwealth contracting and procurement process.

1. DEFINITIONS. For purposes of these Contractor Integrity Provisions, the following terms shall have the meanings found in this Section:

g. "Affiliate" means two or more entities where (a) a parent entity owns more than fifty percent of the voting stock of each of the entities; or (b) a common shareholder or group of shareholders owns more than fifty percent of the voting stock of each of the entities; or (c) the entities have a common proprietor or general partner.

h. "Consent" means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of the execution of this contract.

i. "Contractor" means the individual or entity, that has entered into this contract with the Commonwealth.

d. "Contractor Related Parties" means any affiliates of the Contractor and the Contractor's executive officers, Pennsylvania officers and directors, or owners of 5 percent or more interest in the Contractor.

e. "Financial Interest" means either:

(1) Ownership of more than a five percent interest in any business; or

(2) Holding a position as an officer, director, trustee, partner, employee, or holding any position of management.

f. "Gratuity" means tendering, giving, or providing anything of more than nominal monetary value including, but not limited to, cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind. The exceptions set forth in the *Governor's Code of Conduct, Executive Order 1980-18, the 4 Pa. Code §7.153(b)*, shall apply.

g. "Non-bid Basis" means a contract awarded or executed by the Commonwealth with Contractor without seeking bids or proposals from any other potential bidder or offeror.

2. In furtherance of this policy, Contractor agrees to the following:

j. Contractor shall maintain the highest standards of honesty and integrity during the performance of this contract and shall take no action in violation of state or federal laws or regulations or any other applicable laws or regulations, or other requirements applicable to Contractor or that govern contracting or procurement with the Commonwealth.

k. Contractor shall establish and implement a written business integrity policy, which includes, at a minimum, the requirements of these provisions as they relate to the Contractor activity with the Commonwealth and Commonwealth employees and which is made known to all Contractor employees. Posting these Contractor Integrity Provisions conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the contract services are performed shall satisfy this requirement.

l. Contractor, its affiliates, agents, employees and anyone in privity with Contractor shall not accept, agree to give, offer, confer or agree to confer or promise to confer, directly or indirectly, any gratuity or pecuniary benefit to any person, or to influence or attempt to influence any person in violation of any federal or state law, regulation, executive order of the Governor of Pennsylvania, statement of policy, management directive or any other published standard of the Commonwealth in connection with performance of work under this contract, except as provided in this contract.

m. Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor or material under this contract, unless the financial interest is disclosed to the Commonwealth in writing and the Commonwealth consents to Contractor's financial interest prior to Commonwealth execution of the contract. Contractor shall disclose the financial interest to the Commonwealth at the time of bid or proposal submission, or if no bids or proposals are solicited, no later than the Contractor's submission of the contract signed by Contractor.

n. Contractor certifies to the best of its knowledge and belief that within the last five (5) years Contractor or Contractor Related Parties have not:

(3) been indicted or convicted of a crime involving moral turpitude or business honesty or integrity in any jurisdiction;

(4) been suspended, debarred or otherwise disqualified from entering into any contract with any governmental agency;

(5) had any business license or professional license suspended or revoked;

(6) had any sanction or finding of fact imposed as a result of a judicial or administrative proceeding related to fraud, extortion, bribery, bid rigging, embezzlement, misrepresentation or anti-trust; and

(5) been, and is not currently, the subject of a criminal investigation by any federal, state or local prosecuting or investigative agency and/or civil anti-trust investigation by any federal, state or local prosecuting or investigative agency.

If Contractor cannot so certify to the above, then it must submit along with its bid, proposal or contract a written explanation of why such certification cannot be made and the Commonwealth will determine whether a contract may be entered into with the Contractor. The Contractor's obligation pursuant to this certification is ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to immediately notify the Commonwealth in writing if at any time during the term of the contract it becomes aware of any event which would cause the Contractor's certification or explanation to change. Contractor acknowledges that the Commonwealth may, in its sole discretion, terminate the contract for cause if it learns that any of the certifications made herein are currently false due to intervening factual circumstances or were false or should have been known to be false when entering into the contract.

f. Contractor shall comply with the requirements of the *Lobbying Disclosure Act (65 Pa.C.S. §13A01 et seq.)* regardless of the method of award. If this contract was awarded on a Non-bid Basis, Contractor must also comply with the requirements of the *Section 1641 of the Pennsylvania Election Code (25 P.S. §3260a)*.

n. When contractor has reason to believe that any breach of ethical standards as set forth in law, the Governor's Code of Conduct, or these Contractor Integrity Provisions has occurred or may occur, including but not limited to contact by a Commonwealth officer or employee which, if acted upon, would violate such ethical standards, Contractor shall immediately notify the Commonwealth contracting officer or the Office of the State Inspector General in writing.

o. Contractor, by submission of its bid or proposal and/or execution of this contract and by the submission of any bills, invoices or requests for payment pursuant to the contract, certifies and represents that it has not violated any of these Contractor Integrity Provisions in connection with the submission of the bid or proposal, during any contract negotiations or during the term of the contract, to include any extensions thereof. Contractor shall immediately notify the Commonwealth in writing of any actions for occurrences that would result in a violation of these Contractor Integrity Provisions. Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of the State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth that results in the suspension or debarment of the Contractor. Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.

p. Contractor shall cooperate with the Office of the State Inspector General in its investigation of any alleged Commonwealth agency or employee breach of ethical standards and any alleged Contractor non-compliance with these Contractor Integrity Provisions. Contractor agrees to make identified Contractor employees available for interviews at reasonable times and places. Contractor, upon the inquiry or request of an Inspector General, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Office of the State Inspector General to Contractor's integrity and compliance with these provisions. Such information may include, but shall not be limited to, Contractor's business or financial records, documents or files of any type or form that refer to or concern this contract. Contractor shall incorporate this paragraph in any agreement, contract or subcontract it enters into in the course of the performance of this contract/agreement solely for the purpose of obtaining subcontractor compliance with this provision. The incorporation of this provision in a subcontract shall not create privity of contract between the Commonwealth and any such subcontractor, and no third party beneficiaries shall be created thereby.

q. For violation of any of these Contractor Integrity Provisions, the Commonwealth may terminate this and any other contract with Contractor, claim liquidated damages in an amount equal to the value of anything received in breach of these Provisions, claim damages for all additional costs and expenses incurred in obtaining another contractor to complete performance under this contract, and debar and suspend Contractor from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or non-use of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation or otherwise.

V.37 CONTRACT-029.1 Contractor Responsibility Provisions (Nov 2010)

For the purpose of these provisions, the term contractor is defined as any person, including, but not limited to, a bidder, offeror, loan recipient, grantee or lessor, who has furnished or performed or seeks to furnish or perform,

goods, supplies, services, leased space, construction or other activity, under a contract, grant, lease, purchase order or reimbursement agreement with the Commonwealth of Pennsylvania (Commonwealth). The term contractor includes a permittee, licensee, or any agency, political subdivision, instrumentality, public authority, or other public entity in the Commonwealth.

1. The Contractor certifies, in writing, for itself and its subcontractors required to be disclosed or approved by the Commonwealth, that as of the date of its execution of this Bid/Contract, that neither the Contractor, nor any such subcontractors (based on the Contractor's current knowledge and belief), are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if the Contractor cannot so certify, then it agrees to submit, along with its Bid/Contract, a written explanation of why such certification cannot be made.

2. The Contractor also certifies, in writing, that as of the date of its execution of this Bid/Contract it has no tax liabilities or other Commonwealth obligations, or has filed a timely administrative or judicial appeal if such liabilities or obligations exist, or is subject to a duly approved deferred payment plan if such liabilities exist.

3. The Contractor's obligations pursuant to these provisions are ongoing from and after the effective date of the Contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to inform the Commonwealth if, at any time during the term of the Contract, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if it or, to the best knowledge of the Contractor, any of its subcontractors are suspended or debarred by the Commonwealth, the federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment.

4. The failure of the Contractor to notify the Commonwealth of its suspension or debarment by the Commonwealth, any other state, or the federal government shall constitute an event of default of the Contract with the Commonwealth.

5. The Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth that results in the suspension or debarment of the contractor. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.

1. The Contractor may obtain a current list of suspended and debarred Commonwealth contractors by either searching the Internet at <http://www.dgs.state.pa.us/> or contacting the:

Department of General Services
Office of Chief Counsel
603 North Office Building
Harrisburg, PA 17125
Telephone No: (717) 783-6472
FAX No: (717) 787-9138

V.38 CONTRACT-030.1 Americans with Disabilities Act (Oct 2006)

r. Pursuant to federal regulations promulgated under the authority of The Americans With Disabilities Act, 28 C.F.R. Section 35.101 et seq., the Contractor understands and agrees that it shall not cause any individual with a disability to be excluded from participation in this Contract or from activities provided for under this Contract on the basis of the disability. As a condition of accepting this contract, the Contractor agrees to comply with the "General Prohibitions Against Discrimination," 28 C.F.R. Section 35.130, and all other regulations promulgated under Title II of The Americans With Disabilities Act which are applicable to all benefits, services, programs, and activities provided by the Commonwealth of Pennsylvania through contracts with outside contractors.

s. The Contractor shall be responsible for and agrees to indemnify and hold harmless the Commonwealth of Pennsylvania from all losses, damages, expenses, claims, demands, suits, and actions brought by any party against the Commonwealth of Pennsylvania as a result of the Contractor's failure to comply with the provisions of Subparagraph a. above.

V.39 CONTRACT-031.1 Hazardous Substances (April 2017)

The Contractor shall provide information to the Commonwealth about the identity and hazards of hazardous substances supplied or used by the Contractor in the performance of the Contract. The Contractor must comply with Act 159 of October 5, 1984, known as the "Worker and Community Right to Know Act" (the "Act") and the regulations promulgated pursuant thereto at 34 Pa. Code Section 301.1 - 323.6.

a. Labeling. The Contractor shall ensure that each individual product (as well as the carton, container or package in which the product is shipped) of any of the following substances (as defined by the Act and the regulations) supplied by the Contractor is clearly labeled, tagged or marked with the information listed in Subparagraphs (1) through (4):

1) Hazardous substances:

- a) The chemical name or common name,
- b) A hazard warning, and
- c) The name, address, and telephone number of the manufacturer.

2) Hazardous mixtures:

- d) The common name, but if none exists, then the trade name,
- e) The chemical or common name of special hazardous substances comprising .01% or more of the mixture,
- f) The chemical or common name of hazardous substances consisting 1.0% or more of the mixture,
- g) A hazard warning, and
- h) The name, address, and telephone number of the manufacturer.

3) Single chemicals:

- i) The chemical name or the common name,
- j) A hazard warning, if appropriate, and
- k) The name, address, and telephone number of the manufacturer.

4) Chemical Mixtures:

- l) The common name, but if none exists, then the trade name,
- m) A hazard warning, if appropriate,
- n) The name, address, and telephone number of the manufacturer, and
- o) The chemical name or common name of either the top five substances by volume or those substances consisting of 5.0% or more of the mixture.

A common name or trade name may be used only if the use of the name more easily or readily identifies the true nature of the hazardous substance, hazardous mixture, single chemical, or mixture involved.

Container labels shall provide a warning as to the specific nature of the hazard arising from the substance in the container.

The hazard warning shall be given in conformity with one of the nationally recognized and accepted systems of providing warnings, and hazard warnings shall be consistent with one or more of the recognized systems throughout

the workplace. Examples are:

- NFPA 704, Identification of the Fire Hazards of Materials.
- National Paint and Coatings Association: Hazardous Materials Identification System.
- American Society for Testing and Materials, Safety Alert Pictorial Chart.
- American National Standard Institute, Inc., for the Precautionary Labeling of Hazardous Industrial Chemicals.

Labels must be legible and prominently affixed to and displayed on the product and the carton, container, or package so that employees can easily identify the substance or mixture present therein.

b. Material Safety Data Sheet. The contractor shall provide Material Safety Data Sheets (MSDS) with the information required by the Act and the regulations for each hazardous substance or hazardous mixture. The Commonwealth must be provided an appropriate MSDS with the initial shipment and with the first shipment after an MSDS is updated or product changed. For any other chemical, the contractor shall provide an appropriate MSDS, if the manufacturer, importer, or supplier produces or possesses the MSDS. The contractor shall also notify the Commonwealth when a substance or mixture is subject to the provisions of the Act. Material Safety Data Sheets may be attached to the carton, container, or package mailed to the Commonwealth at the time of shipment.

V.40 CONTRACT-032.1 Covenant Against Contingent Fees (Oct 2006)

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the Commonwealth shall have the right to terminate the Contract without liability or in its discretion to deduct from the Contract price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

V.41 CONTRACT-033.1 Applicable Law (Oct 2006)

This Contract shall be governed by and interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania (without regard to any conflict of laws provisions) and the decisions of the Pennsylvania courts. The Contractor consents to the jurisdiction of any court of the Commonwealth of Pennsylvania and any federal courts in Pennsylvania, waiving any claim or defense that such forum is not convenient or proper. The Contractor agrees that any such court shall have in personam jurisdiction over it, and consents to service of process in any manner authorized by Pennsylvania law.

V.42 CONTRACT-034.1a Integration – RFP (Dec 12 2006)

This Contract, including the Request for Proposals, Contractor's Proposal, Contractor's Best and Final Offer, if any, all referenced documents, and any Purchase Order constitutes the entire agreement between the parties. No agent, representative, employee or officer of either the Commonwealth or the Contractor has authority to make, or has made, any statement, agreement or representation, oral or written, in connection with the Contract, which in any way can be deemed to modify, add to or detract from, or otherwise change or alter its terms and conditions. No negotiations between the parties, nor any custom or usage, shall be permitted to modify or contradict any of the terms and conditions of the Contract. No modifications, alterations, changes, or waiver to the Contract or any of its terms shall be valid or binding unless accomplished by a written amendment signed by both parties.

V.43 CONTRACT-034.2a Order of Precedence - RFP (Dec 12 2006)

In the event there is a conflict among the documents comprising this Contract, the Commonwealth and the Contractor agree on the following order of precedence: the Contract; the RFP, the Best and Final Offer, if any; the Contractor's Proposal in Response to the RFP.

V.44 CONTRACT-034.3 Controlling Terms and Conditions (Aug 2011)

The terms and conditions of this Contract shall be the exclusive terms of agreement between the Contractor and the Commonwealth. All quotations requested and received from the Contractor are for obtaining firm pricing only. Other terms and conditions or additional terms and conditions included or referenced in the Contractor's quotations, invoices, business forms, or other documentation shall not become part of the parties' agreement and shall be disregarded by the parties, unenforceable by the Contractor and not binding on the Commonwealth.

V.45 CONTRACT-035.1a Changes (Oct 2006)

Subject to the Contractor's consent, which shall not be unreasonably withheld, and the leasing additional terms and conditions in Section 48 of this Contract, The Commonwealth reserves the right to make changes at any time during the term of the Contract or any renewals or extensions thereof: 1) to increase or decrease the quantities resulting from variations between any estimated quantities in the Contract and actual quantities; 2) to make changes to the services within the scope of the Contract; 3) to notify the Contractor that the Commonwealth is exercising any Contract renewal or extension option; or 4) to modify the time of performance that does not alter the scope of the Contract to extend the completion date beyond the Expiration Date of the Contract or any renewals or extensions thereof. Any such change shall be made by the Contracting Officer by notifying the Contractor in writing. The change shall be effective as of the date of the change, unless the notification of change specifies a later effective date. Such increases, decreases, changes, or modifications will not invalidate the Contract, nor, if performance security is being furnished in conjunction with the Contract, release the security obligation. The Contractor agrees to provide the service in accordance with the change order. Any dispute by the Contractor in regard to the performance required by any notification of change shall be handled through Contract Controversies Provision.

V.46 CONTRACT-037.1a Confidentiality (Oct 2013)

a) The Contractor agrees to protect the confidentiality of the Commonwealth's confidential information. The Commonwealth agrees to protect the confidentiality of Contractor's confidential information. In order for information to be deemed confidential, the party claiming confidentiality must designate the information as "confidential" in such a way as to give notice to the other party (notice may be communicated by describing the information, and the specifications around its use or disclosure, in the SOW). Neither party may assert that information owned by the other party is such party's confidential information. The parties agree that such confidential information shall not be copied, in whole or in part, or used or disclosed except when essential for authorized activities under this Contract and, in the case of disclosure, where the recipient of the confidential information has agreed to be bound by confidentiality requirements no less restrictive than those set forth herein. Each copy of such confidential information shall be marked by the party making the copy with any notices appearing in the original. Upon termination or cancellation of this Contract or any license granted hereunder, the receiving party will return to the disclosing party all copies of the confidential information in the receiving party's possession, other than one copy, which may be maintained for archival purposes only, and which will remain subject to this Contract's security, privacy, data retention/destruction and confidentiality provisions (all of which shall survive the expiration of this Contract). Both parties agree that a material breach of these requirements may, after failure to cure within the time frame specified in this Contract, and at the discretion of the non-breaching party, result in termination for default pursuant to the DEFAULT provision of this Contract, in addition to other remedies available to the non-breaching party.

(b) Insofar as information is not otherwise protected by law or regulation, the obligations stated in this Section do not apply to information:

- (1) already known to the recipient at the time of disclosure other than through the contractual relationship;
- (2) independently generated by the recipient and not derived by the information supplied by the disclosing party.

(3) known or available to the public , except where such knowledge or availability is the result of unauthorized disclosure by the recipient of the proprietary information;

(1) disclosed to the recipient without a similar restriction by a third party who has the right to make such disclosure; or

(2) required to be disclosed by law , regulation, court order, or other legal process.

There shall be no restriction with respect to the use or disclosure of any ideas, concepts, know-how, or data processing techniques developed alone or jointly with the Commonwealth in connection with services provided to the Commonwealth under this Contract.

(c) The Contractor shall use the following process when submitting information to the Commonwealth it believes to be confidential and/or proprietary information or trade secrets:

(1) Prepare an un-redacted version of the appropriate document, and

(2) Prepare a redacted version of the document that redacts the information that is asserted to be confidential or proprietary information or a trade secret, and

(3) Prepare a signed written statement that states:

(i) the attached document contains confidential or proprietary information or trade secrets;

(ii) the Contractor is submitting the document in both redacted and un-redacted format in accordance with 65 P.S. § 67.707(b); and

(iii) the Contractor is requesting that the document be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests.

(4) Submit the two documents along with the signed written statement to the Commonwealth.

V.47 CONTRACT-041.1 Contract Requirements-Small Diverse Business and Small Business Participation (July 2016)

The provisions contained in the RFP concerning Contract Requirements - Small Diverse Business and Small Business Participation are incorporated by reference herein.

V.48 CONTRACT-043.1 Leasing Additional Terms and Conditions (Oct 2013)

To the extent that the Contractor offers the Commonwealth or any purchasing agency ("Lessee") the option to lease any items covered by the Contract, these Leasing Terms And Conditions shall, in addition to the other terms and conditions of the Contract, govern the Lease, except to the extent the Contractor assigns a Lease to an Initial Assignee, in which case the Initial Assignee shall be bound to the obligations of the Contractor only as specified in these Leasing Terms and Conditions. If a Lessee desires to lease contract items, the Lessee shall indicate its leasing election on the PO issued to the Contractor ("Lease PO"). By issuing a Lease PO, the Lessee explicitly agrees to these Leasing Terms and Conditions. Any items covered by a Lease shall be called "Leased Property" in these Leasing Terms and Conditions. To the extent that there is a conflict between the other terms and conditions of the Contract and these Leasing Terms and Conditions, these Leasing Terms and Conditions shall prevail to the extent that the Lessee has elected a leasing option. Leases will be provided to Lessee under this Contract from the Contractor's subsidiary, CFS.

Notwithstanding anything to the contrary in this Contract, in the event of a conflict between a Lease PO and this Contract, the terms of the Lease PO will supersede and control. Each Lease PO issued prior to the termination of this Contract (other than a termination for Contractor default or non-appropriation pursuant in Sections 31.b and c of this Contract), shall survive the termination of this Contract, and each Lease PO shall be non-cancellable.

A. Term of Lease

The Contractor may provide any Leased Property under the Contract for any term up to 60 months, including a Fair Market Value Option for Lease/Purchases. The Lessee shall identify the term selected, as well as its election of either a Lease or Lease/Purchase option, on the Lease PO. The Lease term shall commence on the date the Lessee

accepts the Leased Property by executing the Acceptance Certificate, and the term shall continue for the length specified on the Lease PO. The form of the Acceptance Certificate can be found on the Forms page of the Department of General Services' webpage (www.dgs.state.pa.us).

If the Contractor delivers the Leased Property in more than one delivery, unless otherwise specified in the Specifications for this procurement, the Lessee will provide separate acceptance certificates for each delivery of the items, and the Lessee will make periodic payments for the Leased Property corresponding to the amount of the Leased Property delivered and accepted 30 days prior to the payment due date.

B. Payments

1. Full Term Intention. The Lessee shall pay the applicable monthly or annual rent payment for the Leased Property for the full Lease term, unless the Lessee terminates the Lease, exclusively either for Contractor default as set forth in the Default provision of the Contract or for non-appropriation of funds as specified in this section. Except for Contractor default or non-appropriation pursuant in Sections 31.b and c of this Contract, the Lease shall be non-cancellable.

2. Non-Appropriation. The Lessee's obligation is payable only and solely from funds allotted for the purpose of the Lease. If sufficient funds are not appropriated for continuation of performance under any Lease for any fiscal year subsequent to the one in which the Lessee issued the Lease PO, the Lessee may return the Leased Property to the Contractor/Initial Assignee (as applicable), and thereafter the Contractor/Initial Assignee shall release the Lessee of all further obligations under the Lease, provided:

- t. The Lessee delivers unencumbered title to the Leased Property to the Contractor or Initial Assignee (if applicable);
- u. The Lessee returns the Leased Property to the Contractor/Initial Assignee in good condition, reasonable wear and tear excepted; and
- v. The Lessee gives 30 days written notice of the failure of appropriations to the Contractor/Initial Assignee, along with a certification that the Leased Property is not being replaced by similar items from another vendor. In the event the Lessee returns the Leased Property for failure of appropriations, the Lessee shall pay all amounts then due under the Lease through the end of the fiscal year for which sufficient funds were appropriated for the Lease.

C. Title

1. Title to the Leased Property shall not pass to the Lessee but shall remain in the Contractor or Initial Assignee, whichever applies; except in the case of a Lease/Purchase, the title shall pass to the Lessee upon payment of the final installment or other concluding payment option.

- a. Upon payment of the final installment or other concluding payment option, neither the Contractor nor its assignee shall have any further interest in the Leased Property.
- b. The Leased Property shall remain personal property and shall not become a fixture or affixed to real property without consent of the Contractor/assignee.
- c. At the request of the Contractor or Initial Assignee, the Lessee will join the Contractor/assignee in executing one or more UCC-1 financing statements.
- d. The Lessee will keep the Leased Property free and clear of all encumbrances except the Contractor's/assignee's security interest.

D. Use And Location Of, and Alteration to Leased Property

The Lessee shall keep the Leased Property within the confines of the Commonwealth of Pennsylvania and shall inform the Contractor/Initial Assignee upon request of the location of the Leased Property. The Lessee, at its own cost and expense, shall maintain the Leased Property in good operating condition and will not use or deal with the Leased Property in any manner which is inconsistent with the terms of the Contract or any applicable laws and regulations. The Lessee agrees not to misuse, abuse, or waste the Leased Property and the Lessee will not allow the Leased Property to deteriorate, except for ordinary wear and tear resulting from their intended use. No alterations, changes, or modifications to the Leased Property shall be made without the approval of the Contractor/Initial Assignee.

E. Risk of Loss

The Contractor shall assume and bear the risk of loss or damage to, or theft of, the Leased Property and all component parts while the Leased Property or parts are in the Lessee's possession, unless the Lessee could have prevented such loss, damage, or theft by exercising reasonable care or diligence in the use, protection, or care of the Leased Property or parts. No loss or damage to the Leased Property or parts shall impair any Contractor or Lessee obligation under the Lease, except as expressly provided in these Leasing Terms and Conditions. If the damage could not have been prevented by the Lessee's exercise of reasonable care or diligence, and the Contractor determines the Leased Property or parts can be economically repaired, the Contractor shall repair or cause to be repaired all damages to the Leased Property or their parts. In the event that the any of the Leased Property or their parts are stolen or destroyed, or if in the Contractor's opinion they are rendered irreparable, unusable, or damaged, the affected Leased Property shall be considered a total loss and the Lease shall terminate as to that Leased Property, and the Lessee's obligation to pay rent for the affected Leased Property shall be deemed to have ceased as of the date of the loss.

F. Warranties

1. The Lessee shall have the benefit of any and all manufacturer or supplier warranties for the Leased Property during the Lease term.
2. The Contractor/Initial Assignee and any subsequent assignee warrants that neither the Contractor/Initial Assignee or subsequent assignee, nor anyone acting or claiming through these parties by assignment or otherwise, will interfere with the Lessee's quiet enjoyment of the Leased Property so long as no event of default as defined in Subsection J of this Section shall have occurred and be continuing.

G. Liability

1. The Lessee assumes all risks and liabilities for injury to or death of any person or damage to any property, arising out of the Lessee's possession, use, operation, condition, or storage of any Leased Property, whether such injury or death be of agents or employees of the Lessee or of third parties, and whether such property damage be to the Lessee 's property or the property of others; provided, however, that the damage or injury results from the action or inaction of the Lessee, its agents or employees, and provided that judgment has been obtained against the Lessee, its agents or employees. This provision shall not be construed to limit the governmental immunity of any Lessee.
2. The Lessee shall, during the Lease term, either self-insure or purchase insurance to cover the risks it has assumed under Paragraph 1 of this Subsection, including but not limited to risks of public liability and property damage.

H. Assignment

1. The Lessee shall not assign any Lease PO or other interest in the Leased Property without the prior written consent of the Contractor or its assignee. The Contractor may assign, and/or grant security interests in whole or in part in, the Lease PO and Leased Property to an Initial Assignee, who in turn may further assign and/or grant a security interest in a Lease to a subsequent assignee without the Lessee's consent. Any other Contractor assignment shall require the Lessee's prior written consent. Upon written notice to the Lessee, the Contractor may assign payments under any Lease to a third party.
2. The Contractor may assign, without Lessee consent, any Lease PO to a third party ("Initial Assignee") who will fund the purchase of the Leased Property. The Initial Assignee may take title to, and assume the right to receive all rental payments for, the Leased Property. The Contractor shall notify the Lessee of any Lease PO assignment in its acknowledgment of the Lease PO to the Lessee, providing the Lessee with a copy of the assignment agreement between the Contractor and the Initial Assignee.
3. Notwithstanding any provisions to the contrary in the Contract, in the event of an assignment to an Initial Assignee, the Initial Assignee shall be bound only to the Contractor's obligations specified in these Leasing Terms and Conditions. An Initial Assignee shall not be responsible for any of the Contractor's additional representations, warranties, covenants, or obligations under the Contract Documents. By issuing a Lease PO, the Lessee waives any

claims it may have under the Lease against the Initial Assignee for any loss, damage, or expense caused by, defect in, or use or maintenance of any Leased Property. The Lessee acknowledges that the Initial Assignee is not the supplier of the Leased Property and is not responsible for their selection or installation. After the ordering Lessee executes, and the Initial Assignee receives, an Acceptance Certificate, if any portion of the Leased Property is unsatisfactory for any reason, the ordering Lessee shall, nevertheless, continue to make payments under the applicable Lease terms and shall make any claim against the Contractor or the manufacturer, not against the Initial Assignee or any subsequent assignee of the Initial Assignee.

4. After a Lessee executes and the Initial Assignee receives an Acceptance Certificate:

w. The Lessee shall, regardless of whether any portion of the Leased Property is unsatisfactory for any reason, nevertheless, continue to make payments under the applicable Lease and shall make any claim relating to the Leased Property against the Contractor or the manufacturer, not against the Initial Assignee or any subsequent assignee; and

x. The rights of the Initial Assignee and any subsequent assignee to receive rental payments are absolute and unconditional and shall not be affected by any defense or right of set-off.

5. Warranty Disclaimer

IN THE EVENT THE CONTRACTOR ASSIGNS A LEASE TO AN INITIAL ASSIGNEE, SUCH INITIAL ASSIGNEE AND ANY SUBSEQUENT ASSIGNEE MAKE NO WARRANTY (OTHER THAN A WARRANTY OF QUIET ENJOYMENT OF THE LEASED PROPERTY), EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. AS TO THE INITIAL ASSIGNEE AND ANY SUBSEQUENT ASSIGNEE, THE LESSEE TAKES THE LEASED PROPERTY "AS IS". IN NO EVENT SHALL THE INITIAL ASSIGNEE OR ANY SUBSEQUENT ASSIGNEE HAVE ANY LIABILITY FOR, NOR SHALL THE LESSEE HAVE ANY REMEDY AGAINST, THE INITIAL ASSIGNEE OR ANY SUBSEQUENT ASSIGNEE FOR CONSEQUENTIAL DAMAGES, LOSS OF SAVINGS, OR LOSS OF USE.

I. Financing and Prepayment

4. If the Contractor is not the supplier of the Leased Property, the Contractor will pay the charges for the Leased Property directly to the supplier. In the event the Contractor assigns the Lease to an Initial Assignee, the Initial Assignee will pay the charges directly to the Contractor or the supplier, as applicable. If the Contractor has assigned rental payments under the Lease to an Initial Assignee, the Lessee's obligation to make rental payments for the Leased Property for which the Lessee has executed and delivered acceptance certificates shall not be affected by any discontinuance, return, or destruction of any license or licensed program materials, or by any Lessee dissatisfaction with any Leased Property.

5. The Lessee may at any time terminate the financing for any Leased Property by prepaying its remaining rental payments. The Lessee shall provide notice of the intended prepayment date, which shall be at least one month after the date of the notice. Depending on market conditions at the time, the Contractor/Initial Assignee may reduce the balance of the remaining rental payments to reflect the requested prepayment and shall advise the Lessee of the balance to be paid.

6. If the Lessee purchases Contract items related to Leased Property prior to the expiration of the Lease term, or if the Lease is terminated for any reason except non-appropriation as described in Subsection B of this Subsection, and if the Leased Property has been delivered and the Lessee has executed and delivered to the Contractor an acceptance certificate, the Lessee shall prepay such Leased Property.

J. Remedies for Default

1. If the Lessee does not make a required payment within 30 days after its due date and such nonpayment continues for 15 days after receipt of written notice from the Contractor/Initial Assignee that the Lessee is delinquent in payment, if the Lessee breaches any other provision under these Leasing Terms and Conditions and such breach continues for 15 days after receipt of written notice of the breach from the Contractor/Initial Assignee, or if the Lessee files any petition or proceeding (or has a petition or proceeding filed against it) under any bankruptcy,

insolvency, or similar law, the Contractor/Initial Assignee may pursue and enforce the following remedies, individually or collectively:

y. Terminate the applicable Lease.

z. Take possession of any or all Leased Property in the Lessee's possession, without any court order or other process of law. For such purpose, upon written notice of its intention to do so, the Contractor or its assignee may enter upon the premises where the Leased Property may be and remove and repossess the Leased Property, from the premises without being liable to the Lessee in any action or legal proceedings. The Contractor/assignee may, at its option, sell the repossessed Leased Property at public or private sale for cash or credit. The Lessee shall be liable for the Contractor's/assignee's expenses of retaking possession, including without limitation the removal of the Leased Property and placing the Leased Property in good operating condition (if not in good operating condition at the time of removal) in accordance with the manufacturer's specifications. Repossessed Leased Property shall include only those items that were leased or lease/purchased under the Lease.

aa. Recover from the Lessee all rental payments then due, plus the net present value of the amount of the remaining rental payments. The present value of such remaining rental payments shall be calculated using a discount rate equal to the average of the weekly two- and three-year Treasury Constant Maturities published by the Federal Reserve Board for the last calendar week of the month preceding the contractor's/assignee's termination of the applicable Lease. The Treasury Constant Maturities are published in Statistical Release .15 and may be accessed via the Federal Reserve Board's Internet website.

2. In the event of Contractor default under the Default provision of the Contract, the Lessee may pursue one or more of the following remedies:

bb. If the rental payments under the Lease have been assigned to an Initial Assignee, the Lessee shall continue to make payments for that Leased Property which has been delivered and for which the Lessee has provided acceptance certificates to the Contractor/Initial Assignee.

cc. The Lessee may cancel, without liability for payment, its order for any Leased Property which has not been delivered and for which it has not issued acceptance certificates. In this instance, the amount of the rental payments will be recalculated to take into consideration and pay for the actual amount of Leased Property which was delivered and accepted. If no Leased Property has been delivered and accepted, the Lessee may terminate the Lease without liability for any payment.

dd. If payments have not been assigned, the Lessee may set off or counterclaim any and all damages incurred by the Lessee as a result of the Contractor's default against its obligation to make rental payments.

K. Purchase Option

If the Lessee is not in default, it shall have the right at the expiration of the Lease term to buy the Leased Property "as is with no additional warranty" by tendering the purchase option amount the parties have established. For any Lease with a Fair Market Value Option, the fair market value of the equipment shall be established by the Contractor/Initial Assignee and shall not exceed the then-current purchase price of the Leased Property as established in the Contract. Upon the Lessee's exercise of a purchase option and payment of the required amount to the Contractor/Initial Assignee, all right, title, and interest in the Leased Property shall pass to the Lessee.

A. Extension

If the Lessee does not elect to purchase the Leased Property at the expiration of a Lease term, and the Lessee is not in default under the Lease, the Lessee may elect to extend the Lease by written notification to the Contractor/Initial Assignee. The Lessee will make any elective extension under the same Leasing Terms and Conditions, including any rent payable (not less than fair market rental value), and will continue until the earlier of termination by either party upon one month's prior written notice, or five years from the date of installation.

B. Return of Leased Property

At the expiration or termination of a Lease for any Leased Property, or upon Contractor/Initial Assignee demand

pursuant to Subsection J. of this Section, the Lessee shall promptly return the Leased Property, freight prepaid, to any location in the continental United States specified by the Contractor/Initial Assignee. The Lessee shall pay the required rent for the Leased Property until they have been shipped to the Contractor.

7. Since DGS has, as a matter of policy, determined that all hard drives contain information that is confidential or sensitive, the Contractor shall, at its discretion, either remove and destroy any hard drive from the Leased Property or clean the hard drive to Office of Administration/U.S. Department of Defense standards, and the Contractor shall provide written certification to the Lessee that the hard drive has been destroyed or cleaned to Office of Administration/U.S. Department of Defense standards.

8. Except in the event of a total loss of any or all Leased Property as described in Subsection E. of this Section, and except for any costs associated with the removal, destruction, and cleaning of any hard drives, the Lessee shall pay any costs the Contractor/Initial Assignee incurs to restore the Leased Property to good operating condition in accordance with the Contract specifications. All parts the Contractor/Initial Assignee may remove and replace shall become the Contractor's/Initial Assignee's property.

9. The Contractor's/Initial Assignee's costs associated with the cleaning of any hard drive to Office of Administration/U.S. Department of Defense standards and the removal and destruction of any hard drive(s) shall be included in the rental amount. The Lessee shall not be required to pay additional charges for the Contractor's/Initial Assignee's cleaning of a hard drive to Office of Administration/U.S. Department of Defense standards nor for the Contractor's/Initial Assignee's removal and destruction of any hard drive(s) upon the return of a Leased item.

N. Compliance with Internal Revenue Code

10. Tax Exemption Financing. If it intends to provide tax exempt financing, the Contractor/Initial Assignee must file, in timely fashion, any reports the Internal Revenue Service may require with respect to the order under the Internal Revenue Code (IRC). The Lessee shall cooperate with the Contractor/Initial Assignee in the preparation and execution of these documents. The Lessee shall also keep a copy of each notification of assignment with the Lessee's counterpart of the order and shall not, during the Lease term, permit the Leased Property to be directly or indirectly used for a private business use within the meaning of Section 141 of the IRC.

11. Governmental Status. Eligible Lessees include State entities or political subdivisions of a State for the purpose of Section 103(a) of the IRC as well as tax exempt non-profit corporations and entities under 501(c)(4) of the IRC. Any misrepresentation of a Lessee's status under the IRC shall constitute an event of default by the Lessee. If the Internal Revenue Service rules that the Lessee does not so qualify under either Section 103(a) or 501(c)(4) of the IRC, or if the Lessee fails to cooperate with the Contractor/Initial Assignee in the preparation and execution of any reports required under Section 124 or 149 of the IRC (including 8038G and 8038GC forms), the Lessee will, upon demand, pay the Contractor/Initial Assignee a sum the Contractor/Initial Assignee determines sufficient to return the Contractor/Initial Assignee to the economic status it would otherwise have received.

O. Governing Law

All Leases made under these Leasing Terms and Conditions shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, except that the parties agree that Article 2A of the Uniform Commercial Code shall not apply or govern transactions under these Leasing Terms and Conditions.

P. Notices

Service of all notices under these Leasing Terms and Conditions shall be sufficient if delivered to the Lessee at the address set forth in the applicable Lease PO, or to the Contractor/Initial Assignee at the address set forth in its acknowledgment of the Lease PO, including any attached document. Notices by mail shall be effective when deposited in the U.S. mail, properly addressed, with sufficient paid postage. Notices delivered by hand or by overnight courier shall be effective when actually received.

V.49 CONTRACT-046.1 Manufacturer's Price Reduction (Oct 2006)

If, prior to the delivery of the awarded item(s) by the Contractor, a price reduction for the same product being provided by the Contractor under a Purchase Order is announced by the original equipment manufacturer, a comparative price reduction or appropriate product substitution will be given to the Commonwealth by the Contractor.

V.50 CONTRACT-051.1 Notice (Dec 2006)

Any written notice to any party under this Contract shall be deemed sufficient if delivered personally, or by facsimile, telecopy, electronic or digital transmission (provided such delivery is confirmed), or by a recognized overnight courier service (e.g., DHL, Federal Express, etc.) with confirmed receipt, or by certified or registered United States mail, postage prepaid, return receipt requested, and sent to following:

- o.** If to the Contractor: the Contractor's address as recorded in the Commonwealth's Supplier Registration system.
- p.** If to the Commonwealth: the address of the Issuing Office as set forth on the Contract.

V.51 CONTRACT-052.1 Right to Know Law (Feb 2010)

a. The Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, ("RTKL") applies to this Contract. For the purpose of these provisions, the term "the Commonwealth" shall refer to the contracting Commonwealth agency.

b. If the Commonwealth needs the Contractor's assistance in any matter arising out of the RTKL related to this Contract, it shall notify the Contractor using the legal contact information provided in this Contract. The Contractor, at any time, may designate a different contact for such purpose upon reasonable prior written notice to the Commonwealth.

c. Upon written notification from the Commonwealth that it requires the Contractor's assistance in responding to a request under the RTKL for information related to this Contract that may be in the Contractor's possession, constituting, or alleged to constitute, a public record in accordance with the RTKL ("Requested Information"), the Contractor shall:

1. Provide the Commonwealth, within ten (10) calendar days after receipt of written notification, access to, and copies of, any document or information in the Contractor's possession arising out of this Contract that the Commonwealth reasonably believes is Requested Information and may be a public record under the RTKL; and
2. Provide such other assistance as the Commonwealth may reasonably request, in order to comply with the RTKL with respect to this Contract.

d. If the Contractor considers the Requested Information to include a request for a Trade Secret or Confidential Proprietary Information, as those terms are defined by the RTKL, or other information that the Contractor considers exempt from production under the RTKL, the Contractor must notify the Commonwealth and provide, within seven (7) calendar days of receiving the written notification, a written statement signed by a representative of the Contractor explaining why the requested material is exempt from public disclosure under the RTKL.

e. The Commonwealth will rely upon the written statement from the Contractor in denying a RTKL request for the Requested Information unless the Commonwealth determines that the Requested Information is clearly not protected from disclosure under the RTKL. Should the Commonwealth determine that the Requested Information is clearly not exempt from disclosure, the Contractor shall provide the Requested Information within five (5) business days of receipt of written notification of the Commonwealth's determination.

f. If the Contractor fails to provide the Requested Information within the time period required by these provisions, the Contractor shall indemnify and hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of the Contractor's failure, including any statutory damages assessed against the Commonwealth.

g. The Commonwealth will reimburse the Contractor for any costs associated with complying with these provisions only to the extent allowed under the fee schedule established by the Office of Open Records or as otherwise provided by the RTKL if the fee schedule is inapplicable.

h. The Contractor may file a legal challenge to any Commonwealth decision to release a record to the public with the Office of Open Records, or in the Pennsylvania Courts, however, the Contractor shall indemnify the

Commonwealth for any legal expenses incurred by the Commonwealth as a result of such a challenge and shall hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of the Contractor's failure, including any statutory damages assessed against the Commonwealth, regardless of the outcome of such legal challenge. As between the parties, the Contractor agrees to waive all rights or remedies that may be available to it as a result of the Commonwealth's disclosure of Requested Information pursuant to the RTKL.

i. The Contractor's duties relating to the RTKL are continuing duties that survive the expiration of this Contract and shall continue as long as the Contractor has Requested Information in its possession.

**MODEL FORM OF SMALL DIVERSE AND SMALL BUSINESS
SUBCONTRACTOR AGREEMENT**

This Subcontractor Agreement ("Subcontract") is made effective as of _____, 20____, by and between _____, ("Contractor") and _____, a Small Diverse Business or Small Business ("Subcontractor") (collectively referred to as the "Parties").

RECITALS

Contractor has entered into a contract dated _____ (the "Prime Contract") with the Department of _____ of the Commonwealth of Pennsylvania ("Commonwealth"). Under the Prime Contract, Contractor has agreed to provide certain supplies, services or construction ("Services") to the Commonwealth.

In connection with the Procurement leading to the Prime Contract, Contractor and Subcontractor entered into a letter agreement dated _____ ("Letter of Intent") whereby the Contractor committed a certain percentage of work ("Small Diverse Business or Small Business Commitment") under the Prime Contract to the Subcontractor.

As contemplated by the Letter of Intent and in accordance with the provisions of the Procurement and Prime Contract, the Parties have agreed to enter into this Subcontract to fulfill the Small Diverse Business or Small Business Commitment expressed in the Letter of Intent and as required by the Prime Contract.

DEFINITIONS

The following words and terms when used in this Subcontract shall have the following meanings:

Bureau – The Department’s Bureau of Diversity, Inclusion and Small Business Opportunities.

Contracting Officer – The person authorized to administer and make written determinations for the Commonwealth with respect to the Prime Contract.

Department – The Department of General Services of the Commonwealth of Pennsylvania.

Issuing Office – The department, board, commission or other agency of the Commonwealth of Pennsylvania that issued the Procurement.

Procurement – The Invitation for Bids, Request for Quotes, Request for Proposals or other solicitation and all associated final procurement documentation issued by the Commonwealth to obtain proposals from firms for award of the Prime Contract.

Small Business – A business in the United States which is independently owned, not dominant in its field of operation, employs no more than 100 full-time or full-time equivalent employees, and earns less than \$7 million in gross annual revenues for building design, \$20 million in gross annual revenues for sales and services and \$25 million in gross annual revenues for those businesses in the information technology sales or service business.

Small Diverse Business – A Department-verified minority-owned small business, woman-owned small business, veteran-owned small business, service-disabled veteran-owned small business, LGBT-owned small business, or disability-owned small business.

AGREEMENT

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

1. Subcontractor Representations. Subcontractor represents and warrants to Contractor as follows:

(a) Subcontractor is self-certified as a Small Business in accordance with the requirements and procedures established by the Bureau of Diversity, Inclusion and Small Business Opportunities; [Subcontractor is also verified as a Small Diverse Business by the Bureau of Diversity, Inclusion and Small Business Opportunities in accordance with the requirements and procedures established by the Bureau;]

(b) Subcontractor possesses the necessary knowledge, experience, expertise, capital, resources and personnel required to perform the Services it will provide under this Subcontract;

(c) Subcontractor (i) is duly organized, validly existing and in good standing under the laws of its state of incorporation or organization, (ii) has the power and authority to own its properties and to carry on business as now being conducted, and (iii) has the power to execute and deliver this Subcontract;

(d) The execution and performance by Subcontractor of the terms and provisions of this Subcontract have been duly authorized by all requisite action, and neither the execution nor the performance of this Subcontract by Subcontractor will violate any provision of law, any order of any court or other agency of government, the organizational documents of Subcontractor or any indenture, agreement or other instrument to which Subcontractor is a party, or by which Subcontractor is bound, or be in conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under, or except as may be provided by this Subcontract, result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of Subcontractor pursuant to, any such indenture agreement or instrument;

(e) Subcontractor has obtained all licenses, permits and approvals required to perform the Services it will provide under this Subcontract; and

(f) Subcontractor is not under suspension or debarment by the Commonwealth or any other governmental entity, instrumentality or authority.

2. Contractor Representations. Contractor represents and warrants to Subcontractor as follows:

(a) Contractor (i) is duly organized, validly existing and in good standing under the laws of its state of incorporation or organization, (ii) has the power and authority to own its properties and to carry on business as now being conducted, and (iii) has the power to execute and deliver this Subcontract;

(b) The execution and performance by Contractor of the terms and provisions of this Subcontract by Contractor have been duly authorized by all requisite action, and neither the execution nor the performance of this Subcontract will violate any provision of law, any order of any court or other agency of government, the organizational documents of Contractor or any indenture, agreement or other instrument to which Contractor is a party, or by which Contractor is bound, or be in conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under, or except as may be provided by this Subcontract, result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of Contractor pursuant to, any such indenture agreement or instrument;

(c) Contractor has obtained all licenses, permits and approvals required to perform the Services to be provided by Contractor under the Prime Contract; and

(d) Contractor is not under suspension or debarment by the Commonwealth or any other governmental entity, instrumentality or authority.

3. Relationship of the Parties. The provisions of this Subcontract are not intended to create, nor shall be deemed or construed to create, any joint venture, partnership or other relationship between Contractor and Subcontractor, other than that of independent entities contracting with each other solely for the purpose of carrying out the provisions of this Subcontract. Neither of the Parties to this Subcontract, nor any of their respective employees, agents, or other representatives, shall be construed to be the agent, employee or representative of the other party. Neither party shall have the authority to bind the other party, nor shall a party be responsible for the acts or omissions of the other party, unless otherwise stated in this Subcontract. Similarly, the Parties expressly acknowledge that neither the Contractor nor the Subcontractor is an agent, employee or representative of the Commonwealth and each party covenants not to represent itself accordingly.

4. Prime Contract Flow-Down.

(a) General. This agreement is a subcontract under the Prime Contract and all provisions of the Prime Contract and any amendments thereto applicable to the Services being performed by the Subcontractor shall extend to and be binding upon the Parties as part of this Subcontract.

(b) Specific. The Parties agree to comply with the following provisions of the Prime Contract, which are incorporated herein by reference:

- (1) The Americans with Disabilities Act Provisions.
- (2) Nondiscrimination/Sexual Harassment Clause.
- (3) Contractor Integrity Provisions.
- (4) Contractor Responsibility Provisions.

(c) Termination. Should the Prime Contract be terminated pursuant to the terms and conditions provided in the Procurement, such termination shall have the same effect on this Subcontract. Payment for Services provided as of the date of termination must be made in accordance with the Section 13 of this Subcontract.

(d) Audit Provisions. The Commonwealth shall have the right, at reasonable times and at a site designated by the Commonwealth, to audit the books, documents, and records of the Parties to the extent that the books, documents, and records relate to the Parties' compliance with the provisions set forth in subsection (b) above or to the Small Diverse Business or Small Business Commitment effectuated through this Subcontract. The Parties shall preserve such books, documents, and records for a period of three years from the date of final payment hereunder. The Parties shall give full and free access to all such records to the Commonwealth and/or its authorized representatives.

5. Order of Precedence. The Letter of Intent, Procurement and Prime Contract are incorporated herein by reference into this Subcontract. In the event of any conflict or inconsistency among the individual components of this Subcontract, such conflict or inconsistency shall be resolved by observing the following order of precedence:

- (a) This Subcontract;
- (b) The Letter of Intent;
- (c) The Prime Contract; and
- (d) The Procurement.

6. Further Action. The Parties shall take such actions and complete, execute and deliver any and all documents or instruments necessary to carry out the terms and provisions of this Subcontract, to effectuate the purpose of this Subcontract, and to fulfill the obligations of each party hereunder.

7. Description of Services. Subcontractor will perform the following Services for the Contractor which Contractor is obligated to provide to the Commonwealth under the Prime Contract:

[DESCRIBE IN DETAIL THE SPECIFIC SUPPLIES, SERVICES OR CONSTRUCTION THE SUBCONTRACTOR WILL PROVIDE OR PERFORM]

8. Small Diverse Business or Small Business Commitment. The above-referenced Services represent __ % of the final negotiated total cost for the initial term of the Prime Contract. Any proposed change to the Small Diverse Business or Small Business Commitment must be submitted in writing to the Bureau which will make a recommendation to the Commonwealth Contracting Officer regarding a course of action.

9. Performance of Services. Subcontractor may not subcontract more than 50% of the work subcontracted to it hereunder without written permission from the Bureau. Subcontractor will perform the Services strictly in accordance with any applicable plans and specifications as contained in the Prime Contract and the reasonable deadlines set by Contractor in view of the requirements of the Prime Contract, and in a good workmanlike manner consistent with industry standards, meeting all applicable local, state and federal laws, regulations and policies.

10. Location of Services. Subcontractor will provide the Services at the following address(es):

11. Timeframe for Performance of Services. The Services will be provided by Subcontractor during the initial term of the Prime Contract, and during any extensions, options or renewal periods of the Prime Contract exercised by the Commonwealth, as more specifically set forth below:

[IDENTIFY THE SPECIFIC TIME PERIODS DURING THE INITIAL CONTRACT TERM AND EXTENSIONS, OPTIONS AND RENEWALS WHEN THE SUBCONTRACTOR WILL PERFORM COMPONENT SERVICES]

12. Pricing of Services. Subcontractor shall provide or perform the Services at the pricing specified in Exhibit ___ to this Subcontract. [ATTACH A BILL OF MATERIALS, RATE CARD OR OTHER APPROPRIATE COST SHEET COVERING THE SERVICES TO BE PROVIDED.]

13. Payment for Services. Contractor shall exert reasonable and diligent efforts to collect prompt payment from the Commonwealth. Contractor shall pay Subcontractor in proportion to

amounts received from the Commonwealth which are attributable to the Services performed by Subcontractor. Contractor shall pay Subcontractor within fourteen (14) days after the Contractor receives such payment from the Commonwealth, unless the parties expressly agree upon a different payment schedule or structure as set forth below:

14. Utilization Reports. Both the Contractor and Subcontractor shall complete Quarterly Utilization Reports (or similar type documents containing the same information) and submit them to the Contracting Officer and to the Bureau within ten (10) business days at the end of each quarter. This information will be used to determine the actual dollar amount paid to Subcontractor and will also serve as a record of fulfillment of Contractor's Small Diverse Business and Small Business Commitments. If there was no activity during the quarter, then the form must be completed by stating "No activity in this quarter." A late fee of \$100.00 per day may be assessed against the Contractor if its Utilization Report is not submitted in accordance with the schedule above.

15. Change Orders. If the Commonwealth issues any change order or other formal contract instrument either expanding or limiting the work to be performed under the Prime Contract, the Parties shall accept such Change Orders. Contractor agrees to provide Subcontractor with written notice of any such change orders that affect the Services to be provided by the Subcontractor hereunder as soon as practical after Contractor receives such notice. Any resulting increase or decrease in the Services, Small Diverse Business or Small Business Commitment provided for in Paragraphs 7 or 8 above must be in writing, mutually agreed to, and signed by both Parties and communicated to the Bureau. If the Parties are unable to reach an agreement regarding any adjustment to the Services, Small Diverse Business or Small Business Commitment necessitated by a Commonwealth Change Order, the Parties must submit the matter in writing to the Bureau which will make a recommendation to the Contracting Officer regarding a course of action.

16. Force Majeure. Neither party will incur any liability to the other if its performance of any obligation under this Subcontract is prevented or delayed by causes beyond its control and without the fault or negligence of either party. Causes beyond a party's control may include, but are not limited to, acts of God or war, changes in controlling law, regulations, orders or the requirements of any governmental entity, severe weather conditions, civil disorders, natural disasters, fire, epidemic and quarantines, general strikes throughout the trade, and freight embargoes. The existence of such causes beyond a party's control shall extend the period for performance to such extent as may be necessary to enable complete performance in the exercise of reasonable diligence after the causes have been removed.

17. Dispute Resolution.

(a) The Parties will attempt to resolve any dispute arising out of or relating to this Subcontract through friendly negotiations.

(1) The Parties expressly acknowledge and confer upon the Bureau and Contracting Officer the authority to adjudicate disputes that the Parties cannot resolve amicably concerning the Parties' compliance with their Small Diverse Business and Small Business Commitments as provided in the Prime Contract and this Subcontract.

(2) The Bureau may recommend to the Contracting Officer a range of sanctions it deems appropriate if the Bureau determines a party has failed to satisfy or perform its Small Diverse Business or Small Business commitment. Such sanctions include, but are not limited to, one or more of the following: a determination that the party is not responsible under the Contractor Responsibility Program; withholding of Prime Contract and/or Subcontract payments; suspension or termination of the Prime Contract and/or Subcontract together with consequential damages; revocation of the party's Small Business self-certification status and/or Small Diverse Business verification status; and/or suspension or debarment of one or both parties from future contracting opportunities with the Commonwealth.

(3) The Parties' acknowledge that their prior performance in meeting their Small Diverse Businesses and Small Businesses contractual obligations will be considered by the Bureau during future procurement scoring processes. To the extent a party has failed to meet prior contractual commitments, the Bureau may recommend to the Issuing Office that the party be determined non-responsible for the limited purpose of eligibility to receive SDB/SB points or consideration as a qualified Small Diverse Business or Small Business.

(b) Nothing herein shall be construed to prevent either party from seeking such relief as provided by law in a court or tribunal of competent jurisdiction.

18. Notices. Any written notice to any party under this Subcontract shall be deemed sufficient if delivered personally, or by facsimile, telecopy, electronic or digital transmission (provided such delivery is confirmed), or by a recognized overnight courier service (e.g., DHL, Federal Express, etc.) with confirmed receipt, or by certified or registered United States mail, postage prepaid, return receipt requested, and sent to the following:

If to Contractor:

If to Subcontractor:

19. Waiver. No waiver by either party of any breach of this Subcontract shall be deemed to waive any other breach. No acceptance of payment or performance after any breach shall be deemed a waiver of any breach. No failure or delay to exercise any right by a party upon another's default shall prevent that party from later exercising that right, nor shall such failure or delay operate as a waiver of any default.

20. Severability. If any provision of this Subcontract shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Subcontract is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

21. Assignment. Neither party may assign or transfer this Subcontract without the prior written consent of the Commonwealth. If Contractor's Prime Contract with the Commonwealth is assigned to another contractor, the new contractor must maintain the Small Diverse Business and Small Business Commitment set forth in the Prime Contract as implemented through this Subcontract.

22. Applicable Law. This Subcontract shall be governed by the laws of the Commonwealth of Pennsylvania.

23. Entire Agreement. This Subcontract constitutes the entire agreement of the Parties regarding the subject of this Subcontract as of the date of execution. No other agreement or understandings, verbal or written, expressed or implied, are a part of this Subcontract unless specified herein.

24. Amendment. This Subcontract may be modified or amended only if made in writing and signed by both Parties. Any proposed change to the Contractor's Small Diverse Business or Small Business Commitment to Subcontractor must be submitted in writing to the Bureau which will make a recommendation to the Contracting Officer regarding a course of action.

25. Binding Effect. This Subcontract shall be binding upon, and inure to the benefit of, the Parties and their respective heirs, representatives, successors and assigns.

26. Counterparts. This Subcontract may be executed by the Parties in counterparts, each of which together shall be deemed an original but all of which together shall constitute one and the same instrument. A party's delivery of a duly executed signature page of this Subcontract in electronic format shall have the same force and effect as delivery of an original signature page.

ADDITIONAL TERMS AND CONDITIONS

[THE PARTIES MAY INCLUDE ADDITIONAL TERMS AND CONDITIONS APPROPRIATE FOR THE SERVICES TO BE PROVIDED SO LONG AS THEY ARE COMMERCIALY REASONABLE TERMS FOR THE APPLICABLE BUSINESS OR INDUSTRY, ARE NO LESS FAVORABLE THAN THE TERMS OF THE PRIME CONTRACT, AND DO NOT PLACE DISPROPORTIONATE RISK ON THE SMALL

DIVERSE BUSINESS OR SMALL BUSINESS RELATIVE TO THE NATURE AND LEVEL OF THE SMALL DIVERSE BUSINESS' OR SMALL BUSINESS' PARTICIPATION IN THE PROJECT. SUCH TERMS MAY INCLUDE:

- Background Checks
- Confidentiality/Disclosure of Information
- Data Security
- Insurance
- Invoicing Requirements
- Environmental Protection
- Intellectual Property Rights
- Record Retention/Audits
- Service Level Agreements (SLAs) (consistent with Prime Contract SLAs)
- Public Works Construction Requirements (including Bonding, E-Verify, Prevailing Wage, and Prompt Payment provisions)

IN WITNESS WHEREOF, the Parties hereto have caused this Subcontract to be executed by their duly authorized officers as set forth below.

Contractor

Subcontractor

Insert Company Name

Insert Company Name

By: _____
Signature

By: _____
Signature

Printed Name

Printed Name

Title

Title

Date

Date

Participating Addendum with an External Procurement Activity

Participating Addendum with an External Procurement Activity. Section 1902 of the *Commonwealth Procurement Code*, 62 Pa.C.S. § 1902, permits external procurement activities to participate in cooperative purchasing agreements for the procurement of services, supplies or construction.

A. **Definitions.** The following words and phrases have the meanings set forth in this provision:

1. *External procurement activity:* The term, as defined in 62 Pa. C. S. § 1901, means a “buying organization not located in the Commonwealth [of Pennsylvania] which if located in this Commonwealth would qualify as a public procurement unit [under 62 Pa. C.S. §1901]. An agency of the United States is an external procurement activity.”
2. *Participating addendum:* A bilateral agreement executed by the Contractor and an external procurement activity that clarifies the operation of the Contract for the external procurement activity concerned. The terms and conditions in any participating addendum shall affect only the procurements of the purchasing entities under the jurisdiction of the external procurement activity signing the participating addendum.
3. *Public procurement unit:* The term, as defined in 62 Pa. C. S. § 1901, means a “local public procurement unit or purchasing agency.”
4. *Purchasing agency:* The term, as defined in 62 Pa. C. S. § 103, means a “Commonwealth agency authorized by this part or any other law to enter into contracts for itself or as the agent of another Commonwealth agency.”

B. **General.** A participating addendum shall incorporate the terms and conditions of the Contract resulting from this RFP. The Contractor shall not be required to enter into any participating addendum.

C. **Additional Terms.**

1. A participating addendum may include additional terms that are required by the law governing the external procurement activity.
2. A participating addendum may include new, mutually agreed upon terms that clarify ordering procedures specific to a participating external procurement activity.

3. The construction and effect of any participating addendum shall be governed by and construed in accordance with the laws governing the external procurement activity.
4. If an additional term requested by the external procurement activity will result in an increased cost to the Contractor, the Contractor shall adjust its pricing up or down accordingly.

D. Prices.

1. **Price adjustment.** For any costs affecting the percent markup that the Contractor will or will not incur or that differ from costs incurred or not incurred in the fulfillment of this Contract, the Contractor shall adjust its pricing up or down accordingly. These costs may include, but not be limited to:
 - a) State and local taxes;
 - b) Unemployment and workers compensation fees;
 - c) E-commerce transaction fees; and
 - d) Costs associated with additional terms, established pursuant to this **Part I, Section I-32.**
2. The Contractor's pricing for an external procurement activity shall be firm and fixed for the duration of the initial term of the Contract. After the initial term of the Contract, if the Contract is renewed, the Contractor's pricing may be adjusted up or down based on market conditions only with the mutual agreement of both the Contractor and any external procurement activity.

E. Usage Reports on External Procurement Activities. The Contractor shall furnish to the Contracting Officer an electronic quarterly usage report, preferably in spreadsheet format no later than the fifteenth calendar day of the succeeding calendar quarter. Reports shall be e-mailed to the Contracting Officer for the Contract. Each report shall indicate the name and address of the Contractor, contract number, period covered by the report, the name of the external procurement activity that has used the Contract and the total volume of sales to the external procurement activity for the reporting period.

F. Electronic Copy of Participating Addendum. The Contractor, upon request of the Contracting Officer, shall submit **one** electronic copy of the participating addendum to the Contracting Officer within **ten** days after request.